

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 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 ended June 30, 2022.

**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 ended June 30, 2022, which are included in the accompanying 'Statement of Unaudited Standalone Financial Results' (the "Statement"), being prepared and 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 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

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



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 7 of the standalone financial 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, merger of subsidiary (Metropolitan Clearing Corporation of India Limited) with the Company is under process, 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 financial results on going concern basis and related adjustments, if any, that will be arising out of said going concern assumption.

5. Qualified Conclusion

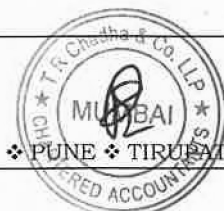
Based on our review conducted as above, except for the matter described in para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting 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

We further draw attention to Note 6 of the Statement, whereby, the Subsidiary Company, Metropolitan Clearing Corporation of Indian Limited (MCCIL), of the Exchange has raised invoice of Rs. 228.29 Lakh (excluding taxes) and Rs. 1,614.31 Lakh (excluding taxes), towards Clearing and Settlement Charges based on an erstwhile C&S Agreement (prior to interoperability), for the quarter ended June 30, 2022 and cumulative from April 1, 2020, to June 30, 2022, respectively. These invoices raised by MCCIL have been disputed by the Exchange for its applicability and accordingly the said invoices have not been provided for

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



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 this matter.

7. Other Matter

The forensic audit of the Company, with respect to the whistle blower complaints, as advised by Securities Exchange and Board of India has been completed. As explained, the final report for the same is submitted to the SEBI.

Our conclusion on the Statement is not modified in respect of this matter.

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

Place: Mumbai
Date: August 11, 2022
UDIN: 22076650AOWBSX1936

Pranod 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 • CIN No: U65999MH2008PLC185856



STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

(Rs in Lakh except per share data)

Sr. No.	Particulars	For the Quarter Ended			For the Year Ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		Unaudited	Audited	Unaudited	Audited
1	Revenue from operations	142	152	143	550
2	Other Income	166	256	209	865
3	Total Income	308	408	352	1,415
4	Expenses				
(a)	Operating expenses	259	202	265	934
(b)	Employee benefits expense	360	342	378	1,450
(c)	Depreciation and amortisation expense	145	171	179	719
(d)	Advertisement and business promotion expenses	26	13	19	58
(e)	Administration and Other expenses	158	105	172	568
(f)	Finance Costs	7	8	10	35
	Total Expense	955	841	1,022	3,764
5	Profit/ (Loss) from before Exceptional items and tax	(647)	(433)	(670)	(2,349)
6	Exceptional items	-	-	-	-
7	Profit/ (Loss) from before tax	(647)	(433)	(670)	(2,349)
8	Tax expense				
1)	Current Tax	-	-	-	-
2)	Earlier Year Tax	-	-	-	-
2)	Deferred Tax	-	-	-	-
	Total Tax Expense	-	-	-	-
9	Profit/ (Loss) for the period/Year	(647)	(433)	(670)	(2,349)
10	Other Comprehensive Income				
1)	Items that will not reclassified to profit or loss (net of tax)	5	9	3	20
2)	Income tax relating to item will not reclassified to profit or (loss)	-	-	-	-
	Total other Comprehensive Income for the period/ year, net of tax	5	9	3	20
11	Total Comprehensive Income for the period/Year	(642)	(424)	(667)	(2,329)
12	Paid-up Equity Share Capital (Equity Shares of Rs. 1/- each.)	48,052	48,052	48,052	48,052
13	Other equity				(21,916)
14	Earnings Per Share of Rs 1/- each (In Rs) (Not Annualised)				
(a)	Basic	(0.01)	(0.01)	(0.01)	(0.05)
(b)	Diluted	(0.01)	(0.01)	(0.01)	(0.05)

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 • CIN No: U65999MH2008PLC185856



Notes :

- 1 The above unaudited standalone financial results, of the Company, for the quarter ended June 30, 2022, have been drawn up in accordance with Indian Accounting Standards (IND AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and other recognised accounting practices generally accepted in India.
- 2 The above Statement of Standalone Unaudited Financial Results of the Company for the quarter ended June 30, 2022, have been reviewed by the Audit Committee at their meeting held on August 11, 2022 and approved by the Board of Directors at their meeting held on August 11, 2022 and T R Chadha & Co. LLP, the statutory auditors of the Company have carried out 'Limited Review' of the aforesaid result.
- 3 The 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 one Business Segment i.e. 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 The Exchange at its board meeting held on December 16, 2020 has resolved to merge its subsidiary Metropolitan Clearing Corporation of India Limited (MCCIL) with itself / winding up of MCCIL. The Exchange has received in-principle approval letter from Securities and Exchange Board of India (SEBI) dated May 19, 2022 in this regard and is in the process of taking further steps to enable the same.
- 6 The auditor in their review report on the unaudited standalone financial result for the quarter ended June 30, 2022 expressed below Emphasis of Matter which is summarized along with the Company's comments on the same:

Emphasis of Matter by auditor

The Subsidiary Company Metropolitan Clearing Corporation of India Limited (MCCIL) of the Exchange has raised invoices of Rs. 228.29 Lakh (excluding taxes) and Rs. 1,614.31 Lakh (excluding taxes), towards Clearing and Settlement Charges based on an erstwhile C&S Agreement (prior to interoperability) from April 1, 2022, to June 30, 2022 and cumulative from April 1, 2020, to June 30, 2022, respectively. This invoice 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'.

Company's comments

MCCIL has raised few invoices amounting to Rs.1,614.31 Lakh (excluding taxes) for the period April 1, 2020 to June 30, 2022 under C&S Agreement 2012, which is unenforceable as trades are being cleared under Interoperability Agreement (IO). MCCIL has raised these invoices towards C&S charges on the basis of C&S agreement signed in 2012 which is no longer valid post implementation of interoperability (IO). The 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 these invoices.

- 7 The auditor in their review report on the unaudited standalone financial result for the quarter ended June 30, 2022 expressed below qualification which is summarized along with the Company's comments on the same:

Qualification by auditor

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, merger of subsidiary (Metropolitan Clearing Corporation of India Limited) with the Company is under process, 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 financial results on going concern basis and related adjustments, if any, that will be arising out of said going concern assumption.

Company's comments

It may be noted that the Exchange is adequately capitalized and the regulatory net-worth of the Exchange as on June 30, 2022 stands at Rs. 134.76 Crores as against minimum regulatory requirement of Rs. 100 Crores.

Further, the Exchange has been in compliance of implementing all regulatory requirements like T+1 settlement cycle, Interoperability etc. The operations of the Exchange are running smoothly. Apart from the above, the Exchange is taking various initiatives which will help in building further volumes and thereby revenue. During the last two financial years, the Exchange has continuously carried total trading transactions worth in excess of INR 180,000 crores. Despite the continuous losses, the Exchange has not defaulted in repayments of its creditors and to meet its statutory / regulatory liabilities. The Exchange has also not defaulted in payment of staff salaries and is also efficiently managing its receivables from its debtors. Further, the Exchange has also not borrowed any amount from Banks/ Financial Institutions and this depicts that the Company is able to manage its cash flows to take care of the various expenses of the company. 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.

- 8 The comparatives for previous periods have been regrouped/reclassified wherever necessary to correspond with the current period presentation.

For and on Behalf of Board of Directors
Metropolitan Stock Exchange of India Limited

Sd/-
Latika S. Kundu
MD & CEO

Place : Mumbai
Dated : August 11, 2022