

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 nine months ended December 31, 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 nine months ended December 31, 2021 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 aware of all

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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 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, 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

- a. We draw attention to Note 5 to the Statement which describes that Securities Exchange Board of India (SEBI) had advised the Exchange to initiate Forensic Audit in certain matters. As advised by the Management of the Company the same is concluded and under deliberations of the Board of the Company.
- 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.

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- 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. 206.96 Lakh, Rs. 550.44 Lakh and Rs. 1,194.90 Lakh (all amount excluding taxes), towards Clearing and Settlement Charges based on an erstwhile C&S Agreement (prior to interoperability), for the quarter ended December 31, 2021, nine months ended December 31, 2021, and cumulative from April 1, 2020, to December 31, 2021, respectively. As detailed in the said Note 6, 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 Digitally signed
by PRAMOD
TILWANI TILWANI

Place: Mumbai
Date: February 14, 2022
UDIN: 22076650ACGVNO8401

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 Nine Months ended December 31, 2021

(₹ 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, 2021 Unaudited	Sept 30, 2021 Unaudited	Dec 31, 2020 Unaudited	Dec 31, 2021 Unaudited	Dec 31, 2020 Unaudited	March 31, 2021 Audited
1	Revenue from operations	129	126	149	398	388	585
2	Other Income	195	205	391	609	1,036	1,296
3	Total Income	324	331	540	1,007	1,425	1,881
4	Expenses						
	(a) Operating expenses	233	234	196	732	772	951
	(b) Employee benefits expense	359	372	425	1,108	1,300	1,677
	(c) Depreciation and amortisation expense	186	183	159	548	534	825
	(d) Advertisement and business promotion expenses	6	20	22	45	33	59
	(e) Administration and Other expenses	157	135	198	463	513	745
	(f) Finance Costs	9	9	2	27	11	54
	Total Expense	948	953	1,003	2,923	3,163	4,311
5	Profit/ (Loss) from before Exceptional items and tax	(625)	(622)	(463)	(1,916)	(1,739)	(2,430)
6	Exceptional items	-	-	-	-	-	-
7	Profit/ (Loss) from before tax	(625)	(622)	(463)	(1,916)	(1,739)	(2,430)
8	Tax expense						
	1) Current Tax	-	-	-	-	-	-
	2) Earlier Year Tax	-	-	-	-	-	-
	3) Deferred Tax	-	-	-	-	-	-
	Total Tax Expense	-	-	-	-	-	-
9	Profit/ (Loss) for the period/Year	(625)	(622)	(463)	(1,916)	(1,739)	(2,430)
10	Other Comprehensive Income						
	1) Items that will not reclassified to profit or loss (net of tax)	4	4	(7)	11	(20)	12
	2) Income tax relating to item will not reclassified to profit or (loss)	-	-	-	-	-	-
	Total other Comprehensive Income for the period/year, net of tax	4	4	(7)	11	(20)	12
11	Total Comprehensive Income for the period/Year	(621)	(618)	(469)	(1,906)	(1,758)	(2,418)
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)	(0.04)	(0.04)	(0.05)
	(b) Diluted	(0.01)	(0.01)	(0.01)	(0.04)	(0.04)	(0.05)

Notes :

- 1 The above unaudited standalone financial results of the Company for the quarter and nine months ended December 31, 2021, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at its meeting held on February 14, 2022 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, 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 Forensic Audit as advised by SEBI has been concluded and under deliberation.
- 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 nine months ended December 31, 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 nine months ended December 31, 2021 expressed below Emphasis of Matter which is summarized along with the Company's comments on the same:

Emphasis of Matter by auditor

During the period, the Subsidiary Company Metropolitan Clearing Corporation of Indian Limited (MCCIL) of the Exchange has raised invoices of Rs. 206.96 Lakh, Rs. 550.44 Lakh and Rs. 1,194.90 Lakh (all amount excluding taxes), towards Clearing and Settlement Charges based on an erstwhile C&S Agreement (prior to interoperability), for the quarter ended December 31, 2021, nine months ended December 31, 2021 and cumulative from April 1, 2020 to December 31, 2021 respectively. 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'.

Company's comments

MCCIL has raised few invoices amounting to Rs.1,194.90 Lakh (excluding taxes) for the period April 1, 2020 to December 31, 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). 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.

- 8 The auditor in their review report on the standalone financial result for the quarter and nine months ended December 31, 2021 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, core transaction income has increased based on increased volumes for nine months ending December 31, 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.

Company's comments

The Company is adequately capitalized, the regulatory net worth of the company as on December 31, 2021 stands at Rs. 145.40 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 the core transaction income of the Exchange increased year on year on account of better 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