

T R Chadha & Co LLP

Chartered Accountants

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Independent Auditor's Report on the Quarterly and Year to Date Audited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amend, read with Regulation 33 of the Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2018, as amended.

**The Board of Directors of
Metropolitan Stock exchange of India Limited**

Report on the audit of the Consolidated Financial Results

1. Qualified Opinion

We have audited the accompanying consolidated quarterly and year to date consolidated financial results ('Statement') of **Metropolitan Stock Exchange of India Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the quarter and year ended March 31, 2022, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2018 (the "SECC Regulations") read with the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, based on the consideration of the reports of the other auditors on separate audited financial statements / financial results of the subsidiaries and except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the Statement:

- i. includes the annual result of the following entities;
 - a. Metropolitan Stock Exchange of India Limited
 - b. Subsidiaries
 - Metropolitan Clearing Corporation of India Limited
 - MSE Fintech Limited (erstwhile MCX-SX KYC Registration Agency Limited)
- ii. is presented in accordance with the requirements of regulation 33 of the Listing Regulations in this regard; and
- iii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive income and other financial information of the Group for the quarter and year ended March 31, 2022 and the statement of consolidated assets and liabilities and the statement of consolidated cash flows as at and for the year ended on that date.

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2. Basis for Qualified Opinion

We draw attention to note 11 of the Statement whereby the Parent Company continues to prepare its Financial Results on going concern basis even though it has continued to incur significant losses during the current and preceding periods. As advised, the Parent 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 Parent 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 Parent 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.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ('the Act'). Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Results' 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 together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditor in terms of their report referred to in 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

3. Emphasis of Matter

- a. 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.
- b. We draw attention to Note 10 to the Statement 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.
- c. We draw attention to Note 12 which mentions the qualification in subsidiary's audit report where the subsidiary auditors expect stress on the revenue generation from Clearing and Settlement services due to termination of CNS agreements with a customer. Their Management has viable business plans to increase the revenue from operation, however the said plans are yet to be implemented. The company is adequately

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capitalized but subsidiary auditors are unable to comment on treating the company as going concern.

- d. The Subsidiary's (Metropolitan Clearing Corporation of India Limited) financial Statements as on March 31, 2022, are prepared on the basis of unadopted Audited Financial Statements of the year ended March 31, 2021.

Our opinion is not modified in respect of these matters.

4. Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income and other financial information of the Group in accordance with applicable accounting standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective 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 of the assets of the Group and for preventing and detecting frauds and other irregularities; 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 Statement 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 preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the respective entities.

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's

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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 the Statement.

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 Statement, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the 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 ability of the Group 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 Statement 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 auditor's 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, 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

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We communicate with those charged with governance of the Holding Company regarding, 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019, issued by the Securities Exchange Board of India (SEBI) under Regulation 33(8) of the Listing Regulations, to the extent applicable.

6. Other Matters

- a. The Statement dealt with by this report has been prepared for the express purpose of complying with Regulation 33 of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2018 (the 'SECC Regulations') read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'). This Statement is based on and should be read with the audited consolidated financial statements of the Group for the year ended March 31, 2022 on which we issued a **modified** audit opinion vide our report dated May 27, 2022.
- b. The accompanying Statement include the audited financial results of a subsidiary, whose financial statements include total asset of Rs. 28,266.43 lakhs as at March 31, 2022, total revenues of Rs. 480.91 lakhs and Rs. 1,970.25 lakhs, total net profit/(loss) after tax of Rs. 5.10 lakhs and Rs. 55.57 lakhs, total comprehensive income of Rs.12.22 lakhs and Rs. 11.70 lakhs for the quarter and the year ended on that date respectively, and net cash inflow of Rs. 1.83 lakhs for the year ended 31 March, 2022, as considered in Statement which have been audited by its respective independent auditor.

The independent auditor's report on the financial statement of the aforesaid subsidiary have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the report of such auditor and the procedure performed by us as stated in paragraph above.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

- c. The Statement includes the results for the quarter ended March 31, 2022, being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022, and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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**For T R Chadha & Co LLP
Chartered Accountants
FRN: 006711N/N500028**

PRAMOD TILWANI
Digitally signed
by PRAMOD
TILWANI
Date: 2022.05.27
19:38:51 +05'30'

**Place: Mumbai
Date: May 27, 2022**

**Pramod Tilwani
Partner
Membership No. 076550
UDIN: 22076650AJTJAE9988**

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

(Rs in Lakh except per share data)

Sr.	Particulars	For the Quarter Ended			For the Year Ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		Audited (Refer note 3)	Unaudited	Audited (Refer note 3)	Audited	Audited
1	Revenue from operations	266	243	312	1,006	1,063
2	Other Income	389	353	373	1,500	2,182
3	Total Income	655	596	685	2,506	3,245
4	Expenses					
(a)	Operating expenses	396	447	345	1,730	1,695
(b)	Employee benefits expense	457	499	516	1,985	2,290
(c)	Depreciation and amortisation expense	255	268	367	1,048	1,117
(d)	Advertisement and business promotion expenses	13	6	26	58	59
(e)	Administration and Other expenses	152	199	343	751	1,068
(f)	Finance Costs	14	15	50	60	83
	Total Expense	1,287	1,433	1,648	5,632	6,312
5	Profit/ (Loss) from before Exceptional items and tax	(632)	(838)	(963)	(3,126)	(3,067)
6	Exceptional items	-	-	-	-	-
7	Profit/ (Loss) from before tax	(632)	(838)	(963)	(3,126)	(3,067)
8	Tax expense					
	1) Current Tax	-	6	-	14	-
	2) Earlier Year Tax	-	-	(0)	-	(0)
	3) Deferred Tax	20	3	18	27	41
	Total Tax Expense	20	9	18	41	41
9	Profit/ (Loss) for the period/year	(652)	(847)	(981)	(3,167)	(3,108)
10	Other Comprehensive Income					
	1) Items that will not reclassified to profit or loss (net of tax)	26	4	42	36	11
	2) Income tax relating to item will not reclassified to profit or (loss)	(4)	0	(3)	(4)	0
	Total other Comprehensive Income for the period/year , net of tax	22	4	39	32	11
11	Total Comprehensive Income for the period/year	(630)	(843)	(941)	(3,135)	(3,096)
12	Non controlling interest in Income/(Loss)	(9)	(9)	(29)	(33)	(26)
13	Net Profit/ (Loss) after taxes and non controlling interest (11-12)	(621)	(834)	(912)	(3,102)	(3,070)
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				(21,979)	(18,876)
16	Earnings Per Share of Rs 1/- each (In Rs) (Not Annualised)					
	(a) Basic	(0.01)	(0.02)	(0.02)	(0.06)	(0.06)
	(b) Diluted	(0.01)	(0.02)	(0.02)	(0.06)	(0.06)

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STATEMENT OF CONSOLIDATED AUDITED ASSET & LIABILITIES AS AT MARCH 31, 2022

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
I	ASSETS		
1	Non-Current Assets		
(a)	Property, plant and equipment	891	865
(b)	Intangible assets	1,534	1,879
(c)	Intangible assets under development	256	260
(d)	Right to use assets	744	1,015
(e)	Financial assets		
	i. Investments	2,823	891
	ii. Other financial assets	1,324	620
(f)	Income tax assets (net)	418	372
(g)	Deferred tax assets (net)	186	186
(h)	Other non-current assets	4,896	4,601
		13,072	10,689
2	Current Assets		
(a)	Financial assets		
	i. Investments	5,269	6,499
	ii. Trade receivables	421	160
	iii. Cash and cash equivalents	1,482	189
	iv. Bank balance other than (iii) above	21,602	24,604
	v. Other financial assets	1,818	5,363
(b)	Current tax assets (Net)	1,048	1,167
(c)	Other current assets	465	486
		32,105	38,468
	Total Assets	45,177	49,157
II	EQUITY & LIABILITIES		
3	Equity		
(a)	Equity Share capital	48,052	48,052
(b)	Other equity	(21,984)	(18,877)
	Total Equity	26,068	29,175
4	Non Controlling Interest	525	553
5	Core Settlement Guarantee Fund	850	865

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STATEMENT OF CONSOLIDATED AUDITED ASSET & LIABILITIES AS AT MARCH 31, 2022

(₹ in Lakh)

Sr. No.	Particulars	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
	Liabilities		
6	Non-Current Liabilities		
(a)	Financial liabilities		
	i. Lease rental liability	569	822
	ii. Other financial liabilities	11,898	11,506
(b)	Provisions	29	39
(c)	Deferred Tax Liability	127	96
		12,623	12,463
7	Current Liabilities		
(a)	Financial liabilities		
	i. Trade payables		
	a. Total outstanding dues of micro, small and medium enterprises	0	1
	b. Total outstanding dues to creditors other than micro, small and medium enterprises	58	134
	ii. Lease rental liability	265	249
	iii. Other financial liabilities	4,057	4,865
(b)	Other current liabilities	710	834
(c)	Provisions	21	17
		5,111	6,101
	Total Equity & Liabilities	45,177	49,157

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STATEMENT OF CONSOLIDATED AUDITED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Audited		Audited	
A. Cash flow from Operating Activities				
Net Profit / (Loss) before tax as per Statement of Profit and Loss		(3,167)		(3,107)
Adjustments for				
Depreciation/Amortisation	777		723	
Depreciation On Right to Use Assets	271		394	
Net fair value gain/loss on financial assets measured at fair value through profit and loss	(36)		(31)	
Exchange Rate fluctuation	1		(1)	
Interest Income - Bank FD	(923)		(1,496)	
Interest Income - Corp. FD	(391)		(317)	
Interest on IT Refund	(8)		(67)	
Finance Costs - ROU Asset (net) & Write off Income	60		24	
Profit / Loss on sale of fixed asset (net)	(1)		(0)	
Fixed assets / CWIP written off / provided for	-		80	
Impairment loss on financial assets	35		39	
Profit on sale of investments (net)	(47)		(76)	
Sundry balances written back	(79)		-	
Remeasurement of employee benefit	32		11	
Depletion in value of investments	-	(309)	-	(716)
Operating profit/ (loss) before working capital changes		(3,476)		(3,824)
Adjustments for				
Decrease/ (increase) in trade receivable	(217)		(82)	
Decrease/ (increase) in financial & other assets	(245)		(388)	
Total Increase / (decrease) in Current and non current assets		(462)		(470)
Increase / (decrease) in trade payables	(77)		14	
Increase / (decrease) in financial & other liabilities	(523)		(17)	
Increase / (decrease) in provision	(2)		(33)	
Total Increase / (decrease) in Current and non current Liabilities		(602)		(36)
Cash generated from/(used in) operations		(4,540)		(4,329)
Less:(Taxes paid) / refund received		81		538
Net cash generated from/(used in) operating activities		(4,459)		(3,791)

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STATEMENT OF CONSOLIDATED AUDITED CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Audited		Audited	
B. Cash flow from investing activities				
Purchase of fixed assets (including capital work in progress and intangible assets)		(454)		(699)
Sale of fixed assets (net)		3		2
Purchase of current investments		(4,956)		(33,454)
Sale of current investments		5,823		36,817
Fixed deposit placed with banks		(24,893)		(28,163)
Corporate Deposits (net)		(1,568)		(1,278)
Fixed deposit matured		30,777		28,022
Profit on sale of investments (net)		84		108
Interest received (net of accrued interest)		1,234		1,768
Net cash generated from/(used in) Investing Activities		6,050		3,123
C. Cash flow from financing activities				
Lease Liability Payment		(298)		(438)
Net Cash Generated from Financing Activities		(298)		(438)
Net Increase in Cash and Cash Equivalents		1,293		(1,107)
Cash and Cash Equivalents at Beginning of the Year		189		1,297
Cash and Cash Equivalents at End of the Year		1,482		189
Add : Fixed Deposits held for more than three months		21,602		24,604
Closing Cash and Bank Balance		23,084		24,793
Component of cash & bank balance				
In current account				
Owned		727		135
Earmarked		755		54
Cash on hand		0		0
Stamps in hand		0		0
		1,482		189

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CONSOLIDATED AUDITED SEGMENT INFORMATION FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

Primary Segment

Business segments being Trading & Clearing

Sr. No.	Particulars	For the Quarter Ended			For the Year Ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		Audited (Refer note 3)	Unaudited	Audited (Refer note 3)	Audited	Audited
I	Segment Revenue					
	(a) Trading Services	152	129	196	550	585
	(b) Clearing Services	306	321	309	1,198	1,124
	Total	458	449	505	1,748	1,709
	Less : Inter Segment Revenue	191	207	194	742	646
	Total Income	266	243	312	1,006	1,063
II	Segment Results					
	(a) Trading Services	(638)	(786)	(804)	(3,041)	(3,488)
	(b) Clearing Services	(372)	(395)	(470)	(1,541)	(1,722)
	Profit / (Loss) before Interest and Taxation	(1,010)	(1,181)	(1,274)	(4,582)	(5,210)
	Less : Interest	14	15	50	60	83
	Add : Unallocable Income	391	358	361	1,516	2,226
	Profit / (Loss) before Taxation	(633)	(838)	(963)	(3,126)	(3,067)
	Less : Tax Expense (Net)	20	9	18	41	41
	Profit / (Loss) after Taxation	(653)	(847)	(981)	(3,167)	(3,108)
	Less : Non controlling Interest	(9)	(9)	(29)	(33)	(26)
	Other Comprehensive Income	22	4	39	32	11
	Profit / (Loss) for the period/year	(622)	(834)	(912)	(3,102)	(3,070)
III	Segment Assets (As at)					
	(a) Trading Services				15,438	16,254
	(b) Clearing Services				12,801	13,462
	(c) Unallocated				16,938	19,440
	Total Assets				45,177	49,157
IV	Segment Liabilities (As at)					
	(a) Trading Services				4,162	4,545
	(b) Clearing Services				10,722	10,746
	(c) Unallocated				2,851	3,272
	Total Liabilities				17,735	18,564

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, 2022

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."

Notes :

- 1 The above Statement of consolidated audited financial results and the notes of the Group has been drawn up in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) rules, 2015 as amended from time to time and other accounting principles generally accepted in India. The financial results have been prepared in accordance with the recognition and measurement principles prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices generally accepted in India.
- 2 The above Statement of Consolidated audited Financial Results have been reviewed by the Audit Committee at their meeting held on May 27, 2022 and approved by the Board of Directors at their meeting held on May 27, 2022 and have been subjected to an audit by T R Chadha & Co. LLP, the statutory auditors of the Parent Company.
- 3 The figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between the audited financial figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the financial year March 31, 2022 and March 31, 2021 respectively, which were subjected to review by the statutory auditors.
- 4 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.
- 5 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.
- 6 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.
- 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. 41.66 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, 2022, an amount of Rs. 59.24 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. 21.22 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, 2022, an amount of INR 50.75 crore is maintained comprising of INR 5 crore contributed by the MCCIL, INR 35.34 crore contributed by ICEX and INR 0.56 crore as Penalties, INR 9.85 crore as Income earned / accrued on Core SGF Corpus.
- 8 The Parent Company at its board meeting held on December 16, 2020 has resolved to merge its subsidiary Metropolitan Clearing Corporation of Indian Limited (MCCIL) with itself / winding up of MCCIL. The Exchange has now received in-principle approval from Securities and Exchange Board of India (SEBI) in this regard and is in the process of taking further steps to enable the same.
- 9 During the period, the Subsidiary Company Metropolitan Clearing Corporation of Indian Limited (MCCIL) of the Exchange has raised invoices of Rs. 191.13 Lakh and Rs. 741.57 Lakh (all amount excluding taxes), towards Clearing and Settlement Charges based on an erstwhile C&S Agreement (prior to interoperability), for the quarter ended March 31, 2022 and cumulative from April 1, 2021, to March 31, 2022, 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'.
MCCIL has raised few invoices amounting to Rs.1,386.01 Lakh (excluding taxes) for the period April 1, 2020 to March 31, 2022 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. Further, the Company being holding company has not approve the financial statements of MCCIL as on March 31, 2021 at MCCIL's annual general meeting held on November 27, 2021.

- 10 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, 2022, 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.
- 11 The auditor in their audit report on the consolidated financial result for the quarter and year ended March 31, 2022 expressed below qualification which is summarized along with the Company's comments on the same:
Qualification by auditor
The Parent Company continues to prepare its Financial Results on going concern basis even though it has continued to incur significant losses during the current and preceding periods. As advised, the Parent 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 Parent 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 Parent 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.
Group's comments
It may be noted that the Parent Company is adequately capitalized and the regulatory net-worth of the Exchange as on March 31, 2022 stands at Rs. 141.17 Crores as against minimum regulatory requirement of Rs. 100 Crores. Further, the Parent Company has been in compliance of implementing all regulatory requirements like T+1 settlement cycle, Interoperability etc. The operations of the Parent Company are running smoothly. Apart from the above, the Parent Company is taking various initiatives which will help in building further volumes and thereby revenue. During the last two financial years, the Parent Company has continuously carried trading transactions worth in excess of INR 180,000 crores. Despite the continuous losses, the Parent Company has not defaulted in repayments of its creditors and to meet its statutory / regulatory liabilities. The Parent Company has also not defaulted in payment of staff salaries and is also efficiently managing its receivables from its debtors. Further, the Parent Company 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 Parent Company has also adopted various cost reduction measures, which shall help the Parent Company in improving its financial position. Accordingly, the Parent Company continues to prepare its Financial Statements on going concern basis.
- 12 The Statutory Auditor of Metropolitan Clearing Corporation of India Limited (MCCIL), the Subsidiary Company has qualified that the company is adequately capitalized but the auditor is unable to comment on treating the company as going concern. Further, the business plans of MCCIL are yet to be implemented and auditor of MCCIL expects stress on revenue generation from C&S services due to termination of CNS agreement with a customer.
MSE, the parent company at its board meeting held on December 16, 2020 has resolved to merge MCCIL with itself / winding up of MCCIL. The Exchange has now received in-principle approval from Securities and Exchange Board of India (SEBI) in this regard and is in the process of taking further steps to enable the same.
- 13 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

Place : Mumbai
Date : May 27, 2022

Latika S. Kundu
MD & CEO