

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, 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 and half year ended September 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

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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 6 of the unaudited standalone results whereby The company continues to prepare its standalone Financial Results on going concern basis even though Company has continued to incur significant operating losses during the current and preceding periods. As advised, the Company is in compliance of all regulatory requirements including interoperability, T+1 settlement cycle, pursuing merger with MCCIL (Subsidiary), is well capitalized, not defaulted in payment of its creditors, statutory/regulatory liability and to employees and making all round efforts on enhancing business, lining of new products, rationalization of overall expenses and reduction of losses and build further volume and thereby gross revenues are expected to increase, and accordingly the Company continues to prepare its Financial Results on going concern basis. Though, the business volume has increased during the period under review, however, the business volumes are insufficient to cover majority of the operating losses 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.

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 draw attention to Note 5 with regard to proposed Merger of Metropolitan Clearing Corporation of India Limited (MCCIL) with Company wherein it states that Board of Company and MCCIL accorded their in principle approval for the Merger. Pursuant to the application made by MCCIL to SEBI to surrender the license/recognition, MCCIL has been derecognized to operate as Clearing Corporation w.e.f. October 3, 2022.

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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 (SEBI) has been completed and the report has been submitted to SEBI. The matter is pending.

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

PRAMOD
TILWANI
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by PRAMOD
TILWANI
Date: 2022.11.11
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Place: Mumbai
Date: November 11, 2022
UDIN: 22076650BCVJKD9527

Pramod Tilwani
Partner
Membership No. 076650

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

(₹ in Lakh except per share data)

Sr. No	Particulars	For the Quarter Ended			For the half year ended		For the Year Ended
		Sept 30, 2022	June 30, 2022	Sept 30, 2021	Sept 30, 2022	Sept 30, 2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	152	142	126	295	269	550
2	Other Income	1,325	166	205	1,491	414	865
3	Total Income	1,477	308	331	1,786	683	1,415
4	Expenses						
	(a) Operating expenses	263	259	234	521	499	934
	(b) Employee benefits expense	365	360	372	724	750	1,450
	(c) Depreciation and amortisation expense	187	145	183	332	363	719
	(d) Advertisement and business promotion expenses	33	26	20	59	39	58
	(e) Administration and Other expenses	162	158	135	320	306	568
	(f) Finance Costs	7	7	9	14	19	35
	Total Expense	1,017	955	953	1,970	1,975	3,764
5	Profit/ (Loss) from before Exceptional items and tax	460	(647)	(622)	(184)	(1,292)	(2,349)
6	Exceptional items (refer note 7)	(712)	-	-	(712)	-	-
7	Profit/ (Loss) from before tax	(252)	(647)	(622)	(896)	(1,292)	(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	(252)	(647)	(622)	(896)	(1,292)	(2,349)
10	Other Comprehensive Income						
	1) Items that will not reclassified to profit or loss (net of tax)	5	5	4	10	7	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	5	4	10	7	20
11	Total Comprehensive Income for the period/Year	(247)	(642)	(618)	(887)	(1,285)	(2,329)
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						(21,916)
14	Earnings Per Share of Rs 1/- each (In Rs) (Not Annualised)						
	(a) Basic	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)	(0.05)
	(b) Diluted	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)	(0.05)

STATEMENT OF STANDALONE UNAUDITED ASSET & LIABILITIES AS AT SEPTEMBER 30, 2022

(₹ in Lakh)

Sr. No.	Particulars	As at September 30, 2022	As at March 31, 2022
		(Unaudited)	(Audited)
I	ASSETS		
	1 Non-Current Assets		
	(a) Property, plant and equipment	212	232
	(b) Intangible assets	775	939
	(c) Intangible assets under development	29	111
	(d) Right of use assets	329	402
	(e) Financial assets		
	i. Investments		
	a. Investment in subsidiaries	11,307	12,019
	b. Other Investments	542	2,823
	ii. Other financial assets	79	77
	(f) Income tax assets (net)	433	418
	(g) Deferred tax assets (Net)	186	186
	(h) Other non-current assets	4,516	4,481
		18,407	21,688
	2 Current Assets		
	(a) Financial assets		
	i. Investments	7,124	4,325
	ii. Trade receivables	503	346
	iii. Cash and cash equivalents	1,199	1,468
	iv. Bank balance other than (iii) above	1,245	438
	v. Other financial assets	860	1,815
	(b) Current tax assets (Net)	-	2
	(c) Other current assets	313	360
		11,244	8,754
	Total Assets	29,652	30,442
II	EQUITY & LIABILITIES		
3	Equity		
	(a) Equity Share capital	48,052	48,052
	(b) Other equity	(22,803)	(21,916)
	Total Equity	25,249	26,136
	Liabilities		
4	Non-Current Liabilities		
	(a) Financial liabilities		
	i. Lease rental liability	233	321
	ii. Other financial liabilities	2,075	2,044
	(b) Provisions	12	10
		2,320	2,375
5	Current Liabilities		
	(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	35	58
	ii. Lease rental liability	167	148
	iii. Other financial liabilities	1,324	1,358
	(b) Other current liabilities	549	365
	(c) Provisions	8	2
		2,082	1,931
	Total Equity & Liabilities	29,652	30,442

STATEMENT OF STANDALONE UNAUDITED CASH FLOWS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2022

(₹ in Lakh)

	Particulars	For the half year ended		For the year ended	
		September 30, 2022		March 31, 2022	
		(Unaudited)		(Audited)	
A.	Cash flow from Operating Activities				
	Net Profit / (Loss) before tax as per Statement of Profit and Loss		(897)		(2,348)
	Adjustments for				
	Depreciation/Amortisation	259		573	
	Depreciation On Right to Use Assets	73		146	
	Net fair value gain/loss on financial assets measured at fair value through profit and loss	(1)		(2)	
	Exchange Rate fluctuation	0		1	
	Interest Income - Bank FD	(79)		(200)	
	Interest Income - Corp. FD	(171)		(391)	
	Interest Income - Corp. Bonds	(21)		-	
	Interest on IT Refund	(0)		(8)	
	Core SGF Refund	(1,157)		-	
	Provision for impairment of investment in subsidiary	712			
	Finance Costs - ROU Asset (net) & Write off Income	14		35	
	Profit on sale of Fixed Asset (net)	(0)		(1)	
	Provision for doubtful debts	(1)		55	
	Profit on sale of investments (net)	(8)		(41)	
	Sundry balances written back	(0)		(79)	
	Remeasurement of Employee Benefit	10		20	
	Depletion in value of investments	-	(369)	-	108
	Operating profit/ (loss) before working capital changes		(1,266)		(2,240)
	Adjustments for				
	Decrease/ (increase) in Trade receivable	(157)		(89)	
	Decrease/ (increase) in financial & other assets	14		(56)	
	Total Increase / (decrease) in Current and non current assets		(143)		(145)
	Increase / (decrease) in trade payables	(23)		(75)	
	Increase / (decrease) in financial & other liabilities	181		(262)	
	Increase / (decrease) in provision	3		(5)	
	Total Increase / (decrease) in Current and non current Liabilities		162		(342)
	Cash generated from/(used in) operations		(1,248)		(2,727)
	Less: (Taxes paid) / refund received		(13)		35
	Net cash generated from/(used in) operating activities		(1,261)		(2,692)
B.	Cash flow from Investing Activities				
	Purchase of Fixed Assets (including Capital Work In Progress)		8		(116)
	Sale of Fixed Assets (net)		0		3
	Purchase of current investments		(2,539)		(3,391)
	Sale of current investments		1,214		3,611
	Fixed deposit placed with banks		(1,416)		(2,556)
	Corporate Deposits (net)		1,862		(1,568)
	Core SGF Return		1,157		-
	Fixed deposit matured		1,568		7,613
	Investment in subsidiary company		-		(0)
	Investment in Corporate Bonds (Including premium)		(1,055)		-
	Profit on sale of investments (net)		8		44
	Interest received (net of accrued interest)		267		511
	Net cash generated from/(used in) Investing Activities		1,075		4,151
C.	Cash flow from Financing Activities				
	Finance Costs				
	Lease Liability Payment		(84)		(168)
	Net Cash Generated from Financing Activities		(84)		(168)
	Net Increase in Cash and Cash Equivalents		(269)		1,290
	Cash and Cash Equivalents at Beginning of the Year		1,468		177
	Cash and Cash Equivalents at End of the Year		1,199		1,468
	Add : Fixed Deposits held for more than three months		1,245		438
	Closing Cash and Bank Balance		2,445		1,906
	Component of cash & bank balance				
	In current account				
	Owned		403		713
	Earmarked		796		755
	Cash on hand		0		0
	Stamps in hand		0		0
			1,199		1,468

Notes :

- 1 The above unaudited standalone financial results, of the Company, for the quarter and half year ended September 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 and half year ended September 30, 2022, have been reviewed by the Audit Committee at their meeting held on November 11, 2022 and approved by the Board of Directors at their meeting held on November 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 and Metropolitan Clearing Corporation of India Limited (MCCIL) Boards respectively accorded their in-principle approval for the merger of MCCIL with MSE. Pursuant to the application made by MCCIL to SEBI to surrender the license / recognition, MCCIL has been derecognized to operate as Clearing Corporation with effect from October 3, 2022.
- 6 The auditor in their review report on the unaudited standalone financial result for the quarter ended September 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 operating losses during the current and preceding periods. As advised, the Company is in compliance of all regulatory requirements including interoperability, T+1 settlement cycle, pursuing merger with MCCIL (Subsidiary), is well capitalized, not defaulted in payment of its creditors, statutory/regulatory liability and to employees and making all round efforts on enhancing business, lining of new products, rationalization of overall expenses and reduction of losses and build further volume and thereby gross revenues are expected to increase, and accordingly the Company continues to prepare its Financial Results on going concern basis. Though, the business volume has increased during the period under review, however, the business volumes are insufficient to cover majority of the operating losses 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

It may be noted that the regulatory net-worth of the Exchange as on September 30, 2022 stands at Rs. 139.42 Crores as against minimum regulatory net-worth requirement of Rs. 100 Crores.

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. Further, the Exchange is currently pursuing merger with MCCIL, its subsidiary. With the completion of merger with MCCIL, the Exchange would be well capitalized. The said merger would put MSE at a very strong footing. As demonstrated, the Exchange is making all round efforts on Enhancing Business, lining-up of new products, reaching out to market participants, better Technological Experience, Increase in revenue, Rationalization of overall expenses and reduction of losses. 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. 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. Accordingly, the Company continues to prepare its Financial Statements on going concern basis.

- 7 The Exchange has carried out the Impairment testing of Investment made into MCCIL during the quarter and half year ended September 30, 2022, accordingly the Exchange has made a provision for Impairment of Investment into MCCIL of Rs. 712.46 since carrying value of investment made in MCCIL is higher than the networth of the MCCIL as on September 30, 2022.
- 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