

T R Chadha & Co LLP

Chartered Accountants

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Off Western Express Highway,
Ram Mandir Station Road,
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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 ended June 30, 2023.

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" "Exchange")** for the quarter ended June 30, 2023, 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 significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard ("Ind AS") and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Emphasis of Matter

- (a) We draw attention to Note 5 with regard to proposed Merger of MSE Enterprises Limited (MEL) (formerly known as Metropolitan Clearing Corporation of India Limited), with Company wherein it states that Board of the Company and MEL accorded their in-principle approval for the Merger. The Exchange has filed merger application with NCLT on March 23, 2023 with the appointed date of April 01, 2023, which is currently pending.
- (b) We draw attention to Note 8 with regard to preparation of financial statement on Going Concern Basis which states that "The Exchange has incurred losses of Rs. 1,087 Lakh during the quarter ended June 30, 2023 (quarter ended March 31, 2023: Rs. 1,407 Lakh) and the net-worth of the Exchange as per Stock Exchange and Clearing Corporation Regulation 2018 (SECC) norms amounts to Rs. 11,264 Lakh as on June 30, 2023 (March 31, 2023: Rs. 12,351 Lakh). The Exchange has already filed application with NCLT during the financial year 2022-23 for merger of MSE Enterprises Limited (MEL), subsidiary (formerly known as Metropolitan Clearing Corporation of India Limited) with the Exchange which shall further augment the net-worth significantly as per SECC norms. The Exchange is in compliance of all regulatory requirements including interoperability, T+1 settlement cycle, etc. The Exchange has not defaulted in payment of any of its creditors, statutory/regulatory liability and to employees and has sufficient funds to discharge all its liabilities. The Business Volumes in the Currency Derivatives Segment has improved year on year during the last three years and also the Exchange has achieved its highest daily volume of last eight years on March 14, 2023. The Exchange is also in the process of enabling various initiatives, rationalization measures, brand building and technological upgradation which shall help in Business and Product Expansion along with focus on bringing down overall cost of operations. This shall ensure further significant reduction in losses and the Exchange is confident of making profits shortly. The Exchange is also expecting the resolution of pending legal matters in its favour considering the current status which shall result in significant benefits to the Exchange. The Exchange accordingly continues to prepare its Financial Statements on going concern basis."



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

6. 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 SEBI has passed an order on 31 July 2023 in which it had levied monetary penalty. The Company is evaluating the order.

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
Partner
Membership No. 076650



Place: Mumbai

Date: August 10, 2023

UDIN: 23076650BGUWNT8013

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, 2023

(Rs in Lakh except per share data)

Sr. No.	Particulars	For the Quarter ended			For the year ended
		June 30, 2023	March 31, 2023	June 30, 2022	March 31, 2023
		Unaudited	Audited	Unaudited	Audited
1	Revenue from operations	169	223	142	755
2	Other Income	149	187	166	2,229
3	Total Income	318	410	308	2,984
4	Expenses				
	(a) Operating expenses	590	541	259	1,430
	(b) Employee benefits expense	383	394	360	1,499
	(c) Depreciation and amortisation expense	106	122	145	601
	(d) Advertisement and business promotion expenses	108	267	26	379
	(e) Administration and Other expenses	218	360	158	835
	(f) Finance Costs	5	6	7	26
	Total Expense	1,410	1,690	955	4,770
5	Profit/ (Loss) from before Exceptional items and tax	(1,092)	(1,280)	(647)	(1,786)
6	Exceptional items (refer note 7)	-	132	-	211
7	Profit/ (Loss) from before tax	(1,092)	(1,412)	(647)	(1,997)
8	Tax expense				
	1) Current Tax	-	-	-	-
	2) Earlier Year Tax	-	-	-	-
	2) Deferred Tax	-	-	-	-
	Total Tax Expense	-	-	-	-
9	Profit/ (Loss) for the period/Year	(1,092)	(1,412)	(647)	(1,997)
10	Other Comprehensive Income				
	1) Items that will not reclassified to profit or loss (net of tax)	5	5	5	19
	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	5	19
11	Total Comprehensive Income for the period/Year	(1,087)	(1,407)	(642)	(1,978)
12	Paid-up Equity Share Capital (Equity Shares of Rs. 1/- each.)	48,052	48,052	48,052	48,052
13	Other equity				(23,893)
14	Earnings Per Share of Rs 1/- each (In Rs) (Not Annualised)				
	(a) Basic	(0.02)	(0.03)	(0.01)	(0.04)
	(b) Diluted	(0.02)	(0.03)	(0.01)	(0.04)

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Notes :

- 1 The above Unaudited Standalone Financial Results, of the Company, for the quarter ended June 30, 2023, 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 Unaudited Standalone Financial Results of the Company for the quarter ended June 30, 2023, have been reviewed by the Audit Committee at their meeting held on August 10, 2023 and approved by the Board of Directors at their meeting held on August 10, 2023 and T R Chadha & Co. LLP, the statutory auditors of the Company have carried out limited review of the said Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2023.
- 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 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 MSE Enterprises Limited ("MEL") (formerly known as Metropolitan Clearing Corporation of India Limited) Boards respectively accorded their in-principle approval for the merger of MEL with MSE. Pursuant to the application made by MEL to SEBI to surrender the license / recognition, MEL has been derecognized to operate as Clearing Corporation with effect from October 3, 2022. The Exchange has filed merger application with NCLT on March 23, 2023 with the appointed date of April 01, 2023 which is currently pending.
- 6 Pursuant to de-recognition of MEL as a clearing corporation w.e.f. October 03, 2022, the contribution made by the Exchange towards Core SGF with interest thereon, totalling to INR 15.46 Crores has been received back by the Exchange from MEL during the FY 2022-23. The same have been disclosed as other income during the FY 2022-23.
- 7 The Exchange has carried out the Impairment testing of Investment made into MEL during the quarter and half year ended September 30, 2022, accordingly the Exchange has made a provision for Impairment of Investment into MEL of Rs. 712.46 Lakh since carrying value of investment made in MEL is higher than the net-worth of the MEL as on September 30, 2022. Further, during the quarter ended December 31, 2022, the Exchange has again carried out the impairment testing and identified that the impairment indicators existing during the quarter ended September 30, 2022 have decreased and the exchange has reversed the impairment provision to the extent of Rs. 6.34 crore. The Exchange has again carried out impairment testing of Investment made into MEL during the quarter ended March 31, 2023 and identified that the net-worth of MEL as on March 31, 2023 has further decreased by Rs. 1.37 crore, accordingly the Exchange has made further provision for Impairment of Investment into MEL of Rs. 1.32 crore.
- 8 The Exchange has incurred losses of Rs. 1,087 Lakh during the quarter ended June 30, 2023 (quarter ended March 31, 2023: Rs. 1,407 Lakh) and the net-worth of the Exchange as per Stock Exchange and Clearing Corporation Regulation 2018 (SECC) norms amounts to Rs. 11,264 Lakh as on June 30, 2023 (March 31, 2023: Rs. 12,351 Lakh). The Exchange has already filed application with NCLT during the financial year 2022-23 for merger of MSE Enterprises Limited (MEL), subsidiary (formerly known as Metropolitan Clearing Corporation of India Limited) with the Exchange which shall further augment the net-worth significantly as per SECC norms. The Exchange is in compliance of all regulatory requirements including interoperability, T+1 settlement cycle, etc. The Exchange has not defaulted in payment of any of its creditors, statutory/regulatory liability and to employees and has sufficient funds to discharge all its liabilities. The Business Volumes in the Currency Derivatives Segment has improved year on year during the last three years and also the Exchange has achieved its highest daily volume of last eight years on March 14, 2023. The Exchange is also in the process of enabling various initiatives, rationalization measures, brand building and technological upgradation which shall help in Business and Product Expansion along with focus on bringing down overall cost of operations. This shall ensure further significant reduction in losses and the Exchange is confident of making profits shortly. The Exchange is also expecting the resolution of pending legal matters in its favour considering the current status which shall result in significant benefits to the Exchange. The Exchange accordingly continues to prepare its Financial Statements on going concern basis.
- 9 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 10, 2023