

T R Chadha & Co LLP

Chartered Accountants

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Independent Auditor's Review Report on Unaudited Consolidated Financial Results of Metropolitan Stock Exchange of India Limited ('Holding Company') 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 period ended December 31, 2022.

To The Board of Directors of Metropolitan Stock Exchange of India Limited

1. We have reviewed the unaudited consolidated financial results of **Metropolitan Stock Exchange of India Limited ("the Parent Company")** and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter and nine months period ended December 31, 2022, which are included in the accompanying 'Statement of Unaudited Consolidated Financial Results', (the "Statement"), being submitted by the Parent 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 Parent Company's Management and approved by the Parent's 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 express a conclusion 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.

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

4. The Statement includes the results of the following subsidiary entities:
 - MSE Enterprises Limited (MEL) (formerly known as Metropolitan Clearing Corporation of India Limited); and
 - MSE Fintech Limited (erstwhile MCX-SX KYC Registration Agency Limited)

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5. Basis of Qualified Conclusion

We draw attention to note 6 of the unaudited consolidated results whereby the Group continues to prepare its Financial Results on going concern basis even though Group has continued to incur significant operating losses during the current and preceding periods. As advised, the Group is in compliance of all regulatory requirements including interoperability, T+1 settlement cycle, pursuing merger with MSE Enterprises Limited (formerly known as Metropolitan Clearing Corporation of India Limited) (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 Group 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 Group 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.

6. Qualified Conclusion

Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of the other auditors referred to in paragraph 7 below, except for the matter described in para 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with 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.

7. Emphasis of Matter

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 Parent Company wherein it states that Board of Parent Company and MEL accorded there in principle approval for the Merger. Pursuant to the application made by MEL to SEBI to surrender the license/recognition, MEL has been derecognized to operate as Clearing Corporation w.e.f. October 3, 2022.

Our conclusion is not modified in respect of this matter.

8. Other Matter

The forensic audit of the Parent 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 is not modified in respect of this matter.

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9. The accompanying Statement includes the reviewed interim financial information in respect of a subsidiary, whose reviewed interim financial information reflects total revenue of Rs. 1825.80 Lakhs, total net profit after tax of Rs. 433.63 Lakh and total comprehensive income of Rs. 431.68 Lakh for the quarter ended December 31, 2022, as considered in the Statement which have been reviewed by its respective independent auditors.

The independent auditor's reports on interim financial results of the subsidiary have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of the subsidiary, is based solely on the report of such auditor and procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement in respect of above matter is not modified with respect to our reliance on the work done and the review report of the other auditors.

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

PRAMOD TILWANI
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by PRAMOD
TILWANI
Date: 2023.02.13
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Place: Mumbai
Date: February 13, 2023
UDIN: 23076650BGUWHO8007

Pramod Tilwani
Partner
Membership No. 076650

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(₹ in Lakh except per share data)

Sr. No	Particulars	For the Quarter Ended			For the nine months ended		For the Year Ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	249	189	243	698	740	1,006
2	Other Income	2,353	1,424	353	4,087	1,112	1,500
3	Total Income	2,602	1,613	596	4,785	1,851	2,506
4	Expenses						
	(a) Operating expenses	655	469	447	1,579	1,334	1,730
	(b) Employee benefits expenses	466	460	499	1,430	1,528	1,985
	(c) Depreciation and amortisation expenses	344	278	268	856	793	1,048
	(d) Advertisement and business promotion expenses	53	33	6	111	45	58
	(e) Administration and Other expenses	341	273	199	830	600	751
	(f) Finance Costs	8	11	15	32	47	60
	Total Expense	1,867	1,524	1,433	4,838	4,346	5,632
5	Profit/ (Loss) from before Exceptional items and tax	735	89	(838)	(53)	(2,494)	(3,126)
6	Exceptional items (refer note 7a)	(521)	-	-	(521)	-	-
7	Profit/ (Loss) from before tax	214	89	(838)	(574)	(2,494)	(3,126)
8	Tax expense						
	1) Current Tax	-	(5)	6	-	14	14
	2) Earlier Year Tax	-	-	-	-	-	-
	3) Deferred Tax	(128)	7	3	(124)	7	27
	Total Tax Expense	(128)	2	9	(124)	21	41
9	Profit/ (Loss) for the period/year	342	87	(847)	(450)	(2,516)	(3,167)
10	Other Comprehensive Income						
	1) Items that will not reclassified to profit or loss (net of tax)	2	(7)	4	4	10	36
	2) Income tax relating to item will not reclassified to profit or (loss)	1	3	0	3	0	(4)
	Total other Comprehensive Income for the period/year , net of tax	3	(4)	4	7	10	32
11	Total Comprehensive Income for the period/year	345	83	(843)	(443)	(2,506)	(3,135)
12	Non controlling interest in Income/ (Loss)	17	(14)	(9)	(5)	(25)	(33)
13	Net Profit/ (Loss) after taxes and non controlling interest (11-12)	328	97	(834)	(438)	(2,481)	(3,102)
14	Paid-up Equity Share Capital (Equity Shares of Rs. 1/- each.)	48,052	48,052	48,052	48,052	48,052	48,052
15	Other equity						(21,984)
16	Earnings Per Share of Rs 1/- each (In Rs) (Not Annualised)						
	(a) Basic	0.01	(0.02)	(0.02)	(0.01)	(0.05)	(0.06)
	(b) Diluted	0.01	(0.02)	(0.02)	(0.01)	(0.05)	(0.06)

CONSOLIDATED UNAUDITED SEGMENT INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

Primary Segment
Business segments being Trading & Clearing

(₹ in Lakh)

Sr. No.	Particulars	For the Quarter Ended			For the nine months ended		For the Year Ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Segment Revenue						
	(a) Trading Services	238	152	129	532	398	550
	(b) Clearing Services	11	(192)	321	166	892	1,198
	Total	249	(40)	449	698	1,290	1,748
	Less : Inter Segment Revenue	-	(228)	207	-	551	742
	Total Income	249	189	243	698	740	1,006
II	Segment Results						
	(a) Trading Services	(219)	(1,540)	(786)	(2,531)	(2,403)	(3,041)
	(b) Clearing Services	(1,911)	227	(395)	(2,097)	(1,169)	(1,541)
	Profit / (Loss) before Interest and Taxation	(2,131)	(1,313)	(1,181)	(4,628)	(3,573)	(4,582)
	Less : Interest	8	11	15	32	47	60
	Add : Unallocable Income	2,353	1,414	358	4,087	1,125	1,516
	Profit / (Loss) before Taxation	214	90	(838)	(573)	(2,494)	(3,126)
	Less : Tax Expense (Net)	(128)	2	9	(124)	21	41
	Profit / (Loss) after Taxation	342	88	(847)	(449)	(2,516)	(3,167)
	Less : Non controlling Interest	17	(14)	(9)	(5)	(25)	(33)
	Other Comprehensive Income	3	(4)	4	7	10	32

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 nine months ended December 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."

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 Consolidated Unaudited Financial Results, of the Company, for the quarter and nine months ended December 31, 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 Consolidated Unaudited Financial Results have been reviewed by the Audit Committee at their meeting held on February 13, 2023, and approved by the Board of Directors at their meeting held on February 13, 2023 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.
- 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 Parent Company 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, As per SEBI letter dated September 23, 2022, the recognition granted to MEL as a Clearing Corporation has expired w.e.f. October 03, 2022.
- 6 The auditor in their review report on the Consolidated Unaudited Financial Result for the quarter ended December 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 Consolidated Financial Results on going concern basis even though Parent Company has continued to incur significant operating losses during the current and preceding periods. As advised, the Parent Company is in compliance of all regulatory requirements including interoperability, T+1 settlement cycle, pursuing merger with MSE Enterprises Limited (formerly known as Metropolitan Clearing Corporation of India Limited) (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 Parent 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 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 regulatory net-worth of the Parent Company as on December 31, 2022 stands at Rs. 136.27 Crores as against minimum regulatory net-worth requirement of Rs. 100 Crores.

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. Further, the Parent Company is currently pursuing merger with MEL, its subsidiary. With the completion of merger with MEL, the Parent Company would be well capitalized. The said merger would put Parent Company at a very strong footing. As demonstrated, the Parent Company 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 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 total trading transactions worth in excess of INR 180,000 crores. 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 Parent Company is able to manage its cash flows to take care of the various expenses of the company. Accordingly, the Parent Company continues to prepare its Financial Statements on going concern basis.

- 7 Pursuant to derecognition of MEL as Clearing Corporation, following steps has been carried out:
 - a) Impairment testing on the assets has been conducted and requisite provision has been made and shown as Exceptional Item in the unaudited consolidated financial results for the quarter and nine month ended December 31, 2022.
 - b) Interest earned on MEL own contribution to Core Settlement Guarantee Fund since inception has been shown as Operating Income, since MEL has been derecognised as a clearing corporation by SEBI from October 02, 2022.
 - c) Pursuant to derecognition of MEL as a clearing corporation w.e.f. October 02, 2022, the contribution made by the Parent Company towards Core SGF with interest thereon, totalling to INR 15.46 Crores has been refunded to the Parent Company Also, the contribution made by ICEX towards Core SGF with interest thereon, totalling to INR 44.37 Crores has been refunded to ICEX.
- 8 MCCIL in the Extra Ordinary General Meeting on December 15, 2022 have approved the change in name to 'MSE Enterprises Limited' and also change in main objects of MCCIL. Accordingly, the alterations in the existing Object Clause of the Memorandum of Association (MOA) of MCCIL were approved by ROC w.e.f. January 03, 2023 and the new name has been approved by ROC, Mumbai w.e.f. January 05, 2023
- 9 To amicably resolve the matter, Board of Directors of MEL has taken decision of reversal of disputed C&S fees and recovery of expenses for the year March 31, 2021, March 31, 2022 and for the quarter ended June 30, 2022. Management of MEL has prepared Restated Financial Statements as on March 31, 2021 and March 31, 2022, for the quarter ended June 30, 2022 and for the half year ended September 30, 2022 with giving effects of the adjustments related to C&S Fees and recovery of expenses.
- 10 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

Sd/-
Latika S. Kundu
MD & CEO

Place : Mumbai
Dated : February 13, 2023