

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 period ended December 31, 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 nine months period ended December 31, 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 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. 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 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 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 MSE Enterprises Limited (MEL) (formerly known as Metropolitan Clearing Corporation of India Limited), with Company wherein it states that Board of Company and MEL accorded their 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 on the Statement is not modified in respect of this matter.

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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

Digitally signed
by PRAMOD
TILWANI
Date: 2023.02.13
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Place: Mumbai
Date: February 13, 2023
UDIN: 23076650BGUWHN9119

Pramod Tilwani
Partner
Membership No. 076650

STATEMENT OF STANDALONE 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	238	152	129	532	398	550
2	Other Income	550	1,325	195	2,042	609	865
3	Total Income	788	1,477	324	2,574	1,007	1,415
4	Expenses						
	(a) Operating expenses	367	263	233	888	732	934
	(b) Employee benefits expenses	380	365	359	1,105	1,108	1,450
	(c) Depreciation and amortisation expenses	147	187	186	479	548	719
	(d) Advertisement and business promotion expenses	53	33	6	111	45	58
	(e) Administration and Other expenses	155	162	157	475	463	568
	(f) Finance Costs	6	7	9	20	27	35
	Total Expense	1,108	1,017	948	3,078	2,923	3,764
5	Profit/ (Loss) from before Exceptional items and tax	(320)	460	(625)	(505)	(1,916)	(2,349)
6	Exceptional items (refer note 7)	634	(712)	-	(79)	-	-
7	Profit/ (Loss) from before tax	314	(252)	(625)	(583)	(1,916)	(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	314	(252)	(625)	(583)	(1,916)	(2,349)
10	Other Comprehensive Income						
	1) Items that will not reclassified to profit or loss (net of tax)	5	5	4	15	11	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	15	11	20
11	Total Comprehensive Income for the period/Year	319	(247)	(621)	(569)	(1,906)	(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)	(0.01)	(0.04)	(0.05)
	(b) Diluted	0.01	(0.01)	(0.01)	(0.01)	(0.04)	(0.05)

Notes :

- 1 The above Standalone 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 Standalone Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2022, 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 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 Re 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.
- 6 The auditor in their review report on the Standalone 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 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 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 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 December 31, 2022 stands at Rs.136.27 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 MEL, its subsidiary. With the completion of merger with MEL, 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 1,80,000 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 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 networth 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.
- 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

Sd/-
Latika S. Kundu
MD & CEO

Place : Mumbai

Dated : February 13, 2023