



METROPOLITAN STOCK EXCHANGE

METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

Registered Office: 205(A), 2nd Floor, Piramal Agastya Corporate Park,
Kamani Junction, L.B.S. Road, Kurla (West), Mumbai – 400070, Maharashtra, India
CIN: U65999MH2008PLC185856, LEI: 3358002YCEYDX7UK4352
Tel. +91 22 6112 9000/ Website: www.msei.in / E-mail: secretarial@msei.in

NOTICE OF 14TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 14th Annual General Meeting (“AGM”) of Shareholders of Metropolitan Stock Exchange of India Limited (“MSE”) will be held on Thursday, December 01, 2022 at 02:30 p.m. (IST) through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESS

1) Adoption of Financial Statements:

To receive, consider and adopt the Audited Financial statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon

2) Re-appointment of Shareholder Director, who retires by rotation

To appoint a Director in place of **Mr. Raghunathan Srinivasa (DIN: 07615088)**, Shareholder Director, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, subject to approval of Securities and Exchange Board of India.

By Order of the Board of Directors

Date: October 31, 2022

Place: Mumbai

Durgesh Kadam

Head - Legal & Company Secretary

Membership no. F8496

Notes:

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (“**the Act**”) in respect of the business to be transacted at the AGM along with details pursuant to Regulations issued by Securities and Exchange Board of India (“SEBI”) and other applicable laws annexed hereto.
2. All the documents referred to in the accompanying Notice and Explanatory Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to secretarial@msei.in
3. Pursuant to the General Circular Nos. 20/2020, 02/2021, 19/2021, 21/2021 and 2/2022 issued by the Ministry of Corporate Affairs (“MCA”) and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 issued by SEBI, companies are allowed to hold Annual General Meeting through VC/OAVM up to December 31, 2022, without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the Fourteenth AGM of the Company is being held through VC. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice.
5. The Company has engaged the services of National Securities Depository Limited (“NSDL”), as the authorized agency for conducting the AGM and providing remote e-voting and e-voting facility for/during the AGM of the Company. The instructions for participation by Members are given in the subsequent paragraphs.
6. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed in this Notice. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located at 205(A), 2nd Floor, Piramal Agastya Corporate Park, Kamani Junction, L.B.S Road, Kurla (West), Mumbai - 400070 which shall be the deemed venue of AGM.
7. In compliance with the Circulars, copies of Annual Report for Financial Year 2021-22, the Notice of the AGM and instructions for remote e-voting/ e-voting are being sent only through e-mail to those Shareholders whose e-mail addresses are registered with Company’s Registrar/ Depository Participant(s). The copy of Annual Report along with the Notice is also available on Company’s website at www.msei.in and <https://www.evoting.nsdl.com> (agency providing e-voting facility).
8. Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body resolution/ authorization etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through e-voting during the AGM. The said resolution/ authorization shall be sent through the registered email address to the Scrutinizer at ramakant.kini@sterlingassociates.in and/ or on evoting@nsdl.co.in (agency providing e-voting facility). Institutional/ Corporate Shareholders are encouraged to attend and vote at the AGM through VC/ OAVM.

9. Trading Members or their associates and agents as on cut-off date shall not be eligible to vote on Item No. 2 of the Notice.
10. Pursuant to Regulation 46 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, (“SECC”) the securities of a Recognized Stock Exchange are required to be maintained in Demat mode. Further, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), securities of listed companies can only be transferred in Demat mode w.e.f. April 1, 2019. 100% of the securities of the Exchange are held in Demat mode.
11. Members who have not yet registered their e-mail addresses are requested to register the same with their DP in case the shares are held by them in demat mode.
12. To register e-mail address for all future correspondence and for updating other details, please get the details registered/ updated only by contacting respective DP.
13. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in demat mode are, therefore, requested to submit their PAN to their DP.
14. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same with their DP in case the shares are held by them in demat mode.
15. M/s. T. R. Chadha & Co., LLP, Chartered Accountants, Mumbai, bearing Firm Registration No. 006711N/N500028 with the Institute of Chartered Accountants of India were appointed as the Statutory Auditors of the Company for a period of 5 (five) years at 11th Annual General Meeting of the Company held on September 23, 2019. Pursuant to the Companies (Amendment) Act, 2017 effective from May 07, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the applicable Section 139 of the Companies Act, 2013. Hence, owing to the appointment of the Statutory Auditor for a period of 5 (five) years and the aforesaid amendment, the same is not put forward before the Members of the Company for their approval.
16. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act
17. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection electronically from 2:30 P.M till the conclusion of the meeting on the date of AGM. Once clicked on the link for inspection, window of 30 minutes will be made available to the concerned member.
18. The term ‘Members’ has been used to denote Shareholders of Metropolitan Stock Exchange of India Limited.
19. The Audited Accounts of the Company and its subsidiary Companies are available on the Company’s website at www.msei.in.
20. **PROCEDURE AND INSTRUCTIONS FOR E-VOTING**
 1. Shareholders will be able to attend the Meeting through VC/OAVM by using their remote e-voting login credentials and selecting the EVENT for the Meeting. The facility to join the Meeting shall be kept open 15 minutes before the scheduled time of commencement of the Meeting. Shareholders are requested to join the Meeting by following the procedure given in this Notice
 2. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 3. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned below for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join meeting” menu against Company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVENT of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
 4. Members are requested to join the Meeting through Laptops for better experience and will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.
 5. Members facing any technical issue in login before / during the AGM can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

21. Speaker Registration prior to AGM: As the Meeting is being conducted through VC / OAVM, Shareholders can express their views/ send their queries in advance mentioning their name, DP Id / Client Id / Folio Number, and mobile number to

secretarial@msei.in to enable smooth conduct of Meeting. Members may register themselves as speakers for the AGM to post their queries and speaker registration shall commence on Wednesday, November 23, 2022 at 9:00 A.M. and close on Friday, November 25, 2022 at 5:00 P.M. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.

22. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
23. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

24. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
25. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.msei.in. The Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
26. Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e., Thursday, November 24, 2022 shall only be entitled to attend and vote at the AGM. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
27. Any person who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Thursday, November 24, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Thursday, November 24, 2022, may follow steps mentioned in the Notice of the AGM under **Step 1 : "Access to NSDL e-Voting system"**.
28. The remote e-voting period commences on Monday November 28, 2022 (9:00 A.M. IST) and ends on Wednesday, November 30, 2022 (5:00 P.M. IST). During this period, Members of the Company, holding shares as on the cutoff date i.e., Thursday, November 24, 2022, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting.

29. Procedure and instruction for attending AGM through VC/ OAVM, remote E Voting and E-VOTING at the AGM

The remote e-voting period begins on Monday November 28, 2022 at 09:00 A.M. and ends on Wednesday, November 30, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. Thursday, November 24, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, November 24, 2022.



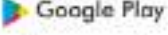


1. The procedure and instructions for remote e-voting are given below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;">  <p>NSDL Mobile App is available on  App Store  Google Play</p>   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will aut henticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type Helpdesk details	Login type Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical:	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - c) How to retrieve your ‘initial password’? (i)If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The

password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'. (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

a. How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

b. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to secretarial@msei.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to secretarial@msei.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

c. The instructions for Members for E-Voting on the day of the AGM are as under: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present for the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
30. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
31. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.

Declaration of Voting Results:

32. Mr. Ramakant Kini, (Enrol.no. MAH/2538/2006) Partner, Sterling Associates, has been appointed as the Scrutinizer to scrutinize the e-voting and remote e-voting process in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result will also be displayed on the website of the Company www.msei.in and <https://www.evoting.nsdl.com> (agency providing e-voting facility).
33. To enable ease of participation of the Members, we are providing below the key details regarding the meeting for your reference.

Sr. No.	Particulars	Details
1	Cut-off date for e-Voting	Thursday, November 24, 2022
2	For updating Email ID & other details before the Cut-off date for e-Voting	Refer point no. 12
3	Time period for remote e-Voting	Commences on Monday, November 28, 2022 at 9:00 AM Ends on Wednesday, November 30, 2022 at 5:00 PM
4	Speaker Registration/ Post your Queries	Refer point no. 21

By Order of the Board of Directors

Date: October 31, 2022
Place: Mumbai

Durgesh Kadam
Head - Legal & Company Secretary
Membership no. F8496.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 2:

Mr. Raghunathan Srinivasa retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment. Mr. Srinivasa is qualified as M.Com, PGDBM (XLRI), LLB, CAIIB. He joined Canara Bank as a direct recruit before joining Stock Holding Corporation of India Limited in its operations team. Thereafter, he has worked with UTI Investment Services Limited in its Investment Management function, followed by TCS Limited as an Associate Consultant in its Domain consultancy in Banking, Financial Services (USA and Europe). He has also worked with CAMS Pvt. Limited in its Investor Services role and has also worked at IFMR Trust for fund raising, worked at Central Depository Services Limited in Business Development, risk and regulatory policy. His last experience was in establishing National E-Governance Services Limited, a first information utility under the Insolvency and Bankruptcy Code.

Mr. Raghunathan Srinivasa attended 2 Board meetings out of 2 Board meetings held during his tenure for the FY 2021-22. Considering his knowledge and experience, it will be in the interest of the Company to re-appoint him as a Shareholder Director of the Company at the forthcoming Annual General Meeting, subject to approval of SEBI.

A detailed profile of Mr. Raghunathan Srinivasa is available on the website of the Company www.msei.in in the Investors section. Information as required under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and the Secretarial Standard – 2 and other applicable provisions are provided in the explanatory statement.

Mr. Raghunathan Srinivasa shall be entitled to receive sitting fees. Mr. Srinivasa is not related to any Director or Key Managerial Personnel of the Company and does not hold any equity shares of the Company.

Except Mr. Raghunathan Srinivasa, none of the directors and key managerial personnel and their relatives are in any way, financially or otherwise, interested or concerned in these resolutions except as a member to the extent of their shareholding in the Company.

Trading Members or their associates and agents as on cut-off date shall not be eligible to vote on Item No. 2 of the Notice.

Details of Director seeking appointment/ reappointment at the forthcoming Annual General Meeting (In pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings).

Name of Director	Mr. Raghunathan Srinivasa
Category	Shareholder Director - Non Executive Director
DIN	07615088
Date of first appointment on the Board	January 06, 2022
Item No.	2
Date of Birth	April 21, 1959
Brief Resume and Expertise in specific functional area	Brief work experience of Mr. Raghunathan Srinivasa is as follows: Currently Mr. Raghunathan Srinivasa is practicing as an Advocate in Hon'ble High Court of Karnataka and works with C. S. Parthasarthy, Senior Advocate and Tax Consultant from ex Bar. He began his career at Canara Bank as Assistant Manager/Manager from 1982-94. He joined Stock Holding Corporation of India Ltd. was employed as Assistant Vice President (Operations) from 1994-2000. At UTI Investment Services Limited he held the position of Vice President between 2000- 2002.
Qualifications	M.Com, PGDBM (XLRI), LLB, CAIIB
Terms and Conditions of appointment/ re appointment	Liable to retire by rotation
Number of Meetings of the Board attended during the year	2
Remuneration drawn, if any	Sitting fees. As permitted under the Companies Act, 2013.
Other Directorships	Nil
Chairman/Member of the Committees of the Board of Directors of other companies in which he/she is a Director	Nil
Committee position held in MSE*	Chairman – Stakeholder Relationship Committee
Member – Audit Committee	
No. of Equity shares held in the Exchange	Nil
Relationship between Directors inter se	None

*Chairmanship and membership of Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Public Interest Director Committee have been considered.

By Order of the Board of Directors

Date: October 31, 2022
Place: Mumbai

Durgesh Kadam
Head - Legal & Company Secretary
Membership no. F8496

Registered and Corporate Office:
205(A), 2nd Floor, Piramal Agastya Corporate Park,
Kamani Junction, LBS Road, Kurla (West),
Mumbai – 400070, Maharashtra, India.



METROPOLITAN STOCK EXCHANGE

Currency Derivatives | Equity | Equity F&O

Your
TRUST
is Our **STRENGTH**



**ANNUAL REPORT
2022**



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Corporate Information: Board of Directors

Mr. S.V.D Nageswara Rao#

Chairman & Public Interest Director

Ms. Trishna Guha

Public Interest Director

Mr. Vijay Sardana**

Public Interest Director

* Mr. D.K. Mehrotra, Chairman & PID, resigned on March 14, 2022

** Mr. Vijay Sardana, PID term expired on April 26, 2022

Mr. S.V.D Nageswara Rao appointed as Chairman w.e.f. June 15, 2022

Mr. D.K. Mehrotra*

Chairman & Public Interest Director

Mr. Raghunathan Srinivasa

Shareholder Director

Mr. Ajai Kumar

Public Interest Director

Ms. Latika S. Kundu

Managing Director & CEO

Composition of Committees of the Company*

Audit Committee

Mr. Ajai Kumar – Chairman
Mr. S.V.D. Nageswara Rao – Member
Ms. Trishna Guha - Member
Mr. Raghunathan Srinivasa - Member

Stakeholders' Relationship Committee

Mr. Raghunathan Srinivasa – Chairman
Mr. S.V.D Nageswara Rao – Member
Ms. Latika S. Kundu - Member

Delisting Committee

Mr. S.V.D Nageswara Rao – Chairman
Ms. Trishna Guha – Member
Mr. Raghunathan Srinivasa - Member
Ms. Latika S. Kundu – Member
Mr. Santosh Kumar (External Person) – Member
Mr. Dharmen Shah (External Person) – Member

Public Interest Directors/ Independent Directors

Mr. Ajai Kumar
Mr. S.V.D. Nageswara Rao
Ms. Trishna Guha

Standing Committee on Technology

Mr. Ajai Kumar – Chairman
Mr. S.V.D Nageswara Rao - Member
Ms. Trishna Guha – Member
Mr. Sunil Patankar (External Expert)
Mr. Manoj Kunkalienkar (External Expert)

Internal Complaints Committee**

Ms. Shalini Rebeiro – Presiding Officer#
Mr. Saket Bhansali – Member
Ms. Shyamli Hajela – External Member
Ms. Aasawari Maddolkar – Member ##
Mr. Sachin Nayak - Member

Ms. Shalini Rebeiro resigned w.e.f. September 30, 2022

Ms. Aasawari Maddolkar resigned w.e.f. October 14, 2022

* the details of statutory committees under the Companies Act, 2013 and SECC Regulations are given above, for Other Committees composition please visit our website – www.msei.in

** Committee constituted pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Rules, 2013

Nomination and Remuneration Committee

Mr. Ajai Kumar – Chairman
Ms. Trishna Guha – Member
Mr. S.V.D Nageswara Rao - Member

Risk Management Committee

Mr. Ajai Kumar – Chairman
Ms. Trishna Guha – Member
Mr. Suresh Viswanathan (External Person) - Member

Regulatory Oversight Committee

Mr. S.V.D. Nageswara Rao – Member
Ms. Trishna Guha – Member
Mr. Bhavesh Vora (External Person) - Member

Member Committee

Ms. Trishna Guha - Chairperson
Mr. S.V.D. Nageswara Rao - Member
Mr. Ajai Kumar - Member
Ms. Latika S. Kundu - Member
Mr. P K Ramesh - Member
Mr. Nilkanth Pandya (External Person) – Member

Management Committee

Ms. Latika S. Kundu -MD & CEO, Chairperson
Mr. Saket Bhansali - Chief Financial Officer
Mr. P.K. Ramesh - Chief Regulatory Officer & CO
Mr. Utkarsh Sharma - Head-Business Development
Mr. Manish Gupta – Chief Technology Officer
Mr. Durgesh Kadam - Head – Legal & Company Secretary
Mr. Sachin Nayak, Head- Market Operations

Management Team:

Ms. Latika S. Kundu
Managing Director & CEO

Mr. Saket Bhansali
Chief Financial Officer

Mr. P.K. Ramesh
Chief Regulatory Officer & Compliance Officer

Mr. Sachin Nayak
Head- Market Operations

Mr. Manish Gupta*
Chief Technology Officer

Mr. Utkarsh Sharma**
Head- Business Development & Branches

Mr. Durgesh Kadam***
Head-Legal & Company Secretary

Mr. Neeraj Gupta#
Chief Technology Officer

Mr. Anish Kumar##
Chief Risk Officer

Ms. Manisha Thakur###
Head-Legal & Company Secretary

Mr. Jagdish Asodekar #####
Asst. Vice President – IT and Chief Information Security Officer (CISO),

- * Mr. Manish Gupta appointed w.e.f. June 27, 2022
- ** Mr. Utkarsh Sharma appointed w.e.f. April 11, 2022
- *** Mr. Durgesh Kadam appointed w.e.f. April 13, 2022
- # Mr. Neeraj Gupta resigned w.e.f. July 02, 2022
- ## Mr. Anish Kumar resigned w.e.f. April 22, 2022
- ### Ms. Manisha Thakur resigned w.e.f. February 11, 2022
- ##### Mr. Jagdish Asodekar resigned w.e.f. June 03, 2022

STATUTORY AUDITORS

M/s. T. R. Chadha & Co. LLP, Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENTS

KFin Technologies Private Limited

Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad-500 032, India.

Tel: +91-040-6716 2222

e-mail : einward.ris@kfintech.com

INTERNAL AUDITORS

M/s. Mittal and Associates Chartered Accountants from September 30, 2021

M/s. M. M. Nissim & Co., Chartered Accountants upto June 30, 2021

REGISTERED OFFICE

Metropolitan Stock Exchange of India Limited

Building A, Unit 205(A), 2nd Floor, Piramal Agastya Corporate Park,
L.B.S Road, Kurla (West), Mumbai - 400 070.

Tel: +91- 022-6112 9000 | Fax. : +91-022-6112 9009 Email-Secretarial@msei.in

CIN: U65999MH2008PLC185856

LEI Number: 3358002YCEYDX7UK4352

BOARDS' REPORT

To the Members of Metropolitan Stock Exchange of India Limited (MSE)

The Board of Directors ("Board") presents the Fourteenth (14th) Annual Report of MSE together with the audited financial statement for the Financial Year ended March 31, 2022.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

The financial performance for Financial Year ("FY") 2021-22 is summarised in the following table:

(Rs in Lakh except per share data)

Particular	Standalone		Consolidated	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021	For the Year ended March 31, 2022	For the Year ended March 31, 2021
I Income				
(a) Revenue from operations	550	585	1,006	1,063
(b) Other income	865	1,296	1,500	2,182
Total Revenue	1,415	1,881	2,506	3,245
II Expenditure				
(a) Operating expenses	934	951	1,730	1,695
(b) Employee benefits expenses	1,450	1,677	1,985	2,290
(c) Finance costs	35	54	60	83
(d) Advertisement and business promotion expenses	58	59	58	59
(e) Depreciation and amortization expense	719	825	1,048	1,117
(f) Administration and Other expenses	568	745	751	1,068
Total Expenses	3,764	4,311	5,632	6,312
III Profit / (Loss) before tax	(2,349)	(2,430)	(3,126)	(3,067)
Exceptional items	-	-	-	-
IV Profit / (Loss) before tax	(2,349)	(2,430)	(3,126)	(3,067)
Less : Current tax	-	-	14	-
Less: Earlier Year Tax	-	-	-	-
Less : Deferred tax	-	-	27	41
V Profit / (Loss) for the year	(2,349)	(2,430)	(3,167)	(3,108)
Other comprehensive income				
1) Items that will not be reclassified to profit or (loss) (net of tax)	20	12	36	11
2) Income tax relating to item will not reclassified to profit or (loss)	-	-	(4)	0
Total other Comprehensive Income for the year, net of tax	20	12	32	11
VI Total Comprehensive Income for the year	(2,329)	(2,418)	(3,135)	(3,096)
VII Non controlling interest in Income/(Loss)	-	-	(33)	(26)
VIII Net Profit / (Loss) after Taxes and Minority Interest (VI-VII)	(2,329)	(2,418)	(3,102)	(3,070)
IX Earnings per equity share of face value of Re.1 each				
Basic (in Rs.)	(0.05)	(0.05)	(0.06)	(0.06)
Diluted (in Rs.)	(0.05)	(0.05)	(0.06)	(0.06)

Loss for the year reduced to Rs. 2349 Lakhs in FY 2021-22 as compared to Rs. 2430 Lakhs FY 2020-21.

Revenue

During the year, Total Revenue decreased to Rs. 1,415 Lakhs in FY 2021-22 compared to Rs. 1,881 Lakhs in FY 2020-21. Operating Revenue decreased to Rs. 550 Lakhs in FY 2021-22 compared to Rs. 585 Lakhs in FY 2020-21. Transaction fees income decreased to Rs. 146 Lakhs in FY 2021-22 compared to Rs. 158 Lakhs in FY 2020-21. Listing processing fees increased to Rs. 56 Lakhs in FY 2021-22 compared to Rs. 51 Lakhs in FY 2020-21. The Listing Fees income decreased to Rs. 172 Lakhs in FY 2021-22 compared to Rs. 174 Lakhs in FY 2020-21 and Other income increased to Rs. 865 Lakhs in FY 2021-22 compared to Rs. 1,296 Lakhs in FY 2020-21.

Expenditure

Total Expenses has decreased to Rs. 3,764 Lakhs in FY 2021-22 as Compared to Rs. 4,311 Lakhs in FY 2020-21.

The operating expenses decreased to Rs. 934 Lakhs in FY 2021-22 as compared to Rs. 951 Lakhs in FY 2020-21, Employee benefit expenses decreased to Rs. 1,450 in FY 2021-22 as compared to Rs. 1,677 in FY 2020-21, Advertising expenses has decreased to Rs. 58 Lakhs in FY 2021-22 as compared to Rs. 59 Lakhs in FY 2020-21, The Finance cost has decreased to Rs. 35 Lakhs in FY 2021-22 as compared to Rs. 54 Lakhs for FY 2020-21. Administration and other expenses decreased to Rs. 568 Lakhs in FY 2021-22 as compared to Rs. 745 Lakhs in FY 2020-21. Depreciation and amortization expenses decreased to Rs. 719 Lakhs in FY 2021-22 as compared to 825 Lakhs in FY 2020-21.

2. INVESTOR RELATIONS

The Company always believes in building a relationship of mutual understanding with its investor. Critical information about the Company is available to all the investors, by uploading all such information on the Company's website www.msei.in.

3. CORPORATE AND BUSINESS BACKGROUND

The Company is a full-service National level Stock Exchange with license from Securities and Exchange Board of India (SEBI) to operate in Equity, Equity Derivatives and Currency Derivatives. The Exchange has live trading electronic platform in all segments.

The current ownership of the Exchange is well diversified between corporates, banks and individuals. At present in Currency Derivatives Segment (CDS), Currency Futures and Options contracts are available for trading in USD/INR, GBP/INR, EUR/INR and JPY/INR contracts along with cross currency pairs of EUR/USD, USD/JPY, GBP/USD. Currency Derivatives Segment also provides trading of Interest Rate futures where futures contracts are available on 6 GOI Bonds with maturity buckets of 6 years, 10 years and 13 years.

In the Equity cash segment, 1493 companies are available for trading. In Equity Derivatives, Stock Futures and Stock Options are available for trading in the Exchange on 156 stocks. Also Index Futures and Index Options are available for trading on MSE Index SX40. 48 ETFs are available for trading and 42 Sovereign Gold Bonds issued by RBI are also available for trading on the Exchange.

4. PRODUCTS & SERVICES:

(A) Existing Products

MSE's offers a variety of products and services across multiple asset classes in India which enables it to be responsive to the market demands. Its state of the art technology and robust network is a pioneer in technology and ensures reliability and performance of its systems. MSE's products and services foster digital transformation on technology, cyber security, innovation and intelligence solutions.

Given below are the products offered by MSE across various segments to Proprietary, Retail Participants, Institutional Participants (Domestic and Foreign).

Segments	Products and Services
Currency Derivatives Segment	Currency Futures
	Currency Options
	Cross Currency Futures
	Cross Currency Options
	Interest Rate Futures
Equity Capital Market	Equity shares of companies
	Sovereign Gold Bonds
	Exchange Traded Funds (ETFs)
	Offer for Sale
Equity Derivatives Segment	Stock Futures
	Stock Options
	Index Futures
	Index Options

(B) Index

SX40 our flagship, a free float based Index of 40 large cap-liquid stocks represents diversified sectors of the economy. SX40 measures the economic performance with better representation of various industries. The Index is devised to offer cost effective support for investment and structured products such Index Futures and Index Options, Index portfolio, xchange Traded Funds, Index Funds etc.

SXBANK is designed to measure the performance of stocks of banking sector – the sector that funds various economic activities of the nation. The Index will have 10 stocks from the banking sector. Weights of individual stocks in the index have been capped at 15% to reduce concentration and thereby provide a cost-effective support for investment/portfolio management.

(C) Upcoming Products and Services

Though MSE continues its focus on increasing its market share in existing segments and products, over a long term MSE plans to introduce and implement a wide range of additional products including SME platform, Book Building System, Offer to Buy and Mutual Fund System.

New Developments

Technology Enablement Program for Members

Exchange continues Technology Enablement Program for Members which was launched with effect from June 01, 2020 which includes number of measures to enable member participation for trading on the Exchange platform.

Exchange also continues its new membership scheme namely "Ghar Wapsi Scheme" under which members who have surrendered their membership up to May 31, 2020 and now wish to re-apply to avail the above benefits shall not be charged any 'Membership Admission Fees'.

Cross Currency Revised Close Timings

In order to help market participants tide over challenges due to COVID 19, SEBI continues its temporary measure of curtailed closing hours for Cross Currency in Currency derivatives segment which were modified from 07:30 p.m. to 05:00 p.m. with effective from 30th March, 2020.

Securities and Exchange Board of India (SEBI), on September 07, 2021, permitted Stock exchanges to introduce T+1 settlement cycle from January 01, 2022 on any of the securities available in the equity segment. Market Infrastructure Institutions "MIIs" (Stock Exchanges, Clearing Corporations and Depositories) have finalized the roadmap for the implementation of T+1 settlement cycle

The T+1 settlement cycle is being implemented in a phased manner and the first list of securities with T+1 settlement cycle has begun from February 25, 2022. Exchange successfully implemented in October 2022, in co-ordination with other MIIs and in compliance with SEBI directions, settlement of running account of clients funds.

5. MEMBERSHIP

The details of Segment wise members registered with SEBI as on March 31, 2022 are as follows:

Currency Derivatives	Equity Cash	Equity Futures & Options
507	311	296

Particulars	FY 2021-22	FY 2020-2021
Centres participating across India*	729**	729**

Note:

* Data includes cities of active and inactive users / dealers.

** As on March 31, 2022 and March 31, 2021 respectively.

6. TECHNOLOGY

The IT infrastructure at the Exchange has been designed with performance, reliability, redundancy and security as the key parameters. The Exchange has got a robust Trading System running on High Availability and Fault Tolerant Infrastructure which includes Fault Tolerant Servers, routers, firewalls with Intrusion Prevention and Detection System. The robust technology infrastructure enables the Exchange to operate efficiently and also facilitates fast order routing, immediate trade execution, trade reporting, market data dissemination, risk management and market surveillance. The Exchange has been successful in providing 100% uptime of the systems during the Financial Year 2021-22 without any technical glitches. Further, the Exchange endeavours for continual improvement through Customer Feedback and has incorporated various new security features and functionalities in its systems for enhanced customer experience. MSE trading system has gained greater acceptance among the traders and investors, with its user friendly functionalities coupled with sound architecture to cater to the Exchange system requirements. The systems and processes of the Exchange are designed to safeguard market integrity and to enhance transparency in operations. Since the Exchange has implemented interoperability framework, the trades executed at MSE can be settled at designated Clearing Corporations.

The Surveillance system of the Exchange has capability to generate alerts, with the user configurable thresholds, to trigger any unusual trading trends and has all capacity to ensure that the security watch systems and reports/investigations are efficiently done in line with the norms specified by SEBI.

Further, the Exchange is committed to continuous improvement in Member Satisfaction and to serve its Members with a better technology in the time to come. The Exchange is committed to bring world class technology.

The online trading system of the Exchange is accessible to its members through any location across the length and breadth of the country through multiple modes of connectivity such as Multi-Protocol Label Switching (MPLS), colocation and Internet.

The IT components are hosted in a state-of-art data center that is designed to support mission critical operations. The data

centre and all its components are monitored 24 x 7.

MSE maintains a Disaster Recovery Site (DRS) at a different seismic zone and a Near Site near its Primary Site. As per SEBI directive and industry best practices, MSE is committed to achieve minimal data loss (near to zero data loss) by implementing state-of-the-art DR solution. Data is being replicated on a real-time basis from Primary Site in Mumbai to the Near Site as well as DR Site. Data synchronization between Primary Site and Near Site is synchronous & between Primary Site to DR site is asynchronous. The Recovery Time Objective (RTO) and Recovery Point Objective (RPO) of the Exchange are 45 minutes and 15 minutes respectively for all critical systems like Trading, Surveillance, Risk Management etc. Periodic mock tests and half yearly unannounced live trading from DR site for two or more consecutive days are done to ensure proper functioning of DR systems.

The Exchange provides Real-time price information to interested parties through “Data feed” service of the Exchange. The Exchange also provides the delayed data feed free to cost to the data feed vendors. Data feed contains information relating to Products traded on the Exchange platform.

GRC (Governance Risk and Compliance) & Quality

MSE complies with all controls mandated by SEBI Cyber Security & Cyber Resilience Framework. MSE conducts the comprehensive system audit through independent system auditor. Further, information security being a crucial aspect of day to day business processes, MSE continues to retain the ISO/IEC 27001:2013 certification for its effective Information Security Management System. In continuation with its commitment to provide quality-driven services to members, MSE has implemented Quality Management System ISO 9001:2015 standard. The systems at MSE have also been identified as “Protected Systems” by National Critical Information Infrastructure Protection Centre (NCIIPC) and are being closely monitored by NCIIPC.

7. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

Your Company has two subsidiaries i.e. Metropolitan Clearing Corporation of India Limited (“MCCIL”) and MSE Fintech Limited (formerly known as MCX-SX KYC Registration Agency Limited) (“MSE Fintech”). No new subsidiaries were incorporated during the year and neither of the subsidiaries have ceased to be subsidiaries during the year. There are no joint ventures entered during the year and the Company does not have any Associate Company.

MCCIL undertakes clearing and settlement of the trades transacted on the Exchange platforms. As on March 31, 2022, the operational income of MCCIL has decreased from Rs. 1,480.93 Lakhs in the previous year to Rs. 1,452.68 Lakhs in the current year (including the disputed invoices raised on the MSE).

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 invoices 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.

MSE Fintech is a wholly owned subsidiary of your Company which was initially proposed to act as Know Your Customer Registration Agency subject to receipt of necessary Regulatory approvals. MSE Fintech is yet to commence its operations and now proposes to carryout IT, Application Service Provider (ASP) and other related services.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries in Form AOC-1 is attached to the financial statements. The annual report of the subsidiaries and the related documents are placed on the website of the Company i.e. www.msei.in/about-us/financials. In accordance with the provisions of Section 136 of the Companies Act, 2013, shareholders may download the annual consolidated financial statements with relevant documents and detailed information of the subsidiaries from the Company’s website or may write to the Company for the same on secretarial@msei.in

8. DIVIDEND AND RESERVES

The Board of Directors does not recommend any dividend on the equity capital of the Company and no amounts is proposed to be transferred to the General Reserve.

9. CHANGES IN THE SHARE CAPITAL

- The Authorized Share Capital of the Company is Rs. 550,00,00,000 divided into 550,00,00,000 equity shares of Re.1/- each.
- The Paid up Share Capital of the Company is Rs. 481,02,17,033 divided into 481,02,17,033 equity shares of Re.1/- each.
- There was no change in the paid-up share capital of the Company during the FY 2021-22 as no new shares have been issued by the Exchange.

10. EMPLOYEES STOCK OPTION PLAN

The Stock Options granted to the employees operate under Employees Stock Option Scheme, 2009. There has been no variation in the terms of the above scheme during the year. During the financial year under review, no stock options were granted nor exercised by the employees under ESOP scheme. The details of the employee stock options are set out in Annexure I to the Boards Report.

11. DEPOSITS

The Company has not invited, accepted or renewed any deposits under Chapter V of the Companies Act, 2013 during the financial year under review and as such no amount of principal or interest on any public deposits was outstanding as on the date of the balance sheet.

Details of deposits not/ in compliance with the requirements of the Act

Since, the Company has not accepted any deposits during the Financial Year ended March 31, 2022, there has been no non-compliance with the requirements of the Act.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of Investments made by the Company are provided in Note nos. 5 and 10 of the Notes of the Standalone Financial Statements

During the year, your Company has not provided any guarantee or security to any person or entity and has not made any loans and advances in the nature of loans to firms/ companies in which directors of the Company are interested.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has formulated Policy on Related Party Transactions (RPT). The same is available on Company's website at web-link <https://www.msei.in/SX-Content/common/MCX-SX-About-Us/policy/2021/May/Policy-on-Related-Party-Transactions.pdf>

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. The transactions with related parties are in Ordinary Course of Business and on arm's length basis. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 and is set out in the **Annexure-II** to the Boards Report. Approval of the shareholders for the Related Party Transactions with its Subsidiaries have been obtained in the Annual General Meeting of the Company held on September 23, 2019. Approvals are also obtained for the Related Party Transactions from the Audit Committee & the Board.

14. DIRECTORS

The current strength of Board of the Company is five. Being a Stock Exchange, the Board comprises of three Public Interest Directors ("PIDs") and one shareholder director nominated by SEBI and approved by the Shareholders and one Managing Director & CEO (considered in the Shareholder Director Category).

Changes during the year

During the period under review, Mr. D.K. Mehrotra resigned as the Chairman and PID w.e.f. March 14, 2022. Mr. S.V.D. Nageswara Rao was appointed as Chairman on the Governing Board of exchange w.e.f. June 15, 2022 and the same was approved by SEBI. Mr. Raghunathan Srinivasa, Shareholder Director was approved by the shareholder and nominated by SEBI on the Board of the Exchange w.e.f. January 6, 2022. Mr. Vijay Sardana, PID first term expired on April 26, 2022.

The Board places on record its deep appreciation and gratitude towards the valuable contributions made by Mr. D.K. Mehrotra and Mr. Vijay Sardana.

DECLARATIONS BY PUBLIC INTEREST DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"). Further, all PID's have also given the declarations that they satisfy "Fit and Proper" criteria as stipulated under Regulation 20 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("**SECC Regulations**").

All PIDs have also complied with Code for Independent Directors prescribed in Schedule IV to the Act. All PIDs have also given their annual affirmation on compliance with the Code of Conduct for the Board of Directors and Senior Management of the Company.

Further, there has been no change in the circumstances affecting their status as PIDs of the Company.

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the PIDs of the Company have registered themselves with the Indian Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the statutory timeline.

DECLARATION BY THE COMPANY

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164 (2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014. The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors and Committee Members and Key Managerial Personnel (KMP) and Employees of the Company which is available on the Company's website: <https://www.msei.in/about-us/code>.

15. MEETINGS OF THE BOARD

During the FY 2021-22, seven (07) meetings of the Board of Directors were held. Details of Board meetings are provided in Corporate Governance Report which forms part of the Annual Report. Separate meetings of the Public Interest Directors were held in June 2021 and December 2021.

MEETINGS OF THE COMMITTEES OF THE BOARD

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Stakeholders Relationship (SRC), Nomination and Remuneration Committee (NRC), Risk Management Committee (RMC). Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year have been provided in Corporate Governance Report forming part of this Annual Report. Additionally, Company being an Exchange, has also constituted other Regulatory Committees as stipulated under SECC Regulations and other applicable laws.

AUDIT COMMITTEE RECOMMENDATIONS

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

16. EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS

With the objective of enhancing the effectiveness of the Board, the Nomination and Remuneration Committee (NRC) formulated the methodology and criteria to evaluate the performance of the Board and each director. The Independent Directors evaluated the performance of all Non-Independent Directors and the Chairman on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision and overall Board effectiveness. The results of evaluation were discussed in the Board meeting held in October 31, 2022. The Board discussed the performance evaluation reports of the Board, Board Committees, and Individual Directors and noted the suggestions/ inputs of the Directors. The Board deliberated the recommendations of the entire process to enhance its effectiveness and optimize individual strengths of the Directors. The detailed procedure followed for the performance evaluation of the Board is enumerated in the Corporate Governance Report

17. CHANGES IN KEY MANAGERIAL PERSONNEL

Key Managerial Personnel of the Company in terms of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations") are given below.

Ms. Manisha Thakur resigned as Head – Legal & Company Secretary w.e.f. February 11, 2022 and Mr. Durgesh Kadam has been appointed as the Head – Legal & Company Secretary w.e.f. April 13, 2022. Mr. Jagdish Asodekar, Asst. Vice President – IT and Chief Information Security Officer (CISO), Mr. Anish Kumar, Chief Risk Office, Mr. Sachin Nayak, Head - Market Operations have been appointed as KMPs w.e.f. February 14, 2022. Mr. Anish Kumar, Chief Risk Office resigned w.e.f. April 22, 2022. Mr. Jagdish Asodekar, Asst. Vice President – IT and Chief Information Security Officer (CISO) resigned w.e.f. June 03, 2022. Mr. Utkarsh Sharma is appointed as Head – Business Development w.e.f. April 11, 2022. Mr. Neeraj Gupta, Chief Technology Officer resigned w.e.f. July 02, 2022. Mr. Manish Gupta, Chief Technology Officer appointed w.e.f. June 27, 2022.

18. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has to comply with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations"), for appointment of directors on the governing board. Further, the remuneration payable to the Executive Directors is also governed by the SECC Regulations. In compliance with the requirements of Section 197(12) of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SECC Regulations, a statement containing the remuneration details of Directors and KMPs is annexed as annexure V of this report.

19. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013 and based on the information provided by the Management, your Directors state that:

- a) In the preparation of the annual accounts for the financial year 2021-22, the applicable accounting standards have been followed and there are no material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2021-22 and of the loss of the Company for that period;

- c) The Directors have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis (Auditors Qualification and the Directors' explanation thereto has been provided in the Directors' Report).
- e) The Directors have laid down internal financial controls to be followed by the Company and that such Internal financial controls are adequate and were operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. HUMAN RESOURCES AND PARTICULARS OF EMPLOYEES

The employee count stood at 135 as on March 31, 2022 as against 145 as on March 31, 2021. Disclosures with respect to the remuneration of Directors, Key Managerial Personnel and employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and in accordance with Regulation 27(5) of SECC Regulations, are given at **Annexure IV & V** of this report respectively.

Vigil Mechanism/ Whistle Blower Policy

The Company has adopted a Vigil Mechanism/ Whistle Blower Policy pursuant to Section 177(10) of the Act for directors and employees to report their genuine concerns and grievances. The said Policy is available on website of the Company i.e. <https://www.msei.in/SX-Content/common/MCX-SX-About-Us/Code/2021/July/Whistle-Blower-Policy.pdf>

During the year under review no employee has been denied access to the Audit Committee. In the previous years, certain complaints were received from two ex-employees of the Exchange. These complaints were taken up at appropriate level at the Exchange. In the meanwhile, the SEBI has directed ("SEBI Directive") that a committee of Public Interest Directors be formed to look into the said complaints and other matter. The Committee of Public interest Directors had appointed an Independent and reputed investigation firm to investigate the matters as per the SEBI Directives. The investigation has been completed and the report has been submitted to SEBI in December 2018.

21. PARTICULARS RELATING TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has a duly constituted Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices and lays down the guidelines for identification, reporting and prevention of undesired behaviour.

During the financial year ended March 31, 2022, no complaints pertaining to sexual harassment have been received.

22. AUDITORS

The Statutory Auditors are M/s. T. R. Chadha & Co. LLP, Chartered Accountants (Firm Registration No. 006711N/N500028), Mumbai, had been re-appointed as statutory auditors, at the Eleventh Annual General meeting held on September 23, 2019, to hold office from the conclusion of the Eleventh Annual General Meeting until the conclusion of the Sixteenth Annual General Meeting of the Company to be held in FY 2024, The Auditors have confirmed that, their appointment is in accordance with Section 139 of the Companies Act, 2013 and the rules made thereunder and that they are not disqualified in terms of Section 141 of the Act. No fraud has been reported by the Auditors to the Audit Committee or the Board.

Auditors Qualification

The auditor in their report on the audited financial statements for the year ended March 31, 2022 expressed qualification which is summarized below along with the Management's comments on the same:

The Company continues to prepare its standalone financial results on going concern basis even though Company has continued to incur significant losses during the current and preceding periods. As advised, the 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 Company continues to prepare its standalone 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 Company could not achieve its projected revenues so far and accordingly the Company is unable to comment on the preparation of standalone financial results on going concern basis and related adjustments, if any, that will be arising out of said going concern assumption.

Management Response:

It may be noted that the Exchange 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 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. 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 trading transactions worth in excess of INR 180,000 crores. Despite the continuous losses, 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. Further, the Exchange has also adopted various cost reduction measures, which shall help the Exchange in improving its financial position. Accordingly, the Company continues to prepare its Financial Statements on going concern basis.

Emphasis of Matter:

- a. We further draw attention to Note 34(i)(e) of the Statement, whereby, the Subsidiary Company Metropolitan Clearing Corporation of Indian Limited (MCCIL) of the Exchange has raised invoices Rs. 741.57 Lakh (amount excluding taxes), towards Clearing and Settlement Charges based on an erstwhile C&S Agreement (prior to interoperability), for the period April 1, 2021 to March 31, 2022. As detailed in the said Note 34(i)(e), 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'.
- b. 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.
- c. We further draw attention to Note 60 to the Statement which describes the extent to which the Covid-19 pandemic will impact the Company's standalone financial statements will depend on the upcoming developments, which are highly uncertain.

Our opinion is not modified in respect of these matters.

23. ADEQUACY OF INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

The Company has maintained adequate internal financial controls over financial reporting. These includes policies and procedures –

- (a) pertaining to the maintenance of records that is reasonably detailed, accurately, and fairly reflects the transactions and dispositions of the assets of the Company,
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and Directors of the Company, and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material impact on the financial statements.

The Company identifies risk based internal audit scope; and assesses the inherent risk in the processes and activities of all departments to ensure that appropriate risk management limits, control mechanisms and mitigation strategies are in place. The Internal Auditors report observations relating to the deficiencies/ non-compliance of various audit areas and give suggestions/ recommendations and control directives to mitigate the shortcomings and make the process, procedure, systems and functions more robust, accountable, reliable and compliant. The observations made by the Internal Auditors and the compliances thereof are placed before the Audit Committee.

The Company has further implemented pre-audit of vendor payments based on a set criteria. It strives to put in checks and controls like internal approvals, budgetary controls, documentary controls, compliance to statutory requirements, etc.

The Company conducts in-house monitoring of the important applicable statutory and regulatory compliances. The status of compliances and the monitoring along with significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management systems.

Risk Management and Compliance

Risk Management is one of the critical element of operating framework at MSE. Enterprise Risk Management ("ERM") framework encompasses practices relating to the identification, evaluation, mitigation and monitoring of strategic, operational, financial, compliance risks and emerging risks to achieve key business objectives and to minimise the adverse impact of risks., enabling effective leveraging of market opportunities and enhancement of long-term competitive advantage.

The Board of Directors of the Company has formed a Risk Management Committee ("RMC") to oversee the ERM Framework, mitigation and monitoring the risk management plan and ensuring its effectiveness. Following are the members of the RMC of the Exchange:

Mr. Vijay Sardana, Chairman*

Mr. Ajai Kumar, Chairman**

Ms. Trishna Guha, Member

Mr. Suresh Viswanathan, External Expert

The Company's risk management framework is broadly categorized as risk pertaining to (a) Business and Strategy, (b) Information Technology & Cyber Security, (c) Regulatory and Compliance, (d) Finance and Accounts, (e) Operations, (f) Human Resources and (g) Admin and Environmental Health & Safety.

* Mr. Vijay Sardana, PID term expired on April 26, 2022

** Mr. Ajai Kumar appointed as a chairman of Risk Management Committee w.e.f. April 28, 2022

Risk Management Objectives

The objective of Risk Management is to help management make informed decisions which will:

- Provide a sound basis for good corporate governance;
- Avoid major surprises related to the overall risk and control environment;
- Protect & enhance shareholders' value;
- Promote an innovative, risk aware culture in pursuit of opportunities to benefit the company;
- Promote qualitative and consultative risk taking;
- Risk Management framework ensures that information about risk derived from the risk management process is adequately reported and used as a basis for decision making and accountability at all relevant organizational levels.

Risk Management Procedure:

Risk Identification: Risk Management is a continuous interplay of actions that the Company has to face. It is brought in to effect by the Company's Risk Committee, Management and other personnel. At MSE all Risks are categories into two i.e. Departmental Risk and Organisation Risk. The Risk Management process of the Company aims at providing reasonable assurance regarding achievement of the Company's objectives. In order to provide reasonable assurance, the Company's risk management process endeavors to help Identify, assess and escalate new risks impacting the objectives of the Company, Define mitigation actions to respond to the new risks effectively, Monitor effectiveness of existing risk management mitigation actions and Report risks and risk management mitigation actions to the Risk Management Committee on a periodic basis. The risk analysis and evaluation are carried out using scenario-based assessments to decide the potential impact, likelihood of occurrence and in some cases, the detectability of the risk. In all departments, Risk Champions are identified who along with Risk Department review the internal process and identifies if any new risk is coming into the system and report the same to Internal Risk Management Committee (IRMC) and RMC.

Risk Mitigation: Mitigation actions are prepared and finalised, owners are identified and the progress of mitigation actions are monitored and reviewed. IRMC and RMC periodically reviews and monitors the mitigation actions, its effectiveness and provides its advice and insights to the mitigation teams.

Risk Reporting: The top risks from the risk registers, its mitigation plans, periodic review of processes and new risks emanating from such reviews, a detailed update on Risks is presented and deliberated upon in the meetings of the RMC which are conducted on a periodic basis.

Risk Management Framework for the year

During the year, as part of monitoring the key risks, the risk management team:

- a) Reviewed the risk management practices, which were primarily focused on the effectiveness of strategic programs in improving our competitive position and differentiation in market segments.
- b) Reviewed the momentum of new initiatives to achieve our long term business aspirations, our preparedness to address any incident that may cause business disruptions to our physical and technological infrastructure, strengthening operational and internal controls to detect fraudulent activity, leadership development and succession, planning and monitoring possible impact of changes in our regulatory environment.
- c) Reviewed Technology, Information Security risks including cyber-attacks and threat intelligence and continue to monitor the progress of mitigation actions. In addition to this, mitigation plan is executed for data access, its preservation and monitoring measures for internal users is implemented.
- d) Reviewed key operational risks and actions based on inputs from internal risk register, external assessment, internal audit findings and incidents.
- e) Reviewed operational risk areas including client service level standards, retentions and engagement of employees, reskilling of employees, brand attractiveness, women's safety, physical securities, adequacy of insurance coverage, succession planning, and business continuity management.

- f) Monitoring by regulatory department, the key developments in the regulatory environment.
- g) Reviewed the risk management practices with distinct focus on impact of COVID – 19 on the organisational performance, physical security, trading operations, cyber and information security and key measures taken for employee well – being.

Due to the inherent risks in the Company's business activities, it is vital that MSE keeps improving risk management practices to strengthen the organisation through informed strategic and business decisions.

Risk Management Charter

The Company is committed to implement a robust Risk Management process to:

- improve its ability to prevent or timely detect risk event,
- identify, discuss, escalate and provide suggestions to deal with critical risk issues;
- standardize risk management principles and language across the company;
- improve sharing of risk information
- provide flexibility for managing upside and downside scenarios

This information complements and does not replace other existing compliance programs. This information is built on the established principles of sound risk management as detailed in recognised sources such as the Risk Management Standard ISO: 31000.

24. INTERNAL AUDIT

Internal Audit for quarter ended June 30, 2021 was conducted by M/s. M. M. Nissim & Co. and for quarter ended September 30, 2021 onwards was conducted by M/s. Mittal & Associates. Internal Audit Reports for all quarters of Financial Year 2021-22 were placed before the Audit Committee and the meetings of the Board of Directors.

25. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, the Company appointed M/s. Alwyn Jay & Co to undertake the Secretarial Audit of the Company for FY 2021-2022 and to issue Secretarial Audit Report. The Secretarial Audit Report duly signed by Mr. Alwyn Dsouza, Partner (Membership no. 3058 and Certificate of practice no. 6915) of the said firm is annexed as **Annexure VI** to this report.

There were no qualifications, reservations or adverse remarks made by Secretarial Auditor.

26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) The steps taken and their impact on conservation of energy:

- a) Your Company regularly replaces high energy consuming electrical equipment with modern efficient devices such as installing all LED lights which are less in electricity consumption. Additionally, your Company also conserves energy by switching off lights & other equipment when they are not required. Your Company has also put sun control films on the glass windows to reduce the heat entering the office area which reduces the air-conditioning load and instead of AHU (Air Handling Unit), the Company is using chilled water line which results in reduction in electricity cost. Your Company continuously strives to optimize its energy usage and efficiency.
- b) **The steps taken by the Company for utilising alternate sources of energy:** Your Company's building has glass windows all around and we also use the ambient light for lighting purposes as much as possible which reduces the electricity consumption due to lesser need of lighting during the day.
- c) **The capital investment on energy conservation equipment:** The Company has not done any capital investment on energy conservation equipment during the year.

(B) The earnings in foreign currency during financial year 2021-22 amounted to Rs. 22,94,999/- as compared to Rs. 22,50,000/- in the previous year. The expenditure in foreign currency during the financial year 2021-22 amounted to Rs. 33,41,118/- as compared to Rs. 38,38,053/- in the previous year.

27. CORPORATE SOCIAL RESPONSIBILITY

The Company has not registered profits in the last three years hence does not fall within the purview of the provisions of the Section 135 of the Companies Act, 2013 and rules made thereunder; hence the Board of Directors have at their meeting held on May 13, 2017, dissolved the Corporate Social Responsibility Committee.

28. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company i.e. March 31, 2022 to which the financial statements relate and the date of this Report.

29. CHANGE IN THE NATURE OF BUSINESS

Your Company has not undergone any changes in the nature of business during the Financial Year 2021-22.

30. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 has been placed on the website of the Exchange at <https://www.msei.in/about-us/financials> in accordance with Section 134(3)(a) of the Companies Act, 2013.

31. SECRETARIAL STANDARDS

The Company complies with the applicable Secretarial Standards issued by the 'Institute of Company Secretaries of India' (ICSI), as amended from time to time.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the ICSI and such systems are adequate and operating effectively. During the year under review, the Company was in compliance with the Secretarial Standards (SS) i.e., SS-1 and SS- 2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

32. IMPLEMENTATION OF CORPORATE ACTION

During the year under review, the Company has not failed to implement any Corporate Actions within the specified time limit.

33. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

The significant and material orders passed by the regulators or courts or tribunals are as follows:

- i. Adjudication proceedings in respect of Show Cause Notice No. **T-4/07/FEMA/KOL/SCN/2020-21/SDE(ER)** dated 17.06.2020 issued by Enforcement Directorate, Kolkata.

The Adjudicating Authority in the matter passed a favourable order dated April 5, 2021 stating that the allegation/charge have not been established against any of the Noticees including the Exchange. Hence, the matter has been disposed off by authority.

- ii. Matters under litigation before Income Tax Department

Sr. No	Assessment Year	Amount of Expenses under appeal	Remarks
1	A.Y. 2012-13	280,495,853	Appeal is pending with CIT

Above expenses incurred by the Exchange is being appealed before the Income Tax Department for A.Y. 2012-13. If this appeal is unfavourable it may impact the Exchange.

- iii. Update on the matter before the Hon'ble Supreme Court of India and NCLAT against NSE

NSE has appealed before the Hon'ble Supreme Court on September 16, 2014 against the order dated August 5, 2014 passed by the Hon'ble Competition Appellate Tribunal, COMPAT (now merged with NCLAT) wherein it had upheld the order passed by Competition Commission of India (CCI) on predatory pricing by NSE. The Exchange has continuously endeavoured to get the matter listed at Supreme Court, after which it was listed on fourteen occasions from mid 2019 up to beginning of lockdown; however the matter was not taken up by Hon'ble Supreme Court due to paucity of time. After partial lifting of lockdown due to COVID-19, the Exchange filed urgent hearing/ mentioning application to get the matter listed on an urgent basis, on account of which the matter was listed on about six dates, however, it was not taken up due to paucity of time and other reasons.

The application claiming compensation from NSE filed by the Company before the Hon'ble COMPAT has been stayed pursuant to Hon'ble Supreme Court's Order dated February 12, 2018.

34. MAINTENANCE OF COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013, are not applicable for the business activities carried out by the Company.

35. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company has not declared any dividend, so the applicable provisions related to IEPF are not applicable to the Company.

36. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

No fraud has been reported by the Auditors to the Audit Committee or the Board

37. RESOURCES COMMITTED TOWARDS STRENGTHENING REGULATORY FUNCTIONS AND TOWARDS ENSURING COMPLIANCE WITH APPLICABLE REGULATORY REQUIREMENTS

SEBI from time to time has issued various regulations and guidelines applicable to the Company. The Company ensures compliances with the same and aims to remain at the forefront by creating a precedent for others to follow, in terms of compliance by implementing the best governance practices and disclosures

Disclosure pertaining to resources committed towards strengthening regulatory functions and towards ensuring compliance

with regulatory requirements, backed by an activity based accounting and applicable to the recognised stock exchange, forming part of this report, is as under:

The Company has segregated its regulatory departments as per Regulation 28 of SECC Regulations. The Company has dedicated resources to manage regulatory functions of the regulatory departments as specified in Part C of SECC Regulations which includes Surveillance, Listing, Member registration, Compliance, Inspection, Enforcement, Arbitration, Default, Investor Protection and Investor Services and is in compliance of Regulation 33 (3) of the SECC Regulations.

As on March 31, 2022, there are 40 dedicated resources in regulatory departments/ functions in various designations. Senior officials of the Company Lead the various regulatory departments and report to the Chief Regulatory Officer and Compliance Officer, who in turn reports to the Managing Director and CEO, Regulatory Oversight Committee and Board of Directors, as required. The resources committed towards strengthening regulatory functions and towards ensuring compliance with regulatory requirements are activity / segment based. The same is categorised for various activities carried out in Regulatory Functions. It includes cost incurred by the Exchange towards Manpower, Set-up of segregated regulatory division, Online Surveillance Activity, System driven disclosures by listed companies, XBRL reporting format for listed companies, database to maintain listing and member related details and compliance monitoring. Of these, resources committed toward manpower in regulatory functions stands at INR 5.05 crores for FY 2021-22.

Further, the Exchange had incurred close to approx. INR 6 crores towards technology to run Trading and Surveillance Activities which is a coupled activity. Other resources committed towards set-up of segregated regulatory division and other hardware / software are unallocated, however, Exchange has ensured and committed the resources to regulatory functions in such a way that regulatory functions are well strengthened to discharge regulatory activities.

The Company has ensured to make disclosures of various mandatory regulatory requirements along with reporting of the same to various regulatory authorities in addition to informing the same to the Board of Directors and Committee members

38. GREEN INITIATIVE

During the Financial Year 2021-22, all the agenda items of Board and Committee meetings were sent electronically to the Directors/ Members and were uploaded on an application, thereby reducing/ eliminating circulation of printed agenda's and promoting the Green Initiative objective of the Government of India.

39. OTHER DISCLOSURES

A. Management Discussion & Analysis

Pursuant to Regulation 34(2)(e) of the Listing Regulations, the Management Discussion and Analysis Report forms part of this Annual Report and is annexed as **Annexure - VII.**

B. Corporate Governance

Pursuant to the SECC Regulations, Listing Regulations and the Act, report on Corporate Governance as on March 31, 2022, forms part of this Annual Report as an **Annexure VIII.** A Certificate from Practicing Company Secretary, confirming status of compliances of the conditions of Corporate Governance is annexed to the Corporate Governance Report.

C. Insider Trading Regulations

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading ("**Insider Trading Code**")

D. Amendment in the Bye-laws, Rules and Regulations

The modified Bye-laws, Rules and Regulations of the Exchange have been re-published and are awaiting the approval of the SEBI.

E. Amendment in the Memorandum and Articles of Association

The Memorandum of Association and Articles of Association of the Exchange are proposed to be amended to align it with the existing provisions of the Companies Act, 2013 and the rules made thereunder. The Board in its meeting held on June 22, 2021 and by the Shareholders at the Annual General Meeting held on December 20, 2021, have approved the amendment in the Memorandum of Association and Articles of Association of the Exchange.

F. Other Matter

- (a) The Exchange had received letters from the Regional Director, Ministry of Corporate Affairs regarding inspection of the Exchange u/s 206 (5) of the Companies Act, 2013. The Exchange has submitted necessary documents sought as part of the inspection.
- (b) As required pursuant to the SEBI directions in the month of June 2021, the Exchange has initiated forensic audit as per scope specified by SEBI, which was based on complaints received by SEBI. The Exchange has submitted the necessary sought as part of the audit.

40. MARKETING AND COMMUNICATIONS

2021-22 was an extraordinary year by any measure. Watching events unfold throughout the year, we keenly focused on what we as a company could do collectively.

The Company, in order to spread awareness about the capital market as part of financial inclusion and to educate the investors at national level across India especially tier 2 & 3 cities, through its IPF, regularly conducts Investor Awareness Programmes (IAPs).

IPF was instrumental in conducting 223 IAPs during FY 2021-22 in 148 cities which saw approx. 17,000 participants on topics such as basics of capital market, financial planning etc.

Investor Awareness Campaigns were also carried on various themes on our social media handles. Further Social media platforms were also leveraged to reach out to a wide audience. As part of new initiative, Corporate Communication department is working on various strategies to connect with the market participants by using various social media platform such as twitter, LinkedIn, Facebook etc.

Key highlights of our Investor Awareness Programmes (IAPs) under initiatives like World Investor Week and Azadi Ka Amrit Mahostav:

- A series of 7 online programs ABC – ‘I’ (Any Body Can – Invest) aimed at equipping the common man with the fundamentals of investing in the securities market and managing personal finances.
- Women Centric Financial Literacy Webinar -This program was solely arranged for women investors who are keen to learn about securities markets and the basics of investing & personal finance. Total of 255 women participated in 3 webinars across various cities which included maximum tier 1, 2, 3 cities. These sessions covered topics which enlightened women investors to plan and invest according to their needs and goals.



- IAP for Retired / Senior Citizens - The Exchange organized an IAP for retired / senior citizens who were completely new to investments and financial literacy. The program was attended by 57 participants.



- IAP for Specially Abled Individuals - MSE has pioneered an investor education & awareness program for a niche audience - the specially-abled employable individuals (Individuals with physical disability). It makes MSE first in India for such an initiative. The program had a total of 51 participants. The participating organizations were Indigo Airline, Youth for Jobs and Family of Disability.



- IAP for Young Individuals - The Exchange organized an IAP for young individuals between the age group 18-25 years and who were completely new to investments and financial literacy. The program was attended by 182 participants.
- Exchange launched an online quiz contest for the World Investor Week 'Kaun Banega Investor?' on Facebook with cross promotions on LinkedIn, Instagram and Twitter to increase participation amongst our existing follower base.



- The exchange posted a series of online infographics namely 'Be Wise Think Twice' for a week, talking about the risks of being financially illiterate and the ways of identifying and avoiding fraudulent market schemes and practices. And some of our infographics have received more than 700+ likes.



- 'Kya Apko Pata Hai' Did You Know' - India's journey from 1947
A series of interesting facts about India's milestones and the evolution of the Indian Securities market was shared in the format of an online campaign run on the exchange's official social media accounts. Which received more than 1200+ likes on Facebook.



- IAP for Minority Female Students & Working Professionals – A series of 4 physical sessions specially curated for female students and working professionals of Momin Women’s College, Bhiwandi, Mumbai which was attended by approx. 504 students



- Kolkata International Book Fair & Kalimpong Book Fair, West Bengal – Against the backdrop of celebrating the 75 years of progressive India and the glorious history, it was emphasised upon the need of taking various awareness initiatives for investor protection. In this context it was decided by SEBI for all MII’s to participate in the Book Fair. Main objective of the participation being investor education and awareness about the capital





- Samman - MSE hosted 'Samman' - an evening dedicated to celebrating long-term employees of the exchange. MD & CEO, Ms. Latika S Kundu, felicitated MSE team members for over 10 years of dedicated service to the exchange.



- Women’s Day – Exchange believes in a gender equal world. A world free of bias, stereotypes and discrimination. A world that’s diverse, equitable, and inclusive. A world where difference is valued and celebrated.

On the 8th of March 2022 exchange celebrated the International Women’s Day, appreciating and valuing its female workforce and their contribution.



42. ACKNOWLEDGEMENTS

The Board is grateful to the members of various committees constituted during the year.

The Board places on record their gratitude for the valuable guidance and support received from the Government of India, particularly Ministry of Finance and Ministry of Corporate Affairs, Securities and Exchange Board of India and Reserve Bank of India and for the continuous support given by participating banks, shareholding banks and institutions, NSDL, CDSL, FICCI, CII, ASSOCHAM, IMC and various other international, national and regional chambers of commerce, trade associations and all other broker-members, lawyers and law firms, consulting firms, vendors, technology partners and all other business associates to the Company.

The Board members are also deeply touched by the efforts, sincerity and loyalty displayed by the employees and the Board wishes to convey their appreciation to the Company’s employees for their continuous efforts as well as their collective contribution which enabled the Company to meet the challenges set before it and look forward for their support in future as well.

Further, the Board expresses its gratitude to our Shareholders for the confidence reposed in the Management of the Company.

For and on behalf of the Board of Directors

Latika S. Kundu
Managing Director & CEO
DIN: 08561873

Date: October 31, 2022
Place: Mumbai

S.V.D. Nageswara Rao
Chairman
DIN: 02105323

ANNEXURE I – Boards Report

**DISCLOSURES OF THE EMPLOYEE STOCK OPTION SCHEME, 2009 (ESOP SCHEME 2009)
UNDER THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA**

Sr. No.	Particulars	Round I	Round II	Round III	Round IV
A	Options granted	11,25,000 (on November 27, 2009)	40,55,100 (on March 20, 2012)	5,53,250 (on November 1, 2012)	1,45,800 (on March 12, 2013)
B	The pricing formula	Based on the fair price of the shares on the date of grant.			
C	Options vested	11,25,000	40,55,100	5,53,250	1,45,800
D	Options exercised till March 31, 2021	7,05,000	6,02,666	NIL	Nil
E	The total number of shares arising as a result of exercise of options	Not Applicable, as ESOPs are intended to be offered through Trust			
F	Options lapsed as at March 31, 2021)	4,20,000	34,52,434	5,53,250	1,45,800
G	Variation of terms of options (as at March 31, 2021)	None			
H	Money realized by exercise of options by ESOP Trust	Rs. 7,05,000	Rs. 12,65,599	Nil	Nil
I	Total number of options (vested and unvested) in force (as at March 31, 2022)	NIL			
J	Employee wise details of options granted during FY 2021-22				
	i) KMPs/ Senior managerial personnel				
	ii) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year				
	iii) identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options	Nil			
K	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Indian Accounting Standard 33 'Earnings Per Share'	NA			
L	i) Method of calculation of employee compensation cost				
	ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the Options				
	iii) The impact of this difference on profits and on EPS of the Company				
M	Weighted average exercise price and Weighted average fair value				
N	Fair value of options: Assumptions, Risk Free rate, Expected life of options, Expected Volatility				
	Expected Dividends	No dividend declared			
	Closing market price of share on a date prior to option grant	N.A.			

Notes:

- Options under the ESOP Scheme are offered through the Trust.
- The shares of the Company are not listed on any Stock Exchange.
- No options were granted, vested or exercised during the FY 2021-2022.

For and on behalf of the Board of Directors

Latika S. Kundu
Managing Director & CEO
DIN: 08561873

S.V.D. Nageswara Rao
Chairman
DIN: 02105323

Date: October 31, 2022
Place: Mumbai

ANNEXURE II – Boards Report

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under fourth proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis- Metropolitan Stock Exchange of India Limited (the Company) has not entered into any contract/arrangement/ transaction with its related parties, which is not in ordinary course of business or at arm's length during FY-2021-2022. The Company has laid down policies and processes/ procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.
 - (a) Name(s) of the related party and nature of relationship: **Not Applicable.**
 - (b) Nature of contracts/arrangements/transactions: **Not Applicable**
 - (c) Duration of the contracts / arrangements/transactions: **Not Applicable.**
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Not Applicable.**
 - (e) Justification for entering into such contracts or arrangements or transactions: **Not Applicable.**
 - (f) Date(s) of approval by the Board: **Not Applicable.**
 - (g) Amount paid as advances, if any: **Not Applicable.**
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013: **Not Applicable.**
2. Details of material contracts or arrangement or transactions at arm's length basis:-
 - (a) Name(s) of the related party and nature of relationship: **Please see Annexure to AOC -2**
 - (b) Nature of contracts/arrangements/transactions: **Please see Annexure to AOC -2**
 - (c) Duration of the contracts / arrangements/transactions: **On-going transaction (Continuous)**
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Please see Annexure to AOC -2**
 - (e) Date(s) of approval by the Board, if any: **The transactions are on arms' length basis and in ordinary course of business. Approval of the Board wherever necessary were obtained for this purpose from time to time.**
 - (f) Amount paid as advances, if any: **Nil**

For and on behalf of the Board of Directors

Latika S. Kundu
Managing Director & CEO
DIN: 08561873

S.V.D. Nageswara Rao
Chairman
DIN: 02105323

Date: October 31, 2022
Place: Mumbai

Annexure to Form No. AOC-2**Details of Transactions with Related Parties**

Nature of Transaction	MSE Fintech Limited (erstwhile MCX-SX KYC Registration Agency Limited).	Metropolitan Clear- ing Corporation Of India Ltd (Subsidiary)	MSEI-IPF CDS Trust (Others)#	Metropolitan Stock Exchange ESOP Trust (Others)
Expenses				
Clearing and settlement charges	-	0	-	-
	-	<i>1</i>	-	-
Other services	-	5	-	-
	-	<i>21</i>	-	-
Income				
Rent income	-	6	-	-
	-	<i>60</i>	-	-
Assets Transfer	-	-	-	-
	-	<i>2</i>	-	-
Shared service cost recovered	-	146	-	-
	-	<i>165</i>	-	-
Reimbursement of Expenses	0	-	-	-
	<i>0</i>	-	-	-
Receipt under Capital Reduction	-	-	-	-
	-	-	-	-
Amount Receivable	0	319	-	-
	-	<i>119</i>	-	<i>0</i>
Amount Payable	-	-	-	-
	-	-	-	<i>0</i>
Closing Balance of Investments in equity shares	5	12,017	-	-
	<i>5</i>	<i>12,017</i>	-	-
Closing Balance of Loan to ESOP Trust	-	-	-	60
	-	-	-	<i>60</i>
Closing Balance	-	-	-	-
	-	-	-	-

The Company acts as an intermediary for collection of penalties and share of listing fees to be transferred to MSE – IPF Trust accordingly those transactions have not been considered above.

Related party relationship is as identified by the Company and relied upon by the auditors.

There are no amounts written off or written back in the year in respect of debts due from or to related parties.

Figures in italics represent previous year's amounts.

The transactions with the related parties are disclosed only till the relation exists.

Transaction charges collected by MCCIL on behalf of the company and paid to the company have not been considered for the aforesaid disclosure.

For and on behalf of the Board of Directors

Latika S. Kundu
 Managing Director & CEO
 DIN: 08561873

S.V.D. Nageswara Rao
 Chairman
 DIN: 02105323

Date: October 31, 2022

Place: Mumbai

ANNEXURE III– Boards Report**NOMINATION AND REMUNERATION POLICY**

The detailed Nomination and Remuneration policy is available on MSE's website at <https://www.msei.in/about-us/policy>.

ANNEXURE IV– Boards Report

**STATEMENT PURSUANT TO RULE 5(3) and 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF
MANAGERIAL PERSONNEL) RULES, 2014 AND REGULATION 27(5) OF THE SECC REGULATIONS 2018
FOR THE PERIOD FROM APRIL 1, 2021 TO MARCH 31, 2022**

Name & Qualifications	Age	Designation	Remuneration received (Rs.)	Experience in years	Date of commencement of employment	Previous employment
Latika S Kundu MBA, ACCP-ICCP, BCOM#	52	MD & CEO	50,00,000	21+	12-Mar-20	Singapore Diamond Investment Exchange Pte. Ltd
Saket Bhansali B.Com / PGDBA	44	Chief Financial Officer	55,00,000	21	03-Apr-20	Singapore Diamond Investment Exchange Pte. Ltd
P. K. Ramesh BSc., MA (Economics), MBA (Finance), LLB and PG in Securities Law	60	Chief Regulatory Officer & Compliance Officer	46,00,000	36	24-May-18	United Stock Exchange
Manisha Thakur B.Com, Company Secretary (CS), LLB *	55	Company Secretary (Head - Legal & Company Secretary)	30,31,250 (01-04-2021- to February 11, 2022)	27	01-04-2020	Consultant at MSE, Indian Clearing Corporation Ltd.
Neeraj Omprakash Gupta Diploma in Computer Engineering **	48	Chief Technology Officer	45,00,000	25	19-Jan-21	Indian Commodity Exchange
Sachin Nayak Chartered Accountant	41	Head Market Operation Designated as KMP w.e.f. February 14, 2022 \$	4,47,917 (February 14, 2022 to March 31,2022)	16	08-Sept-2008	City Group Global Services
Anish Kumar B.Com, Diploma in Computer Law and Management ***	44	Chief Risk Officer Designated as KMP w.e.f. February 14, 2022 \$	5,34,002 (February 14, 2022 to March 31,2022)	22	01-April-2009	NSE
Jagdish Asodekar *Post Diploma in Fiber *Diploma in Electronics & Telecommunication Diploma in Software System Analysis & Applications ****	44	Chief Information Security Officer Designated as KMP w.e.f. February 14, 2022 \$	2,43,156 (February 14, 2022 to March 31,2022)	21	25-Jan-2021	MCX

Total Remuneration stated above is excluding 50% variable pay of Rs. 12,50,000 for FY 2020-21 which was paid on July 31, 2021 and balance 50% of Variable Pay to be paid on deferred basis after three (3) years as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018

* Ms. Manisha Thakur resigned w.e.f. February 11, 2022

** Mr. Neeraj Gupta resigned w.e.f. July 02, 2022

***Mr. Anish Kumar resigned w.e.f. April 22, 2022

****Mr. Jagdish Asodekar resigned w.e.f. June 03, 2022

§ Mr. Sachin Nayak, Head Market Operation, Mr. Anish Kumar, Chief Risk Officer and Mr. Jagdish Asodekar Chief Information Security Officer were designated as KMPs by the Board at their meeting held on February 14, 2022

Notes:

1. None of the above employees is a relative of any Director of the Company.
2. Except Mr. Saket Bhansali, Mr. Sachin Nayak, Mr. Anish Kumar and Mr. Jagdish Asodekar as on March 31, 2022, none of the employees hold any equity shares in the Company within the meaning of clause (iii) of sub- rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
3. Nature of employment : Above employees are / were KMP's of the Company.

For and on behalf of the Board of Directors

Latika S. Kundu
Managing Director & CEO
DIN: 08561873

S.V.D. Nageswara Rao
Chairman
DIN: 02105323

Date: October 31, 2022

Place: Mumbai

ANNEXURE V– Boards’ Report
DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2021-22 and ratio of the remuneration to the median remuneration of all the employees of the Company:

Sr. No.	Name of Director/ KMP and Designation	% increase (decrease) in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director/ KMP to median remuneration of employees
1	Mr. D. K. Mehrotra* Chairman and Public Interest Director	*	1:1.200
4	Ms. Trishna Guha* Public Interest Director	*	1:1.692
5	Mr. S. V. D. Nageswara Rao* Public Interest Director	*	1:1.692
6	Mr. Vijay Sardana* Public Interest Director	*	1:1.338
7	Mr. Raghunathan Srinivasa** Shareholder Director		1:0.154
9	Ms. Latika S. Kundu Managing Director & CEO	No increase or decrease in the remuneration	1:9.615
10	Mr. Saket Bhansali Chief Financial Officer	No increase or decrease in the remuneration	1:8.462
11	Ms. Manisha Thakur Head - Legal and Company Secretary	No increase or decrease in the remuneration	1:4.663

Note:

*Public Interest Directors (Independent Director) and Shareholder Director received only sitting fees and no remuneration is paid.

** Mr. Raghunathan Srinivasa appointed as Shareholder Director w.e.f. January 6, 2022

- (i) The percentage decrease in the median remuneration of employees in the financial year 2021-22 is 4.96%, however the total remuneration as on March 31, 2022 as compared to March 31, 2021 decreased by Rs. 2.62 cr. The total remuneration paid to the employees as on March 31, 2022 was Rs. 12.75 cr as against Rs. 15.37 cr. on March 31, 2021.
- (ii) The number of permanent employees on the rolls of company as on March 31, 2022 is 135 employees.
- (iii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptions circumstances for increase in the managerial remuneration; - The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is Nil
- (iv) It is hereby affirmed that the remuneration paid during the year is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Latika S. Kundu
 Managing Director & CEO
 DIN: 08561873

S.V.D. Nageswara Rao
 Chairman
 DIN: 02105323

Date: October 31, 2022

Place: Mumbai

ANNEXURE VI – Boards Report

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2022

(Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule No.9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members of

Metropolitan Stock Exchange of India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Metropolitan Stock Exchange of India Limited** (CIN: U65999MH2008PLC185856) (hereinafter called “the Company”). Subject to limitation of physical interaction and verification of records caused by COVID-19 Pandemic restrictions, the Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts and statutory compliances to express our opinion thereon.

Based on our verification of the Company’s statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022** complied with the statutory provisions listed hereunder and also that the Company has followed proper Board-processes and has required compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder and The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and other Circulars;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder for compliance to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **as applicable**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) **as amended from time to time**: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not Applicable to the Company**;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - **Not Applicable to the Company**;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - **Not Applicable to the Company**;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not Applicable to the Company**;
 - (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not Applicable to the Company**;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - **Not Applicable to the Company**;
 - (h) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not Applicable to the Company**;
 - (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) The Company has complied with the provisions of the Prevention of Money Laundering Act, 2002 and other applicable general laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 **to the extent applicable**.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. There was no Director on the Board of Directors of the Company till 20th December, 2021 who can be held liable to retire by rotation pursuant to section 152 of the Act. However, the Company has appointed a Shareholder Director at the Annual

General Meeting of the Company held on 20th December, 2021 who liable to retire by rotation.

2. In connection with the Inspection commenced under section 206(5) of the Companies Act, 2013, a Forensic Audit as specified by the SEBI vide its letter dated 9th June, 2021 was carried out by Ernst & Young as per the directions specified by SEBI and the Company has submitted necessary documents including Forensic Audit Report to Regional Director, Western Region, Ministry of Corporate Affairs.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Director and Public Interest Directors/Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for a meaningful participation at the meeting.

The minutes of the Board Meetings and Committee Meetings have not identified any dissent by members of the Board/Committee of the Board. The Minutes of the Board Meetings and Committee Meetings were duly approved at the meeting by the Chairman of the Meeting. However, due to COVID-19 Pandemic restrictions, the minutes of the Board Meetings and Committee Meetings were physically signed at a later date.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period, following specific events/actions have taken place, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

1. In the matter of National Stock Exchange of India Ltd Vs Competition Commission of India & MSE (Civil Appeal No.8974 of 2014) before Supreme Court of India, National Stock Exchange of India Ltd (NSE) had filed an appeal to set aside the impugned judgement and final order dated 5th August, 2014 passed by the Competition Appellate Tribunal, New Delhi in Appeal No.15 of 2011 wherein a penalty of Rs.55.5 Crores was imposed on NSE stating that NSE had abused its dominant position by carrying out predatory pricing in the securities market of stock exchange services. The matter is still pending for final hearing.
2. Cogencis Information Service Ltd (Cogencis) has filed a Commercial Suit before the Hon'ble High Court Bombay against the Company under the Commercial Courts Act, 2015 for recovery of debt of Rs.1,29,90,975/-, Cogencis was appointed by the Company in 2016 for providing data feed services for 2 years which the Company terminated services as per Clause 3 of the subscription form by giving 90 days' advance notice on 26.12.2016. As per clause 2 of the subscription form, the minimum tenure of the agreement was 2 years before which there could be no termination. It was alleged by Cogencis that it continued to provide its services to the Company & hence raised invoices until completion of 2 years. the Company had refuted the above allegations & clarified that Clause 2 mentions the minimum initial term for the agreement unless terminated in accordance with clause 3. Cogencis filed petition with NCLT, Mumbai u/s 9 of the IBC code against the Company claiming an alleged operational debt amounting to Rs.94,56,511/-. A notice dt 12.03.2021 was received from Cogencis for mediation before the Mumbai District Legal Services Authority, City Civil & sessions court to which MSE did not consent. Accordingly, a non-starter report was submitted to the Court. Thereafter Cogencis filed a commercial suit before Hon'ble High Court, Mumbai in September,2021.
3. Approval of the Shareholders was obtained at the Annual General Meeting held on 20th December, 2021 for:
 - a. alteration in the Memorandum of Association of the Company accordingly, all the clauses contained in Clause III (C) (Other Objects) shall be incorporated in Clause III(B) ('Objects incidental or ancillary to the attainment of the Main Objects') and consequently changing the object numbering as may be appropriate and renaming of the Clauses III(A) and III (B) of the Memorandum of Association of the Company in accordance with the Table A of the Schedule I of the Act;
 - b. alteration/ deletion/ substitution in the existing Articles of Association of the Company to align with the provisions of the Companies Act, 2013.

Place: Mumbai

Date : 16th August 2022

ALWYN JAY & CO.

Company Secretaries

Partner

[Jay D'souza FCS 3058]

[Certificate of Practice No. 6915]

[UDIN : F003058D000796609]

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To
The Members,

Metropolitan Stock Exchange of India Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to **Metropolitan Stock Exchange of India Limited** (hereinafter called 'the Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. Further part of the verification was done on the basis of electronic data provided to us by the Company due to COVID-19 Pandemic restrictions and on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai

Date : 16th August 2022

ALWYN JAY & CO.

Company Secretaries

Partner

[Jay D'souza FCS 3058]

[Certificate of Practice No. 6915]

[UDIN : F003058D000796609]

A. SEKAR

B.COM, FCMA, ACS, LLB (GEN)
COMPANY SECRETARY
B 305, Sai Jyote,
Lalubhai Park West,
VILE PARLE WEST, MUMBAI 400 056
Phone: 26716211
EMAIL: a.sekar.cs@gmail.com

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2022

(Pursuant to section 204(1) of the Companies Act, 2013 and the Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members of
Metropolitan Clearing Corporation of India Limited
CIN: U67120MH2008PLC188032
Bldg. A, Unit 205B, 2nd Floor,
Agastya Corporate Park, Sundar Baug Lane,
Kamani Junction, LBS Marg, Kurla West
Mumbai – 400070.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Metropolitan Clearing Corporation of India Limited (CIN: U67120MH2008PLC188032) (hereinafter referred as “The Company”). I have conducted Secretarial Audit in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covered for the financial year ended 31st March, 2022 (“Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period covering for the financial year ended 31st March, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as “SECC Regulations, 2018)) read with the circulars issued pursuant thereto;
- (iv) The Depositories Act, 1996 and the regulations and bye laws framed there under;
- (v) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act);
 - a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; to the extent applicable
 - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;

For the year under review, the provisions of the following Acts / Regulations were not applicable to the company: -

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- b) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- f) The Securities and Exchange Board of India (Share Based Employee Payments and Sweat Equity) Regulations, 2021.

I have also examined compliance with the applicable clause of:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;

Based on the aforesaid information provided by the Company, I report that during the financial year under review, the Company

has complied with the provisions of the abovementioned Acts, Rules, Regulations, Guidelines, Standards, etc. to the extent applicable.

The company has formulated a Compliance Management System to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, which in my opinion are prima facie commensurate with the size and operations of the company. The systems and processes in the company for compliance management are continuously reviewed by the Management so as to ensure that they are at any point of time commensurate with the size and operations of the company with respect to monitoring the compliance with applicable laws, rules, regulations and guidelines.

I further report that

- (a) The Board of Directors of the Company consists of sufficient number of Public Interest Directors, Shareholder Directors Managing Director etc. as required under the Act and Regulations, except that there is a vacancy in the office of Managing Director with effect from February 12, 2022.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except in cases where meetings have been held at short notice and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board and committees were unanimous, except in quite a few cases where dissenting views were recorded by Shareholder Directors.
- (d) With respect to the requirement to evaluation of the Performance of all the Directors individually as well as the Board as a whole, the Chairman and the Committees, it has been explained that the Shareholder Director did not evaluate the performance of:
 - (i) the Managing Director (MD) / CEO and
 - (ii) the Board, Chairman and the Committees on the ground citing that he had expressed dissent on many items where the Shareholder Directors felt that the same were not in due compliance with parent Board's directions and shareholders' interest and that it may not be appropriate to conduct the evaluation.

I further report that based on compliance mechanism established by the Company and on the basis of compliance certificates issued in terms of Regulation 33 of the SECC Regulations, 2018 by the Compliance Officer appointed under SECC Regulations, 2018 and taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Also, as informed, the Company has responded appropriately to notices received from various statutory authorities / regulatory authorities including initiating actions for corrective measures, where found necessary.

I further report that during the Audit Period;

- (a) With respect to the implementation of the order passed by Hon'ble National Company Law Tribunal, Mumbai (Tribunal) dated 19th August, 2019 read with the amendment dated 18th September, 2019, for the reduction in Equity share capital by INR 170 crores, an amount of Rs.3,30,93,974/- is shown under the head "Current Liabilities" in the Balance Sheet as at 31st March, 2022, being amounts payable to 63 Moons Technologies Limited, which has been set aside as per the order of the Tribunal pending further directions from Securities and Exchange Board of India (SEBI).
- (b) The Company (MCCIL) had raised invoice on Metropolitan Stock Exchange (MSE) in terms of the Clearing and Settlement Agreement (C&S Agreement) dated October 01, 2012 for the Financial Years 2020-21 and 2021-22. MSE has rejected the invoices citing that C&S agreement signed in 2012 is no longer valid post implementation of interoperability (IO) as a multi-partite IO Agreement was executed effective from June 1, 2019 for C&S charges for Currency Derivatives Segment (CDS), Equity Derivatives Segment (EDS) and Equity segment and hence C&S Agreement had been overridden by IO Agreement for CDS, EDS and Equity segments w.e.f. June 1, 2019. Further, MSE 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. SEBI has vide their communication dated February 2, 2021 and June 30, 2021 (addressed to MSE) clarified that unless MSE has any other agreement with any of the clearing corporations in respect of the debt segment, the extant C&S Agreement between MCCIL and MSE shall remain in operation.

Subsequently, SEBI vide its letter dated February 02, 2022 advised that as regards the issue of 'adoption of financial statements of MCCIL' the underlying issue i.e. raising of invoices against MSEI with Cost + 15% markup as per extant C&S agreement dated October 01, 2012 post interoperability agreement is commercial in nature. Therefore, MCCIL may amicably settle the issue by mutual consultation or refer the matter for arbitration as per clause 16 of C&S Agreement dated October 01, 2012.

- (c) The Annual General Meeting of the shareholders held on November 25, 2021, did not adopt the audited financial statements of the Company for the Financial Year Ended 31st March, 2021 citing the concerns of the holding company in their capacity as majority shareholders arising out of the dispute stemming from the non-acceptance of the invoices raised by MCCIL on MSE.

- (d) The shareholders at the said Annual General Meeting held on November 25, 2021 also did not approve the special resolution proposing the appointment and remuneration payable to Mr. Krishna J Wagle, appointed by the Board of Directors as Managing Director with effect from February 27, 2021, elevating him to this position from his erstwhile position as Chief Financial Officer (CFO) and subsequently he resigned from the position of Managing Director, thereby causing the vacancy in the office of a Key Managerial Person (KMP), which is yet to be filled up. The Company has represented that it has started the process of appointment of Managing Director & CEO.
- (e) Mr. P.K. Ramesh who was appointed as Shareholder Director with effect from October 05, 2020, retired by rotation in the Annual General Meeting held on November 25, 2021 and being eligible offered himself for re-appointment which was approved by shareholders. However, in terms of SECC Regulations, 2018, his re-appointment was subject to approval of SEBI. SEBI vide its email dated February 16, 2022 advised to initiate the appointment process afresh, and seek the approval of the Governing Board of MCCIL followed by shareholders' approval, before submitting the application to SEBI. Accordingly, Mr. P.K. Ramesh retired from the Board with effect from February 16, 2022. The Company has already initiated the process of his re- appointment and is awaiting approval from SEBI.

This report is to be read with our letters of even date which is annexed as Annexure I

Place: Mumbai
Date: 20th May, 2022

A SEKAR
Company Secretary
ACS 8649 CP 2450
UDIN: A008649D000357712

Annexure – 1

My report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on our audit.
2. Following the nation-wide lockdown implemented by the Central and State Governments arising out of COVID-19 situation, all the documents including the statutory records, extract of the minutes of the meetings of the Board of Directors and their Committees for the Audit period were verified on the basis of the documents and records uploaded by the Company in the Virtual Data Room (VDR) and pending validation by physical checks.
3. After appropriately considering the circumstances arising out of the situation explained in Paragraph 2, I confirm that I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
4. I have not verified the correctness, appropriateness of financial records and books of accounts of the Company and records pertaining to direct and indirect taxation of the company, which I believe are the domain of other professionals on whom the responsibility is entrusted by the provisions of the Companies Act, 2013 and other applicable statutes.
5. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test check basis.
7. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company, specifically given the differences and dissents in the Board functioning.

Place: Mumbai
Date: 20th May, 2022
ACS 8649 CP 2450

A SEKAR
Company Secretary

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Metropolitan Stock Exchange of India Limited (“MSE”) is a recognized national level stock exchange in India. MSE offers an electronic platform for trading in Currency Derivatives, Interest Rate Derivatives and Equity Cash & Equity Derivatives segments. The Exchange employs advanced trading technology and IT infrastructure with significant scalable capacity and proven capability of handling high volume trades.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Stock Exchanges are crucial market intermediaries and are supervised by the Securities and Exchange Board of India (SEBI). It is a tool for nation building and a major job creator. The Exchange space spans many asset classes – Equities, Equity Derivatives, ETFs, REITS, InVITs, Corporate and Government Bonds, Interest Rate Derivatives and Commodity Derivatives etc. The Exchange ecosystem supports various intermediaries’ including stock brokers, authorized persons, corporates, banks, depositories, depository participants, custodians and investors.

Indian Stock Markets has shown significant growth on the participation of retail investors. Number of demat accounts in India has crossed 100.5 million in 2022 on back of low interest rate regime and easy accessibility to stock market. The regulatory initiatives that provide impetus to further growth of Indian Stock exchanges- dilution of lock-in requirements in Public issue in capital market, shorter timelines for right issues, dematerialization & trading of Rights Entitlements on Stock Exchange, framework for Cyber Security and Cyber resilience for Stock Exchanges, clearing corporations and depositories, introduction of T+1 settlements, amendment in SEBI registered Alternative Investment Funds (AIFs) norms to provide capital for startups.

2. GLOBAL ECONOMIC OUTLOOK

The global economic scenario for the current year began on the extremely positive note in view of the overall optimism due to speedy COVID-19 vaccination programs, robust monetary and fiscal support from governments across the globe and relaxation of pandemic-induced restrictions in several countries to support demand in their respective countries. However, during course of the year, the situation turned dim as inflationary pressure started surmounting in various countries because of monetary impetus provided in maximum countries during COVID-19 period previously.

According to the World Economic Outlook Report by IMF, global growth is expected to slum from 6% in 2021 to 3.2% in 2022 and 2.7% in 2023. This is the weakest profile since 2001 except for the global financial crises and the acute face of COVID-19 pandemic. It is expected to hover around that pace over 2023-24, as the war in Ukraine disrupts activity, investment, and trade in the near term, pent-up demand fades, and fiscal and monetary policy accommodation is withdrawn. As a result of the damage from the pandemic and the war, the level of per capita income in developing economies this year will be nearly 5% below its pre-pandemic trend. The war in Ukraine, lockdowns in China, supply-chain disruptions, recent debt management crisis in Sri Lanka and the risk of stagflation are hammering growth. Markets look forward, so it is urgent to encourage production and avoid trade restrictions. Changes in fiscal, monetary, climate and debt policy are needed to counter capital misallocation and inequality. Many countries are restoring to hike in interest rates to ease inflationary pressures in their countries, which have already started affecting the investment patterns across globe. The US central bank has hiked interest rate by 150 bps in 2022, which is causing depreciation of currency in Major Asia economies.

There is persistent supply-side disturbances fueling inflation, preceded by a protracted period of highly accommodative monetary policy in major advanced economies, prospects for weakening growth, and vulnerabilities that emerging market and developing economies face with respect to the monetary policy tightening that will be needed to rein in inflation. However, the dollar is strong, the percentage increases in commodity prices are smaller; and the balance sheets of major financial institutions are generally strong. More importantly, central banks in advanced economies and many developing economies now have clear mandates for price stability, and, over the past three decades, they have established a credible track record of achieving their inflation targets.

Growth in advanced economies is projected to sharply decelerate from 5.1% in 2021 to 2.6% in 2022—1.2 percentage point below projections in January. Growth is expected to further moderate to 2.2% in 2023, largely reflecting the further unwinding of the fiscal and monetary policy support provided during the pandemic.

Among emerging market and developing economies (EMDEs), growth is also projected to fall from 6.6% in 2021 to 3.4% in 2022—well below the annual average of 4.8% over 2011-2019. The negative spillovers from the war will more than offset any near-term boost to some commodity exporters from higher energy prices. Forecasts for 2022 growth have been revised down in nearly 70% of EMDEs, including most commodity importing countries as well as four-fifths of low-income countries.

DOMESTIC ECONOMIC OUTLOOK

Outlook for Indian Economy looks promising with help of speedy pace of vaccination, robust economic recovery, good corporate earnings and relaxation of Covid-19 restrictions. India’s GDP grew by 8.7% in FY2022 after contracting to 6.6% in FY2021. According to the RBI, Indian businesses have seen a steady net profit-to-sales growth over the past year and have piles of cash, which are evident from cash coverage ratio. India like many of its counterpart is facing problem of inflation that is hard on Indian consumers, with low-income households getting disproportionately impacted. However, Indian consumer confidence is improving with the easing of mobility restrictions. India’s services activity expanded at the fastest pace in eleven years in June 2022 as indicated in PMI, rising from 58.9 in May to 59.2 in June. Demand for electricity in the first six

months of the year has been higher than in the past three years. The number of vehicles registered, meanwhile, has reached pre-pandemic levels. India's gross tax collection has beaten all expectations. The total tax collection reached INR 27.07 lakh crore in FY21–22, surpassing the government's revised target by a substantial margin on accounts of the simplified tax regime with low rates and digitization of tax filing. Higher capital spending on infrastructure and asset-building projects is likely to boost growth multipliers in the medium term. Indian Exports has performed exceptionally well during pandemic and are driving force to the economy. Moreover, if an expectation of a global economic slowdown results in a fall in commodity prices, which is what commodity indices currently indicate, Indian import bills will also come down. That may improve India's current as well as fiscal accounts.

India has not remained untouched by series of global incidents. There is supply constraints due to China's zero policy tolerance for COVID-19 as India is second largest import partner of China. India imports both intermediate as well as finished goods from China, which accounts for 20% Of Indian Imports accompanied by Russia-Ukraine war adding to fuel supply woes as fuel price. The benchmark Brent crude oil price for March 2022 came in at US\$ 118 per barrel, up 38% from its level in January and up 81% year-on-year and the price of natural gas between January and March 2022 rose by 45% to US\$ 41.0 per million Btu. Climate change in India affecting the food crops production and high unemployment rate in last 40 years, leading to inflation in country, outflow of investments by FIIs & FDIs as result of hike in interest rate in US. Government of India has allotted substantial budget for deal with COVID-19. It has curtailed inflationary pressure by restoring to monetary with complimenting fiscal policy. It has increased focus on increasing ease of doing business, extending credit line to MSME, encouraging new technologies — including a digital currency this year, improving transport and digital connectivity. India needs weigh pros and cons emerging from vulnerability that appears both from internal and external markets and has to take remedial actions accordingly.

4. MSE'S OUTLOOK

MSE's value proposition is to develop differentiated offerings in Currency Derivatives (CDS), Equity Bulk / Block Deals, Commodity Products and Mutual Fund Segment. These products and offerings shall expand the market, meet the needs of the market participants and address current gaps. The Exchange possesses the potential to become 'The Exchange of the Future'. However, there has been a long gap due to subsequent issues over the years. Therefore, at MSE, the journey of the Exchange has just re-started from scratch under the guidance of the new leadership for the past two years. It is similar to a 0-to-1 journey in a start-up that we are witnessing at MSE, all poised towards strong growth. The advancement plans and new initiatives are harbinger of a new area of the Capital Market that the Exchange envisages to build in its growth journey. Hence, to turn around and create a mark in the industry, to stabilize its operations and to transition the growth journey, it requires sufficient time and the support of a stable leadership at the helm.

We are in the process of creating a robust and resilient business model and a world-class trading infrastructure ecosystem by employing and leveraging technology, innovation and partnerships. We have set out a vision of attracting liquidity by providing broader and more effective access beyond the Tier III and Tier IV cities. We plan to create a competitive and comprehensive one-stop solution for investors and facilitate further through secure, effective and transparent channels across asset classes. The Exchange continues its belief that innovation is the key growth metrics in this competitive market and going forward, the Exchange will continue to allocate sufficient resources in research and innovation. Although the Exchange will focus maximum of its resources in gaining traction in the established business segments or existing yet non-operationalized business segments; however, the Exchange will continue to work with market participants in exploring and building new products and launching them post regulatory approvals.

The Exchange in last 13 years of its operations has been successful in maintaining an unperturbed and smooth functioning of its technical processes. MSE has got a robust Trading System running on High Availability and Fault Tolerant Infrastructure. MSE trading system has gained greater acceptance among the traders and investors, with its user-friendly functionalities coupled with sound architecture to cater to the Exchange system requirements. Our robust technology solutions would aim in supporting customers' workflow (trading technology), multi-asset class analytics and flexible connectivity and delivery solutions. In the long run, we plan to execute our growth strategy by positioning ourselves as an emerging leader in the platform business.

Addition of strategic investor/(s) to the cohort of an already existing wide shareholder base is imperative for the Exchange to thrive and bring about the changes in the ecosystem that the Exchange visualizes. This would not only bring in growth capital but also dedicated guidance and expert advice which would yearn the development journey going forward. The Exchange is striving under a minimal cost base and plans to maintain a strong hold on its expenses by adhering to the thorough restructuring and internal process strengthening initiatives that it has undergone in recent past. The Exchange believes in opportunities. We may enter into business combinations, enter into strategic partnerships, or alliances, any of which is material to leverage our existing strength to widen our customer base and become the eye in addressing the underserved markets. Another primary objective of the Exchange is to spread financial awareness and educate the population on financial products. This comes with a long-term vision to transform the youth of today into potential customers tomorrow. Thus, the Exchange plans to transform into a major financial hub catering into an aura of segments and becoming the pillar of the Indian economy.

Investor Services

MSE in accordance to the SEBI directives has established Investor Services Centers (ISC) at Mumbai, Kolkata, Delhi, Chennai,

Ahmedabad, Indore, Kanpur and Hyderabad, providing inter alia facilitating Arbitration Mechanism. Investors may approach these centers for assistance, support or redressal of their grievances against Members and Listed companies of the Exchange. The Investor Services Centres are full-fledged and well equipped to redress the complaints/grievances of the Investors in an effective and expeditious manner. The complaints of investors received are taken up with the Trading Member or the listed company and the Exchange tries to work out a favorable resolution. However, if the same does not satisfy the aggrieved parties, the complaint is placed before Grievances Redressal Committee (IGRC) for resolution. The Company has formed separate GRCs, for each Regional Investor Service Centre to deal with the cases coming within their respective geographical jurisdiction.

When either the parties feels that the complaint has not been resolved satisfactorily through resolution process of the Exchange, the parties may choose the route of arbitration. Arbitration is a quasi-judicial process of settlement of disputes between Trading Member, Investor, Clearing member, Authorised person etc. Arbitration aims at quicker legal resolution for the disputes.

Investors Protection Measures for the Trading Members of the company:

- Inspection of Members by Exchanges, Depositories and SEBI
- Dedicated page on Exchanges website for the Investors informing rights and obligations before dealing with the Members
- Guidance note - Do's and Don'ts for trading i.e. Trading requirements, Transactions and Settlements,

Termination of Trading Membership, Disputes and Complaints.

- Timely Redressal of complaints against Member & Listed companies filed in Exchanges
- Trade confirmation alerts/ details of the transactions through SMS or email, by the end of the trading day, from the stock exchanges.
- Investor Protection Fund and Investor Service Fund for the benefit of the clients. The company executes interim relief to the investors of Trading members in case matter is in their favour, as well as settlement of approved defaulter claim if any, from the Investor Protection Fund.

Investor Awareness Programme

The Exchange as per requirement of the SEBI directives has formulated the Metropolitan Stock Exchange Investor Protection Fund Trust (MSEIPFT). MSEIPFT conducts Investor Education and Awareness programmes (IAP) and is building traction through these Programs. These programs connect us with the retail and potential clients.

MSEIPF has conducted around 223 Investor Education and Awareness programs during the FY 2021-22, out of which 111 were conducted by MSE in collaboration with SEBI, the depositories, NSDL and CDSL. Further, MSE has participated as Guest Speaker for 112 programs which were hosted by SEBI and Depositories. The Investor Awareness programs received an overwhelming response from the audience.

Initiatives by MSEIPFT

As a continuous endeavor towards educating investors of the securities market and in order to assist them to make informed investments, the MSEIPF launched a campaign "Be Wise Think Twice" on digital platform across all social media handles. Digital Platforms generate value by connecting with the targeted audience to create a network effect. The campaign helped create a huge impact in terms of reach and visibility.

World Investor Week 2021

As part of the exchange's participation in the World Investor Week 2021 ("WIW 2021") event, held by WFE & IOSCO, during the month of November 2021, the following initiatives were undertaken:

1. ABC – 'I' (Any Body Can – Invest)

A series of 7 online programs aimed at equipping the common man with the fundamentals of investing in the securities market and managing personal finances.

• Women Centric Financial Literacy Webinar:

This program was solely arranged for women investors who are keen to learn about securities markets and the basics of investing & personal finance. Total of **255 women participated in 3 webinars across various cities** which included maximum tier 1, 2, 3 cities. These sessions covered topics which enlightened women investors to plan and invest according to their needs and goals.

• IAP for Retired / Senior Citizens:

The Exchange organized an IAP for retired / senior citizens who were completely new to investments and financial literacy. The program was held on 26th November 2021 which was attended by **57 participants**.

- **IAP for Specially Abled Individuals:** MSE has pioneered an investor education & awareness program for a niche audience - the specially-abled employable individuals (Individuals with physical disability). It makes MSE first in India for such an initiative. The program had a total of **51 participants and it was held on 28th November 2021**. The participating

organizations were Indigo Airline, Youth for Jobs and Family of Disability.

2. Kaun Banega Investor?

Exchange launched an online quiz contest for the World Investor Week on Facebook with cross promotions on LinkedIn, Instagram and Twitter to increase participation amongst our existing follower base. The campaign was for 1 week during the World Investor Week. 3 questions a day for 7 days were posted intermittently between 10:00 am and 05:00 pm resulting in a total of 21 questions over the span of a week. Winners were announced after the contest where 5 unique individuals were awarded the MSEIPF COVID Kit based on the speed and accuracy of answers provided.

OTHER SEBI MEASURES AND UPDATES

SEBI during the beginning of the ongoing onslaught of covid-19 pandemic from March 2021, in order to afford relaxation to the businesses from the compliance under the various SEBI laws provided various extension in the timelines such as for filing the quarterly, annual financial results with the Exchange, extension in conducting annual general meeting, in addition the brokers and trading members getting relaxations for maintaining call data records of clients etc. Additionally, SEBI also notified various circulars under its various regulations for streamlining and additional governance requirements.

DATE	SUBJECT
22-Apr-21	Relaxations relating to procedural matters - Issues and Listing
29-Apr-21	Relaxation from compliance with certain provisions of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 due to the CoVID-19 pandemic
29-Apr-21	Relaxation from compliance with certain provisions of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 / other applicable circulars due to the CoVID-19 pandemic
29-Apr-21	Addendum to SEBI Circular on "Relaxation in adherence to prescribed timelines issued by SEBI due to Covid 19" dated April 13, 2020
29-Apr-21	Relaxation in timelines for compliance with regulatory requirements
3-May-21	Relaxation in timelines for compliance with regulatory requirements by Debenture Trustees due to the CoVID-19 pandemic
10-May-21	Business responsibility and sustainability reporting by listed entities
14-May-21	Relaxation from compliance to REITs and InvITs due to the CoVID -19 virus pandemic
31-May-21	Format of compliance report on Corporate Governance by Listed Entities
1-Jun-21	Off-market transfer of securities by FPI
2-Jun-21	Streamlining the process of IPOs with UPI in ASBA and redressal of investor grievances
4-Jun-21	Centralized Database for Corporate Bonds/ Debentures
14-Jun-21	Revised Framework for Regulatory Sandbox
15-Jun-21	Relaxation from the requirement of minimum vesting period in case of death of employee(s) under SEBI (Share Based Employee Benefit) Regulations, 2014
16-Jun-21	Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures for inclusion of listed Debt Securities
16-Jun-21	Settlement of Running Account of Client's Funds lying with Trading Member TM
30-Jun-21	Relaxation in timelines for compliance with regulatory requirements
5-Jul-21	Issue of No Objection Certificate for release of 1% of Issue amount
5-Jul-21	Standard Operating Procedure for handling of technical glitches by Market Infrastructure Institutions (MIIs) and payment of "Financial Disincentives" thereof
5-Jul-21	Master Circular for Stock Exchange and Clearing Corporations
6-Jul-21	SOP for listed subsidiary company desirous of getting delisted through a Scheme of Arrangement wherein the listed parent holding company and the listed subsidiary are in the same line of business
16-Jul-21	Block Mechanism in demat account of clients undertaking sale transactions
20-Jul-21	Segregation and Monitoring of Collateral at Client Level
20-Jul-21	Relaxation in timelines for compliance with regulatory requirements by Debenture Trustees due to Covid-19
22-Jul-21	Continuous disclosures in compliances by InvITs - Amendments
22-Jul-21	Continuous disclosures in compliances by REITs - Amendments
23-Jul-21	Nomination for Eligible Trading and Demat Accounts

23-Jul-21	Holding of Annual General Meeting (AGM) by top 100 listed entities by market capitalization
30-Jul-21	Relaxation in timelines for compliance with regulatory requirements
3-Aug-21	Permitting non-scheduled Payments Banks to register as Bankers to an Issue
4-Aug-21	Modification in Operational Guidelines for FPIs and DDPs pursuant to amendment in SEBI (Foreign Portfolio Investors) Regulations, 2019
10-Aug-21	Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper
13-Aug-21	Guidelines on issuance of non-convertible debt instruments along with warrants ('NCDs with Warrants') in terms of Chapter VI – Qualified Institutions Placement of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
13-Aug-21	Automation of Continual Disclosures under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 - System driven disclosures - Ease of doing business
13-Aug-21	Disclosure of shareholding pattern of promoter(s) and promoter group entities
13-Aug-21	Tendering of shares in open offers, buybacks and delisting offers by marking lien in the demat account of the shareholders
26-Aug-21	Modalities for implementation of the framework for Accredited Investors
1-Sep-21	Revised guidelines for Liquidity Enhancement Scheme in the Equity Cash and Equity Derivatives Segments
2-Sep-21	Amendment to SEBI Circular SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017 on Amendment pursuant to comprehensive review of Investor Grievance Redressal Mechanism
7-Sep-21	Position Limits for Currency Derivatives Contracts
7-Sep-21	Introduction of T+1 rolling settlement on an optional basis
1-Oct-21	Relaxations relating to procedural matters –Issues and Listing
5-Oct-21	Revised Formats for filing Financial information
5-Oct-21	Amendments to manner and mechanism of providing exit option to dissenting unit holders pursuant to Regulation 22(5C) and Regulation 22(7) of SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("SEBI (InvIT) Regulations")
5-Oct-21	Amendments to manner and mechanism of providing exit option to dissenting unit holders pursuant to Regulation 22(6A) and Regulation 22(8) of SEBI (Real Estate Investment Trusts) Regulations, 2014 ("SEBI (REIT) Regulations")
14-Oct-21	Revised Formats for Limited Review/Audit Report for issuers of non-convertible securities
14-Oct-21	Streamlining issuance of SCORES Authentication for companies intending to list their securities on SEBI recognized stock exchanges
18-Oct-21	Transmission of Securities to joint Holder(s)
28-Oct-21	Maintenance of current accounts in multiple banks by Stock Brokers
3-Nov-21	Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination
8-Nov-21	Write-off of debt securities held by FPIs who intend to surrender their registration
16-Nov-21	Framework for Regulatory Sandbox
16-Nov-21	Scheme of Arrangement by Listed Entities
18-Nov-21	Schemes of Arrangement by Listed Entities (Amendment)
22-Nov-21	Disclosure obligations of listed entities in relation to Related Party Transactions
23-Nov-21	Non-compliance with certain provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations")
23-Nov-21	Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957
23-Nov-21	Segregation and Monitoring of Collateral at Client Level – Extension of timeline
24-Nov-21	Norms for Silver Exchange Traded Funds (Silver ETFs) and Gold Exchange Traded Funds (Gold ETFs)
29-Nov-21	Master Circular for Infrastructure Investment Trusts (InvITs)
29-Nov-21	Master Circular for Real Estate Investment Trusts (REITs)
2-Dec-21	Publishing Investor Charter and disclosure of Investor Complaints by Stock Brokers on their websites

14-Dec-21	Clarifications with respect to Circular dated November 03, 2021, on 'Common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination'
17-Dec-21	Revision to Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper
17-Dec-21	Revised Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper
22-Dec-21	Extension of facility for conducting annual meeting and other meetings of unitholders of REITs and InvITs through Video Conferencing (VC) or through Other Audio-Visual means (OAVM)
29-Dec-21	Non-compliance with provisions related to continuous disclosures
3-Jan-22	Schemes of Arrangement by Listed Entities - Clarification w.r.t. timing of submission of NOC from the lending scheduled commercial banks/ financial institutions/ debenture trustee
5-Jan-22	Increasing Awareness regarding Online Mechanisms for Investor Grievance Redressal
7-Jan-22	Disclosure obligations of listed entities in relation to Related Party Transactions
10-Jan-22	Framework for operationalizing the Gold Exchange in India
23-Nov-21	Disclosure of Complaints against the Stock Exchanges (excluding Commodity Derivatives Exchanges)/ Depositories/Clearing Corporations
25-Jan-22	Issuance of Securities in dematerialized form in case of Investor Service Requests
1-Feb-22	Schemes of Arrangement by Listed Entities
4-Feb-22	Disclosures in the abridged prospectus and front cover page of the offer document
9-Feb-22	Framework for conversion of Private Listed InvIT into Public InvIT
9-Feb-22	Conversion of Private Unlisted InvIT into Private Listed InvIT
14-Feb-22	Trading features pertaining to the Electronic Gold Receipts (EGR) segment
14-Feb-22	Standard Operating Guidelines for the Vault Managers and Depositories -Electronic Gold Receipts (EGR) segment
24-Feb-22	Segregation and Monitoring of Collateral at Client Level – Extension of timeline
24-Feb-22	Nomination for Eligible Trading and Demat Accounts – Extension of timelines and relaxations for existing account holders
25-Feb-22	Extension to SEBI Circular on "Relaxation in adherence to prescribed timelines issued by SEBI due to Covid 19" dated April 13, 2020
25-Feb-22	Approach to securities market data access and terms of usage of data provided by data sources in Indian securities market
7-Mar-22	Automation of disclosure requirements under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011-System Driven Disclosures - Ease of doing business.
8-Mar-22	Revision to Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper
22-Mar-22	Standardisation of industry classification -Revision in Chapter -XIV of Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper
28-Mar-22	SEBI Circular dated March 28, 2022 - Product specifications pertaining to the Electronic Gold Receipts (EGR) segment in India
29-Mar-22	Operational guidelines for 'Security and Covenant Monitoring' using Distributed Ledger Technology (DLT)
30-Mar-22	Clarification on applicability of regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to Related Party Transactions

OPPORTUNITIES AND THREATS

Opportunities for the Exchange

The financial sector is an ever-evolving space, with new opportunities and pitfalls. MSE as a Market Infrastructure Institution is committed to providing a diverse product basket with Currency Futures, Currency Options, Interest Rate Futures, Equity and Equity Derivatives, along with efficient operational parameters and customer-oriented service offerings to enable an efficient and robust marketplace. Your Company explores all opportunities to ensure continuous growth. During the FY 2021-22, despite the prevailing pandemic and other external factors affecting the Indian Economy, the government and the market regulator initiated some favorable policy measures which provide potential growth opportunities for your Company.

Risks to the Exchange

(A) Decline in Industry activities

The Exchange performance relies heavily on volume and value of trades executed on its trading platform, the number of companies listed/new listing, the number of active Trading Members etc. Though the Exchange strives and has taken a number of steps in this regard, there are number of factors beyond the control of the Exchange that can have an impact on these attributes. Particularly, adverse macro-economic scenario and political uncertainty may negatively affect the markets and the Exchange business.

(B) Regulatory changes impacting our ability to compete

The competitive landscape of Exchange business in India continues to be challenging. MSE's ability to compete in this environment and ensure that regulations continue to have level playing field, will be a major factor in ensuring growth of the Exchange.

(C) Cyber Security Threats

Risks of cyber-attacks are forever a threat on account of the fast-evolving nature of the threat. There is also an increased risk due to various pandemic themed cyber threats. In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities. Further, the Exchange Industry is so interconnected that third parties and other entities may also take a hit resulting in collateral damage. The threat landscape is constantly evolving—leading to a more complex cyber ecosystem every day. This makes it all the more critical to be proactive when it comes to cyber security issues. Constant enhancement in the Cyber Security Framework and Information Security Management System has been MSE's top priority. Also, a continuous improvement in cybersecurity policies and procedures is undertaken by MSE.

7. SEGMENT WISE PERFORMANCE

Currency Derivatives Segment

Particulars	2021 - 22	2020 - 21
Annual Volume (No. of contracts)	12,012,062	13,255,711
Annual Turnover (Rs. Crore)	90,270.10	98,394.70
Average Daily Volume (No. of contracts)	49637	54,105
Average Daily Turnover (Rs. Crore)	373.02	401.61

Note:

1. Data includes Notional Value for Options
2. Excludes data of Interest Rate Futures
3. Data includes Cross currency contracts
4. Cross Currency was introduced w.e.f December 05, 2018

Capital Market Segment

The Company commenced trading in Capital Market from February 11, 2013 onwards. 13 securities were traded on MSE platform during the FY 2021-22. Total volume i.e. traded quantity on MSE platform during the FY 2021-22 in the Capital Market Segment was 4,940,770 shares and the total value traded being Rs 42.97 crore.

Companies Listed on the Exchange:

As on March 31, 2022, the Exchange has admitted 1511 Companies for trading on Exchange Platform. Out of these, 292 companies were through direct listing and 1219 through permitted category. Exchange has a dedicated platform form facilitating trading in these Securities. Exchange has mechanism in place to monitor compliance with respect to applicable regulations in respect of the listed Companies.

RISKS AND CONCERNS

Business Risk

The performance of the Exchange depends heavily on volume of trades executed on our trading platform, number of new listings and consequent earnings through transaction charges and listing fees.

Adverse economic conditions could negatively affect our business and financial condition. Continuation or reoccurrence of global economic crisis, changes in political situations in India or globally, changes in economic policies could adversely affect our performance. Weak economic conditions of the country may adversely affect listing and trading volumes on the Exchange as Indian companies would be less attractive for foreign and local investors.

MSE operates in a highly competitive industry wherein we compete with a wide range of established market participants for trading volumes and listing. Increased competition may exert a downward pressure on our fees and transaction charges for us to remain competitive which however could adversely affect our financial condition.

Further, MSE renews and applies for its SEBI License every year which if not renewed will impact the business and operations

of the Exchange.

We operate in a business environment that experiences significant and rapid technological changes. However, the exchange is well equipped to handle any unresponsiveness or interruption in trade execution, clearing or settlement due to power or telecommunications failure, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses/malwares, acts of vandalism or similar events. We have an approved business continuity plan and a data disaster recovery plan in effect, to mitigate business interruptions from the aforesaid risks.

A rapidly spreading infectious disease that causes a pandemic, or exacerbates a pandemic, thereby posing global threat, social and economic chaos can severely upset our business operations by disrupting operations, trading, settlement and high absenteeism and even fatality of our employees. Although the exchange is fully prepared for business continuity, meeting all obligations and ensuring safety of our staff, it is possible that our ability to deliver satisfactory services to our customers may be affected.

Other factors beyond our control, that may materially adversely affect our business, financial condition and result of operations include:

- broad trends in business and finance, including industry specific circumstances, capital market trends and the mergers and acquisitions environment.
- social and civil unrest, terrorism and war.
- concerns over inflation and the level of institutional or retail confidence.
- changes in government monetary policy and foreign currency exchange rates.
- the availability of short-term and long-term funding and capital.
- the availability of alternative investment opportunities.
- changes and volatility in the prices of securities.
- changes in tax policy (including transaction tax) and tax treaties between India and other countries.
- the level and volatility of interest rates.
- legislative and regulatory changes, including the potential for regulatory arbitrage among regulated and unregulated markets, if significant policy differences emerge among markets.
- the perceived attractiveness, or lack of attractiveness, of Indian capital markets; and
- unforeseen market closures or other disruptions in trading.

COVID-19 Risks on our business and operations

In March 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. A number of governments and organizations have revised GDP growth forecasts for calendar year 2021 downward in response to the economic slowdown caused by the spread of COVID-19, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

Since mid-2021, termed as the second wave of COVID-19 in India, a number of Indian states, where the company has operations, have responded by taking measures such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing “work at home” orders and restricting the types of businesses that may continue to operate, among many others. There are warnings of a third wave of COVID-19 in the second half of calendar year 2021 and early months of calendar year 2022. In case the lockdown persists for longer than anticipated, it could result in subdued growth or give rise to a recessionary economic scenario, in India and globally, which could adversely affect our business, prospects, results of operations and financial conditions. The COVID-19 pandemic has affected and may continue to affect our business, results of operations and financial condition in a number of ways and has resulted in a significant increase in volatility in the Indian equity markets which could cause investors to avoid assets such as equities.

- It resulted in reduced work hours for many of our customers and clients, such as banks, which could result in lower volumes in the segments we operate.
- Inherent productivity, technology, and oversight challenges due to an increase in number of individuals working from home.
- Increased vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware and impersonation tactics.
- Uncertainty as to what conditions must be satisfied before government authorities fully remove the “stay-at-home” orders and when such orders would be fully removed.
- The potential negative impact on the health of our personnel, particularly if a significant number of them are afflicted by COVID-19, which could result in a deterioration in our ability to ensure business continuity during this disruption.
- An increase in operational costs as a result of enabling work from- home technology systems viz., Virtual Private Network

(VPN) and Laptops, procurement of COVID related consumables and equipment's such as disinfectants, sanitizer, spray machines etc.

Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

Regulatory and Compliance

We operate in a highly regulated industry and may be subject to fines and penalties or other restrictions, if we fail to comply with our legal and regulatory obligations. Also changes in regulatory policies may also affect participation at our exchange and may adversely affect our volumes.

Furthermore, we are facing an unprecedented event in the form of the COVID-19 pandemic. This has led to Central/ State Governments and Municipal bodies imposing lockdowns and other restrictions on public as well as businesses. However, these restrictions have not impacted the functioning of Stock Exchanges since the Government of India has exempted capital and debt market services as notified by SEBI from the said closure.

The management and staff of MSE have risen to the situation and ensured that all segments of the Exchange continued to operate seamlessly and efficiently. The lockdown restrictions have truly tested the robustness of the Business continuity capability of MSE to run its operations in a business as usual mode, with employees working from office and from home. Despite the challenges, the Exchange has not compromised on any of its Regulatory function either in terms of monitoring or surveillance or enforcement or in terms of its service levels.

Recognizing the challenges faced by brokers and corporates with respect to timely disclosures and compliance with various regulation due to the lockdown, the Exchange has worked with SEBI to mitigate the situation. SEBI has provided temporary relaxations in a number of compliance requirements to ease the difficulties being faced. The relaxations are primarily aimed at providing relief to the listed companies/ trading members by extending the deadlines for submissions, and from penalties.

8. IMPAIRMENT OF SOFTWARE

As per Ind AS 36 regarding Impairment of Assets, an asset is treated to be impaired when it is carried at a value more than its recoverable amount. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. In such a case, the asset is considered as impaired and Ind AS 36 'Impairment of Assets' requires an entity to recognize an impairment loss.

The Company has carried out impairment testing of intangible assets during the financial year 2021-22 to ascertain the carrying value of predominantly Exchange software based on current and future expected activity and usage of the software deployed for various segments and accordingly concluded that carrying value of Intangible assets is not more than recoverable amount and no provision towards impairment of Intangible assets for the year ended March 31, 2022 is required.

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Exchange has implemented effective control systems to ensure that all its assets, interests and information are safeguarded with proper checks and balances. The Exchange has appointed internal and external auditors for process and systems audit to ensure that the financial transactions, operational mechanism and technological infrastructure are error free. The Audit Committee is in overall supervision of the internal controls and reports are being made to the Board in a periodic manner.

10. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Loss for the year reduced to Rs. 2349 Lakhs in FY 2021-22 as compared to Rs. 2430 Lakhs FY 2020-21.

Revenue

During the year, Total Revenue decreased to Rs. 1,415 Lakhs in FY 2021-22 compared to Rs. 1,881 Lakhs in FY 2020-21. Operating Revenue decreased to Rs. 550 Lakhs in FY 2021-22 compared to Rs. 585 Lakhs in FY 2020-21. Transaction fees income decreased to Rs. 146 Lakhs in FY 2021-22 compared to Rs. 158 Lakhs in FY 2020-21. Listing processing fees increased to Rs. 56 Lakhs in FY 2021-22 compared to Rs. 51 Lakhs in FY 2020-21. The Listing Fees income decreased to Rs. 172 Lakhs in FY 2021-22 compared to Rs. 174 Lakhs in FY 2020-21 and Other income increased to Rs. 865 Lakhs in FY 2021-22 compared to Rs. 1,296 Lakhs in FY 2020-21.

Expenditure

Total Expenses has decreased to Rs. 3,764 Lakhs in FY 2021-22 as Compared to Rs. 4,311 Lakhs in FY 2020-21.

The operating expenses decreased to Rs. 934 Lakhs in FY 2021-22 as compared to Rs. 951 Lakhs in FY 2020-21, Employee benefit expenses decreased to Rs. 1,450 in FY 2021-22 as compared to Rs. 1,677 in FY 2020-21, Advertising expenses has decreased to Rs. 58 Lakhs in FY 2021-22 as compared to Rs. 59 Lakhs in FY 2020-21, The Finance cost has decreased to Rs. 35 Lakhs in FY 2021-22 as compared to Rs. 54 Lakhs for FY 2020-21. Administration and other expenses decreased to Rs. 568 Lakhs in FY 2021-22 as compared to Rs. 745 Lakhs in FY 2020-21. Depreciation and amortization expenses decreased to Rs. 719 Lakhs in FY 2021-22 as compared to 825 Lakhs in FY 2020-21.

Balance Sheet

As on March 31, 2022, the Paid-up Share Capital stood at Rs. 481,02,17,033 divided into 481,02,17,033 equity shares of Re. 1/- each. Total current and non-current assets stood at Rs. 8,754 and Rs. 21,768, respectively as on March 31, 2022 as against

Rs. 12,994 and Rs. 20,256 lakhs, respectively as on March 31, 2021. Total current and non-current liabilities stood at Rs. 2,011 and Rs. 2,375, respectively as on March 31, 2022 as against Rs. 2,126 and Rs. 2,659 lakhs, respectively as on March 31, 2021. Investment in subsidiaries stood at Rs. 12,019 lakhs in as on March 31, 2022 as against Rs. 12,019 lakhs as on March 31, 2021. Networth of the Company stood at Rs. 26,136 lakhs as on March 31, 2022 as against Rs. 28,465 lakhs as on March 31, 2021.

11. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Our headcount as on March 31, 2022 stood at 135 as against 145 as on March 31, 2021. The Company has successfully handled attrition and is building a team through acquisition of competent talent for various key Exchange functionalities. Effectively and efficiently managing our human capital, moreover, successfully leveraging our human capital can help us achieve our strategic business objectives and success in the marketplace. A strong internal culture – one marked by high employee morale and engagement, initiatives to increase workplace diversity can increase productivity, and ultimately, increase profits. The Company focuses to achieve such excellence through engagements in learning, quality, teamwork, and reengineering of the processes deployed at work.

12. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS

Sr. No	Particulars	Standalone		Change in %	Consolidated		Change in %
		2021-22	2020-21		2021-22	2020-21	
i)	Debtor Turnover (Times)	1.89	2.49	(24.09%)	3.46	6.64	(47.89%)
ii)	Current Ratio (Times)	4.35	6.11	(28.81%)	6.28	6.31	(0.48%)
iii)	Debt Equity Ratio (Times)	0.17	0.17	0.00%	0.68	0.64	6.25%
iv)	Operating Profit Margin (%)	(427%)	(416%)	(2.64%)	(311%)	(288%)	(7.99%)
v)	Net Profit Margin (%)	(423%)	(414%)	(2.17%)	(308%)	(289%)	(6.57%)
vi)	Return on Net Worth (%)	(8.99%)	(8.49%)	(5.89%)	(12.15%)	(10.52%)	(15.49%)

13. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR

Return on Net Worth is (8.99%) for FY 2021-22 as compared to (8.49%) in FY 2020-21. The change of (5.89%) in Return of Net Worth is on account of decrease in losses by Rs.69 lakhs and reduction in Net Worth is due to current year loss of Rs.2329 lakhs.

DISCLAIMER ON FORWARD LOOKING STATEMENTS

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include economic conditions affecting demand and supply, government regulations and taxation, international scenario, macro-economic developments, natural calamities and so on over which the Company does not have any direct control.

CORPORATE GOVERNANCE REPORT

Metropolitan Stock Exchange of India Limited (MSE) is a public limited company, the securities of which are not listed on any stock exchanges of India. The Corporate Governance report for Financial Year (“FY”) 2021-22, which forms part of the Boards’ Report, is prepared pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

1. Company’s Philosophy on Code of Governance

The Company is in compliance with the requirements stipulated under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, (“SECC Regulations”) and Listing Regulations, as applicable, with regard to Corporate Governance and carries on business within the ambit of its Memorandum of Association and Articles of Association.

The Company’s philosophy on Corporate Governance is to follow fair, ethical and transparent governance practices so as to achieve greater efficiency and effectiveness throughout the organization. We believe that Corporate Governance is a self-discipline code which means not only ensuring compliance with regulatory requirements but by also being responsive to our stakeholders needs. The Company’s philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large in the Exchange systems.

At MSE, Corporate Governance is an ongoing process. To keep pace with an evolving global environment, the Company continuously adapts to best governance practices for carrying its business in ethical and transparent manner.

The Company has adopted a Code of Conduct for its employees including the Managing Director & CEO. In addition, the Company has adopted a Code of Conduct for its non-executive directors which include Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013, rules made thereunder and SEBI directions through its circulars. Your Company always endeavors to adopt highest corporate ethical standards in all its actions thereby reinforcing that the Company’s Management is the trustee of its shareholders’ capital and not the owner of it.

2. Board of Directors
A. Composition:

The Company being a Stock Exchange is regulated by SEBI and is required to comply with SECC Regulations, 2018 and Securities Contracts (Regulation) Act, 1956 besides the Companies Act, 2013 and the rules made thereunder (“the Act”) with respect to the composition of its Board of Directors. In compliance with the SECC Regulations, 2018, the Board of the Company comprises of (5) Public Interest Directors.

Further, the number of Public Interest Directors shall not be lesser than the number of Shareholder Directors with the Managing Director being included in the category of Shareholder Director of the Company. Public Interest Director under the SECC Regulations has been defined as an Independent Director representing the interest of investors in securities market and who is not having any association directly or indirectly which in the opinion of Securities and Exchange Board of India (“SEBI”) is in conflict with the role. Pursuant to Regulation 20 of SECC Regulations, all the Directors of the Company ensured to be “fit and proper persons” during the FY 2021-22. During the Financial year ended March 31, 2022 the composition of the Board of Directors was:

Name of the Directors	Category & DIN
Mr. Dinesh Kumar Mehrotra*	Chairman & Public Interest Director 00142711
Mr. Ajai Kumar	Public Interest Director 02446976
Mr. Vijay Sardana**	Public Interest Director 01977874
Ms. Trishna Guha***	Public Interest Director 08200779
Mr. S.V.D. Nageswara Rao***#	Public Interest Director 02105323
Mr. Raghunathan Srinivasa****	Shareholder Director 07615088
Ms. Latika S. Kundu	Managing Director & CEO 08561873

Note:

* Mr. D.K. Mehrotra resigned w.e.f. March 14, 2022

** Mr. Vijay Sardana – first term expired on April 26, 2022

*** SEBI has vide its letter dated September 22, 2021 approved the extension of tenure of Ms. Trishna Guha and Mr. S.V.D. Nageswara Rao, PIDs from October 04, 2021 to October 03, 2024

**** Mr. Raghunathan Srinivasa – appointed as shareholder director w.e.f. January 6, 2022

Mr. S.V.D Nageswara Rao appointed as Chairman w.e.f. June 15, 2022

B. Attendance of Directors and Number of Directorships and Committee positions held

During the financial year ended March 31, 2022, seven (7) meetings of the Board of Directors were held. The dates of the Board Meetings were: June 22, 2021, July 6, 2021, August 14, 2021, November 9, 2021, November 12, 2021, February 14, 2022 & February 25, 2022.

The attendance details and number of directorships and committee positions held by the Directors as on March 31, 2022 are given below:

Sr. No	Name of Director	Category	Attendance at Board Meetings during FY 2021-22		Whether attended last AGM held on 20-12-2021	No. of Directorship(s) held in other companies		Number of Committee positions held in other public companies		Names of listed entities and category of directorship
			Held during the tenure of the Director	Attended		Public Limited	Private Limited	Chairman	Member	
1	Mr. Dinesh Kumar Mehrotra*	PID	7	6	YES	-	-	-	-	*
2	Mr. Ajai Kumar	PID	7	7	YES	7	-	3	4	#
3	Ms. Trishna Guha**	PID	7	7	YES	2	-	-	3	**
4	Mr. S.V.D Nageswara Rao	PID	7	7	YES	-	-	-	-	Nil
5	Mr. Vijay Sardana***	PID	7	6	YES					***
6	Mr. Raghunathan Srinivasa****	SHD	2	2	NO	-	-	-	-	-
7	Ms. Latika S. Kundu	MD & CEO	7	7	YES	1	-	-	-	Nil

* Mr. D.K. Mehrotra resigned w.e.f. March 14, 2022

** (1) Shalimar Wires Industries Limited - Independent Director

*** Mr. Vijay Sardana – first term expired on April 26, 2022

**** Mr. Raghunathan Srinivasa – appointed as shareholder director w.e.f. January 6, 2022

1. CANFIN Homes Limited – Independent Director

2. HFCL Limited – Independent Director

C. Confirmation of Independence

In terms of Regulation 25(8) of the Listing Regulations, Public Interest Directors (“Independent Directors”) have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Public Interest Directors, the Board of Directors has confirmed that they meet the criteria as mentioned under Section 149(6) of the Act and under Regulation 16(1)(b) and 25(8) of the Listing Regulations and they are independent of the management.

D. Code of Conduct and Code of Ethics

The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors and Senior Management of the Company which is available on the Company’s website at <https://www.msei.in/about-us/code>. The Board Members and the Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis. The necessary declaration by the MD & CEO as required under Regulation 34(3) read with Schedule V (D) of the Listing Regulations regarding adherence to the Code of Conduct has been obtained for FY 2021-22 and is attached as Annexure A to (this) Corporate Governance Report.

NOTES:

- All directors are Non-Executive and Public Interest Directors except Mr. Raghunathan Srinivasa, Shareholder Director and Ms. Latika S. Kundu, MD & CEO.

- ii. All Public Interest Directors are Independent Directors.
 - iii. The Directorships/ Committee memberships held by Directors as mentioned above, do not include foreign companies and companies under Section 8 of the Companies Act, 2013.
 - iv. Memberships/Chairmanships of only the Audit Committee/ Stakeholders' Relationship Committee/ Nomination and Remuneration Committee of all Public Companies have been considered above.
 - v. None of the Directors are related to each other.
 - vi. None of the Director holds any shares in the Company.
 - vii. The weblink of directors' familiarisation programme imparted to independent directors is <https://www.msei.in/SX-Content/common/MCX-SX-About-Us/policy/2015/May/FAMILIARIZATION-PROGRAM-FOR-PUBLIC-INTEREST-DIRECTOR.pdf>
 - viii. Details of Directors
- The profiles of the directors are available on the Company's website at the following link: <https://www.msei.in/about-us/board-of-directors>

3. Audit Committee:

A. Composition, Meetings and Attendance:

During the year the Committee met six (6) times. The meetings were held on June 22, 2021, August 14, 2021, November 12, 2021, December 13, 2021, December 30, 2021 & February 14, 2022.

Besides, the members of the Audit Committee, MD&CEO, Chief Financial Officer, representatives of the Statutory Auditors are permanent invitees to the Audit Committee meeting. The internal auditors are invited on case to case basis. The Company Secretary acts as the Secretary to the Committee. Mr. Ajai Kumar was the Chairman of the Committee.

The necessary quorum was present for all the meetings with the presence of at least two Public Interest Directors as required under Regulation 18(2)(b) of the Listing Regulations.

The details of the Composition and attendance of the members of the committee as on March 31, 2022 are listed below:

Members	Category	Meetings held during the tenure	Meetings Attended during the Year
Mr. Ajai Kumar Public interest Director and Chairman of the Committee	Independent Director	6	6
Mr. Dinesh Kumar Mehrotra * Public Interest Director	Independent Director	6	5
Mr. S.V.D. Nageswara Rao Public interest Director	Independent Director	6	6
Ms. Trishna Guha Public Interest Director	Independent Director	6	6
Mr. Vijay Sardana ** Public Interest Director	Independent Director	6	6
Mr. Raghunathan Srinivasa***	Shareholder Director	0	0

Note:

* Mr. D.K. Mehrotra resigned w.e.f. March 14, 2022

** Mr. Vijay Sardana – first term expired on April 26, 2022

*** Mr. Raghunathan Srinivasa – appointed as shareholder director w.e.f. January 6, 2022

B. Terms of Reference (TOR):

The terms of reference of the Audit Committee pursuant to Section 177 (4) of the Companies Act, 2013 read with Regulation 18 of Listing Regulations, is as stated below-

1. To oversee the Company's financial reporting process and the disclosure of its financial statements to ensure that the financial statement is correct, sufficient and credible;
2. To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
3. To approve the payment to statutory auditors for any other services rendered by the statutory auditors.
4. To review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, focusing primarily on:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in

terms of Section 134(3) (c) of the Companies Act, 2013

- b. Any changes in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by the management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. The going concern assumption;
 - g. Compliance with accounting standards;
 - h. Compliance with legal requirements concerning financial statements;
 - i. Disclosure of any related party transactions.
 - j. Qualifications in the draft audit report
5. To review with the management, the quarterly financial statements before submissions to the Board;
 6. To review with the management, the statement of uses/applications of funds raised through an issue (rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a rights issue and making appropriate recommendations to the Board to take up steps in this matter.
 7. To review and monitor the auditors independence and performance and effectiveness of audit process.
 8. To grant approval or any subsequent modification of transactions of the Company with related parties.
 9. To scrutinize inter corporate loans and investments.
 10. To undertake valuation of undertakings or assets of the Company wherever it is necessary.
 11. To evaluate internal financial control and risk management systems.
 12. To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems
 13. To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the Department, reporting structure coverage and frequency of internal audit.
 14. To discuss with internal auditors any significant findings and follow up thereon;
 15. To review the findings of internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control system of a material nature and report to Board;
 16. To discuss with the statutory auditors before the audit commences, about the nature and the scope of audit as well as have post-audit discussion to ascertain any area of concern;
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 18. To review Company's financial risk management policies.
 19. To examine financial statement and the auditor's report thereon.
 20. To review the functioning of the Whistle Blower mechanism
 21. To approve the appointment of Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
 22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
 23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

In addition to the above, the Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

4. Nomination and Remuneration Committee:

A. Composition, meetings and attendance:

The Committee met two (2) times during the year. The meetings were held on May 6, 2021 & February 10, 2022.

The Committee meetings are also attended by such company officials, as may be considered appropriate. The minutes of the meetings of the Committee are placed before the Board for noting. The Company Secretary acts as the Secretary to the Committee.

The details of Composition and participation of the members at the meetings of the Committee as on March 31, 2022 were as under:

Members	Category	Meetings held during the tenure	Meetings attended during the tenure
Mr. S.V.D. Nageswara Rao Public interest Director and Chairman of the Committee	Independent Director	2	2
Mr. Dinesh Kumar Mehrotra * Public interest Director	Independent Director	2	2
Mr. Ajai Kumar Public Interest Director	Independent Director	2	2

Note:

Mr. D.K. Mehrotra resigned w.e.f. March 14, 2022

B. Terms of Reference (TOR):

The Terms of Reference of the Nomination and Remuneration Committee (NRC) of the Company pursuant to Section 178 of the Companies Act, 2013 read with Regulation 33 of the SECC Regulations and Regulation 19 of the Listing (Obligation and Disclosure Requirements) Regulation, 2015 is given below:

- 1) Identifying a Key management personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018.
- 2) Laying down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI.
- 3) Determining the compensation of KMPs in terms of the compensation policy.
- 4) Determining the tenure of a key management personnel, other than a director, to be posted in a regulatory department.
- 5) Selecting the Managing Director.
- 6) Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director (PID).
- 7) Recommending whether to extend the term of appointment of the PID.
- 8) Besides the above, it will also discharge the function as Nomination & Remuneration Committee under the Companies Act, 2013 and SEBI (LODR) regulations, 2015 as amended from time to time.

C. Nomination and Remuneration Policy

The Company has formulated the Nomination and Remuneration policy which has been revised in accordance with the SECC Regulations and the Companies Act, 2013, approved in the Board meeting held on February 11, 2021, for remunerating the Executive Directors, Non-Executive Directors, Key Managerial Personnel and the Employees. The updated policy has been placed at MSE's website i.e. www.msei.in.

D. Performance Evaluation Criteria for Independent directors

With the objective of enhancing the effectiveness of the Board, the NRC formulated the methodology and criteria to evaluate the performance of the Board and each director. The NRC reviewed the criteria for evaluating the performance of all the directors. Criteria in this respect includes; (a) Board composition, size, mix of skill, experience, members' participation and role, (b) attendance, preparedness and deliberation in the meetings, (c) contribution/ suggestions for effective functioning, development of strategy, board process, policies and others. The evaluation process includes review, discussion and feedback from directors in reference to set criteria and questions. The Directors are satisfied with the performance and evaluation.

The criteria for evaluation is as follows:

i. Internal Evaluation of Individual Directors

The individual Director's performance has largely been evaluated based on his/ her level of participation and

contribution to the performance of Board/ Committee(s). Furthermore, the skills, knowledge, experience, attendance record, devotion of sufficient time and efficient discharge of responsibilities towards the Company, Board and Committees of which he/ she is a member are considered for evaluation. Additionally, timely disclosure of personal interest, compliance of Code of Conduct and Ethics, Code for Independent Directors etc., are also taken into account.

ii. External Evaluation of Public Interest Directors

As per the amended SECC Regulations, Public Interest Directors can be nominated by SEBI on the Board of a recognized stock exchange for an initial term of three years, extendable by another term of three years subject to performance review prescribed by SEBI. SEBI vide its circular dated February 5, 2019, has mandated the Public Interest Directors of a stock exchange to be subjected to an external evaluation during the last year of their term by a management or a human resources consulting firm.

iii. Chairman's Performance Evaluation

Providing effective leadership, setting effective strategic agenda of the Board, encouraging active engagement by the Board members, establishing effective communication with all stakeholders, etc.

iv. Performance evaluation of the Board as a whole

The performance of the Board of Directors is evaluated on the basis of various criteria which inter-alia, includes providing entrepreneurial leadership to the Company, understanding of the business, strategy and growth, responsibility towards stakeholders, risk management and financial controls, quality of decision making, monitoring performance of management, maintaining high standards of integrity and probity, etc.

v. Evaluation of the Board Committees

The performances of the Committees are evaluated on the basis of following parameters:

- a. Mandate and composition
 - b. Effectiveness of the Committees
 - c. Structure of the Committees and their meetings
 - d. Independence of the Committees from the Board
 - e. Contribution to the decisions of the Board
- vi. Observations of Board evaluation carried out for the year: NIL

Observations of Board evaluation carried out for Previous year:

1. Management to implement a credible strategy to revive the Exchange.
2. Continue to comply with good corporate governance practices.
3. Management should ensure sustainability of the Exchange at all times.

The detailed policy is available on the website <https://www.msei.in/about-us/policy>.

5. Remuneration of Directors

a) All pecuniary relationship or transactions of the non-executive directors

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees. The Company has not granted any stock options to any of its Non-Executive Directors and none of the directors hold any shares in the Company.

b) Sitting fees paid to Non-Executive Directors/Public Interest Directors during the year are as follows:

NAME OF THE DIRECTOR	SITTING FEES (IN RS.)
Mr. Dinesh K Mehrotra *	7,80,000
Mr. Ajai Kumar	9,80,000
Mr. S V D Nageswara Rao	11,00,000
Ms. Trishna Guha	11,00,000
Mr. Vijay Sardana**	8,70,000
Mr. Raghunathan Srinivasa***	1,00,000

Note:

* Mr. D.K. Mehrotra resigned w.e.f. March 14, 2022

*** Mr. Vijay Sardana – first term expired on April 26, 2022

*** Mr. Raghunathan Srinivasa – appointed as shareholder director w.e.f. January 6, 2022

- c) The details of remuneration paid to Executive Director for the financial year ended March 31, 2022 are provided hereunder:

Particulars	Ms. Latika S Kundu
	MD & CEO
Salary and allowances	Rs. 62,50,000*
Period of Service Contracts	For a period of three years Commencing on and from March 12, 2020 to March 11, 2023
Notice Period	Three Months

* Total Remuneration stated above is including 50% variable pay of Rs. 12,50,000 for FY 2020-21 which was paid on July 31, 2021 and balance 50% of Variable Pay to be paid on deferred basis after three (3) years as per Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018

6. Stakeholder Relationship Committee:

The Company has complied with the requirements of Section 178(5) of the Act, Regulation 20 of the Listing Regulations, as applicable to the constitution of the Stakeholders' Relationship/ Share Allotment Committee.

A. Composition and Terms of Reference

The Committee met Twice during the year. The Chairman of the Committee is Mr. S.V.D. Nageswara Rao. The meetings were held on June 22, 2021 & November 12, 2021. The details of Composition and participation of the members at the meetings of the Committee as on March 31, 2022 were as under:

Members	Category	Meetings held during the Year	Meetings attended during the Year
Mr. S.V.D. Nageswara Rao (Chairman of the Committee)	Public Interest Director	2	2
Mr. Dinesh Kumar Mehrotra*	Public Interest Director	2	1
Ms. Latika S. Kundu	MD & CEO	2	2

* Mr. D.K. Mehrotra resigned w.e.f. March 14, 2022

B. Terms of Reference:

The Terms of Reference of the Stakeholders Relationship Committee pursuant to Regulation 33 of SECC Regulation read with Regulation 20 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is given below:

- Resolving the grievances of the security holders of Exchange including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Noting status of dematerialization, rematerialization, share transfer, transposition of names, transmission requests, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Exchange in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Any other specific stakeholder matters as may be specified by the Board from time to time;

The Exchange has received 'anonymous' complaints during the Financial Year 2020-21, claiming to be complaints from shareholders. These complaints were forwarded to the Exchange by SEBI, which were responded from time to time.

ix. Name and Designation of Compliance Officer

Mr. P. K. Ramesh - Chief Regulatory Officer & Compliance Officer.

x. Name and Designation of Company Secretary

Ms. Manisha Thakur, Head – Legal & Company Secretary w.e.f May 13, 2020 till February 11, 2022

Mr. Durgesh Kadam, Head – Legal & Company Secretary appointed w.e.f. April 13, 2022

xi. Details of Shareholders complaints received and redressed during the year.

The Exchange received complaints from its shareholders and resolved those complaints during the year.

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	0	0	0

7. Risk Management Committee:

The Company has complied with the requirements of Regulation 21 of the Listing Regulations, Regulation 29 of SECC Regulations and the Act, applicable in relation to composition of the Risk Management Committee.

A. Composition, Meetings and Attendance:

During the year the Committee met two (2) times. The meetings were held on September 22, 2021 and March 2022

Members	Category	Meetings held during the Year	Meetings Attended during the Year
Mr. Vijay Sardana * Public Interest Director and Chairperson of the Committee	Independent Director	2	2
Mr. Ajai Kumar Public Interest Director	Independent Director	2	2
Ms. Trishna Guha Public Interest Director	Independent Director	2	2
Mr. Suresh Viswanathan	External Expert	2	2

* Mr. Vijay Sardana – first term expired on April 26, 2022

B. Terms of Reference

- To formulate a detailed risk management policy which shall be approved by the governing board
- To review the Risk Management Framework & risk mitigation measures from time to time.
- To monitor and review enterprise-wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimization procedures.
- The head of the risk management department shall report to the risk management committee and to the managing director of the exchange.
- The risk management committee shall monitor implementation of the risk management policy and keep the Board and the governing board informed about its implementation and deviation, if any.

8. Public Interest Director Committee:

The Company has complied with Regulation 26 read with part A of Schedule II of SECC Regulations. As per the aforesaid Regulations, Public Interest Directors shall meeting separately, at least once in six months to exchange views on critical issues. The Company Secretary facilitates conduct of Public Interest Directors Meetings.

A. Composition, Meetings and Attendance:

During the year the Committee met two (2) times. The meetings were held through email, as per the exemption provided by SEBI, in the month of June 2021 & December 2021. The Company Secretary acts as the Secretary to the Committee. The details of the Composition and attendance of the members of the Committee as on March 31, 2022 are listed below:

Members	Category	Meetings held during the Year	Meetings Attended during the Year
Mr. Ajai Kumar Public interest Director	Independent Director	2	2
Mr. Dinesh Kumar Mehrotra * Public Interest Director	Independent Director	2	2
Ms. Trishna Guha Public Interest Director	Independent Director	2	2
Mr. S.V.D. Nageswara Rao Public interest Director	Independent Director	2	2
Mr. Vijay Sardana** Public interest Director	Independent Director	2	2

Note:

* Mr. D.K. Mehrotra resigned w.e.f. March 14, 2022

**** Mr. Vijay Sardana – first term expired on April 26, 2022**

B. Terms of Reference (TOR):

The Terms of Reference of the PID Committee pursuant to Regulation 26 read with Part A of Schedule II of SECC Regulation is given below:

1. Status of compliance with SEBI letters/ Circulars
2. Review the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions.
3. The PID's shall prepare a report on the working of the other committees where they are also the members. The report shall be circulated to the other public interest directors
4. A consolidated report shall then be submitted to the Governing Board of the stock exchange.
5. The PID's shall identify important issues which may involve conflict of interest for the stock exchange or may have significant impact on the market and report the same to SEBI.
6. It is confirmed that in the opinion of the Board, the Independent directors fulfil the conditions specified in these regulations and are independent of the management.

8. General Body Meetings:

A. Details of Annual General Meetings held in last three years are as under:

Financial year	Date & Time	Venue of the meeting	Special resolution(s) passed
2020-21	December 20, 2021 at 2.30 pm	Registered office of the Company at Building A, Unit 205A, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai - 400 070	1. To consider and approve appointment of Mr. Raghunathan Srinivasa (DIN: 07615088), as Shareholder Director on the Board of the Company 2. To consider and amend Memorandum of Association as per Companies Act, 2013 3. To consider and amend Articles of Association as per Companies Act, 2013 4. Re-appointment of Ms. Trishna Guha (DIN: 08200779) as an (Independent Director) Public Interest Director of the Company 5. Re-appointment of Mr. S.V.D. Nageswara Rao (DIN: 02105323) as an (Independent Director) Public Interest Director of the Company
2019-20	December 18, 2020 at 02:00 pm	Registered office of the Company at 4th Floor, Vibgyor Tower, Opp. Hotel Trident, Bandra Kurla Complex, Bandra East, Mumbai 400098, through video conference	1. To consider and approve retirement of Mr. Sudhir Kumar Bassi from post of shareholder director of the company 2. Re-Appointment of Mr. Dinesh Kumar Mehrotra (DIN: 00142711) as an (Independent Director) Public Interest Director & Chairman of the Company. 3. Appointment of Mr. Ajai Kumar (DIN: 02446976) as an (Independent Director) Public Interest Director 4. To appoint Ms. Latika. S. Kundu (DIN: 08561873) as director of the company 5. To appoint Ms. Latika S. Kundu (DIN: 08561873) as the managing director and chief executive officer (MD & CEO) of the company

2018-19	September 23, 2019 at 11:00 am	MIG Cricket Club, 2nd floor, Galaxy Hall, Ramakrishna Paramahans Marg, MIG Colony, Bandra East, Mumbai, Maharashtra 400051	<ol style="list-style-type: none"> 1. Appointment of Ms. Trishna Guha (DIN: 08200779) as an Independent Director of the Company 2. Appointment of Mr. Sonti Venkata Durga Nageswara Rao (DIN: 02105323) as an Independent Director of the Company 3. Appointment of Mr. Vijay Sardana (DIN: 01977874) as an Independent Director of the Company 4. Recommend names for appointment of MD & CEO to SEBI for seeking its prior approval 5. Approval for Related Party Transactions
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B. Postal Ballot

The Company has not passed any resolution by way of postal ballot during the financial year ended March 31, 2022 and no resolution was proposed to be conducted through postal ballot.

xii. **No Extraordinary general meeting of the members was held during FY 2021-22.**

9. Means of Communication:

The Exchange disseminates all material information to its Shareholders through its website: www.msei.in. The Exchange's website: www.msei.in contains links to all important events and material information of the Exchange. The financials results, shareholding pattern, press releases, Annual Reports etc. appear on the Company's website.

10. General Shareholder Information:

Day, Date, Time of Annual General Meeting (2020-2021)	Thursday, December 01, 2022 at 02:30 p.m. (IST) Venue:- The Company is conducting meeting through Video Conferencing/Other Audio Visual Means pursuant to the MCA Circular dated May 5, 2020. For details, please refer Notice of this AGM. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company located At Building A, Unit 205A, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai - 400 070., which shall be the deemed venue of AGM
Financial year	April 01, 2021 to March 31, 2022
Dividend payment date	Not Applicable
Listing on Stock Exchanges	The Company is not listed on any stock exchange.
Stock Market Code, Market Price Data and share price performance to broad based indices	Not applicable as the Company is not listed on any stock exchange
Registrars & Share Transfer Agents	KFin Technologies Private Limited Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad 500 032, India. Tel: +91-040-6716 2222
Share transfer System	100% of Equity Shares of the company are in electronic form. Transfer of shares is done through depositories with no involvement of the company.
Dematerialization of Shares and liquidity	As required under SEBI Regulations, the entire 4,810,217,033 equity shares of the Company as on March 31, 2021 are under dematerialized (electronic) form. The equity shares of the Company have been admitted for dematerialization with both the depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). ISIN of the equity shares of the Company is INE312K01010.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	As at March 31, 2022, the Company had no outstanding Warrants.

Exchange operations are located at and Address for Correspondence	Building A, Unit 205A, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai - 400 070 Tel: 61129000 Email id: secretarial@msei.in Website: www.msei.in
Legal Identified Number (LEI)	3358002YCEYDX7UK4352

11. Distribution of Shareholding as on March 31, 2022:

Sr. no	Category	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1	up to 1 - 5000	15138	28.83	4,68,56,688	0.97
2	5001 - 10000	10472	19.94	9,48,80,549	1.97
3	10001 - 20000	7267	13.84	11,85,69,425	2.46
4	20001 - 30000	4707	8.96	12,25,12,442	2.55
5	30001 - 40000	1866	3.55	6,86,10,331	1.43
6	40001 - 50000	3278	6.24	16,06,08,184	3.34
7	50001 - 100000	5184	9.87	44,25,08,182	9.20
8	100001 & ABOVE	4596	8.75	3,75,56,71,232	78.08
	Total	52508	100.00	4,81,02,17,033	100.00

12 Category – wise Shareholding Pattern as on March 31, 2022:

Sr. No	Category	No. of Shareholders	No. of shares held	% of shareholding
(A)	PROMOTER AND PROMOTER GROUP	-	-	-
(B)	PUBLIC SHAREHOLDING			
(a)	Financial Institutions /Banks	14	718783832	14.94
(b)	Bodies Corporate	239	868255542	18.05
(c)	Individuals	50600	2645890884	55.00
(d)	HUF	1363	211540841	4.40
(e)	Trusts	1	5672734	0.12
(f)	Non-Resident Indian	291	360073200	7.49
	Total B	52508	481,02,17,033	100.00
	Total (A+B)	52508	481,02,17,033	100.00

13 Other Disclosures:
a. CEO

Certificate from CEO as required under Part D of Schedule V of the Listing Regulations containing declaration as to affirming compliance with the Code of Conduct, under SECC Regulations for the FY 2021-22, is annexed at the end of this report as **ANNEXURE A.**

b. Compliance with the conditions of Corporate Governance

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent as applicable, with regards to Corporate Governance. A certificate in this regard is attached as **ANNEXURE B.**

c. Disclosures on materially significant related party transactions

The materially significant related party transactions entered into by the Company are at arm's length basis and in the ordinary course of business. All the transactions with related parties are under the pre- existing arrangements. Nonetheless, transactions with related parties as required to be reported under "Indian Accounting Standard 24 – Related Party Disclosures" has been disclosed in the Financial Statements in the Annual Report. The policy is hosted on the website of the Company and can be accessed at www.msei.in/about-us/policy.

d. Penalties or strictures imposed on the Company by SEBI or any statutory authority on any matter related to the capital markets during the last three years:-

In 2021-22, there were no Penalties or strictures imposed on the Exchange by SEBI or any statutory authority, on any matter related to the capital markets. SEBI had renewed the recognition of the Exchange for a further period of one year commencing from September 16, 2022 to September 15, 2023 subject to certain condition which has to be complied in a time bound manner.

e. Disclosure relating to Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee

All Protected Disclosures concerning financial/accounting matters are addressed to the Chairman of the Audit Committee of the Company.

All other Protected Disclosures, those concerning the Compliance Officer and employees at the levels of Vice Presidents and above are addressed to the Chairman of the Audit Committee of the Company and those concerning other employees are addressed to the Compliance Officer of the Company

In the year 2021-2022 there were nil complaints received from employees to the Compliance officer as per Whistle Blower Policy of the Exchange.

The Whistle blower policy is also hosted on the website of the Company and can be accessed at <http://www.msei.in/about-us/code>. None of the whistle blowers were denied access to the Audit Committee during FY 2020-21 to the knowledge of the Compliance Officer. The same is reviewed by the Audit Committee on a quarterly basis.

f. Details of Compliance with mandatory and non-mandatory requirement

As per Regulation 11(1) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2018, Stock Exchange shall pay the regulatory fees. The company has complied with the applicable mandatory requirements of payment of Regulatory Fees in terms of the said provision

As per Regulation 12 (2) of SECC Regulations, 2018, a recognized Stock Exchange desirous of renewal of recognition shall make an application to the Board in Form A of Schedule-I of these regulations and such application shall reach the Board at-least three months prior to the date of expiry of the recognition. The company has complied with the mandatory requirement of renewal of recognition in Form A of Schedule-I of these regulations.

g. Policy for determining material subsidiaries

As on March 31, 2022, the Company holds 95.85% of the paid-up capital of Metropolitan Clearing Corporation of India Limited (MCCIL) and 100% of MSE Fintech Limited (formerly known as MCX-SX KYC Registration Agency Limited).

The minutes of the Board meetings of the subsidiaries are placed before the Board meetings of the Company. The Company has formulated a policy for determining 'material' subsidiaries and such policy is hosted on the website of the Company and can be accessed at <https://www.msei.in/about-us/policy>.

h. Dematerialization of shares and liquidity

100% of the Company's shares are in dematerialized form as listed below as at March 31, 2022:

Category	No. of Shareholders	No. of shares	Percentage (%)
NSDL	21,058	2,749,319,913	57.16
CDSL	31,451	2,060,897,120	42.84
Total	52,509	481,02,17,033	100.00

i. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2022, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

j. Commodity price risk or foreign exchange risk and hedging activities

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For details on foreign exchange please refer to Management Discussion and Analysis Report.

k. A certificate has been received from Alwyn Jay & Co, Practicing Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority as annexed as ANNEXURE C.

l. In terms of Regulation 17(8) of the Listing Regulations, MD & CEO and Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year at the review, which has been reviewed by the Audit Committee and taken on record by the Board as annexed in ANNEXURE D.

m. Details of fees paid to Statutory Auditor

Statutory Auditor: M/s. T.R. CHADHA & CO. LLP

Sr. No	Nature of Audit	(Rs.)
1	Statutory Audit	8,80,000
2	Limited Review Audit	4,95,000
3	Tax Audit	2,25,000
4	Fees for other matters	3,11,800
	Total	19,11,800

n. Details of Sexual Harassment complaints received and redressed

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	Nil	Nil	Nil

o. Plant Location: Not Applicable

p. Credit Ratings: Not Applicable

q. Disclosures with respect to demat Suspense account/ unclaimed suspense account: There are no shares held in demat suspense account/ unclaimed suspense account.

r. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of Listing Regulations: No such issues were taken place during the year hence, not applicable.

s. The Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company which are currently available with the Board.

Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management team to make decisions in uncertain environments
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective shareholder engagements and driving corporate ethics and values.
Specific Skill Set	Capital/ Market understanding, Technology and Cyber Security, Legal and Compliance, Stakeholder Relationship, Strategy and Planning, Financial and Treasury Management, Audit, Corporate Governance, Taxation.

For and on behalf of the Board of Directors
Latika S. Kundu
 Managing Director & CEO
 DIN: 08561873

S.V.D. Nageswara Rao
 Chairman
 DIN: 02105323

Date: October 31, 2022

Place: Mumbai

RECEIPT OF AFFIRMATIONS ON COMPLIANCE WITH THE CODE OF CONDUCT

I hereby declare that all the Board Members, Key Managerial Personnel and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2021-22 as adopted by the Board of directors and applicable Regulations.

Latika S. Kundu
Managing Director & CEO
DIN: 08561873

Dated: October 31, 2022
Place: Mumbai

ANNEXURE B – Corporate Governance Report

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

**To
The Members of
Metropolitan Stock Exchange of India Limited**

This is with reference to the disclosure and corporate governance norms specified in Regulation 33 of the Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, applicable to Stock Exchanges which stipulates that the disclosure requirements and corporate governance norms as specified for listed companies shall mutatis mutandis apply to a recognized stock exchange.

We have examined the compliance of conditions of Corporate Governance by Metropolitan Stock Exchange of India Limited (“the Company”) for the financial year ended March 31, 2022, as prescribed in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’).

We state that the compliance of conditions of Corporate Governance is the responsibility of the management and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us and representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of the SEBI Listing Regulations to the extent relevant and practicable in accordance with the nature of the Company’s operations, its constitution and to ensure appropriate governance.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: October 19, 2022

Place: Mumbai

ALWYN JAY & CO.
Company Secretaries

Partner
[Jay D’souza FCS 3058]
[Certificate of Practice No. 6915]
[UDIN : F003058D000796609]

ANNEXURE C – Corporate Governance
CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

Metropolitan Stock Exchange of India Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Metropolitan Stock Exchange of India Limited (hereinafter referred to as ‘the Company’) having CIN : U65999MH2008PLC185856 and having registered office at 205(A), 2nd floor, Piramal Agastya Corporate Park, Kamani Junction, LBS Road, Kurla (West), Mumbai - 400070 MH IN, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended as on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Designation	Date of Appointment as per MCA records
1.	Ms. Latika S. Kundu	08561873	Managing Director	12/03/2020
2.	Ms. Trishna Guha	08200779	Director	04/10/2018
3.	Mr. Raghunathan Srinivasa	07615088	Director	06/01/2022
4.	Mr. Ajai Kumar	02446976	Director	23/10/2020
5.	Mr. Sonti Venkata Durga Nageswara Rao	02105323	Director	04/10/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: October 19, 2022

Place: Mumbai.

ALWYN JAY & CO.
Company Secretaries

Partner
[Jay D’souza FCS 3058]
[Certificate of Practice No. 6915]
[UDIN : F003058D000796609]

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

(In accordance with the provisions of Regulation 33 of SECC Regulations 2018 read with Regulation 17(8) of the SEBI (LODR) Regulations, 2015)

**The Board of Directors
Metropolitan Stock Exchange of India Limited, Mumbai**

Dear Members of the Board,

We, Latika S. Kundu, MD & CEO and Saket Bhansali, Chief Financial Officer of Metropolitan Stock Exchange of India Limited, to best of our knowledge and belief, certify that:

1. We have reviewed the Financial Statement and the Cash flow Statement of the Company for the financial year ended March 31, 2022;
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards and / or applicable laws and regulations, except as disclosed in the notes to the financial statement
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2022 which are fraudulent, illegal or in violation of the Company's Code of Conduct, except as disclosed to the Company's Board of Directors;
3. We accept responsibility for establishing and maintaining internal controls for financial reporting for the Company, and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting, and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken, to rectify the deficiencies. In our opinion there are adequate internal controls over financial reporting.
4. We have indicated to the auditors and the Audit Committee:
 - c. significant changes in internal control financial reporting during the year;
 - d. There are no significant changes in accounting policies made during the year, except as disclosed in the notes to the financial statements and;
 - e. There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal control system over financial reporting.
5. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Yours Sincerely,

**Saket Bhansali
Chief Financial Officer**

**Latika S. Kundu
MD & CEO
DIN: 08561873**

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

Form AOC – 1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint venture

Part “A”: Subsidiaries
(Rs. In Lakhs)

Sr. No.	Name of the subsidiary	Date of Acquisition	Share Capital	Reserves & surplus	Total Assets	Total Liabilities	Investments (Current)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of share-holding
1	Metropolitan Clearing Corporation of India Limited	November 07, 2008	12,537.10	1,531.30	28,266.43	14,198.03	944.37	1,452.68	96.73	41.16	55.57	NIL	95.85 %
2.	MSE Fintech Limited (formerly known as MCX-SX KYC Registration Agency Limited)	March 02, 2012	5.00	(3.31)	2.26	0.57	NIL	NIL	(0.29)	NIL	(0.29)	NIL	100%

- Name of subsidiary which are yet to commence operations: **MSE Fintech Limited (formerly known as MCX-SX KYC Registration Agency Ltd)**
- Name of subsidiaries which have been liquidated or sold during the year: **None**

Part “B”

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Venture – **Not Applicable**

For and on behalf of the Board of Directors

Latika S. Kundu
Managing Director & CEO
DIN: 08561873

S.V.D. Nageswara Rao
Chairman
DIN: 02105323

Saket Bhansali
Chief Financial Officer

Durgesh Kadam
Head – Legal and Company Secretary

Date: October 31, 2022
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of Metropolitan Stock Exchange of India Limited Report on the Audit of the Standalone Financial Statements

1. Qualified Opinion

We have audited the accompanying standalone financial statements of **Metropolitan Stock Exchange of India Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 if the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

We draw attention to note 36 of the standalone financial statements with respect to preparation of Standalone Financial Statements on going concern basis even though Company has continued to incur significant losses during the current and preceding periods. As advised, the Company is adequately capitalized, 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 revenue are expected to increase in future years and accordingly the company continues to prepare its Standalone Financial Statements on going concern basis. However, the business volumes are not sufficient and there is no clarity on increasing revenue & making profits in future and the Company could not achieve its projected revenues so far and accordingly we are unable to comment on the preparation of standalone financial statements on going concern basis and related adjustments, if any, that will be arising out of said going concern assumption.

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report*. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

- a. We further draw attention to Note 34(i)(e) of the standalone financial statements, whereby, the Subsidiary Company Metropolitan Clearing Corporation of India Limited (MCCIL), of the Exchange has raised invoices Rs. 741.57 Lakh (amount excluding taxes), towards Clearing and Settlement Charges based on an erstwhile C&S Agreement (prior to interoperability), for the period April 1, 2021 to March 31, 2022. As detailed in the said Note 34(i)(e), 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'.
- b. 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.
- c. We further draw attention to Note 60 to the standalone financial statements which describes the extent to which the Covid-19 pandemic will impact the Company's standalone financial statements will depend on the upcoming developments, which are highly uncertain.

Our opinion is not modified in respect of these matters.

4. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Identification of Onerous Contract

As per Ind AS 37 “Provision, contingent liabilities and contingent assets”, an onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The company has an unavoidable long-term contract with one of the service providers which constitutes approx. 59% of the Operating Expenses (refer note 29) for the year ended March 31, 2022.

Auditor’s Response: Our procedure in relation to identification of onerous contract included, review of material contract with service providers, assessing the related cost and economic benefits expected to be received/are received and critically assessing the management’s estimates with regard to plan for utilization of such costs. Based on above audit procedures the said contract has not been treated as onerous contract as on March 31, 2022.

5. Information Other than the Standalone Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Director’s Report, but does not include the standalone financial statements and our auditor’s report thereon. The other information is expected to be made available to us after the date of this auditor’s report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The above information is not made available to us as at the date of this Auditor’s report. We have nothing to report in this regard.

6. Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company’s Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company’s financial reporting process.

7. Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s 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 these standalone financial statements.

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 standalone financial statements, 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.
- Conclude on the appropriateness of management's 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 Company's ability 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 standalone financial statements 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Report on Other Legal and Regulatory Requirements

- a. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- b. As required by Section 143(3) of the Act, we report that:
 - i. We have sought and obtained, except for the matters described in the Basis for Qualified Opinion paragraph, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - iii. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
 - iv. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - v. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - vi. On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.
 - vii. The qualification relating to the maintenance of accounts and other matters connected herewith are as stated in the Basis for Qualified Opinion paragraph above.
 - viii. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- c. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations

given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 34 to the standalone financial statements.
- ii. The company has entered into various contracts including long term contracts with a company towards software license and maintenance agreements etc. The continuance of these contracts shall depend on the future running of the business including raising required resources for the same. Hence, the chances of termination of these contracts and the impact of the same on the standalone financial statements including penalty and charges if any cannot be commented upon.
- iii. There were no amounts which were required to be transferred to the investor’s education and protection fund by the company.
- iv.
 - a. Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. Management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. During the year the Company has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.
- d. With respect to the matter to be included in the Auditor’s Report under section 197 (16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations give to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act.

Place: Mumbai

Date: May 27, 2022

For T R Chadha & Co LLP

Firm’s Reg. No:- 006711N/N500028

Chartered Accountants

Pramod Tilwani

Partner

Membership No. 076650

UDIN: 22076650AJTIOI7368

Annexure A to the Independent Auditors' Report of even date to the members of the Metropolitan Stock Exchange of India Limited ("the Company") on the standalone financial statements for the year ended March 31, 2022

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that;

(i) Property, Plant and Equipment

- a) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of use assets.
- b. The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a regular programme of physical verification to cover Property, Plant and Equipment except the routers equipment which are at member's location. Management is of the view that it is not possible to verify these assets due to their nature and location. In our opinion, the periodicity of the physical verification is reasonable having regard to the size of the Company and the nature of its assets. For the assets where physical verification exercise was completed, no material discrepancies were noticed on such verification for material items.
- c) There are no immovable assets held by the company. Accordingly, reporting under paragraph 3(i)(c) of the Order is not applicable to the company.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988), as amended, and rules made thereunder.

(ii) Inventories

- a) The nature of business of the company does not require to have any physical inventory. Accordingly, reporting under paragraph 3(ii) (a) of the Order is not applicable to the company.
- b) The Company has not been sanctioned working capital limits in excess of rupees five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, reporting under paragraph 3(ii)(b) of the Order is not applicable to the company.

(iii) Loans, Investments, Guarantees, Securities and Advances in nature of Loan

During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under paragraph 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the company.

(iv) Compliance of Sec. 185 & 186

The Company has not given loans or guarantees to directors or other persons in which a director is interested or provide security in connection with a loan and as such section 185 of the Companies Act is not applicable.

The Company has made investments in securities of its subsidiary, which is in compliance with the provisions of Section 186 of the Companies Act, 2013.

(v) Public Deposits

The Company has not accepted any deposits or amounts which are deemed to be deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply. Accordingly, reporting under paragraph 3(v) of the Order is not applicable to the company.

(vi) Cost Records

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act. Accordingly, reporting under paragraph 3(vi) of the Order is not applicable to the Company.

(vii) Statutory Dues

- a) The Company has generally been regular in depositing its undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State insurance, Income-Tax, , Cess and other relevant material statutory dues, which are accounted in its books of account.

There are no undisputed dues payable, outstanding as on March 31, 2022, for a period of more than six months from the date they became payable.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022, on account of disputes are given below:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand under section 156	921.38 (excl. interest)	AY 2012 – 13	CIT Appeal

(Refer Note 34 of the standalone financial statements)

(viii) As disclosed by management in note 53 of the standalone financial statement, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) Application & Repayment of Loans & Borrowings

- a. The Company has not availed any loan or other borrowings from any lender, during the year. Accordingly, reporting under paragraph 3(ix)(a) of the Order is not applicable to the Company.
- b. As disclosed by management in note 53 of the standalone financial statement, the Company has not been declared as wilful defaulter by any bank or financial institution or other lender;
- c. No term loan has been availed by the Company during the year, accordingly, Accordingly, reporting under paragraph 3(ix) (c) of the Order is not applicable to the company.
- d. The company has not borrowed funds as on March 31, 2022, Accordingly, reporting under paragraph 3(ix) (d) of the Order is not applicable to the company.
- e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, reporting under paragraph 3(ix)(e) of the Order is not applicable to the company.
- f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, reporting under paragraph 3(ix)(f) of the Order is not applicable to the company.

(x) Application of funds raised through Public Offer

- a. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year, accordingly, reporting under paragraph 3(x)(a) of the Order is not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year and accordingly, reporting under paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) Fraud

- a. No fraud by the Company or any fraud on the Company has been noticed or reported during the course of our audit nor have we been informed of any such case by the management.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c. As represented to us by the Management, there were no whistle blower complaints received by the Company during the year;

(xii) The Company is not a Nidhi Company and accordingly, accordingly, reporting under paragraph 3(xii) of the Order is not applicable to the company.

(xiii) In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to all applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) Internal Audit

- (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the internal auditors issued to the Company for the period under audit.

(xv) During the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. Accordingly, reporting under paragraph 3(xv) of the Order is not applicable to the company.

(xvi) Registration u/s 45-IA of RBI Act

- a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, reporting under paragraph 3(xvi)(a) of the Order is not applicable to the company.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, reporting

under paragraph 3(xvi)(b) of the Order is not applicable to the company.

- c) The Company is not a core investment company and accordingly, reporting under paragraph 3(xvi)(c) of the Order is not applicable to the company.
- d) As represented to us, the Group does not have any core investment company as part of the Group and accordingly, reporting under paragraph 3(xvi)(d) of the Order is not applicable to the company.
- (xvii)** The Company has incurred cash losses during the current financial year and the immediately preceding financial year, amounting to Rs. 1,595 lacs and Rs. 1,551 lacs respectively.
- (xviii)** There has been no resignation of the statutory auditors of the Company during the year and accordingly, reporting under paragraph 3(xviii) of the Order is not applicable to the Company.
- (xix)** According to the information and explanations given to us, except for the matters described in the Basis for Qualified Opinion paragraph in the Independent Auditor's report, and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)** As disclosed by management in note 51 of the standalone financial statements and as verified by us, The Company was not required to spend any amount towards CSR as per Section 135 of the Companies Act, 2013, accordingly, reporting under paragraph 3(xx) of the Order is not applicable to the company.

Place: Mumbai

Date: May 27, 2022

For T R Chadha & Co LLP

Firm's Reg. No:- 006711N/N500028

Chartered Accountants

Pramod Tilwani

Partner

Membership No. 076650

UDIN: 22076650AJTIOI7368

Annexure B to the Independent Auditor's Report of even date to the members of the Metropolitan Stock Exchange of India Limited ('the Company') on the standalone financial statements for the year ended March 31, 2022**Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')****Opinion**

1. We have audited the internal financial controls with reference to standalone financial statements of Metropolitan Stock Exchange of India Limited ("the Company") as of March 31, 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on, the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI')

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on, the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone Financial Statements

4. A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

5. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place: Mumbai

Date: May 27, 2022

For T R Chadha & Co LLP

Firm's Reg. No-: 006711N/N500028

Chartered Accountants

Pramod Tilwani

Partner

Membership No. 076650

UDIN: 22076650AJTIOI7368

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2022

(₹ in Lakh)

Particulars	Note	As at	
		March 31, 2022	March 31, 2021
I ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	3	232	185
(b) Intangible assets	4	939	1,353
(c) Intangible assets under development	4	191	203
(d) Right of use assets		402	548
(e) Financial assets			
i. Investments			
a. Investment in subsidiaries	5	12,019	12,019
b. Other Investments	5	2,823	891
ii. Other financial assets	6	77	157
(f) Income tax assets (net)	7	418	372
(g) Deferred tax assets (net)	8	186	186
(h) Other non-current assets	9	4,481	4,343
		21,768	20,256
2 Current Assets			
(a) Financial assets			
i. Investments	10	4,325	4,909
ii. Trade receivables	11	346	235
iii. Cash and cash equivalents	12	1,468	177
iv. Bank balance other than (iii) above	13	438	1,836
v. Other financial assets	14	1,815	5,356
(b) Income tax assets (net)	15	2	76
(c) Other current assets	16	360	406
		8,754	12,994
Total Assets		30,522	33,250
II EQUITY AND LIABILITIES			
3 Equity			
(a) Equity Share capital	17	48,052	48,052
(b) Other equity	18	(21,916)	(19,587)
		26,136	28,465
Total Equity		26,136	28,465
Liabilities			
4 Non-Current Liabilities			
(a) Financial liabilities			
i. Lease rental liability	19	321	458
ii. Other financial liabilities	20	2,044	2,196
(b) Provisions	21	10	5
		2,375	2,659
5 Current Liabilities			
(a) Financial liabilities			
i. Lease rental liability	22	148	144
ii. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	23	0	0
b. Total outstanding dues to creditors other than micro enterprises and small enterprises		58	132
iii. Other financial liabilities	24	1,438	1,468
(b) Other current liabilities	25	365	365
(c) Provisions	26	2	17
		2,011	2,126
Total Equity and Liabilities		30,522	33,250

Significant Accounting Policies and Explanatory Information forming part of the financial statements

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As per our report of even date

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

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Pramod Tilwani
Partner
Membership No.076650

S.V.D. Nageswara Rao
Chairman & Public Interest Director
DIN : 02105323

Latika S. Kundu
Managing Director & CEO
DIN : 08561873

Mumbai
Dated : May 27, 2022

Saket Bhansali
Chief Financial Officer

Durgesh Kadam
Head Legal & Company Secretary
FCS 8496

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Particular	Note	For the Year 2021-22	For the Year 2020-21
I Income			
(a) Revenue from operations	27	550	585
(b) Other income	28	865	1,296
Total Income		1,415	1,881
II Expenses			
(a) Operating expenses	29	934	951
(b) Employee benefits expense	30	1,450	1,677
(c) Finance costs	31	35	54
(d) Advertisement and business promotion expenses	32	58	59
(e) Depreciation and amortisation expense		573	575
(f) Depreciation On Right to Use Assets	3 & 4	146	250
(g) Other expenses	33	568	745
Total Expenses		3,764	4,311
III Loss before tax (I - II)		(2,349)	(2,430)
IV Exceptional items		-	-
V Loss before tax (III - IV)		(2,349)	(2,430)
VI Tax expense			
Less : Current tax		-	-
Less : Deferred tax		-	-
VII Loss for the year (V - VI)		(2,349)	(2,430)
VIII Other comprehensive income			
1) Items that will not reclassified to profit or (loss) (net of tax)		20	12
2) Income tax relating to item will not reclassified to profit or (loss)		-	-
Total other Comprehensive Income for the year, net of tax		20	12
IX Total Comprehensive Income for the year (VII- VIII)		(2,329)	(2,418)
Earnings per equity share of face value of Re.1 each			
Basic (in Rs.)	38	(0.05)	(0.05)
Diluted (in Rs.)		(0.05)	(0.05)

Significant Accounting Policies and Explanatory Information forming part of the financial statements

2-63

As per our report of even date

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

Pramod Tilwani
Partner
Membership No.076650

Mumbai
Dated : May 27, 2022

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

S.V.D. Nageswara Rao
Chairman & Public Interest Director
DIN : 02105323

Saket Bhansali
Chief Financial Officer

Latika S. Kundu
Managing Director & CEO
DIN : 08561873

Durgesh Kadam
Head Legal & Company Secretary
FCS 8496

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Particulars	For the year March 31, 2022		For the year March 31, 2021	
A. Cash flow from Operating Activities				
Net Profit / (Loss) before tax as per Statement of Profit and Loss		(2,348)		(2,430)
Adjustments for				
Depreciation/Amortisation	573		575	
Depreciation On Right to Use Assets	146		250	
Net fair value gain/loss on financial assets measured at fair value through profit and loss	(2)		1	
Exchange Rate fluctuation	1		(1)	
Interest Income - Bank FD	(200)		(506)	
Interest Income - Corp. FD	(391)		(317)	
Interest on IT Refund	(8)		(59)	
Finance Costs - ROU Asset (net) & Write off Income	35		(4)	
Profit on sale of Fixed Asset (net)	(1)		0	
Fixed assets / CWIP written off / provided for	-		80	
Provision for doubtful debts	55		(20)	
Profit on sale of investments (net)	(41)		(66)	
Sundry balances written back	(79)		-	
Remeasurement of Employee Benefit	20		12	
Depletion in value of investments	-	108	0	(56)
Operating profit/ (loss) before working capital changes		(2,240)		(2,486)
Adjustments for				
Decrease/ (increase) in Trade receivable	(89)		(146)	
Decrease/ (increase) in financial & other assets	(56)		(157)	
Total Increase / (decrease) in Current and non current assets		(145)		(303)
Increase / (decrease) in trade payables	(75)		86	
Increase / (decrease) in financial and other liabilities	(182)		(213)	
Increase / (decrease) in provision	(5)		(18)	
Total Increase / (decrease) in Current and non current Liabilities		(262)		(145)
Cash generated from/(used in) operations		(2,647)		(2,934)
Less:(Taxes paid) / refund received		35		448
Net cash generated from/(used in) operating activities		(2,612)		(2,486)
B. Cash flow from Investing Activities				
Purchase of Fixed Assets (including Capital Work In Progress)		(196)		(214)
Sale of Fixed Assets (net)		3		2
Purchase of current investments		(3,391)		(4,438)
Sale of current investments		3,611		7,779
Fixed deposit placed with banks		(2,556)		(5,000)
Corporate Deposits (net)		(1,568)		(1,278)
Fixed deposit matured		7,613		4,010
Investment in subsidiary company		(0)		0
Profit on sale of investments (net)		44		65
Interest received (net of accrued interest)		511		762
Net cash generated from/(used in) Investing Activities		4,071		1,688

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Particulars	For the year March 31, 2022		For the year March 31, 2021	
C. Cash flow from Financing Activities				
Lease Liability Payment		(168)		(282)
Net Cash Generated from/(used in) Financing Activities		(168)		(282)
Net Increase in Cash and Cash Equivalents		1,290		(1,080)
Cash and Cash Equivalents at Beginning of the Year		177		1,257
Cash and Cash Equivalents at End of the Year (Refer note 12)		1,468		177
Add : Fixed Deposits held for more than three months (refer note 13)		438		1,836
Closing Cash and Bank Balance		1,906		2,013
Component of cash & bank balance (refer note 12)				
In current account				
Owned		713		123
Earmarked		755		54
Cash on hand		0		0
Stamps in hand		0		0
		1,468		177

Significant Accounting Policies and Explanatory Information forming part of the financial statements

1. The Cash Flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7 (Ind AS 7) "Statement of Cash Flows" prescribed under Companies Act, 2013.
2. Figures in brackets represent cash outflows.
3. Rupees "0" represent amount less than Rs. 50,000.

As per our report of even date

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

Pramod Tilwani
Partner
Membership No.076650

Mumbai
Dated : May 27, 2022

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

S.V.D. Nageswara Rao
Chairman & Public Interest Director
DIN : 02105323

Saket Bhansali
Chief Financial Officer

Latika S. Kundu
Managing Director & CEO
DIN : 08561873

Durgesh Kadam
Head Legal & Company Secretary
FCS 8496

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(₹ in Lakh)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares at the beginning of the year	4,81,02,17,033	48,102	4,81,02,17,033	48,102
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	4,81,02,17,033	48,102	4,81,02,17,033	48,102
Add:-Shares issued during the year	-	-	-	-
Equity shares at the end of the year *	4,81,02,17,033	48,102	4,81,02,17,033	48,102

* Refer note 18.4 for amount of Rs. 49.78 lakhs deducted from the share capital account and the remaining amount shown as Equity Share Capital.

B. Other Equity

(₹ in Lakh)

Particulars	Reserves & surplus			Other comprehensive Income	Total
	Securities premium	Retained earnings	Capital Reserve	Remeasurement of employees benefit	
As at March 31, 2020	39,531	(56,691)	0	(10)	(17,170)
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated as at March 31, 2020	39,531	(56,691)	0	(10)	(17,170)
Tax (remeasurement of employee defined benefit liability / asset)	-	-	-	12	12
Profit / (loss) for the year	-	(2,430)	-	-	(2,430)
As at March 31, 2021	39,531	(59,121)	0	2	(19,587)
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated as at March 31, 2021	39,531	(59,121)	0	2	(19,587)
Tax (remeasurement of employee defined benefit liability / asset)	-	-	-	20	20
Profit / (loss) for the year	-	(2,349)	-	-	(2,349)
As at March 31, 2022	39,531	(61,469)	0	22	(21,916)

Significant Accounting Policies and Explanatory Information forming part of the financial statements

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As per our report of even date

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

Pramod Tilwani
Partner
Membership No.076650

Mumbai
Dated : May 27, 2022

For and on Behalf of the Board of Directors of
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S.V.D. Nageswara Rao
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Managing Director & CEO
DIN : 08561873

Durgesh Kadam
Head Legal & Company Secretary
FCS 8496

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

1 Corporate Information

The Company was incorporated on August 14, 2008 and recognized as a stock exchange by Securities and Exchange Board of India (SEBI) under section 4 of the Securities Contracts (Regulation) Act, 1956 with effect from September 16, 2008. The Exchange was notified a “Recognised Stock Exchange” under Section 2(39) of the Companies Act, 1956 by Ministry of Corporate Affairs, Govt. of India, on December 21, 2012. The Company provides platform for trading in Currency Derivatives, Debt Segment, Interest Rate Futures, Equity Cash and F&O segment.

SEBI letter No. SEBI/LAD-NRO/GN/2021/50 dated September 15, 2021 renewed the recognition granted to the Stock Exchange for a period of one year commencing on the 16th day of September 2021 and ending on 15th day of September 2022.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements (“financial statements”). These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

The standalone financial statements have been prepared and presented under the historical-cost convention on accrual basis, except as disclosed in the accounting policies below. The company has prepared these financials to comply in all material respect with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, as amended, relevant provisions of the Companies Act 2013, various regulatory guidelines to the extent relevant and applicable to the company and in accordance with the generally accepted accounting principles in India. The accounting policies adopted in the preparation of the financial statements are consistent.

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value, and
- defined benefit plans - plan assets measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3** inputs are unobservable inputs for the asset or liability.

2.2 Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Foreign currency translation and transactions

i) Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency. All financial information presented in Indian rupees has been rounded to the nearest lakh except share and per share data in terms of schedule III unless otherwise stated.

ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at year end rates. Non-monetary foreign currency items are carried at cost.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit & Loss of the year.

2.4 Revenue recognition

Revenue is recognised in the Statement of Profit and Loss through following steps:

- i) identification of the contract or contracts with the customers
- ii) identification of the performance obligations in the contracts
- iii) determination of the transaction price
- iv) allocation of the transaction price to the performance obligations in the contract
- v) recognition of revenue when company satisfy a performance obligation.

Revenue mainly comprises :

Transaction fees are charged to members at the applicable rates based on the volume of transactions entered into by the members through the exchange. These are accrued when orders placed by members on the exchange are matched and confirmed.

Membership Admission fees collected from new members for joining the exchange are recognized when received and membership approved by SEBI.

Processing and other fees collected from members are recognized for which services are performed.

Connectivity Income are apportioned over the period of connectivity on a pro rata basis from the date of activation of connectivity.

Income from Annual Listing Fees is recognized on time proportion basis.

Revenue from Shared Service recognised based on the time proportion basis.

Income from operating lease for asset usage recognised based on the time proportion basis.

Revenue from data feed charges based on the time proportion basis.

Interest income is recognized on time proportion basis into account the amount outstanding and the rates applicable. For all other financial assets measured at amortised cost interest income is recorded using the Effective Interest Rate (EIR).

The Company adopted Ind AS 115 "Revenue from Contracts with customers" w.e.f. 01 April 2018, using the Modified Retrospective transition approach which is applied to contracts that were not completed as of 01 April 2018.

The disclosure of significant accounting reporting requirements relating to revenue from contracts with customers are provided in Notes.

2.5 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. Income tax expense is recognised in the Profit or Loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it

intends either to settle on a net basis or to realize the asset and liability simultaneously. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are to be apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised only to the extent that there is a probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In accordance with the recommendations contained in Guidance Notes issued by the institute of chartered accountants of India and in accordance with the provision of Income Tax Act, 1961, Minimum Alternate Tax ('MAT') credit is recognised as an asset to the extent there is convincing evidence that the company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

2.6 Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.7 Property, plant and equipment

Property, plant and equipment are measured at cost of acquisition net of recoverable taxes less accumulated depreciation and impairment loss, if any. Cost includes expenses that is directly attributable to acquisition of the assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for their intended use before such date are shown as Capital Work in Progress.

Depreciation on property, plant and equipment is provided on straight line method over the useful lives as specified in Part 'C' of Schedule III to the Companies Act, 2013, which is also estimated as useful lives by the management. The same is as given below:-

Sr. No	Classification of an asset	Useful life
1	Furniture and fixtures	10
2	Office Equipment's	5
3	Vehicles	5-8
4	Computer Hardware	
	(i) Computer Servers	6
	(ii) Networking Equipment's	6
	(iii) Desktop/Laptop etc.	3

Leasehold improvements are depreciated over the period of lease or at their estimated useful life, whichever is lower.

The Company provides pro-rata depreciation from the day the asset is ready to use and for any asset sold, till the date of sale. Depreciation methods, useful lives and residual values are reviewed at each reporting date. With the effect of any changes in estimate accounted for on a prospective basis.

Intangible assets and Amortization

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any.

Intangible assets comprising of software purchased and licensing cost are amortized on straight line basis over the useful life of the software up to a maximum period of 10 years.

Intangible assets under development

Intangible Assets under development comprises outstanding advances paid to acquire intangible assets and the cost of intangible assets that are not yet ready for its intended use.

2.8 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the lower of the present value of expected net cost of fulfilling the contract and the present value of expected cost of terminating the contract.

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably, is not recognised in the books of accounts but its existence is disclosed in the Financial Statements. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized but disclosed in the financial statements when economic inflow is probable.

2.10 Fair Value Measurement

The company measures financial instruments at fair value in accordance with accounting policies at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the company

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.11 Financial instrument

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets:

Initial recognition and measurement:

The company measures its financial assets at fair value. In this context, quoted investments are fair valued adopting the techniques defined in Level 1 of fair value hierarchy of Ind-AS 113 “Fair Value Measurement” and unquoted investments, where the observable input is not readily available, are fair valued adopting the techniques defined in Level 3 of fair value hierarchy of Ind-AS 113 and securing the valuation report from the certified valuer. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company’s business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- (a) The Company’s business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- (a) The Company’s business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to Investments in Equity and Convertible Warrants. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI.

However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss.

However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Equity Investments (in subsidiaries, associates and joint venture)

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

De-recognition

Financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;
 - (a) The company has transferred substantially all the risks and rewards of the asset, or
 - (b) The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

On De-recognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- Financial assets measure at fair value through profit and loss (FVTPL)

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(b) Financial Liabilities:**Initial recognition and measurement**

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are initially measured at Fair value.

Subsequent measurement

All non-current financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.12 Employee benefits**Short Term Obligation**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period at the undiscounted in the Statement of Profit & Loss and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other Long-Term employees benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss. The liability for earned leave is also classified as current where it is expected to be availed/ encashed during the next 12 months. The remaining portion is classified as non-current. The amounts of current and non-current liability are based on actuarial estimates.

Post-employment obligations

Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

The Company operates following post-employment schemes:

- (a) defined benefit plans such as gratuity
- (b) defined contribution plans such as provident fund

Defined Benefit Plans - Gratuity Obligation

The Company has maintained a Gratuity Scheme with the MCX Gratuity Trust. Trustees administer contributions made to the Trusts and contribution are invested in insurance company in the form of qualifying insurance policy. Company is contributing a sum determined by insurance company annually. The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined Contribution Plans - Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.13 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

2.14 Cash & Cash Equivalents

Cash and cash equivalent in the balance sheet comprises cash on hand and at bank and demand deposits with banks with an original maturity of three months or less from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

2.15 Key Accounting Estimates and Judgment

As per Ind AS the accounting policy should also disclose the significant estimates and critical judgment used in preparation of financial statement. The same can be done based on following lines:

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Minimum Alternate Tax

Minimum Alternate Tax ("MAT") paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The management estimate the Company to pay normal tax and benefit associated with MAT will flow to the Company within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recognised.

Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual

value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgments and assumptions.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of Non-financial assets

The impairment provisions for Non-financial assets are based on assumptions about recoverability. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Going Concern Assumption

Going concern assumption has been applied on the basis that the company will be able to continue its operation in the foreseeable future, and without there being any intention or necessity for it to either liquidate or curtail materially its scale of business operations.

2.16 Leases

The Company's lease asset primarily consists of leases for buildings. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense.

The right-of-use assets initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it exercises an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet, and lease payments have been classified as financing cash flows.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022.

(RUPEES IN LAKHS, EXCEPT SHARE AND PER SHARE DATA, UNLESS OTHERWISE STATED)

3 Property, Plant and Equipment

Particulars	Office Equipment's	Computer Hardware	Furniture & Fixtures	Vehicles	Leasehold Improvements	Right of use assets	Total
Gross Carrying amount as at March 31, 2020	153	3,289	47	11	166	465	4,131
Addition	0	40	-	-	-	695	735
Disposals/Write off	60	302	4	-	165	465	997
Gross Carrying amount as at March 31, 2021	93	3,027	43	11	0	695	3,869
Addition	4	5	3	-	141	-	152
Disposals/Write off	11	313	-	-	-	-	324
Gross Carrying amount as at March 31, 2022	85	2,718	45	11	141	695	3,697
Accumulated Depreciation as at March 31, 2020	136	3,083	31	11	148	222	3,630
Depreciation charges during the year	7	81	4	1	18	250	360
Disposals/Write off	59	302	3	-	165	324	854
Accumulated Depreciation as at March 31, 2021	83	2,861	32	11	0	147	3,136
Depreciation charges during the year	6	59	4	-	36	146	251
Disposals/Write off	11	313	-	-	-	-	324
Accumulated Depreciation as at March 31, 2022	79	2,607	37	11	36	293	3,063
Net Carrying amount as at March 31, 2022	7	112	9	(0)	105	402	634
Net Carrying amount as at March 31, 2021	9	165	10	(0)	0	548	733

* Rs. "0" represent amount less than Rs. 50,000.

Note:- The Company has not revalued its property, plant and equipment (including right-of-use assets) during the current or previous year.

4 Intangible Assets and Intangible Assets under development

Particulars	Computer Software**	Intangible asset under development	Total
Gross Carrying amount as at March 31, 2020	10,128	171	10,299
Addition	61	86	146
Disposals/write off	6	53	59
Gross Carrying amount as at March 31, 2021	10,183	203	10,386
Addition	54	138	193
Disposals/write off	-	151	151
Gross Carrying amount as at March 31, 2022	10,237	191	10,428
Accumulated Depreciation as at March 31, 2020	8,371	-	8,372
Depreciation charges during the year	465	-	465
Disposals/write off	6	-	6
Accumulated Depreciation as at March 31, 2021	8,830	-	8,830
Depreciation charges during the year	468	-	468
Disposals/write off	-	-	-
Accumulated Depreciation as at March 31, 2022	9,298	-	9,298
Net Carrying amount as at March 31, 2022	939	191	1,130
Net Carrying amount as at March 31, 2021	1,353	203	1,556

(Other than internally generated)

** In certain cases the company has only usage right and not the title or ownership, net carrying amount of Rs. 602 Lakhs (PY 921 lakh)

Notes:-

- (i) The Company has made provision of Rs. 80 lakhs during the financial year ended March 31, 2021.
- (ii) The Company has not revalued its intangible assets during the current or previous year.

Intangible Assets under development ageing as on March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	40	3	103	45	191
Projects temporary suspended	-	-	-	-	-

List of projects whose completion is overdue as on March 31, 2022

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Development of Exchange matching engine	-	80	-	-	80
Development of CTCL platform	-	53	-	-	53
Development of changes to Order to Buy (OTB) platform for order collection system..	15	-	-	-	15
Development of SFTP module in OFS	3	-	-	-	3

Intangible Assets under development ageing as on March 31, 2021

(₹ in Lakh)

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	51	103	45	5	203
Projects temporary suspended	-	-	-	-	-

List of projects whose completion is overdue as on March 31, 2021

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Development of Exchange matching engine	-	-	80	-	80
Development of CTCL platform	-	-	53	-	53
Development of changes to Order to Buy (OTB) platform for order collection system..	-	15	-	-	15
Development of SFTP module in OFS	-	3	-	-	3

5 Non Current Investment

(₹ in Lakh)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Investment in Equity Instrument				
Unquoted (at cost)				
Subsidiary Companies				
12,01,71,400 Equity Shares (PY 12,01,71,400) of Metropolitan Clearing Corporation India Limited of Rs.10 each fully paid-up.	12,017		12,017	
50,000 Equity Shares (PY 50,000) of MSE Fintech Limited (erstwhile MCX-SX KYC Registration Agency Limited).of Rs.10 each fully paid-up.	5		5	
	12,022		12,022	
Less :- Provision for dimunition in the value of Investments	3	12,019	3	12,019
Other Investments				
Corporate Fixed Deposits				
HDFC Ltd	718		-	
LIC Housing Finance Limited	1,465		-	
Mahindra & Mahindra Finance Limited	-		891	
Bajaj Finance Ltd	640	2,823	-	891
Total		14,842		12,910
Aggregate book value of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate carrying value of un-quoted investments		14,842		12,910
Aggregate amount of impairment in value of investments		3		3

6 Other Financial Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Non Current Bank Balance				
Deposit with banks (with Original Maturity more than 12 months)		-		-
Earmarked				
Towards investor service fund		-		40
Others (unsecured, considered good)				
Security Deposits		77		117
Total		77		157

7 Income Tax Assets (Net)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Advance income tax (net)		418		372
Total		418		372

8 Deferred tax assets (Net)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
MAT credit entitlements*		186		186
Total		186		186

* The management expects the company to pay normal tax and benefit associated with MAT credit will flow to the company within permissible time limit stipulated under income tax act, 1961 to the extent MAT asset recognised.

9 Other Non-Current Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good)				
Tax recoverable, statutory deposits and dues from government		4,473		4,328
Prepaid expenses		9		15
Total		4,481		4,343

10 Current Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units	Rupees	Units	Rupees
In Mutual Funds (Quoted) *				
Investments in mutual funds at FVTPL				
ICICI Prudential Money Market Fund - Direct Growth	16,454.329	50	-	-
ABSL MMF - G-D	10,002.764	30	-	-
ABSL SF G-R Plan	14,633.345	64	-	-
Axis Treasury Advantage Fund Growth	1,372.007	34	-	-
ICICI Prudential Savings Fund – R- G	7,286.135	32	-	-
Axis Money Market Fund – Regular Growth	5,282.179	61	-	-
HDFC Floating Rate Debt Fund – RG	1,25,616.136	50	-	-
ABSL Liquid Fund - G-D	-	-	30,190.442	100
ABSL Overnight Fund - G-D	-	-	826.876	9
HDFC Overnight Fund - R-G	-	-	3,538.850	108
Nippon India Liquid Fund - DGP - G OPTION	-	-	1,491.692	75
ICICI Prudential Overnight Fund D-G	-	-	67,426.786	75
Axis Overnight Fund - R-G	-	-	9,514.433	103
Invesco India Liquid Fund - Growth	-	-	2,516.743	71
Total		321		541
Other Investments				
Corporate Fixed Deposits **				
HDFC Ltd	1,750		1,398	
LIC Housing Finance Limited	-		1,500	
Mahindra & Mahindra Finance Limited	1,499		100	
ICICI Home Finance	-		220	
Bajaj Finance Ltd	755	4,004	1,150	4,368
		4,325		4,909
Aggregate book value of quoted investments		321		4,909
Aggregate market value of quoted investments		321		4,909
Aggregate carrying value of un-quoted investments		4,004		-
Aggregate amount of impairment in value of investments		-		-
* Rs. 29.90 Lakh (PY Rs. 70 .33 Lakh/-) are towards making payments of the deposits of members.				
** Rs. 330 Lakh (PY Rs. 367 Lakh) are towards making payments of the deposits of members.				

11 Trade receivables

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Current				
Secured, considered good		-		-
Unsecured, considered good		346		235
Receivables which have significant increase in credit risk		-		-
Credit impaired	132		77	
Less :- Allowance for credit impaired debts (expected credit loss allowance)	132	-	77	-
Total		346		235

Note 1 Trade receivables are dues in respect of services rendered in the normal course of business.

Note 2 The Normal credit period allowed by the Company ranges from 0 to 60 days.

Note 3 The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables by individual departments.

Note 4 There are no dues by directors or other officers or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Movement in expected credit loss allowance

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Balance at the beginning of the year		77		97
Impairment loss allowance on trade receivables		55		(20)
Balance at the end of the year		132		77

Trade receivable ageing as on March 31, 2022

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables – Considered Goods	108	164	74	(0)	1	346
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	(0)	28	66	18	20	132
(iv) Disputed Trade receivables –considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

* Rs. "0" represent amount less than Rs. 50,000.

Trade receivable ageing as on March 31, 2021

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables – Considered Goods	92	144	(2)	(0)	1	235
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	2	23	26	25	-	77
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

* Rs. "0" represent amount less than Rs. 50,000.

12 Cash and cash equivalent

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Balance with banks				
- In current accounts				
Owned	58		123	
Earmarked				
Towards investor service fund	10		5	
Towards arbitration	5		15	
Towards defaulter committee fund	0		0	
Total		73		144
- Fixed Deposit with banks having maturity less than 3 months				
Owned	655		-	
Earmarked				
Towards members deposit	661		-	
Towards investor service fund	10		-	
Towards defaulter committee fund	68		33	
Stamps in hand	0		0	
Cash on hand	0		0	
Total		1,394		34
Total		1,468		177

* Rs. "0" represent amount less than Rs. 50,000.

13 Other Bank balance

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Other Bank Balances in Fixed Deposits		275		427
Earmarked				
Towards Arbitration Deposits		11		10
Towards Investor Service Fund		-		44
Towards Defaulter Committee fund		18		32
Towards Members Deposit fund		135		1,323
Total		438		1,836

14 Other Financial Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Loan to Metropolitan Stock Exchange ESOP Trust	11		11	
Less :-Provision for Doubtful Loan	11	-	11	-
Current Bank Balance				
Deposit with banks (with Original Maturity more than 12 months)		380		3,567
Earmarked				
Towards members deposit		708		1,306
Towards investor service fund		209		101
Towards defaulter committee fund		185		128
Interest accrued on Fixed Deposits		78		134
Owned	33		83	
Earmarked	45		51	
Interest Accrual on Corporate FD		254		117
Unbilled receivable		0		0
Security Deposits		-		3
Total		1,815		5,356

* Rs. "0" represent amount less than Rs. 50,000.

15 Income Tax Assets (Net) - Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Advance Income Tax (Net of Provision)		2		76
Total		2		76

16 Other Current Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good, unless otherwise stated)				
Advances to vendors		294		262
Advances to employees		0		1
Capital advances		-		45
Gratuity receivable		4		-
Prepaid expenses		62		98
Total		360		406

* Rs. "0" represent amount less than Rs. 50,000.

17 Equity Share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Authorised : 5,50,00,00,000 (PY 5,50,00,00,000) Equity Shares of Re.1/- each		55,000		55,000
Issued : 4,81,02,17,033 (PY 4,81,02,17,033) Equity Shares of Re.1/- each		48,102		48,102
Subscribed and Paid-up 4,81,02,17,033 (PY 4,81,02,17,033) Equity Shares of Re.1/- each	48,102		48,102	
Less :- Amount recoverable from Metropolitan Stock Exchange ESOP Trust (Refer Note 18.4) 49,77,671 [(PY 49,77,671) equity shares of Re 1/- each fully paid allotted to the Metropolitan Stock Exchange ESOP Trust]	50		50	
		48,052		48,052
Total		48,052		48,052

17.1 Rights of equity share holders

The company has only one class of equity shares having a par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

17.2 Reconciliation of the shares outstanding at the beginning and at the end of year.

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Rupees	No. of Shares	Rupees
Equity shares				
At the beginning of the Year	4,81,02,17,033	48,102	4,81,02,17,033	48,102
Issued during the Year	-	-	-	-
Outstanding at the end of the Year	4,81,02,17,033	48,102	4,81,02,17,033	48,102

17.3 Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of Re.1/- each fully paid-up				
Multi Commodity Exchange Of India Ltd	33,17,77,008	6.90%	33,17,77,008	6.90%

17.4 List of shares held by Promoter

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
N.A.	-	-	-	-

17.5 There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash / bonus shares / bought back.

17.6 There are no shares reserved for issue under Options and contract/commitments for the sale of shares or disinvestment.

18 Other Equity

Particulars	Reserves & surplus			Other Comprehensive Income	Total
	Securities premium	Retained earnings	Capital Reserve	Remeasurement of employees benefit	
As at 31 March 2020	39,531	(56,691)	0	(10)	(17,170)
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated as at March 31, 2020	39,531	(56,691)	0	(10)	(17,170)
Tax (remeasurement of employee defined benefit liability /asset)	-	-	-	12	12
Profit / (loss) for the year	-	(2,430)	-	-	(2,430)
As at 31 March 2021	39,531	(59,121)	0	2	(19,587)
Changes in accounting policy/prior period errors	-	-	-	-	-
Restated as at March 31, 2021	39,531	(59,121)	0	2	(19,587)
Tax (remeasurement of employee defined benefit liability /asset)	-	-	-	20	20
Profit / (loss) for the year	-	(2,349)	-	-	(2,349)
As at March 31, 2022	39,531	(61,469)	0	22	(21,916)

* Rs. "0" represent amount less than Rs. 50,000.

18.1 Securities premium

Securities premium reflects issuance of the shares by the company at a premium i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a securities premium as per the provisions of the Companies Act, 2013. The premium is utilised in accordance with the provisions of the Companies Act, 2013.

18.2 Retained earnings

The same reflects surplus/deficit after taxes in the statement of profit and loss. The amount that can be distributed by the company as dividends to its equity share holders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

18.3 Capital Reserve

Capital Reserve represents the amount forfeited on 25,445 warrants against which Rs. 0.12 lakh has been collected.

18.4 Loan to ESOP Trust

The Company's ESOP is administered through an ESOP Trust, which subscribes to shares of the Company and holds them until issuance thereof based on vesting and exercise of options by employees. At the time of formation of the trust, the Company has provided an interest free loan amounting to Rs. 60.00 Lakhs to the Trust to subscribe to 54,33,000 shares issued at Re. 1 per share and were allotted on November 20, 2009. The amount of loan equivalent to the face value of securities subscribed and not allotted to employees 49.78 Lakhs (Previous Year Rs. 49.78 Lakhs) has been deducted from share capital account and the balance part of the loan representing the amount of Rs. 10.08 Lakhs (Previous Year Rs. 10,08 Lakhs] has been added to short term loans and advances in note no.14. The balance of such loan as at March 31, 2022 is Rs. 60.00 Lakhs. The repayment of the loan is primarily dependent upon the exercise of options by the employees, the price at which fresh or reissued options are granted and dividend income earned thereon till exercise of options.

19 Lease rental liability - Non Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Lease rental liability		321		458
Total		321		458

20 Other financial liabilities - Non Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Amount received from members and applicants towards:				
- Deposits		2,009		2,179
- Other Liabilities		35		18
Total		2,044		2,196

21 Provisions - Non Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Employee benefits				
Provision for leave encashment		10		5
Total		10		5

22 Lease rental liability - Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Lease rental liability		148		144
Total		148		144

23 Trade Payables

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Total outstanding dues of micro enterprises and small enterprises (Refer note 42)		0		0
Total outstanding dues to creditors other than micro enterprises and small enterprises		58		132
Total		58		132

* Rs. "0" represent amount less than Rs. 50,000.

Trade payable ageing as on March 31, 2022

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	0	-	-	-	0
(ii) Others	8	39	1	10	58
(iii) Disputed-MSME	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-

* Rs. "0" represent amount less than Rs. 50,000.

Trade payable ageing as on March 31, 2021

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	0	-	-	-	0
(ii) Others	123	(1)	0	10	132
(iii) Disputed-MSME	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-

* Rs. "0" represent amount less than Rs. 50,000.

24 Other current financial liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Deposits from members		1,165		1,076
Share application money refundable		0		0
Other payable		273		392
Total		1,438		1,468

* Rs. "0" represent amount less than Rs. 50,000.

25 Other Current Liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Unearned income (Refer note 49)		27		36
Sebi Regulatory Fees		12		12
TDS Payable		18		34
Other Liabilities including Statutory Liabilities		64		78
Investor Service fund # [Including interest earned of Rs. 9 lakh (PY 11 lakh)		244		206
# Investor Service Fund was established by the Company in accordance with SEBI approval letter dated September 18, 2008. The fund is maintained to provide services to investors which include maintenance of investor grievance cell, education and awareness about securities market, price dissemination and other services that are in the interest of the investor. The balance amounting to Rs. 244 lakh (PY 206 lakh) as at March, 31, 2022 represents the Listing Fees Contribution, net of expenses and interest earned thereon.				
Total		365		365

26 Provisions - Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Employee benefits				
Provision for gratuity		-		16
Provision for leave encashment		2		1
Total		2		17

27 Revenue from operations

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Revenue from operations				
Sale of services -				
Transaction Fees		146		158
Other operating revenue -				
Membership Admission Fees		3		-
Processing Fees		56		51
Listing Fees		172		174
Other connectivity charges		61		80
Data Feed Charges		44		45
Membership Surrender Fee		56		68
Other revenue from Operations		11		9
Total		550		585

28 Other income

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Interest on Bank Deposits		200		506
Interest on Corporate Deposits		391		317
Interest Income Others		12		64
Profit on sale of Current Investments (Net)		41		66
Fair valuation of Mutual fund		2		-
Exchange Rate Fluctuation (net)		-		1
Profit on sale of assets		1		1
Operating Lease Income for Asset Usage		132		132
Miscellaneous Income		85		208
Total		865		1,296

29 Operating expenses

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Clearing and Settlement Charges		48		54
Technology Cost		613		652
Sebi Regulatory Charges		25		24
Internet Connectivity Charges		1		1
Direct Communication Expenses		45		43
POP / NPN Charges		46		69
Co-Location Charges		90		54
Electricity Expenses- Direct		66		54
Total		934		951

30 Employee benefits expense

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Salaries, Allowances and Bonus		1,361		1,583
Contribution to Provident Fund and other funds (refer note 39)		80		88
Staff Welfare and Other Amenities		9		6
Total		1,450		1,677

31 Finance costs

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Finance cost - Right of use Asset-Ind AS		35		54
Total		35		54

32 Advertisement and Business Promotion Expenses

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Advertisement		3		4
Business Promotion Expenses		54		54
Sponsorships and Seminar		-		1
Total		58		59

33 Other expenses

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Rent		20		51
Repairs and Maintenance - Others		106		171
Insurance		33		30
Travelling and Conveyance		6		10
Communication Expenses		7		9
Legal and Professional Charges		130		81
Electricity Expenses		33		31
Membership and Subscription Fees		5		7
Directors Sitting Fees		49		66
<u>Payment to Auditors :</u>				
- Audit Fees (Incl. tax audit, ICFR report)	16		15	
- Other matters (Certification)	3		5	
- Reimbursement		19		19
Depletion in Value of Investments		-		0
Loss on Sale of Fixed Asset (net)		-		1
Provision towards CWIP		-		80
Exchange Rate Fluctuation (net)		1		-
Expected Credit Loss		57		34
Bank Charges		0		0
Rates & Taxes		6		5
Printing & Stationery		6		5
Contribution to ISF		30		28
CENVAT Credit written off		2		27
Fair valuation of Mutual fund (loss)		-		1
Miscellaneous Expenses		56		89
Total		568		745

* Rs. "0" represent amount less than Rs. 50,000.

34 Contingent Liability
(i) Claim against the Company not acknowledged as debts :

- a) IL&FS Financial Service Limited (IFIN) a 100% subsidiary of Infrastructure Leasing and Financial Services Limited (IL&FS) has filed a suit before the Bombay High Court against MSE (Suit No. 295 of 2014), along with a Notice of motion for interim relief for breach of the Share Purchase Agreement dated August 20, 2009 entered into between IFIN (Plaintiff), MSE (Defendant No.1) and MCX (Defendant No.2) for purchase of shares of MSE by IFIN from MCX. Various reliefs have been sought by IFIN from MCX and MSE (on a joint and several basis), including monetary claim of INR 84.21 crore along with interest. Pleadings are completed and have been recorded by the Prothonotary.

The Notice of Motion no. 530/2014 in Suit no.: 295/2014 was heard on June 11, 2019 and the Hon'ble Bombay High Court through its order dated June 12, 2019 ordered that MSE and MCX, shall be restrained either directly or indirectly from issuing any further shares of MSE in any manner whatsoever without seeking the plaintiff's prior written consent in accordance with and/or in terms of Clause 5.5(a) of the SPA dated August 20, 2009. However, it was clarified by the Court that if IFIN unreasonably withholds its consent then MSE shall be at liberty to approach the court for appropriate orders. MSE has filed an Appeal to the said order dated June 12, 2019 which will be taken up for hearing in due course of time.

The suit remains pending and no date of hearing has been fixed yet.

- b. The Income Tax Department has raised tax demand of Rs. 921.38 lakhs for the assessment year 2012-13. The Company has filed an appeal and rectification request against the same. Further, the Company has received refund of Rs. 683.05 lakhs on May 04, 2019 on account of rectification order passed by the assessing officer. The Company have been advised that the demand raised by the department is likely to be deleted accordingly the Company has not made provision for the same in books of accounts.
- c. Claims not acknowledged as debt Rs. 70 Lakh (PY Rs.70 Lakh)
- d. Cogencis Information Services Limited has filed a commercial suit in High Court of Bombay claiming a sum of Rs.1.30 cr along with interest on principal amount of Rs.69.9 lacs at 18% p.a. towards the alleged services for the remaining term of one year under the subscription form executed between the parties for data feed services. It is pertinent to note here

that MSE as per the terms of subscription form had duly terminated the services before the end of the first year itself by providing 3 (three) months' notice and all due payments were made till the expiry date of termination notice period and hence MSE is not liable to make any further payments to Cogencis. Accordingly, the Exchange is in the process of filing its appropriate response before the High Court of Bombay in the said matter.

- e. MCCIL has raised few invoices amounting to Rs.741.57 Lakh (excluding taxes) for the period April 1, 2021 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) as a 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 the invoices.

35 Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs 14 Lakhs as on 31st March, 2022. (PY Rs. 31.89 Lakhs).

- 36 The auditor in their audit report on the standalone financial statements for the quarter and year ended March 31, 2022 expressed below qualification which is summarized along with the Company's comments on the same:

The Company continues to prepare its standalone financial statements on going concern basis even though Company has continued to incur significant losses during the current and preceding periods. As advised, the 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 company continues to prepare its standalone financial statements 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 Company could not achieve its projected revenues so far and accordingly we are unable to comment on the preparation of standalone financial statements on going concern basis and related adjustments, if any, that will be arising out of said going concern assumption.

It may be noted that the Exchange 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 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. Apart from the above, the Exchange is taking various initiatives which will help in building further volumes and thereby increase in revenue. During the last two financial years, the Exchange has carried trading transactions worth in excess of INR 180,000 crores. Despite the continuous losses, 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. The Exchange has also adopted various cost reduction measures, which shall help the Exchange in improving its financial position. Accordingly, the Company continues to prepare its Financial Statements on going concern basis.

- 37 In some earlier years, the Company could not charge transaction fee in its Currency Derivatives Segment as its dominant competitor, National Stock Exchange of India Ltd. (NSE), was not charging the same. On the complaint of the Company, the Competition Commission of India (CCI) passed an order dated June 23, 2011 directing NSE to cease and desist from carrying on its unfair pricing policy and further levied a penalty of Rs. 5550 Lakhs on NSE. NSE had appealed against the said order before the Hon'ble Competition Appellate Tribunal (COMPAT), which vide its order dated August 5, 2014 upheld the order passed by the Hon'ble CCI and found NSE guilty of indulging in anti-competitive practices.

An appeal has been filed by NSE before the Hon'ble Supreme Court of India challenging the order passed by the COMPAT (Now NLCAT) on August 05, 2014. The Hon'ble Supreme Court granted NSE interim stay on the recovery of the penalty amount of Rs. 5550 Lakhs (@ 5% of the average turnover).

At the hearing on February 12, 2018, the counsels were heard and an interim stay was granted to the proceedings of damages during the pendency of the present appeal filed by NSE in Supreme Court. The appeal was then listed on April 13, 2018.

While the aforesaid Appeal filed by NSE is pending before the Supreme Court of India, the Exchange has filed an Application for award of compensation for Rs. 85699 Lakhs. under Section 53N (1) of the Competition Act, 2002 before the COMPAT (now NCLAT). Vide order dated 12.02.18 passed by Hon'ble Supreme Court in Civil Appeal No.8974 of 2014 an interim stay of proceeding of damages had been passed. In the circumstances, the Hon'ble Tribunal adjourned the case sine die with liberty to the parties to mention the matter after the decision of the Hon'ble Supreme Court.

The Exchange in consultation with Senior Counsel has continuously endeavoured to get the matter listed at Supreme Court, after which it was listed on fourteen dates from middle of 2019 up to beginning of lockdown; however the matter was not

taken up by Supreme Court due to paucity of time. After partial lifting of lockdown due to COVID-19, the Exchange filed urgent hearing/mentioning application to get the matter listed on an urgent basis, on account of which the matter was listed on about six dates, however, was not taken up due to paucity of time and other reasons.

38 Earnings per share ('EPS')

(Amount in Rs. Except of number of Shares)

Particulars	Apr-21 to Mar-22	Apr-20 to Mar-21
Profit/(Loss) after tax as per statement of profit and loss attributable to equity share holders	(2,349)	(2,430)
Weighted average number of equity shares outstanding during the year for basic EPS	4,81,02,17,033	4,81,02,17,033
Add-Shares Issued to ESOP Trust	49,77,671	49,77,671
Weighted average number of equity shares outstanding during the year for diluted EPS	4,81,51,94,704	4,81,51,94,704
Basic earnings per share of face value Re. 1 each	(0.05)	(0.05)
Diluted earnings per share of face value Re. 1 each	(0.05)	(0.05)

39 Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit

Defined Contribution Plan:

Provident Fund - The Company makes contribution towards provident fund as a specified percentage of the payroll cost to Regional Provident Fund Commissioner managed by the Employees' Provident Fund Organization, India. There are no other obligations other than the contribution payable to said fund.

Contribution to Defined Contribution Plan, recognised as expenses in the Statement of Profit & Loss for the year is as under:

Particulars	2021-22	2020-21
Employer's Contribution to Provident Fund	55	60

Defined benefit plan:

Gratuity: The gratuity is payable to all members at the rate of 15 days salary for each year of service.

The scheme is funded with an insurance company in the form of qualifying insurance policy. The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at March 31, 2022 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2022.

I Changes in the present value of Projected Benefit Obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity	
	2021-22 (Funded)	2020-21 (Funded)
Projected Value of Benefit Obligation at the beginning of the year	135	152
Current Service cost	20	23
Interest Cost	9	10
Liability transfer in	-	-
Liability transfer out	-	-
Actuarial (gain) / loss	(21)	(14)
Benefits paid	(34)	(36)
Defined Benefit obligation at the end of the year	110	135

II Reconciliation of opening and closing balance of the Fair value of Plan Assets

Particulars	Gratuity	
	2021-22	2020-21
Fair Value of Plan Assets at the beginning of the year	119	128
Expected Return On Plan Assets	8	8
Contribution during the year	21	20
Transfer From Other Company	-	-
Transfer To Other Company	-	(0)
Benefit Paid From The Fund	(34)	(36)
Actuarial Gains/(Losses) On Plan Assets	(1)	(2)
Fair Value of Plan Assets at the end of the year	114	119

III The amount recognized in the Balance Sheet as follows

Particulars	Gratuity	
	2021-22	2020-21
Present value of Benefit Obligation at the end of the Project	(110)	(135)
Fair Value of Plan Asset at the end of the Period	114	119
Funded Status (Surplus / (Deficit))	4	(16)
Net Liability/(Asset) recognized in Balance Sheet (Current)	4	(16)

IV The amount recognized in the statement of Profit & Loss is as follows

Particulars	Gratuity	
	2021-22 (Funded)	2020-21 (Funded)
Current service cost	20	23
Interest Cost	1	2
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Net expenses	21	25

V The amount recognized in the Balance Sheet as follows

Particulars	Gratuity	
	2021-22	2020-21
Actuarial (Gains) / Losses on obligation for the period	(21)	(14)
Return on plan assets, excluding interest income	1	2
Change in asset Ceiling	-	-
Net (income) / expense for the period recognized in OCI	(20)	(12)

VI Expected payout from the fund / employer

Particulars	Fund		Employer	
	2021-22	2020-21	2021-22	2020-21
Projected benefits payable in Future Years from Date of reporting				
1st Following year	7	8	-	-
2nd Following year	8	9	-	-
3rd Following year	12	10	-	-
4th Following year	12	13	-	-
5th Following year	12	13	-	-
6th - 10th Following years	45	55	-	-
11th year and above	110	151	-	-

VII Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	Gratuity	
	2021-22	2020-21
Projected benefit obligation on Current Assumption	110	135
Effect of +1% change in Rate of discounting	(8)	(10)
Effect of -1% change in Rate of discounting	9	12
Effect of +1% change in Rate of Salary Increase	9	12
Effect of -1% change in Rate of Salary Increase	(8)	(10)
Effect of +1% change in Rate of Employee Turnover	(0)	(0)
Effect of -1% change in Rate of Employee Turnover	0	0

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

VIII Principal actuarial assumptions at the Balance sheet date

Particulars	Gratuity As at	
	31-Mar-22	31-Mar-21
Mortality Table(LIC)	Indian Assured Lives Mortality (2006-08)Ult	Indian Assured Lives Mortality (2006-08)Ult
Rate of employee turnover	For service 4 yrs & below 19% pa & 7% pa thereafter	For service 4 yrs & below 19% pa & 7% pa thereafter
Discount rate (per annum)	6.90%	6.56%
Expected Return on Plan Asset	6.90%	6.56%
Rate of escalation in salary (per annum)	6.50%	6.50%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

The company has taken a Gratuity Policy with Life Insurance Corporation of India, the funds of which are managed by Life Insurance Corporation of India. Therefore the composition of investments is not ascertainable

40 Segment Reporting

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 Managing Director and CEO of the Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company while presenting the consolidated financial statements has disclosed the segment information to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".

41 Ind AS 24 - Related party Disclosures
a) Names of related parties and nature of relationship:
(i) Subsidiary

- Metropolitan Clearing Corporation Of India Limited (MCCIL)
- MSE Fintech Limited (erstwhile MCX-SX KYC Registration Agency Limited).

(ii) Key Management Personnel (KMP)

- Ms. Latika S. Kundu (MD & CEO)
- Mr. Saket Bhansali (CFO)
- Ms. Manisha Thakur (Company Secretary) upto February 11, 2022
- Mr. Kunal Sanghavi (CFO) upto April 13, 2020
- Mr. P. K. Ramesh (Chief Regulatory officer)
- Mr. Neeraj Gupta (Chief Technology Officer)
- Mr. Anish Kumar (Chief Risk Officer) w.e.f. February 14, 2022
- Mr. Sachin Nayak (Head – Market Operations) w.e.f. February 14, 2022
- Mr. Jagdish Asodekar (Chief Information Security Officer) w.e.f. February 14, 2022
- Mr. Durgesh Kadam (Company Secretary) w.e.f. April 13, 2022

(iii) Others

- Metropolitan Stock Exchange ESOP Trust
- Metropolitan Stock Exchange Investor Protection Fund Trust

b) Details of transactions with related parties

Nature of Transaction	MSE Fintech Limited (erstwhile MCX-SX KYC Registration Agency Limited).	Metropolitan Clearing Corporation Of India Ltd (Subsidiary)	Metropolitan Stock Exchange Investor Protection Fund#	Metropolitan Stock Exchange ESOP Trust (Others)
Expenses				
Clearing and settlement charges	-	0	-	-
	-	1	-	-
Other services	-	5	-	-
	-	21	-	-
Income				
Rent income	-	6	-	-
	-	60	-	-
Assets Transfer	-	-	-	-
	-	2	-	-
Shared service cost recovered	-	146	-	-
	-	165	-	-
Reimbursement of Expenses	0	-	-	-
	0	-	-	-
Amount Receivable	0	319	-	0
	-	119	-	0
Amount Payable	-	-	-	-
	-	-	-	0
Closing Balance of Investments in equity shares	5	12,017	-	-
	5	12,017	-	-
Closing Balance of Loan to ESOP Trust	-	-	-	60
	-	-	-	60
Closing Balance	-	-	-	-
	-	-	-	-

The company acts as an intermediary for collection of penalties and share of listing fees to be transferred to Metropolitan Stock Exchange Investor Protection Fund accordingly those transactions have not been considered above.

c) Transactions with KMP:

Nature of transactions	Amount (Rs. in Laks)
Salary & allowances*:	
Ms. Latika S. Kundu	75
	<i>75</i>
Mr. Saket Bhansali	65
	<i>37</i>
Ms. Manisha Thakur	30
	<i>34</i>
Mr. Kunal Sanghavi	-
	<i>15</i>
Mr. P.K. Ramesh	46
	<i>42</i>
Mr. Neeraj Gupta	45
	<i>8</i>
Mr. Anish Kumar	6
	-
Mr. Sachin Nayak	5
	-
Mr. Jagdish Asodekar	3
	-
Director Sitting Fees	
Mr. Dinesh K Mehrotra	8
	<i>12</i>
Mr. Ketan Shivji Vikamsey	-
	<i>2</i>
Mr. S V D Nageswara Rao	11
	<i>15</i>
Mr. Sudhir Kumar Bassi	-
	<i>5</i>
Ms. Trishna Guha	11
	<i>13</i>
Mr. Vijay Sardana	9
	<i>11</i>
Mr. Ajai Kumar	10
	<i>7</i>
Mr. S. Raghunathan	1
	-

*Excludes gratuity and long term compensated absences which are actuarially valued and where separate amounts are not identifiable.

- (i) Related party relationship is as identified by the Company and relied upon by the auditors.
- (ii) There are no amounts written off or written back in the year in respect of debts due from or to related parties.
- (iii) Figures in italic represent previous year's amounts.
- (iv) The transactions with the related parties are disclosed only till the relation exists.
- (v) Transaction charges collected by Metropolitan Clearing Corporation Of India Limited on behalf of the company and paid to the company have not been considered for the aforesaid disclosure.

42 Details of dues to micro, small and medium enterprises

Under Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Accordingly, Company on periodic basis collects the required information from the vendors as to whether they are covered under Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006). Based on the vendors identified as above the outstanding

amounts payable to vendors covered under Micro, Small and Medium Enterprises Development Act 2006 are given below:

Particulars	2021 - 22	2020 - 21
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	Principal - Rs. 2,315 Interest- Rs.Nil	Principal - Rs.28,575/- Interest-Rs.Nil
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	N.A.	N.A.
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	N.A.	N.A.
The amount of interest accrued and remaining unpaid at the end of accounting year; and	N.A.	N.A.
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	N.A.	N.A.

43. Operating lease

The Company's lease asset primarily consist of leases for office space having various lease terms. The Company also has certain leases of with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

a) Carrying value of right of use assets and the movements thereof :

Particulars	For the year ended	
	2021 - 22	2020 - 21
Opening Gross Block	695	465
Addition	-	695
Deletion	-	465
Closing Gross Block	695	695
Opening Accumulated Depreciation	147	222
Addition	146	250
Deletion	-	324
Closing Accumulated Depreciation	293	147
Net Block	402	548

b) Carrying value of Lease Liability and the movements thereof :

Particulars	For the year ended	
	2021 - 22	2020 - 21
Opening Balance	602	603
Addition	-	671
Interest Cost accrued during the year	35	59
Lease liability payment	168	310
Deletion	-	421
Closing Balance	469	602
Current Lease Liability	148	144
Non Current Lease Liability	321	458

- c) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Rental expense recorded for short-term leases or cancellable in nature was Rs. 20 Lakhs (Previous Year Rs. 51 Lakhs).

- d) i) The minimum lease rentals on operating leases recognized in the statement of Profit & Loss and the future minimum lease payments under operating leases are as follows:

Particulars	As at	
	31-Mar-22	31-Mar-21
Future minimum lease payments		
Not later than one year	192	271
Later than one year and not later than five years	318	526
Later than five years	-	-

- d) ii) Lease payments recognised in the statement of Profit & Loss is Rs. 194.66 Lakhs (Previous year Rs. 369.10 Lakhs).
 d) iii) Sub-lease payment received and recognised in the statement of Profit & Loss is Rs. 6 Lakhs (Previous Year Rs. 59.97 Lakhs).

44 Fair value Measurement

Financial Instruments by category

Particulars	31-Mar-22			31-Mar-21		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	-	12,019	-	-	12,019
Other Instruments	-	-	6,827	-	-	5,259
Mutual Funds	321	-	-	541	-	-
Trade receivables	-	-	346	-	-	235
Cash and cash equivalents	-	-	1,468	-	-	177
Bank balances other than cash and cash equivalents	-	-	438	-	-	1,836
Deposits	-	-	77	-	-	157
Other financial assets	-	-	1,815	-	-	5,356
Total financial assets	321	-	22,990	541	-	25,038
Financial liabilities						
Trade payables	-	-	58	-	-	132
Other financial liabilities	-	-	3,482	-	-	3,664
Total financial liabilities	-	-	3,540	-	-	3,796

The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including creditors, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Fair Value Hierarchy

- (a) Fair value hierarchy - Recurring fair value measurements

Particulars	As at	
	31st March, 2022	31st March, 2021
Financial assets		
At Fair value through profit & loss		
Level 1		
Mutual fund Investments	321	541
	321	541

Recognised fair value measurements

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

“Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices of instruments”

45 Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management’s judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the Company shall have a minimum net worth of Rs. 10,000 Lakhs at all times.

46 Financials Risk Management

The Company’s principal financial liabilities comprise of trade and other payables. The Company’s principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

The Company has an active Risk Management Committee which enables the Senior Management to establish a strong risk management framework and oversee the related risks from time to time. The business activities of the Company exposes it to certain financial risks which can be broadly categorized into : credit risk, liquidity risk, market risk and regulatory risk. The activities of the Risk Management Committee rotates around identifying, analyzing and categorizing potential risks, set appropriate metrics and controls to timely monitor them and ensure that they adhere to limits. The frameworks, policies and systems related to risk are reviewed on regular intervals by the Committee and proposed changes are reflected depending on factors like market conditions, industry developments, regulatory updates etc.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade and other receivables

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry in which the customer operates, also has an influence on credit risk assessment.

The Company has a large and diverse customer base and also collects members deposits as collateral which can be utilized in the case of Members default. The Company provides the stock exchange services to its listed companies and registered members and their clients. The revenue of the Exchange is not concentrated on small number of customers. All trade receivables are reviewed and assessed for default on a periodic basis. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Our historical experience of collecting receivables indicate that the credit risk is low.

Other Financial Assets

The Company also maintains cash exposure with banks, term deposits with banks/financial institutions and invests in marketable debt instruments (including mutual funds). For risk diversification, the Company invests into varied instruments across various organizations with secured credit ratings as per the approved Investment Policy. Individual limits are set on concentration and exposures, credit ratings, financial position of each segment and counter-party and it is ensured that regular monitoring of the mentioned criteria are being done by the Company. Due to diversification, secure ratings and proper monitoring on a timely basis, risk factor is very limited.

Liquidity risk

Liquidity risk is the risk that the Company faces in terms of obligations related to financial liabilities. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows. The Company's treasury department ensures that the day-to-day forecasts are being made in terms of cashflow requirements based on operational needs and any surplus cash generated is either retained as cash and cash equivalents or invested in allowed investible instruments as per the Investment Policy of the Company.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 and March 31, 2021.

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2022				
Liabilities				
Trade payables	58	58	-	58
Other financial liabilities	3,482	1,438	2,044	3,482
Assets				
Trade Receivables	346	346	-	346
Investment	16,344	4,325	12,019	16,344
Other Investments	2,823	-	2,823	2,823
Cash and Cash equivalents	1,468	1,468	-	1,468
Bank balances other than cash and cash equivalents	438	438	-	438
Deposits	77	-	77	77
Other financial assets	1,815	1,815	-	1,815
As at March 31, 2021				
Liabilities				
Trade payables	132	132	-	132
Other financial liabilities	3,664	1,468	2,196	3,664
Assets				
Trade Receivables	235	235	-	235
Investment	16,928	4,909	12,019	16,928
Other Investments	891	-	891	891
Cash and Cash equivalents	177	177	-	177
Bank balances other than cash and cash equivalents	1,836	1,836	-	1,836
Deposits	157	-	157	157
Other financial assets	5,356	5,356	-	5,356

Market risk

The Company's business, financial condition and operations are dependent upon the levels of activity on the Exchange and in particular upon the traded volume, number of listed companies / securities, the number of new listings and subsequent issuances, number of members added etc. All these contribute to our revenue.

The Company is exposed to interest rate risk due to its investments in debt-related instruments. The interest rate risk is directly linked to the future movements of yield in the market depending on RBI's decision and take on various factors.

The Company is mainly exposed to the price risk due to its investment in mutual funds and investments in equity shares. The price risk arises due to uncertainties about the future market values of these investments.

Regulatory risk

The Company is a Stock Exchange recognized by Securities and Exchange Board of India (SEBI). The Company's operations are subject to continuous review as per the governing regulations as laid down by SEBI. The Company's regulatory team constantly monitors the compliance all applicable SEBI rules and regulations.

Post implementation of interoperability requirements, all Exchanges are required to contribute such amounts to the Core SGF of the Clearing Corporations as may be determined in accordance with the methodology specified by SEBI. The contribution to the Settlement Guarantee Fund of each Clearing Corporation is based on the ratio of Turnover of each Exchange to the relevant Clearing Corporation. The Exchange has made already met necessary contribution to SGF and is in compliance with the requirement laid down.

As per Securities contracts regulations (stock exchange and clearing corporations) regulations 2018, a recognised stock exchange shall have a minimum net worth of Rs. 10,000 Lakhs at all times. The Exchange is in compliance of net-worth requirement as laid down under the regulation. The net-worth of the Exchange as on March 31, 2022 stands at INR 14,117 Lakhs.

47 Taxes

a) Income Tax Expenses

The major components of income tax expenses for the year ended March 31, 2022

Profit or loss section

Particulars	2021-22	2020-21
Current tax expense	-	-
Tax expense of earlier years	-	-
Deferred tax	-	-
Total income tax expense recognised in profit or loss	-	-

Other comprehensive income section

Particulars	2021-22	2020-21
Re-measurements of the defined benefit plans;	-	-
Total income tax expense recognised in Other comprehensive income	-	-

b) Reconciliation of effective tax rate

Particulars	2021-22	2020-21
a) Income before income tax	(2,349)	(2,430)
b) Enacted tax rate in India	26%	26%
c) Expected tax expenses (a*b)	-	-
d) Other than temporary differences		
Investment income	-	-
Expenses disallowed / (allowed)	-	-
Total	-	-
e) Temporary difference	8,889	11,864
Temporary difference on which deferred tax assets not recognised	(8,889)	(11,864)
Total	-	-
f) Net adjustments (d+e)	-	-
g) Current tax expense of earlier years	-	-
h) Tax expenses recognised in Profit or Loss (c+f+g)	-	-

In the absence of reasonable certainty, deferred tax assets on account of unabsorbed depreciation and brought forward losses has not been recognized.

48 Expenditure in foreign currency

Particulars	2021-22	2020-21
Repair, Maintenance & Sponsorship	33	38

49 Revenue from contract with customer

a) The revenue from contracts with customers to the amounts disclosed as total revenue is as under

Particulars	2021-22	2020-21
Revenue from contract with customer	539	575
Revenue from other sources	11	9
Total	550	585

b The disaggregation of revenue from contracts with customers is as under :
i Geographical Location

Particulars	2021-22		2020-21	
	India	Foreign	India	Foreign
Total Revenue	527	23	562	23

ii At point in time / Over time

Particulars	2021 - 22			2020 - 21		
	At point in time	Over Time	Total	At point in time	Over Time	Total
Total Revenue	272	278	550	286	298	585

c The contract assets & liability from contract with customers are as under :
i Contract Assets

Particulars	2021-22	2020-21
Opening Balance of Contract Asset	71	16
Previous year - Contract Asset - reclassified to trade receivable on invoicing	69	16
Current year – Contract asset	18	71
Closing Balance of Contract Assets	20	71

ii. Contract Liability

Particulars	2021-22	2020-21
Opening Balance of Contract Liability	36	33
Previous year - Contract Liability - Revenue recognized during the year	17	3
Current year – Contract Liability Carried forward	8	6
Closing Balance of Contract Liability	27	36

50 Interoperability among Clearing Corporations (CC) was implemented w.e.f June 2019. After implementation of the same, members of the Exchange have the option to choose CC to clear their trades. Further, as per the requirement laid down vide SEBI circular dated August 27, 2014 for contribution by Exchange to core SGF of each CC through which its trades are cleared. The Exchange had contributed towards the same to the tune of Rs. 10.41 crores (excluding interest earned thereon) to MCCIL. Further, the Exchange has represented to SEBI for allowing the excess contribution made by the Exchange to MCCIL to be adjusted with the said contribution to other Clearing Corporations requirements, which SEBI has allowed to all the Exchanges vide its circular SEBI/HO/MRD2/DCAP/CIR/P/2021/03 dated January 8, 2021. Accordingly, MSE has complied with the core SGF requirement.

51 The Company was not required to spend any amount towards CSR as per Section 135 of the Companies Act, 2013.

52 Utilisation of Borrowed funds and share premium

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (“Funding Parties”), with the understanding whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

53 Other disclosure required under Schedule III as amended:

- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereon.
- The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

- d. The Company has not entered into any scheme of arrangement.
- e. There are no charges or satisfaction required to be registered with ROC by the Company
- f. There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- g. The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee, whose title deeds are not held in the name of the Company during the financial year ended March 31, 2022 and March 31, 2021).
- h. There are no core investment company (CIC) in the group

54 Compliance with number of layers of Companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial year ended March 31, 2022 and March 31, 2021.

55 Loans or advances to specified persons

The Company has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are:

- (a) repayable on demand or,
- (b) without specifying any terms or period for repayment.

56 Details of transactions with Companies struck off under section 248 of the Companies Act, 2013:

The Company have not undertaken any transactions with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021.

57 Ratios

Particulars	Year ended	Numerator	Denominator	Final Ratio	Variance
Current Ratio	March 31, 2022	8,754	2,011	4	(28.77%)
	March 31, 2021	12,994	2,126	6	
			Current Assets:- Value of all assets it can reasonably expect to convert into cash within one year	Current Liability:- Obligations that are due within one year	
Return on equity ratio	March 31, 2022	(2,349)	26,136	(9%)	5.27%
	March 31, 2021	(2,430)	28,465	(9%)	
			Net income:- Net profit before dividend	Shareholder equity:- Assets minus liabilities	
Trade receivable turnover ratio	March 31, 2022	550	290	2	(51.13%)
	March 31, 2021	585	151	4	
			Net credit sales:- sales where the amount is realised at a later date.	Average accounts receivable:- sum of starting and ending accounts receivable over a time period (such as monthly or quarterly), divided by 2.	
Trade payable turnover ratio	March 31, 2022	1,503	95	16	(17.75%)
	March 31, 2021	1,721	89	19	
			Net credit purchase:- purchase where the amount is paid at a later date.	Average accounts payable:- sum of starting and ending accounts payable over a time period (such as monthly or quarterly), divided by 2.	

Net capital turnover ratio	March 31, 2022	550	26,136	2%	2.45%
	March 31, 2021	585	28,465	2%	
		Total Sales:- Total annual turnover of the Company for the financial year		Shareholder equity:- Assets minus liabilities	
Net profit ratio	March 31, 2022	(2,349)	550	(4)	(53.48%)
	March 31, 2021	(4,815)	525	(9)	
		Net profit:- net profit / (loss) for the year		Net sales:-Total annual turnover of the Company for the financial year	
Return on capital employed	March 31, 2022	(2,349)	26,136	(9%)	5.27%
	March 31, 2021	(2,430)	28,465	(9%)	
		Earnings and before interest and tax		Shareholder equity:- Assets minus liabilities	

58 Office of Regional Director, (WR), Ministry of Corporate Affairs vide letter dated March 25, 2021 intimated commencement of inspection u/s 206(5) of the Companies Act, 2013. The Exchange has submitted the information and documentation sought and the inspection is under process.

59 The Exchange at its board meeting held on December 16, 2020 has resolved to merge its subsidiary Metropolitan Clearing Corporation of India 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.

60 Impact of Covid 19

The Company's future performance will depend on the future developments, including, among other things, any new information concerning COVID 19 pandemic and any measure to contain the spread or mitigate its impact, whether mandated by the Government or adopted by us. The Company being Exchange is under Essential Service Category 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. Management has considered events up to the date of these Standalone Financial Results to determine the financial implications and the same remained insignificant.

61 Balances grouped under Non-Current and Current Liabilities and Non-Current and Current Assets in certain cases are subject to confirmation and reconciliation from respective parties. Impact of the same, if any, shall be accounted as and when determined.

62 In the opinion of the management the loans and advances are approximately of the value stated, if realized, paid in ordinary course of business. The provision for all known liabilities are adequate and are not in excess of amount considered reasonably necessary.

63 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date

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

Pramod Tilwani
 Partner
 Membership No.076650

Mumbai
 Dated : May 27, 2022

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

S.V.D. Nageswara Rao
 Chairman & Public Interest Director
 DIN : 02105323

Saket Bhansali
 Chief Financial Officer

Latika S. Kundu
 Managing Director & CEO
 DIN : 08561873

Durgesh Kadam
 Head Legal & Company Secretary
 FCS 8496

INDEPENDENT AUDITOR'S REPORT

To the Members of Metropolitan Stock Exchange of India Limited Report on the Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of **Metropolitan Stock Exchange of India Limited ('Holding Company')** and its subsidiaries (the Company and its subsidiaries together referred to as **'the Group'**), which comprise the Consolidated Balance Sheet as at March, 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Change in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and its consolidated loss (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

2. Basis for Qualified Opinion

We draw attention to note 38 of the consolidated financial statements whereby the Holding Company continues to prepare its financial statements on going concern basis even though it has continued to incur significant losses during the current and preceding periods. As advised, the Holding 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 Holding company continues to prepare its financial statements 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 Holding Company could not achieve its projected revenues so far and accordingly we are unable to comment on the preparation of financial statements on going concern basis and related adjustments, if any, that will be arising out of said going concern assumption.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statement under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of the consolidated financial statements referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

3. Emphasis of matter

- a. The forensic audit of the Holding 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 68 of the consolidated financial statements, which describes the extent to which the Covid-19 pandemic will impact the Company's consolidated financial statements will depend on the upcoming developments, which are highly uncertain.
- c. Subsidiary's audit report mentions the subsidiary auditor's qualification where they have mentioned that they 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 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 matter.

4. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Identification of Onerous Contract

As per Ind AS 37 “Provision, contingent liabilities and contingent assets”, an onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Holding Company has an unavoidable long-term contract with one of the service providers which constitutes approx. 59% of the Operating Expense of Holding Company (refer note 31) for the year ended March 31, 2022.

Auditor’s Response: Our procedure in relation to identification of onerous contract included, review of material contract with service providers, assessing the related cost and economic benefits expected to be received/are received and critically assessing the management’s estimates with regard to plan for utilization of such costs. Based on above audit procedures the said contract has not been treated as onerous contract as on March 31, 2022.

5. Information Other than the Consolidated Financial Statements and Auditor’s Report thereon

The Holding Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company’s Annual Report but does not include the consolidated financial statements and our auditor’s report thereon. The other information is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The above information is not made available to us as at the date of this Auditor’s report. We have nothing to report in this regard.

6. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company’s Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs and consolidated loss (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Management and 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 the assets of the each company and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements 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 the preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, Management and respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Management and Board of Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those respective Board of Directors included in the Group are also responsible for overseeing the financial reporting process of each company.

7. Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ 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 these consolidated financial statements.

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 consolidated financial statements, 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 financial 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 Holding Company and its subsidiary companies which are companies incorporated in India, if any, has internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of 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 Group's ability 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 consolidated financial statements 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 auditors' 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated Financial Statements, 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Other Matters

We did not audit the financial statements of a subsidiary; whose financial statements include total asset of Rs. 28,266.43 lakhs, total revenues of Rs. 1,970.25 lakhs, net profit after tax of Rs. 55.57 lakhs, total comprehensive income of Rs. 67.27 lakhs and net cash inflow of Rs.1.83 lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements. The aforesaid financial statement has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of the sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our above opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

9. Report on Other Legal and Regulatory Requirements

- a. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- b. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on Separate financial statements and other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - i. We/the other auditors whose report we have relied upon, except for the matters described in the Basis for Qualified Opinion paragraph, have sought and obtained, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - ii. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors:
 - iii. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including the statement of other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - iv. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - v. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
 - vi. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - vii. The qualification relating to the maintenance of accounts and other matters connected herewith are as stated in the Basis for Qualified Opinion paragraph above.
 - viii. With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B' which is based on the auditor's reports of the Holding Company and its subsidiary companies incorporated in India.
- c. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'other matter' paragraph:
 - i. The Consolidated Financial Statements discloses the impact of pending litigations on the consolidated financial position of the Group (refer note 36).
 - ii. The Holding Company has entered into various contracts including long term contracts with a company towards software license and maintenance agreements etc. The continuance of these contract shall depend on the future running of the business including raising required resources for the same. Hence, the chances of termination of these contracts and the impact of the same on the consolidated financial statements including penalty and charges if any cannot be commented upon (refer note 34).
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
 - iv. (i) Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its Subsidiary Companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (ii) Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company and its Subsidiary Companies incorporated in India from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company and its Subsidiary Companies incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on such audit procedures performed and information and explanation given, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. During the year the Group has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.
 - d. With respect to the matter to be included in the Auditor’s Report under section 197 (16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations give to us, the remuneration paid by the Holding Company and its subsidiary which are incorporated in India, to its directors during the current year is in accordance with the provisions of section 197 of the Act.

For T R Chadha & Co LLP

Chartered Accountants

Firm’s Registration No. 006711N/N500028

Pramod Tilwani

Partner

Membership No. 076650

UDIN: 22076650AJTLBS9957

Place of Signature: Mumbai

Date: May 27, 2022

Annexure A to the Independent Auditor's Report of even date

The annexure referred to in Independent Auditors' Report to the member of the Metropolitan Stock Exchange of India Limited ("the Company") on the consolidated financial statements for the year ended March 31, 2022, we report that;

According to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies incorporated in India and included in the consolidated financial statements

For T R Chadha & Co LLP

Chartered Accountants

Firm's Registration No. 006711N/N500028

Pramod Tilwani

Partner

Membership No. 076650

UDIN: 22076650AJTLBS9957

Place of Signature: Mumbai

Date: May 27, 2022

Annexure B to the Independent Auditor's Report of even date to the member of the Metropolitan Stock Exchange of India Limited ("the Company") on the consolidated financial statements for the year ended March 31, 2022, we report that;

Report on the Internal Financial Controls with reference to consolidated financial statements, under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to consolidated financial statements of Metropolitan Stock Exchange of India Limited ('the Holding Company') and its subsidiary companies, which are companies incorporated in India, as of March 31, 2022, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

In our opinion, based on the consideration of the reports of the other auditors as referred to in other matters paragraph below, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI).

Management's Responsibility for Internal Financial Controls

The Management and Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements includes obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, which are companies incorporate in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

Company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to financial statements of a subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not modified in respect of this matter.

Place of Signature: Mumbai

Date: May 27, 2022

For T R Chadha & Co LLP

Chartered Accountants

Firm's Registration No. 006711N/N500028

Pramod Tilwani

Partner

Membership No. 076650

UDIN: 22076650AJTLBS9957

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

(₹ in Lakh)

Particulars	Note	As at	
		March 31, 2022	March 31, 2021
I ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	3	891	865
(b) Intangible assets	4	1,534	1,879
(c) Intangible assets under development	4	256	260
(d) Right of use assets		744	1,015
(e) Financial assets			
i. Investments	5	2,823	891
ii. Other financial assets	6	1,324	620
(f) Income tax assets (net)	7	418	372
(g) Deferred tax assets (net)	8	186	186
(h) Other non-current assets	9	4,896	4,601
		13,072	10,689
2 Current Assets			
(a) Financial assets			
i. Investments	10	5,269	6,499
ii. Trade receivables	11	421	160
iii. Cash and cash equivalents	12	1,482	189
iv. Bank balance other than (iii) above	13	21,602	24,604
v. Other financial assets	14	1,818	5,363
(b) Income tax assets (net)	15	1,048	1,167
(c) Other current assets	16	465	486
		32,105	38,468
Total Assets		45,177	49,157
II EQUITY AND LIABILITIES			
3 Equity			
(a) Equity Share capital	17	48,052	48,052
(b) Other equity	18	(21,984)	(18,877)
		26,068	29,175
4 Non Controlling Interest		525	553
5 Core Settlement Guarantee Fund	19	850	865
Liabilities			
6 Non-Current Liabilities			
(a) Financial liabilities			
i. Lease rental liability	20	569	822
ii. Other financial liabilities	21	11,898	11,506
(b) Provisions	22	29	39
(c) Deferred Tax Liability	23	127	96
		12,623	12,463
7 Current Liabilities			
(a) Financial liabilities			
i. Lease rental liability	24	265	249
ii. Trade payables			
a. Total outstanding dues of micro enterprises and small enterprises	25	0	1
b. Total outstanding dues to creditors other than micro enterprises and small enterprises		58	134
iii. Other financial liabilities	26	4,057	4,865
(b) Other current liabilities	27	710	834
(c) Provisions	28	21	17
		5,111	6,101
Total Equity and Liabilities		45,177	49,157

Significant Accounting Policies and Explanatory Information forming part of the financial statements

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As per our report of even date
For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg.No.006711N/N500028

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Pramod Tilwani
Partner
Membership No.076650

S.V.D. Nageswara Rao
Chairman & Public Interest Director
DIN : 02105323

Latika S. Kundu
Managing Director & CEO
DIN : 08561873

Mumbai
Dated : May 27, 2022

Saket Bhansali
Chief Financial Officer

Durgesh Kadam
Head Legal & Company Secretary
FCS 8496

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Particular	Note	For the Year 2021-22	For the Year 2020-21
I Income			
(a) Revenue from operations	29	1,006	1,063
(b) Other income	30	1,500	2,182
Total Income		2,506	3,245
II Expenses			
(a) Operating expenses	31	1,730	1,695
(b) Employee benefits expense	32	1,985	2,290
(c) Finance costs	33	60	83
(d) Advertisement and business promotion expenses	34	58	59
(e) Depreciation and amortisation expense		777	723
(f) Depreciation On Right to Use Assets	3 & 4	271	394
(g) Other expenses	35	751	1,068
Total Expenses		5,632	6,312
III Loss before tax (I - II)		(3,126)	(3,067)
IV Exceptional items		-	-
V Loss before tax (III - IV)		(3,126)	(3,067)
VI Tax expense			
Less : Current tax		14	-
Less : Earlier year tax		-	(0)
Less : Deferred tax		27	41
VII Loss for the year (V - VI)		(3,167)	(3,108)
VIII Non Controlling Interest		(33)	(26)
IX Other comprehensive income			
1) Items that will not reclassified to profit or (loss) (net of tax)		36	11
2) Income tax relating to item will not reclassified to profit or (loss)		(4)	0
Total other Comprehensive Income for the year, net of tax		32	11
X Total Comprehensive Income for the year (VII- VIII - IX)		(3,102)	(3,070)
Earnings per equity share of face value of Re.1 each			
Basic (in Rs.)	40	(0.07)	(0.06)
Diluted (in Rs.)		(0.07)	(0.06)

Significant Accounting Policies and Explanatory Information forming part of the financial statements 2-71

As per our report of even date
For **T R Chadha & Co LLP**
Chartered Accountants
Firm Reg.No.006711N/N500028

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Pramod Tilwani
Partner
Membership No.076650

S.V.D. Nageswara Rao
Chairman & Public Interest Director
DIN : 02105323

Latika S. Kundu
Managing Director & CEO
DIN : 08561873

Mumbai
Dated : May 27, 2022

Saket Bhansali
Chief Financial Officer

Durgesh Kadam
Head Legal & Company Secretary
FCS 8496

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Particulars	For the year March 31, 2022		For the year March 31, 2021	
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)	
Dividend from investments	-		(0)	
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)
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
Dividend from investment		-		(0)
Interest received (net of accrued interest)		1,234		1,768
Net cash generated from/(used in) Investing Activities		6,050		3,122

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakh)

Particulars	For the year March 31, 2022		For the year March 31, 2021	
C. Cash flow from financing activities				
Lease Liability Payment		(298)		(438)
Net Cash Generated from / (used in) 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
(Refer note 12)				
Add : Fixed Deposits held for more than three months (refer note 13)		21,602		24,604
Closing Cash and Bank Balance		23,084		24,793
Component of cash & bank balance (refer note 12)				
In current account				
Owned		727		135
Earmarked		755		54
Cash on hand		0		0
Stamps in hand		0		0
		1,482		189

Significant Accounting Policies and Explanatory Information forming part of the financial statements

1. The Cash Flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7 (Ind AS 7) "Statement of Cash Flows" prescribed under Companies Act, 2013.
2. Figures in brackets represent cash outflows.
3. Rupees "0" represent amount less than Rs. 50,000.

As per our report of even date

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

Pramod Tilwani
Partner
Membership No.076650

Mumbai
Dated : May 27, 2022

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

S.V.D. Nageswara Rao
Chairman & Public Interest Director
DIN : 02105323

Saket Bhansali
Chief Financial Officer

Latika S. Kundu
Managing Director & CEO
DIN : 08561873

Durgesh Kadam
Head Legal & Company Secretary
FCS 8496

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

A. Equity Share Capital

(₹ in Lakh)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares at the beginning of the year	4,81,02,17,033	48,102	4,81,02,17,033	48,102
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the reporting period	4,81,02,17,033	48,102	4,81,02,17,033	48,102
Add:-Shares issued during the year	-	-	-	-
Equity shares at the end of the year *	4,81,02,17,033	48,102	4,81,02,17,033	48,102

* Refer note 18.4 for amount of Rs. 49.78 lakhs deducted from the share capital account and the remaining amount shown as Equity Share Capital.

B. Other Equity

(₹ in Lakh)

Particulars	Reserves & surplus			Other comprehensive Income	Dividend Distribution tax	Total
	Securities premium account	Retained earnings	Capital Reserve	Remeasurement of employees benefit		
As at March 31, 2020	39,531	(55,055)	0	(25)	(258)	(15,807)
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated as at March 31, 2020	39,531	(55,055)	0	(25)	(258)	(15,807)
Tax (remeasurement of employee defined benefit liability /asset)	-	-	-	11	-	11
Non controlling Interest Reallocation	-	26	-	-	-	26
Profit / (loss) for the year	-	(3,108)	-	-	-	(3,108)
As at March 31, 2021	39,531	(58,136)	0	(14)	(258)	(18,877)
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated as at March 31, 2021	39,531	(58,136)	0	(14)	(258)	(18,877)
Tax (remeasurement of employee defined benefit liability /asset)	-	-	-	32	-	32
Non controlling Interest Reallocation	-	28	-	-	-	28
Profit / (loss) for the year	-	(3,167)	-	-	-	(3,167)
As at March 31, 2022	39,531	(61,275)	0	18	(258)	(21,984)

Significant Accounting Policies and Explanatory Information

2-71

forming part of the financial statements

As per our report of even date

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

Pramod Tilwani
Partner
Membership No.076650

Mumbai
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Head Legal & Company Secretary
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SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

1 Corporate Information

The Metropolitan Stock Exchange of India Limited (MSEI or the Parent Company) was incorporated on August 14, 2008 and recognized as a stock exchange by Securities and Exchange Board of India (SEBI) under section 4 of the Securities Contracts (Regulation) Act, 1956 with effect from September 16, 2008. The Exchange was notified a “Recognised Stock Exchange” under Section 2(39) of the Companies Act, 1956 by Ministry of Corporate Affairs, Govt. of India, on December 21, 2012. MSEI provides platform for trading in Currency Derivatives, Debt Segment, Interest Rate Futures, Equity Cash and F&O segment.

The Consolidated financial statement relates to parents and its subsidiary companies namely Metropolitan Clearing Corporation of India Ltd (MCCIL) and MCX-SX KYC Registration Agency Limited(MCX-SX KYC) (collectively referred to as ‘the Group’ or ‘Company’)

The Consolidated Financial Statements were authorized for issue by the Parent Company’s Board of Directors on May 27, 2022.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements (“financial statements”). These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

The Consolidated financial statements have been prepared and presented under the historical-cost convention on accrual basis, except as disclosed in the accounting policies below. The Group has prepared these financials to comply in all material respect with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, as amended, relevant provisions of the Companies Act 2013 including rules made thereunder, various regulatory guidelines to the extent relevant and applicable to the Group and in accordance with the generally accepted accounting principles in India. The accounting policies adopted in the preparation of the financial statements are consistent.

The Consolidated Financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities and contingent consideration is measured at fair value,
- defined benefit plans - plan assets measured at fair value, and

Basis of Consolidation

The Company consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries (“the Group”). Control exists when the Parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Profit or Loss from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether or not the Company’s voting rights in an investee are sufficient to give it power, including:

- a) the size of the Company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- b) potential voting rights held by the Company, other vote holders or other parties;
- c) rights arising from other contractual arrangements; and
- d) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests are disclosed separately. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. When the Group ceases control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable.

Particulars	Country of Incorporation	% of Voting Power As at March 31, 2022	% of Voting Power As at March 31, 2021
Subsidiary Company - Direct			
Metropolitan Clearing Corporation India Limited	India	95.85	95.85
MCX-SX KYC Registration Agency Limited	India	100	100

2.2 Operating Cycle

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.3 Foreign currency translation and transactions

i) Functional and presentation currency

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Indian Rupees (INR), which is the Group functional and presentation currency.

ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction.

Monetary items denominated in foreign currencies at the year-end are restated at year end rates. Non-monetary foreign currency items are carried at cost.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit & Loss of the year.

2.4 Revenue recognition

Revenue from contract with customers is recognised in the Statement of Profit and Loss through following steps:

- i) identification of the contract or contracts with the customers
- ii) identification of the performance obligations in the contracts,
- iii) determination of the transaction price
- iv) allocation of the transaction price to the performance obligations in the contract
- v) recognition of revenue when company satisfy a performance obligation.

Revenue mainly comprises :

Transaction fees are charged to members at the applicable rates based on the volume of transactions entered into by the members through the exchange. These are accrued when orders placed by members on the exchange are matched and confirmed.

Admission fees collected from new members for joining the exchange are recognized when received and membership approved by SEBI.

Processing and other fees collected from members are recognized for which services are performed.

Connectivity Income are apportioned over the period of connectivity on a pro rata basis from the date of activation of connectivity.

Dividend income is recognized when the company's right to receive dividend is established.

Interest income is recognized on time proportion basis into account the amount outstanding and the rates applicable. For all other financial assets measured at amortised cost interest income is recorded using the Effective Interest Rate (EIR).

Income from Annual Listing Fees is recognized on time proportion basis.

Revenue from Shared Service recognised based on the time proportion basis.

Revenue from data feed charges based on the time proportion basis.

Interest income is recognized on time proportion basis into account the amount outstanding and the rates applicable. For all other financial assets measured at amortised cost interest income is recorded using the Effective Interest Rate (EIR).

The Group adopted Ind AS 115 "Revenue from Contracts with customers" w.e.f. 01 April 2018, using the Modified Retrospective transition approach which is applied to contracts that were not completed as of 01 April 2018.

The disclosure of significant accounting reporting requirements relating to revenue from contracts with customers are provided in Notes 49.

2.5 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any. Income tax expense is recognised in the Profit or Loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted at the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are to be apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised only to the extent that there is a probable that taxable profit will be available against which the deductible temporary differences, and carry forward of unused tax credits and the carry forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In accordance with the recommendations contained in Guidance Notes issued by the institute of chartered accountants of India and in accordance with the provision of Income Tax Act, 1961, Minimum Alternate Tax ('MAT') credit is recognised as an asset to the extent there is convincing evidence that the company will pay normal income tax in future by way of a credit to the profit and loss account and shown as MAT credit entitlement.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised."

2.6 Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to statement of profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.7 Property, plant and equipment

Property, plant and equipment are measured at cost of acquisition net of recoverable taxes less accumulated depreciation and impairment loss, if any. Cost includes expenses that is directly attributable to acquisition of the assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for their intended use before such date are shown as Capital Work in Progress.

Depreciation on property, plant and equipment is provided on straight line method over the useful lives as specified in Part 'C' of Schedule II to the Companies Act, 2013, which is also estimated as useful lives by the management. The same is as given below:-

Sr.	Classification of an asset	Useful life
1	Furniture and fixtures	10
2	Office Equipment's	5
3	Vehicles	5-8
4	Computer Hardware	
	(i) Computer Servers	6
	(ii) Networking Equipment's	6
	(iii) Desktop/Laptop etc.	3

Leasehold improvements are depreciated over the period of lease or at their estimated useful life, whichever is lower.

The Group provides pro-rata depreciation from the day the asset is ready to use and for any asset sold, till the date of sale.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. With the effect of any changes in estimate accounted for on a prospective basis.

2.8 Intangible assets and Amortization

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization and impairment loss, if any.

Intangible assets comprising of software purchased and licensing cost are amortized on straight line basis over the useful life of the software up to a maximum period of 10 years.

Intangible assets under development

Intangible Assets under development comprises outstanding advances paid to acquire intangible assets and the cost of intangible assets that are not yet ready for its intended use.

2.9 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.10 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the lower of the present value of expected net cost of fulfilling the contract and the present value of expected cost of terminating the contract.

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognised because it cannot be measured reliably, is not recognised in the books of accounts but its existence is disclosed in the Financial Statements. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized but disclosed in the financial statements when economic inflow is probable.

2.11 Fair Value Measurement

The company measures financial instruments at fair value in accordance with accounting policies at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the company

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.12 Financial instrument

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets:

Initial recognition and measurement:

The company measures its financial assets at fair value. In this context, quoted investments are fair valued adopting the

techniques defined in Level 1 of fair value hierarchy of Ind-AS 113 “Fair Value Measurement” and unquoted investments, where the observable input is not readily available, are fair valued adopting the techniques defined in Level 3 of fair value hierarchy of Ind-AS 113 and securing the valuation report from the certified valuer. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company’s business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- (a) The Company’s business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- (a) The Company’s business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to Investments in Equity and Convertible Warrants. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI.

However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss.

However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

Equity Investments (in subsidiaries, associates and joint venture)

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

De-recognition

Financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;
 - (a) The company has transferred substantially all the risks and rewards of the asset, or
 - (b) The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

On De-recognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- Financial assets measure at fair value through profit and loss (FVTPL)

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(b) Financial Liabilities:

Initial recognition and measurement

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are initially measured at Fair value.

Subsequent measurement

All non-current financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss..

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.13 Employee benefits

Short Term Obligation

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period at the undiscounted in the Statement of Profit & Loss and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other Long-Term employees benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss. The liability for earned leave is also classified as current where it is expected to be availed/ encashed during the next 12 months. The remaining portion is classified as non-current. The amounts of current and non-current liability are based on actuarial estimates.

Post-employment obligations

Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognised as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

The Company operates following post-employment schemes:

- (a) defined benefit plans such as gratuity
- (b) defined contribution plans such as provident fund

Defined Benefit Plans - Gratuity Obligation

The Company has maintained a Gratuity Scheme with the MCX Gratuity Trust. Trustees administer contributions made to the Trusts and contribution are invested in insurance company in the form of qualifying insurance policy. Company is contributing a sum determined by insurance company annually. The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined Contribution Plans - Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.14 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

2.15 Cash & Cash Equivalents

Cash and cash equivalent in the balance sheet comprises cash on hand and at bank and demand deposits with banks with an original maturity of three months or less from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

2.16 Key Accounting Estimates and Judgment

As per Ind AS the accounting policy should also disclose the significant estimates and critical judgment used in preparation of financial statement. The same can be done based on following lines:

The preparation of the Company's financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Minimum Alternate Tax

Minimum Alternate Tax ("MAT") paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The management estimate the Company to pay normal tax and benefit associated with MAT will flow to the Company within permissible time limit under Income Tax Act, 1961 to the extent MAT asset recognised.

Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgments and assumptions.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of Non-financial assets

The impairment provisions for Non-financial assets are based on assumptions about recoverability. The company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Going Concern Assumption

Going concern assumption has been applied on the basis that the company will be able to continue its operation in the foreseeable future, and without there being any intention or necessity for it to either liquidate or curtail materially its scale of business operations.

2.17 Leases

The Company's lease asset primarily consists of leases for buildings. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense.

The right-of-use assets initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it exercises an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet, and lease payments have been classified as financing cash flows.

2.18 Core Settlement Guarantee Funds

As per SEBI regulation every recognized clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognized stock exchange. The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognized Stock Exchange to guarantee the settlement of trades executed in the respective segment of the Stock Exchange. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Metropolitan Clearing Corporation of India Limited (MCCIL), Stock Exchanges and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments is credited to the respective contributor's funds and adjusted towards incremental requirement of Minimum Required Corpus (MRC) as per SEBI. Penalties and fines levied by the Company are transferred to Core SGF as Other Contributions.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022.

(RUPEES IN LAKHS, EXCEPT SHARE AND PER SHARE DATA, UNLESS OTHERWISE STATED)

3. Property, Plant and Equipment

Particulars	Office Equipment's	Computer Hardware	Furniture & Fixtures	Vehicles	Leasehold Improvements	Right of use assets	Total
Gross Carrying amount as at March 31, 2020	156	3,761	46	11	166	926	5,066
Addition	50	156	-	-	196	1,239	1,640
Disposals/Write off	60	306	4	-	165	909	1,445
Gross Carrying amount as at March 31, 2021	145	3,611	42	11	196	1,256	5,261
Addition	5	101	3	18	142	-	269
Disposals/Write off	11	313	-	-	-	-	324
Gross Carrying amount as at March 31, 2022	139	3,398	44	30	338	1,256	5,205
Accumulated Depreciation as at March 31, 2020	138	3,150	31	11	148	400	3,877
Depreciation charges during the year	9	159	4	1	22	394	590
Disposals/Write off	59	306	3	-	165	553	1,087
Accumulated Depreciation as at March 31, 2021	87	3,004	33	11	5	241	3,380
Depreciation charges during the year	16	149	4	1	74	271	514
Disposals/Write off	11	313	-	-	-	-	324
Accumulated Depreciation as at March 31, 2022	92	2,839	37	13	78	511	3,570
Net Carrying amount as at March 31, 2022	47	559	8	17	260	744	1,635
Net Carrying amount as at March 31, 2021	58	607	9	(0)	191	1,015	1,880

* Rs. "0" represent amount less than Rs. 50,000.

Note:- The Company has not revalued its property, plant and equipment (including right-of-use assets) during the current or previous year.

4 Intangible Assets and Intangible Assets under development

Particulars	Computer Software**	Intangible asset under development	Total
Gross Carrying amount as at March 31, 2020	10,644	223	10,866
Addition	183	336	519
Disposals/write off	6	300	306
Gross Carrying amount as at March 31, 2021	10,821	260	11,079
Addition	188	240	428
Disposals/write off	-	244	244
Gross Carrying amount as at March 31, 2022	11,009	256	11,263
Accumulated Depreciation as at March 31, 2020	8,420	-	8,421
Depreciation charges during the year	528	-	528
Disposals/write off	6	-	6
Accumulated Depreciation as at March 31, 2021	8,942	-	8,943
Depreciation charges during the year	534	-	534
Disposals/write off	-	-	-
Accumulated Depreciation as at March 31, 2022	9,475	-	9,478
Net Carrying amount as at March 31, 2022	1,534	256	1,786
Net Carrying amount as at March 31, 2021	1,879	260	2,136

(Other than internally generated)

** In certain cases the company has only usage right and not the title or ownership, net carrying amount of Rs. 602 Lakhs (PY 921 lakh)

Notes:-

(i) The Company has made provision of Rs. 80 lakhs during the financial year ended March 31, 2021.

(ii) The Company has not revalued its intangible assets during the current or previous year.

Intangible Assets under development ageing as on March 31, 2022

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	64	20	117	55	256
Projects temporary suspended	-	-	-	-	-

List of projects whose completion is overdue as on March 31, 2022

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Development of Offer to Buy System (Clearing & Settlement)	-	10	-	-	10
Development of Physical Settlement software application	15	-	-	-	15
Software ISO2022 in ECM	2	-	-	-	2
Software application for framework to enable verification of margin from client in CDS	6	-	-	-	6
Development of interoperability model for OFS Clearing and settlement system	9	-	-	-	9
Software on block mechanism EDIS	2	-	-	-	2
Software Development of Steady State Model in Equity Cash Market (ECM) Segment.	6	-	-	-	6
Charges for Software Project for EOD - Monitoring of Position Limit at different participant level in Currency Derivative Segment	3	-	-	-	3
Software Development of Steady State Model in Equity Cash Market(ECM) Segment	6	-	-	-	6
Development of changes for OFS interoperability related to BSE FIX spec 1.3	1	-	-	-	1
Segregation of collateral at the client level	5	-	-	-	5
Software Application for Core Settlement Guarantee Fund(SGF), Default Waterfall and Stress Test	3	-	-	-	3
Development of Exchange matching engine	-	80	-	-	80
Development of CTCL platform	-	53	-	-	53
Development of changes to Order to Buy (OTB) platform for order collection system..	15	-	-	-	15
Development of SFTP module in OFS	3	-	-	-	3
Total	74	142	-	-	216

Intangible Assets under development ageing as on March 31, 2021

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	75	125	55	5	260
Projects temporary suspended	-	-	-	-	-

List of projects whose completion is overdue as on March 31, 2021

Particulars	To be completed in				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Development of Offer to Buy System (Clearing & Settlement)	-	-	-	10	10
Development of Physical Settlement software application	-	-	15	-	15
Software ISO2022 in ECM	-	-	2	-	2
Software application for framework to enable verification of margin from client in CDS	-	6	-	-	6
Functionality "Scrip Creation for G-sec security of BSE	8	-	-	-	8
Development of interoperability model for OFS Clearing and settlement system	-	-	9	-	9
Pledge and re pledge of Client Securities	8	-	-	-	8
Development of Exchange matching engine	-	-	80	-	80
Development of CTCL platform	-	-	53	-	53
Development of changes to Order to Buy (OTB) platform for order collection system..	-	15	-	-	15
Development of SFTP module in OFS	-	3	-	-	3
Total	16	24	158	10	208

5 Non Current Investment

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Other Investments				
Corporate Fixed Deposits				
HDFC Ltd	718	-	-	-
LIC Housing Finance Limited	1,465	-	-	-
Mahindra & Mahindra Finance Limited	-	-	891	-
Bajaj Finance Ltd	640	2,823	-	891
Total		2,823		892
Aggregate book value of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate carrying value of un-quoted investments		2,823		892
Aggregate amount of impairment in value of investments		-		-

6 Other Financial Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Non Current Bank Balance				
Deposit with banks (with Maturity more than 12 months)		1,173		396
Earmarked		-		-
Towards investor service fund		-		40
Other (unsecured, considered good)		-		-
Sundry deposits		151		185
Total		1,324		620

7 Income Tax Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Advance income tax (net)		418		372
Total		418		372

8 Deferred Tax Assets (Net)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
MAT credit entitlements*		186		186
Total		186		186

* The management expects the company to pay normal tax and benefit associated with MAT credit will flow to the company within permissible time limit stipulated under income tax act, 1961 to the extent MAT asset recognised.

9 Other Non-Current Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good)				
Tax recoverable, statutory deposits and dues from government		4,888		4,586
Prepaid expenses		9		15
Total		4,896		4,601

10 Current Investments

Particulars	As at March 31, 2022		As at March 31, 2021	
	Units	Rupees	Units	Rupees
In Mutual Funds (Quoted) *				
Investments in mutual funds at FVTPL				
ICICI Prudential Money Market Fund - Direct Growth	16,454.329	50	-	-
ABSL MMF - G-D	10,002.764	30	-	-
ABSL SF G-R Plan	14,633.345	64	-	-
Axis Treasury Advantage Fund Growth	1,372.007	34	-	-
ICICI Prudential Savings Fund – R- G	7,286.135	32	-	-
Axis Money Market Fund – Regular Growth	5,282.179	61	-	-
HDFC Floating Rate Debt Fund – RG	1,25,616.136	50	-	-
ABSL Liquid Fund - G-D	-	-	30,190.442	100
ABSL Overnight Fund - G-D	-	-	826.876	9
HDFC Overnight Fund - R-G	-	-	3,538.850	108
Nippon India Liquid Fund - DGP - G OPTION	-	-	1,491.692	75
ICICI Prudential Overnight Fund D-G	-	-	67,426.786	75
Axis Overnight Fund - R-G	-	-	9,514.433	103
Invesco India Liquid Fund - Growth	-	-	2,516.743	71
Aditya Birla Sun Life Liquid Fund - Dir - Growth	3,834.120	13	3,834.120	13
BOI AXA Liquid Fund - Direct Plan - Growth	7,574.017	186	6,291.569	149
BOI AXA Liquid Fund- Dir- Overnight	8,948.627	96	25,849.125	269
SBI Premier Liquid Fund- Dir- Overnight	2,959.167	102	3,254.337	109
Sundaram Money Fund - Direct Plan - Growth	8,305.724	156	1,31,075.263	57
Sundaram Money Fund- Direct- Overnight	2,368.001	273	59,599.543	652
Mirae Asset Cash Management Fund - Direct Plan - Growth	2,649.356	60	13,903.851	302
Mirae Liquid Fund- Dir- Overnight	5,368.560	58	3,738.308	39
Total		1,265		2,131
Other Investments				
Corporate Fixed Deposits **				
HDFC Ltd	1,750		1,398	
LIC Housing Finance Limited	-		1,500	
Mahindra & Mahindra Finance Limited	1,499		100	
ICICI Home Finance	-		220	
Bajaj Finance Ltd	755	4,004	1,150	4,368
		5,269		6,499
Aggregate book value of quoted investments		1,265		2,131
Aggregate market value of quoted investments		1,265		2,131
Aggregate carrying value of un-quoted investments		4,004		4,368
Aggregate amount of impairment in value of investments		-		-
* Rs. 29.90 Lakh (PY Rs. 70 .33 Lakh/-) are towards making payments of the deposits of members.				
** Rs. 330 Lakh (PY Rs. 367 Lakh) are towards making payments of the deposits of members.				

11 Trade Receivables

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Current				
Secured, considered good		-		-
Unsecured, considered good		421		160
Receivables which have significant increase in credit risk		-		-
Credit impaired	132	-	77	-
Less :- Allowance for credit impaired debts (expected credit loss allowance)	132	-	77	-
Total		421		160

Note 1 Trade receivables are dues in respect of services rendered in the normal course of business.

Note 2 The Normal credit period allowed by the Group ranges from 0 to 60 days.

Note 3 The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a detailed analysis of trade receivables by individual departments.

Note 4 There are no dues by directors or other officers of the Parent Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Movement in expected credit loss allowance

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Balance at the beginning of the year		77		97
Impairment loss allowance on trade receivables		55		(20)
Balance at the end of the year		132		77

Trade receivable ageing as on March 31, 2022

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables – Considered Goods	183	164	74	(0)	1	421
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	(0)	28	66	18	20	132
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

* "0" represent amount less than Rs. 50,000.

Trade receivable ageing as on March 31, 2021

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 Months - 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables – Considered Goods	69	92	(2)	(0)	1	160
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	2	23	26	25	-	77
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

* "0" represent amount less than Rs. 50,000.

12 Cash and Cash Equivalent

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Owned	72		135	
Earmarked				
Towards investor service fund	10		5	
Towards arbitration	5		15	
Towards defaulter committee fund	0		0	
Total		87		156
Owned	655		-	
Earmarked				
Towards members deposit	661		-	
Towards investor service fund	10		-	
Towards defaulter committee fund	68		33	
Stamps in hand	0		0	
Cash on hand	0		0	
Total		1,394		34
Total		1,482		189

* "0" represent amount less than Rs. 50,000.

13 Other Bank Balance

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Other Bank Balances in Fixed Deposits				
Owned		21,439		23,195
Earmarked				
Towards Arbitration Deposits		11		10
Towards Investor Service Fund		-		44
Towards Defaulter Committee fund		18		32
Towards Members Deposit fund		135		1,323
Total		21,602		24,604

14 Other Financial Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Loan to Metropolitan Stock Exchange ESOP Trust	11		11	
Less :- Provision for Doubtful Loan	11	-	11	-
Current Bank Balance				
Deposit with banks (with Original Maturity more than 12 months)		380		3,567
Earmarked				
Towards members deposit		708		1,306
Towards investor service fund		209		101
Towards defaulter committee fund		185		128
Interest accrued on Fixed Deposits		78		134
Owned	33		83	
Earmarked	45		51	
Interest Accrual on Corporate FD		254		117
Unbilled receivable		3		3
Security Deposits		-		7
Total		1,818		5,363

* Rs. "0" represent amount less than Rs. 50,000.

15 Income Tax Assets (Net) - Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Advance Income Tax (Net of Provision)		1,048		1,167
Total		1,048		1,167

16 Other Current Assets

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good, unless otherwise stated)				
Advances to vendors		294		269
Advances to employees		0		1
Capital advances		7		46
Gratuity receivable		4		-
Prepaid expenses		160		171
Total		465		486

* Rs. "0" represent amount less than Rs. 50,000.

17 Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Authorised : 5,50,00,00,000 (PY 5,50,00,00,000) Equity Shares of Re.1/- each		55,005		55,005
Issued : 4,81,02,17,033 (PY 4,81,02,17,033) Equity Shares of Re.1/- each		48,102		48,102
Subscribed and Paid-up 4,81,02,17,033 (PY 4,81,02,17,033) Equity Shares of Re.1/- each	48,102		48,102	
Less :- Amount recoverable from Metropolitan Stock Exchange ESOP Trust (Refer Note 18.4) 49,77,671 [(PY 49,77,671) equity shares of Re 1/- each fully paid allotted to the Metropolitan Stock Exchange ESOP Trust]	50		50	
		48,052		48,052
Total		48,052		48,052

17.1 Rights of equity share holders

The company has only one class of equity shares having a par value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

17.2 Reconciliation of the shares outstanding at the beginning and at the end of year.

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Rupees	No. of Shares	Rupees
Equity shares				
At the beginning of the Year	4,81,02,17,033	48,102	4,81,02,17,033	48,102
Issued during the Year*	-	-	-	-
Outstanding at the end of the Year	4,81,02,17,033	48,102	4,81,02,17,033	48,102

17.3 Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of Re.1/- each fully paid-up				
Multi Commodity Exchange Of India Ltd	33,17,77,008	6.90%	33,17,77,008	6.90%

17.4 List of shares held by Promoter

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% holding	No. of Shares	% holding
N.A.	--	--	--	--

17.5 There are no shares in the preceding 5 years allotted as fully paid up without payment being received in cash / bonus shares / bought back.

17.6 There are no shares reserved for issue under Options and contract/commitments for the sale of shares or disinvestment.

18 Other Equity

Particulars	Securities premium	Retained earnings	Capital Reserve	Other comprehensive income	Dividend Dist tax	Total
				Remeasurement of employees benefit		
As at 31 March 2020	39,531	(55,055)	0	(26)	(258)	(15,807)
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated as at March 31, 2020	39,531	(55,055)	0	(26)	(258)	(15,807)
Tax (remeasurement of employee defined benefit liability /asset)	-	-	-	11	-	11
Non controlling Interest Reallocation	-	26	-	-	-	26
Profit / (loss) for the year	-	(3,108)	-	-	-	(3,108)
As at 31 March 2021	39,531	(58,136)	0	(14)	(258)	(18,877)
Changes in accounting policy/prior period errors	-	-	-	-	-	-
Restated as at March 31, 2021	39,531	(58,136)	0	(14)	(258)	(18,877)
Tax (remeasurement of employee defined benefit liability /asset)	-	-	-	32	-	32
Non controlling Interest Reallocation	-	28	-	-	-	28
Profit / (loss) for the year	-	(3,167)	-	-	-	(3,167)
As at March 31, 2022	39,531	(61,275)	0	17	(258)	(21,984)

* Rs. "0" represent amount less than Rs. 50,000.

18.1 Securities premium

Securities premium reflects issuance of the shares by the company at a premium i.e. a sum equal to the aggregate amount of the premium received on shares is transferred to a securities premium as per the provisions of the Companies Act, 2013. The premium is utilised in accordance with the provisions of the Companies Act, 2013.

18.2 Retained earnings

The same reflects surplus/deficit after taxes in the statement of profit and loss. The amount that can be distributed by the company as dividends to its equity share holders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

18.3 Capital Reserve

Capital Reserve represents the amount forfeited on 25,445 warrants against which Rs. 0.12 lakh has been collected.

18.4 Loan to ESOP Trust

The Company's ESOP is administered through an ESOP Trust, which subscribes to shares of the Company and holds them until issuance thereof based on vesting and exercise of options by employees. At the time of formation of the trust, the Company has provided an interest free loan amounting to Rs. 60.00 Lakhs to the Trust to subscribe to 54,33,000 shares issued at Re. 1 per share and were allotted on November 20, 2009. The amount of loan equivalent to the face value of securities subscribed and not allotted to employees 49.78 Lakhs (Previous Year Rs. 49.78 Lakhs) has been deducted from share capital account and the balance part of the loan representing the amount of Rs. 10.08 Lakhs (Previous Year Rs. 10,08 Lakhs] has been added to short term loans and advances in note no.14. The balance of such loan as at March 31, 2022 is Rs. 60.00 Lakhs. The repayment of the loan is primarily dependent upon the exercise of options by the employees, the price at which fresh or reissued options are granted and dividend income earned thereon till exercise of options.

19 Core Settlement Guarantee Fund

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Core Settlement Guarantee Fund				
As per Last Balance Sheet		865		1,041
Add : Contribution/ Interest Accrued during the year		-		-
Less : Transfer to ICCL		2		75
Less : Transfer to NCL		13		101
‘(Refer Note 52)				
Total		850		865

20 Provisions - Non Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Lease rental liability		569		822
Total		569		822

21 Other Financial Liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Amount received from members and applicants towards :				
- Deposits		4,009		4,179
- Other Liabilities		35		18
Core Settlement Guarantee Fund:				
-For clearing trades of MSE		2,739		2,444
-For clearing trades of ICEX		5,075		4,826
- Other Deposits		40		40
Total		11,898		11,506

22 Provisions - Non Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Employee benefits				
Provision for gratuity		-		2
Provision for leave encashment		29		37
Total		29		39

23 Deferred Tax Liability

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Deferred Tax Credit / (Charge)		96		55
Charge / (Credit) for the year		31		41
Total		127		96

24 Lease rental liability - Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Lease rental liability		265		249
Total		265		249

25 Trade Payables

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Total outstanding dues of micro enterprises and small enterprises (Refer note 44)		0		1
Total outstanding dues to creditors other than micro enterprises and small enterprises		58		134
Total		58		135

* Rs. "0" represent amount less than Rs. 50,000.

Trade payable ageing as on March 31, 2022

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	0	-	-	-	0
(ii) Others	8	39	1	10	58
(iii) Disputed-MSME	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-

* Rs. "0" represent amount less than Rs. 50,000.

Trade payable ageing as on March 31, 2021

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	1	-	-	-	1
(ii) Others	124	(1)	0	10	134
(iii) Disputed-MSME	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-

* Rs. "0" represent amount less than Rs. 50,000.

26 Other Current Financial Liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Deposits from members		3,352		4,105
Share application money refundable		0		0
Other payable		340		404
Members Margin and Deposits - Commodity Segment		366		356
Total		4,057		4,865

* Rs. "0" represent amount less than Rs. 50,000.

27 Other Current Liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Unearned income (Refer note 51)		27		36
SEBI Regulatory Fees		12		12
TDS Payable		25		45
Other Liabilities including Statutory Liabilities		72		204
Other Payable as per the Scheme Of Capital Reduction		331		331
Investor Service fund # [Including interest earned of Rs. 9 lakh (PY 11 lakh)		244		206
# Investor Service Fund was established by the Company in accordance with SEBI approval letter dated September 18, 2008. The fund is maintained to provide services to investors which include maintenance of investor grievance cell, education and awareness about securities market, price dissemination and other services that are in the interest of the investor. The balance amounting to Rs. 244 lakh (PY 206 lakh) as at March, 31, 2022 represents the Listing Fees Contribution, net of expenses and interest earned thereon.				
Total		710		834

28 Provisions - Current

Particulars	As at March 31, 2022		As at March 31, 2021	
	Rupees	Rupees	Rupees	Rupees
Employee benefits				
Provision for gratuity		14		16
Provision for leave encashment		7		1
Total		21		17

29 Revenue From Operations

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Revenue from operations				
Sale of services -				
Transaction fees		146		158
Clearing and settlement fees		448		448
Other operating revenue -				
Membership admission fees		3		-
Processing fees		58		56
Listing fees		172		174
Income related to commodity segment		6		26
Other connectivity charges		61		80
Data feed charges		44		45
Membership surrender fee		56		68
Other revenue from operations		11		9
Total		1,006		1,063

30 Other Income

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Interest on bank deposits		923		1,496
Interest on Corporate Deposits		391		317
Dividend from non trade current investments		-		0
Interest income others		12		67
Profit on sale of current investments (Net)		47		76
Fair valuation of mutual fund		36		32
Exchange Rate Fluctuation (net)		-		1
Profit on sale of assets		1		1
Miscellaneous income		89		191
Total		1,500		2,182

31 Operating Expenses

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Clearing and Settlement Charges		48		52
Technology cost		1,409		1,398
SEBI regulatory charges		25		24
Internet connectivity charges		1		1
Direct communication expenses		45		43
POP / NPN Charges		46		69
Co-Location charges		90		54
Electricity Expenses- Direct		66		54
Total		1,730		1,695

32 Employee Benefits Expense

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Salaries, allowances and bonus		1,872		2,168
Contribution to Provident Fund and other funds (refer note 41)		102		113
Staff welfare and other amenities		10		8
Total		1,985		2,290

33 Finance Costs

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Finance cost - Right of use Asset-Ind AS		60		83
Total		60		83

34 Advertisement and business promotion expenses

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Advertisement		3		4
Business promotion expenses		54		54
Sponsorships and seminar		-		1
Total		58		59

35 Other Expenses

Particulars	2021-22		2020-21	
	Rupees	Rupees	Rupees	Rupees
Rent		26		75
Repairs and maintenance - others		106		171
Insurance		51		55
Travelling and conveyance		6		10
Communication expenses		7		9
Legal and professional charges		149		105
Electricity expenses		33		31
Membership and subscription fees		5		7
Directors sitting fees		83		103
<u>Payment to Auditors :</u>				
- Audit fees	23		22	
- Other matters (Certification)	5		10	
- Reimbursement	-	28	0	32
Loss on Sale of Fixed Asset (net)		-		1
Provision towards CWIP		-		80
Exchange rate fluctuation (net)		1		-
ROC fees		0		0
Expected credit loss		57		34
Bank charges		1		1
Rates & taxes including stamp duty		6		5
Printing & stationery		6		5
Contribution to investor service fund		30		28
CENVAT credit written off		2		27
Fair valuation of deposit		-		1
Operating expenses - commodity segment		5		25
Miscellaneous expenses		148		264
Total		751		1,068

* Rs. "0" represent amount less than Rs. 50,000.

36 Contingent Liability
(i) Claim against the Company not acknowledged as debts :

- a. IL&FS Financial Service Limited (IFIN) a 100% subsidiary of Infrastructure Leasing and Financial Services Limited (IL&FS) has filed a suit before the Bombay High Court against MSE (Suit No. 295 of 2014), along with a Notice of

motion for interim relief for breach of the Share Purchase Agreement dated August 20, 2009 entered into between IFIN (Plaintiff), MSE (Defendant No.1) and MCX (Defendant No.2) for purchase of shares of MSE by IFIN from MCX. Various reliefs have been sought by IFIN from MCX and MSE (on a joint and several basis), including monetary claim of INR 84.21 crore along with interest. Pleadings are completed and have been recorded by the Prothonotary.

The Notice of Motion no. 530/2014 in Suit no.: 295/2014 was heard on June 11, 2019 and the Hon'ble Bombay High Court through its order dated June 12, 2019 ordered that MSE and MCX, shall be restrained either directly or indirectly from issuing any further shares of MSE in any manner whatsoever without seeking the plaintiff's prior written consent in accordance with and/or in terms of Clause 5.5(a) of the SPA dated August 20, 2009. However, it was clarified by the Court that if IFIN unreasonably withholds its consent then MSE shall be at liberty to approach the court for appropriate orders. MSE has filed an Appeal to the said order dated June 12, 2019 which will be taken up for hearing in due course of time.

The suit remains pending and no date of hearing has been fixed yet.

- b. The Income Tax Department has raised tax demand of Rs. 921.38 lakhs for the assessment year 2012-13. The Company has an filed appeal and rectification request against the same. Further, the Company has received refund of Rs. 683.05 lakhs on May 04, 2019 on account of rectification order passed by the assessing officer. The Company have been advised that the demand raised by the department is likely to be deleted accordingly the Company has not made provision for the same in books of accounts.
- c. Claims not acknowledged as debt Rs. 70 Lakh (PY Rs.70 Lakh)
- d. Cogencis Information Services Limited has filed a commercial suit in High Court of Bombay claiming a sum of Rs.1.30 cr along with interest on principal amount of Rs.69.9 lacs at 18% p.a. towards the alleged services for the remaining term of one year under the subscription form executed between the parties for data feed services. It is pertinent to note here that MSE as per the terms of subscription form had duly terminated the services before the end of the first year itself by providing 3 (three) months' notice and all due payments were made till the expiry date of termination notice period and hence MSE is not liable to make any further payments to Cogencis. Accordingly, the Exchange is in the process of filing its appropriate response before the High Court of Bombay in the said matter.

37 Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs 14 Lakhs as on 31st March, 2022. (PY Rs. 49.80 Lakhs).

38 The auditor in their audit report on the consolidated financial statements for the quarter and year ended March 31, 2022 expressed below qualification which is summarized along with the Company's comments on the same:

The Parent Company continues to prepare its Financial Statements 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 Statements 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.

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 increase in revenue. During the last two financial years, the Parent Company has 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. 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.

39 In some earlier years, the Company could not charge transaction fee in its Currency Derivatives Segment as its dominant competitor, National Stock Exchange of India Ltd. (NSE), was not charging the same. On the complaint of the Company, the Competition Commission of India (CCI) passed an order dated June 23, 2011 directing NSE to cease and desist from carrying on its unfair pricing policy and further levied a penalty of Rs. 5550 Lakhs on NSE. NSE had appealed against the said order before the Hon'ble Competition Appellate Tribunal (COMPAT), which vide its order dated August 5, 2014 upheld the order passed by the Hon'ble CCI and found NSE guilty of indulging in anti-competitive practices.

An appeal has been filed by NSE before the Hon'ble Supreme Court of India challenging the order passed by the COMPAT(Now NLCAT) on August 05, 2014. The Hon'ble Supreme Court granted NSE interim stay on the recovery of the penalty amount of Rs. 5550 Lakhs (@ 5% of the average turnover).

At the hearing on February 12, 2018, the counsels were heard and an interim stay was granted to the proceedings of damages

during the pendency of the present appeal filed by NSE in Supreme Court. The appeal was then listed on April 13, 2018.

While the aforesaid Appeal filed by NSE is pending before the Supreme Court of India, the Exchange has filed an Application for award of compensation for Rs. 85699 Lakhs. under Section 53N (1) of the Competition Act, 2002 before the COMPAT (now NCLAT). Vide order dated 12.02.18 passed by Hon'ble Supreme Court in Civil Appeal No.8974 of 2014 an interim stay of proceeding of damages had been passed. In the circumstances, the Hon'ble Tribunal adjourned the case sine die with liberty to the parties to mention the matter after the decision of the Hon'ble Supreme Court.

The Exchange in consultation with Senior Counsel has continuously endeavoured to get the matter listed at Supreme Court, after which it was listed on fourteen dates from middle of 2019 up to beginning of lockdown; however the matter was not taken up by Supreme Court due to paucity of time. After partial lifting of lockdown due to COVID-19, the Exchange filed urgent hearing/mentioning application to get the matter listed on an urgent basis, on account of which the matter was listed on about six dates, however, was not taken up due to paucity of time and other reasons.

40 Earnings per share ('EPS')

Particulars	Apr-21 to Mar-22	Apr-20 to Mar-21
Profit/(Loss) after tax as per statement of profit and loss attributable to equity share holders	(3,167)	(3,108)
Weighted average number of equity shares outstanding during the year for basic EPS	4,81,02,17,033	4,81,02,17,033
Add-Shares Issued to ESOP Trust	49,77,671	49,77,671
Weighted average number of equity shares outstanding during the year for diluted EPS	4,81,51,94,704	4,81,51,94,704
Basic earnings per share of face value Re. 1 each	(0.07)	(0.06)
Diluted earnings per share of face value Re. 1 each	(0.07)	(0.06)

41 Disclosure under Indian Accounting Standard 19 (Ind As 19) on Employee Benefit

Defined Contribution Plan:

Provident Fund - The Company makes contribution towards provident fund as a specified percentage of the payroll cost to Regional Provident Fund Commissioner managed by the Employees' Provident Fund Organization, India. There are no other obligations other than the contribution payable to said fund.

Contribution to Defined Contribution Plan, recognised as expenses in the Statement of Profit & Loss for the year is as under:

Particulars	2021-22	2020-21
Employer's Contribution to Provident Fund	77	85

Defined benefit plan:

Gratuity: The gratuity is payable to all members at the rate of 15 days salary for each year of service.

The scheme is funded with an insurance company in the form of qualifying insurance policy. The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at March 31, 2022 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at March 31, 2022.

I Changes in the present value of Projected Benefit Obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity	
	2021-22 (Funded)	2020-21 (Funded)
Projected Value of Benefit Obligation at the beginning of the year	208	209
Current Service cost	30	33
Interest Cost	12	14
Liability transfer in	-	0
Liability transfer out	-	-
Actuarial (gain) / loss	(37)	(13)
Benefits paid	(60)	(36)
Defined Benefit obligation at the end of the year	153	208

II Reconciliation of opening and closing balance of the Fair value of Plan Assets-

Particulars	Gratuity	
	2021-22	2020-21
Fair Value of Plan Assets at the beginning of the year	173	172
Expected Return On Plan Assets	10	11
Contribution during the year	21	27
Transfer From Other Company	-	0
Transfer To Other Company	-	(0)
Benefit Paid From The Fund	(60)	(36)
Actuarial Gains/(Losses) On Plan Assets	(1)	(2)
Fair Value of Plan Assets at the end of the year	143	173

III The amount recognized in the Balance Sheet as follows:-

Particulars	Gratuity	
	2021-22	2020-21
Present value of Benefit Obligation at the end of the Project	(153)	(208)
Fair Value of Plan Asset at the end of the Period	143	173
Funded Status (Surplus / (Deficit))	(10)	(35)
Net Liability/(Asset) recognized in Balance Sheet (Current)	(10)	(35)

IV The amount recognized in the statement of Profit & Loss is as follows:-

Particulars	Gratuity	
	2021-22 (Funded)	2020-21 (Funded)
Current service cost	30	33
Interest Cost	2	2
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Net expenses	32	36

V The amount recognized in the Balance Sheet as follows:-

Particulars	Gratuity	
	2021-22	2020-21
Actuarial (Gains) / Losses on obligation for the period	(37)	(13)
Return on plan assets, excluding interest income	1	2
Change in asset Ceiling	-	-
Net (income) / expense for the period recognized in OCI	(36)	(11)

VI Expected payout from the fund / employer

Particulars	Fund		Employer	
	2021-22	2020-21	2021-22	2020-21
Projected benefits payable in Future Years from Date of reporting				
1st Following year	19	32	-	-
2nd Following year	12	11	-	-
3rd Following year	16	11	-	-
4th Following year	17	15	-	-
5th Following year	15	16	-	-
6th - 10th Following years	59	68	-	-
11th year and above	126	264	-	-

VII Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	Gratuity	
	2021-22	2020-21
Projected benefit obligation on Current Assumption	153	224
Effect of +1% change in Rate of discounting	(9)	(18)
Effect of -1% change in Rate of discounting	11	21
Effect of +1% change in Rate of Salary Increase	10	36
Effect of -1% change in Rate of Salary Increase	(9)	(29)
Effect of +1% change in Rate of Employee Turnover	(0)	(4)
Effect of -1% change in Rate of Employee Turnover	0	4

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

42 Segment Reporting

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 Managing Director and CEO of the Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company while presenting the consolidated financial statements has disclosed the segment information to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".

Primary Segment Business segments being Trading & Clearing

Particulars	Trading Services		Clearing Services		Unallocable		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
REVENUE:								
External Revenue	550	585	456	479	-	-	1,006	1,063
Inter-segment Revenue	-	-	742	646	-	-	742	646
Total Revenue	550	585	1,198	1,124	-	-	1,748	1,709
SEGMENT RESULT :								
Loss Before Interest & Tax	(3,041)	(3,488)	(1,541)	(1,722)	84	108	(4,498)	(5,102)
Less : Interest Expense	-	-	-	-	(60)	(83)	(60)	(83)
Add : Interest Income	-	-	-	-	1,433	2,118	1,433	2,118
Less: After Interest	(3,041)	(3,488)	(1,541)	(1,722)	1,456	2,144	(3,126)	(3,067)
Less: Tax Expense	-	-	-	-	-	-	41	41
Less : Minority Interest	-	-	-	-	-	-	(33)	(26)
Total Other Comprehensive income	-	-	-	-	-	-	32	11
Loss for the Year	(3,041)	(3,488)	(1,541)	(1,722)	1,456	2,144	(3,102)	(3,070)
OTHER INFORMATION								
Segment Assets	15,438	16,254	12,801	13,462	16,938	19,440	45,177	49,157
Segment Liabilities	4,162	4,545	10,722	10,746	2,851	3,272	17,735	18,564
Segment Capital Expenditure	196	134	258	564	-	-	454	699
Depreciation / Amortisation	573	575	204	148	-	-	777	723

Secondary Segment

Since all the activities of the Group are predominantly conducted in India, there are no separate reportable geographical segments.

Note:

Segment Liabilities are after elimination of inter company contribution towards Settlement Guarantee Fund, Core Settlement Guarantee Fund allocations.

43 Ind AS 24 - Related party Disclosures

a) Names of related parties and nature of relationship:

(i) Key Management Personnel (KMP)

MSEI

- Ms. Latika S. Kundu (MD & CEO)
- Mr. Saket Bhansali (CFO)
- Ms. Manisha Thakur (Company Secretary) upto February 11, 2022
- Mr. Kunal Sanghavi (CFO) upto April 13, 2020
- Mr. P. K. Ramesh (Chief Regulatory officer)
- Mr. Neeraj Gupta (Chief Technology Officer)
- Mr. Anish Kumar (Chief Risk Officer) w.e.f. February 14, 2022
- Mr. Sachin Nayak (Head – Market Operations) w.e.f. February 14, 2022
- Mr. Jagdish Asodekar (Chief Information Security Officer) w.e.f. February 14, 2022
- Mr. Durgesh Kadam (Company Secretary) w.e.f. April 13, 2022

MCCIL

- Mr. Balu Nair (MD & CEO) up to February 26, 2021
- Mr. Krishana Wagle (MD) w.e.f. February 27, 2021 to February 12, 2022
- Mr. Krishana Wagle (CFO) up to February 26, 2021
- Mr. Kirit Dodiya (CFO) w.e.f. July 28, 2021
- Ms. Avni Patel (Company Secretary) up to April 18, 2022

(ii) Others

- Metropolitan Stock Exchange ESOP Trust
- Metropolitan Stock Exchange Investor Protection Fund Trust

b) Details of transactions with related parties

Nature of Transaction	Metropolitan Stock Exchange Investor Protection Fund#	Metropolitan Stock Exchange ESOP Trust (Others)
Amount Receivable	-	-
	-	0
Amount Payable	-	-
	-	0
Closing Balance of Loan to ESOP Trust	-	60
	-	60

The company acts as an intermediary for collection of penalties and share of listing fees to be transferred to Metropolitan Stock Exchange Investor Protection Fund accordingly those transactions have not been considered above.

c) Transactions with KMP:

Nature of transactions	Amount (Rs.)
Salary & allowances*:	
Ms. Latika S. Kundu	75
	75
Mr. Saket Bhansali	65
	37
Ms. Manisha Thakur	30
	34
Mr. Kunal Sanghavi	-
	15
Mr. P.K. Ramesh	46
	42
Mr. Neeraj Gupta	45
	8
Mr. Anish Kumar	6
	-
Mr. Sachin Nayak	5
	-
Mr. Jagdish Asodekar	3
	-
Mr. Balu Nair	-
	84
Mr. Krishna J. Wagle	37
	33
Ms. Avni Patel	20
	22
Mr. Kirit Dodiya	16
	-

Nature of transactions	Amount (Rs.)
Director Sitting Fees	
Mr. Dinesh K Mehrotra	8
	12
Mr. Ketan Shivji Vikamsey	-
	2
Mr. S V D Nageswara Rao	11
	15
Mr. Sudhir Kumar Bassi	-
	5
Ms. Trishna Guha	11
	13
Mr. Vijay Sardana	9
	11
Mr. Ajai Kumar	10
	7
Mr. S. Raghunathan	1
	-
Mr. Vijay Ranjan	12
	13
Mrs. Rita Menon	11
	12
Mr. Alok Mittal	11
	12

*Excludes gratuity and long term compensated absences which are actuarially valued and where separate amounts are not identifiable.

- (i) Related party relationship is as identified by the Company and relied upon by the auditors.
- (ii) There are no amounts written off or written back in the year in respect of debts due from or to related parties.
- (iii) Figures in italic represent previous year's amounts.
- (iv) The transactions with the related parties are disclosed only till the relation exists.
- (v) Transaction charges collected by Metropolitan Clearing Corporation Of India Limited on behalf of the company and paid to the company have not been considered for the aforesaid disclosure.

44 Details of dues to micro, small and medium enterprises

Under Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Accordingly, Company on periodic basis collects the required information from the vendors as to whether they are covered under Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006). Based on the vendors identified as above the outstanding amounts payable to vendors covered under Micro, Small and Medium Enterprises Development Act 2006 are given below;

Particulars	2021 - 22	2020 - 21
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	Principal- Rs. 2,315 Interest-Rs.Nil	Principal - Rs.1,21,775/- Interest-Rs.Nil
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	N.A.	N.A.
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	N.A.	N.A.
The amount of interest accrued and remaining unpaid at the end of accounting year; and	N.A.	N.A.
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	N.A.	N.A.

45 Operating lease

The Company's lease asset primarily consist of leases for office space having various lease terms. The Company also has certain leases of with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

a) Carrying value of right of use assets and the movements thereof :

Particulars	For the year ended	
	2021 - 22	2020 - 21
Opening Gross Block	1,256	926
Addition	-	1,239
Deletion	-	909
Closing Gross Block	1,256	1,256
Opening Accumulated Depreciation	241	400
Addition	271	394
Deletion	-	553
Closing Accumulated Depreciation	511	241
Net Block	744	1,015

b) Carrying value of Lease Liability and the movements thereof :

Particulars	For the year ended	
	2021 - 22	2020 - 21
Opening Balance	1,072	871
Addition	-	1,216
Interest Cost accrued during the year	60	88
Lease liability payment	298	465
Deletion	-	638
Closing Balance	834	1,072
Current Lease Liability	265	249
Non Current Lease Liability	569	822

c) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Rental expense recorded for short-term leases or cancellable in nature was Rs. 26 Lakhs (Previous Year Rs. 51 Lakhs).

d) i The minimum lease rentals on operating leases recognized in the statement of Profit & Loss and the future minimum lease payments under operating leases are as follows:

Particulars	As at	
	31-Mar-22	31-Mar-21
Future minimum lease payments		
Not later than one year	327	402
Later than one year and not later than five years	580	923
Later than five years	-	-

d) ii Lease payments recognised in the statement of Profit & Loss is Rs. 325 Lakhs (Previous year Rs. 466.75 Lakhs).

46 Fair value Measurement

Financial Instruments by category

Particulars	31-03-2022			31-03-2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	-	-	-	-	-
Other Instruments	-	-	6,827	-	-	891
Mutual Funds	1,265	-	-	6,499	-	-
Trade receivables	-	-	421	-	-	160
Cash and cash equivalents	-	-	1,482	-	-	189
Bank balances other than cash and cash equivalents	-	-	21,602	-	-	24,604
Deposits	-	-	1,324	-	-	620
Other financial assets	-	-	1,818	-	-	5,363
Total financial assets	1,265	-	33,474	6,499	-	31,827
Financial liabilities						
Trade payables	-	-	58	-	-	135
Other financial liabilities	-	-	15,956	-	-	16,372
Total financial liabilities	-	-	16,014	-	-	16,507

The carrying amounts of trade receivables, trade payables, deposits, other receivables, cash and cash equivalent including other current bank balances and other liabilities including creditors, etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Fair Value Hierarchy

(a) Fair value hierarchy - Recurring fair value measurements

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Financial assets		
At Fair value through profit & loss		
Level 1		
Mutual fund Investments	1,265	6,499
	1,265	6,499

Recognised fair value measurements

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices of instruments

47 Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the parent Company and its Subsidiary i.e. Metropolitan Clearing Corporation of India Limited (MCCIL) shall have a minimum net worth of Rs. 10,000 Lakhs and Rs. 10,000 lakhs respectively, at all times.

48 Financials Risk Management

The Company's principal financial liabilities comprise of trade and other payables. The Company's principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

The Company has an active Risk Management Committee which enables the Senior Management to establish a strong risk management framework and oversee the related risks from time to time. The business activities of the Company exposes it to certain financial risks which can be broadly categorized into : credit risk, liquidity risk, market risk and regulatory risk. The activities of the Risk Management Committee rotates around identifying, analyzing and categorizing potential risks, set appropriate metrics and controls to timely monitor them and ensure that they adhere to limits. The frameworks, policies and systems related to risk are reviewed on regular intervals by the Committee and proposed changes are reflected depending on factors like market conditions, industry developments, regulatory updates etc.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry in which the customer operates, also has an influence on credit risk assessment.

The Company has a large and diverse customer base and also collects members deposits as collateral which can be utilized in the case of Members default. The Company provides the stock exchange services to its listed companies and registered members and their clients. The revenue of the Exchange is not concentrated on small number of customers. All trade receivables are reviewed and assessed for default on a periodic basis. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Our historical experience of collecting receivables indicate that the credit risk is low.

Other Financial Assets

The Company also maintains cash exposure with banks, term deposits with banks/financial institutions and invests in marketable debt instruments (including mutual funds). For risk diversification, the Company invests into varied instruments across various organizations with secured credit ratings as per the approved Investment Policy. Individual limits are set on concentration and exposures, credit ratings, financial position of each segment and counter-party and it is ensured that regular monitoring of the mentioned criteria are being done by the Company. Due to diversification, secure ratings and proper monitoring on a timely basis, risk factor is very limited.

Liquidity risk

Liquidity risk is the risk that the Company faces in terms of obligations related to financial liabilities. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows. The Company's treasury department ensures that the day-to-day forecasts are being made in terms of cashflow requirements based on operational needs and any surplus cash generated is either retained as cash and cash equivalents or invested in allowed investible instruments as per the Investment Policy of the Company.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2022 and March 31, 2021.

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2022				
Liabilities				
Trade payables	58	58	-	58
Other financial liabilities	15,956	4,057	11,898	15,956
Assets				
Trade Receivables	421	421	-	421
Investment	5,269	5,269	0	5,269
Other Investments	2,823	-	2,823	2,823
Cash and Cash equivalents	1,482	1,482	-	1,482
Bank balances other than cash and cash equivalents	21,602	21,602	-	21,602
Deposits	1,324	-	1,324	1,324
Other financial assets	1,818	1,818	-	1,818
As at March 31, 2021				
Liabilities				
Trade payables	134	134	-	134
Other financial liabilities	16,372	4,865	11,506	16,372
Assets				
Trade Receivables	160	160	-	160
Investment	6,499	6,499	-	6,499
Other Investments	891	-	891	891
Cash and Cash equivalents	189	189	-	189
Bank balances other than cash and cash equivalents	24,604	24,604	-	24,604
Deposits	620	-	620	620
Other financial assets	5,363	5,363	-	5,363

Market risk

The Company's business, financial condition and operations are dependent upon the levels of activity on the Exchange and in particular upon the traded volume, number of listed companies / securities, the number of new listings and subsequent issuances, number of members added etc. All these contribute to our revenue.

The Company is exposed to interest rate risk due to its investments in debt-related instruments. The interest rate risk is directly linked to the future movements of yield in the market depending on RBI's decision and take on various factors.

The Company is mainly exposed to the price risk due to its investment in mutual funds and investments in equity shares. The price risk arises due to uncertainties about the future market values of these investments.

Regulatory risk

The Company is a Stock Exchange recognized by Securities and Exchange Board of India (SEBI). The Company's operations are subject to continuous review as per the governing regulations as laid down by SEBI. The Company's regulatory team constantly monitors the compliance all applicable SEBI rules and regulations.

Post implementation of interoperability requirements, all Exchanges are required to contribute such amounts to the Core SGF of the Clearing Corporations as may be determined in accordance with the methodology specified by SEBI. The contribution to the Settlement Guarantee Fund of each Clearing Corporation is based on the ratio of Turnover of each Exchange to the relevant Clearing Corporation. The Exchange has made already met necessary contribution to SGF and is in compliance with the requirement laid down.

SEBI letter No. SEBI/LAD-NRO/GN/2021/50 dated September 15, 2021 renewed the recognition granted to the Stock Exchange for a period of one year commencing on the 16th day of September 2021 and ending on 15th day of September 2022.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Company. The clearing and settlement operations are conducted through a wholly owned subsidiary Metropolitan Clearing Corporation Of India Limited (MCCI). MCCI guarantees the settlement of trade executed on Company's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

49 Taxes

a) Income Tax Expenses

The major components of income tax expenses for the year ended March 31, 2022

Profit or loss section

Particulars	2021-22	2020-21
Current tax expense	14	-
Tax expense of earlier years	-	(0)
Deferred tax	27	41
Total income tax expense recognised in profit or loss	41	41

Other comprehensive income section

Particulars	2021-22	2020-21
Re-measurements of the defined benefit plans;	(4)	(0)
Total income tax expense recognised in Other comprehensive income	(4)	(0)

b) Reconciliation of effective tax rate

Particulars	2021-22	2020-21
a) Income before income tax	(3,126)	(3,067)
b) Enacted tax rate in India	26%	26%
c) Expected tax expenses (a*b)	-	-
d) Other than temporary differences		
Investment income	-	-
Expenses disallowed / (allowed)	-	-
Total	-	-
e) Temporary difference	8,890	11,864
Temporary difference on which deferred tax assets not recognised	(8,890)	(11,864)
Total	-	-
f) Net adjustments (d+e)	-	-
g) Current tax expense of earlier years	-	(0)
h) Tax expenses recognised in Profit or Loss (c+f+g)	41	41

In the absence of reasonable certainty, deferred tax assets on account of unabsorbed depreciation and brought forward losses has not been recognized.

50 Expenditure in foreign currency

Particulars	2021-22	2020-21
Travelling and Conveyance	33	0
Professional Charges	-	5
Repair, Maintenance & Sponsorship	-	83

51 Revenue from contract with customer

a The revenue from contracts with customers to the amounts disclosed as total revenue is as under

Particulars	2021-22	2020-21
Revenue from contract with customer	994	1,054
Revenue from other sources	11	9
Total	1,006	1,063

b The disaggregation of revenue from contracts with customers is as under :

i Geographical Location

Particulars	2021-22		2020-21	
	India	Foreign	India	Foreign
Total Revenue	983	23	1,041	23

ii At point in time / Over time

Particulars	2021 - 22			2020 - 21		
	At point in time	Over Time	Total	At point in time	Over Time	Total
Total Revenue	274	731	1,006	291	772	1,063

c The contract assets & liability from contract with customers are as under :

i Contract Assets

Particulars	2021-22	2020-21
Opening Balance of Contract Asset	71	16
Previous year - Contract Asset - reclassified to trade receivable on invoicing	69	16
Current year – Contract asset	18	71
Closing Balance of Contract Assets	20	71

ii Contract Liability

Particulars	2021-22	2020-21
Opening Balance of Contract Liability	36	33
Previous year - Contract Liability - Revenue recognized during the year	17	3
Current year – Contract Liability Carried forward	8	6
Closing Balance of Contract Liability	27	36

52 Core Settlement Guarantee Fund (Core SGF)

(A) For Segments other than Commodity Derivatives:

Securities & Exchange Board of India (SEBI) 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 for Equity Cash Market (ECM), Equity Derivatives Segment (EDS), Currency Derivatives Segment (CDS) and Debt Market Segment (DMS). 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.

Minimum Required Corpus (MRC) of Core SGF - March 31, 2022

Segment	Contribution required from MCCIL	Contribution required from the Exchanges	Maximum contribution required from Clearing Members	MRC
	(a) = 50%*d	(b) = 25%*d	(c) = 25%*d	(d) = (a) + (b) + (c)
CDS - (Under Interoperability)	2,083	1,041	1,041	4,165
ECM - (Under Interoperability)	1	0	0	1
EDS - (Under Interoperability)	-	-	-	-
DMS - (MSE Segment)	-	-	-	-
TOTAL	2,083	1,042	1,042	4,167

Corpus of Core SGF as on March 31, 2022

Segment	Total Contribution to Core SGF				Penalties	Total Corpus
	MCCIL	MSE	Other Exchanges	Clearing Members		
	Cash	Cash	Cash	Cash	Cash	Cash
	(a)	(b)	(c)	(d)	(e)	(f) = (a)+(b)+(c)+(d)+(e)
CDS - (Under Interoperability)	3,698	1,515	-	-	582	5,795
ECM - (Under Interoperability)	42	-	-	-	0	42
EDS - (Under Interoperability)	42	-	-	-	4	45
DMS - (MSE Segment)	42	-	-	-	-	42
Total	3,823	1,515	-	-	586	5,924
Total - CORE SGF CORPUS						5,924

Note:

- Contribution made by the MCCIL to the Core SGF Corpus is funded through its Equity.
- Further, in accordance with the directions received from the SEBI, MCCIL had contributed an amount of INR 25 lakh each in Equity Derivative Segment, Equity Cash Market Segment and Debt Market Segment as the minimum corpus of Core SGF with effect from February 2, 2015.
- Corpus of Core SGF includes contribution made by the contributors, penalties levied and income earned on the corpus.
- As decided in the Risk Management Committee in their meeting held on December 20, 2019, the requirement from the Exchanges in the Equity Cash Market (ECM) Segment will be recovered from the Exchanges once the individual requirement from each Exchange reaches INR 1 Lakh.

(B) For Commodity Segment:

Securities & Exchange Board of India (SEBI) had issued norms related to Core SGF and standardized stress testing for credit risk for commodity derivatives vide circular SEBI/ HO/ CDMRD/ DRMP/ CIR/ P/ 2018/ 111 dated July 11, 2018. 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.

Minimum Required Corpus (MRC) of Core SGF - March 31, 2022

Segment	Contribution required from MCCIL	Contribution required from ICEX	Contribution required from Clearing Members	MRC
	(a) = 50%*d	(b) = 25%*d	(c) = 25%	(d) = (a) + (b) + (c)
Commodity Derivative Segment	500	250	250	1,000
Total	500	250	250	1,000

Corpus of Core SGF as on March 31, 2022

Segment	Total Contribution to Core SGF			Penalties	Total Corpus
	MCCIL	ICEX	Clearing Members		
	Cash	Cash	Cash	Cash	Cash
	(a)	(b)	(c)	(d)	(e) = (a)+(b)+(c)+(d)
Commodity Derivative Segment	619	4,392	-	64	5,075
Total	619	4,392	-	64	5,075

Note:

- 1 Corpus of Core SGF for commodity segment includes contribution made by the contributors, penalties levied and income earned on the corpus.
- 2 Clearing Member contribution have not been sought in view of the adequacy of Core SGF Corpus after taking into consideration the contributions (including the interest income) made by the MCCIL and the ICEX.

(C) For Segments other than Commodity Derivatives:

The total value of liquid assets (cash and non-cash) maintained by the Clearing Members for Segments other than Commodity Derivatives with MCCIL in addition to their Core SGF Contribution as on March 31, 2022 amounts to INR 13,697.49 Lacs (previous year: INR 14,635.32 Lacs).

(D) For Commodity Segment:

The total value of liquid assets (cash and non-cash) maintained by the Clearing Members for ICEX segment with MCCIL in addition to their Core SGF Contribution as on March 31, 2022 amounts to INR 612.00 Lacs (previous year: INR 826.75 Lacs).

53 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013
Year Ended March 31, 2022

Sr. No.	Name of the Entity in the Group	Net Asset i.e. Total assets minus total liabilities		Share in Profit		Share in Other Comprehensive Income (OCI)		Share in total Comprehensive Income	
		As % of	Amount	As % of	Amount	As % of	Amount	As % of total	Amount
A	Parent								
	Metropolitan Stock Exchange of India Ltd.	38%	17,099	(101%)	(2,349)	63%	20	(101%)	(2,329)
B	Indian Subsidiaries								
i	Metropolitan Clearing Corporation of India Ltd.	61%	27,551	2%	56	37%	12	3%	67
ii	MCX-SX KYC Registration Agency Ltd.	0%	2	0%	(0)	0%	-	0%	(0)
iii	Non-controlling Interest in all Subsidiaries	1%	525	(1%)	(33)	0%	-	(1%)	(33)
	Total	100%	45,177	(100%)	(2,327)	100%	32	(100%)	(2,295)

Year Ended March 31, 2021

Sr. No.	Name of the Entity in the Group	Net Asset i.e. Total assets minus total liabilities		Share in Profit		Share in Other Comprehensive Income (OCI)		Share in total Comprehensive Income	
		As % of	Amount	As % of	Amount	As % of	Amount	As % of total	Amount
A	Parent								
	Metropolitan Stock Exchange of India Ltd.	42%	20,692	(103%)	(2,430)	106%	12	(103%)	(2,418)
B	Indian Subsidiaries								
i	Metropolitan Clearing Corporation of India Ltd.	57%	27,910	2%	43	(6%)	(1)	2%	43
ii	MCX-SX KYC Registration Agency Ltd.	0%	2	0%	(0)	0%	-	0%	(0)
iii	Non-controlling Interest in all Subsidiaries	1%	553	1%	26	0%	-	1%	26
	Total	100%	49,157	(100%)	(2,361)	100%	11	(100%)	(2,349)

- 54** 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 which 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.

55 Warehousing and Vaulting are key elements in effecting physical deliveries taking place through the Clearing Corporation. To cater to the storage requirements of various Clearing Members and their respective constituents/ depositors who are willing to store goods and give delivery on the Clearing Corporation, MCCIL has made necessary arrangements with accredited Warehouse Service Providers and one Vault Service Provider.

56 Interoperability:

SEBI vide Circular: CIR/MRD/DRMNP/CIR/P/2018/145 dated November 27, 2018, introduced framework for interoperability among Clearing Corporations. This would allow market participants to consolidate their clearing and settlement functions at a single clearing corporation (CCP), irrespective of the stock Exchange on which the trade is executed. It is expected that the interoperability among CCPs would lead to efficient allocation of capital for the market participants, thereby saving on costs as well as provide better execution of trades.

MCCIL has successfully implemented the operationalization of interoperability as per prescribed guidelines and timelines by the SEBI.

57 Interoperability among Clearing Corporations (CC) was implemented w.e.f June 2019. After implementation of the same, members of the Exchange have the option to choose CC to clear their trades. Further, as per the requirement laid down vide SEBI circular dated August 27, 2014 for contribution by Exchange to core SGF of each CC through which its trades are cleared. The Exchange had contributed towards the same to the tune of Rs. 10.41 crores (excluding interest earned thereon) to MCCIL. Further, the Exchange has represented to SEBI for allowing the excess contribution made by the Exchange to MCCIL to be adjusted with the said contribution to other Clearing Corporations requirements, which SEBI has allowed to all the Exchanges vide its circular SEBI/HO/MRD2/DCAP/CIR/P/2021/03 dated January 8, 2021. Accordingly, MSE has complied with the core SGF requirement.

58 The group was not required to spend any amount towards CSR as per Section 135 of the Companies Act, 2013.

59 Utilisation of Borrowed funds and share premium

The group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), with the understanding whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

60 Other disclosure required under Schedule III as amended:

- a. The group has not traded or invested in crypto currency or virtual currency during the financial year.
- b. No proceedings have been initiated or are pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereon.
- c. The group has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- d. The group has not entered into any scheme of arrangement.
- e. There are no charges or satisfaction required to be registered with ROC by the group.
- f. There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- g. The group does not possess any immovable property (other than properties where the group is the lessee and the lease agreements are duly executed in favour of the lessee, whose title deeds are not held in the name of the group during the financial year ended March 31, 2022 and March 31, 2021).
- h. There are no core investment company (CIC) in the group

61 Compliance with number of layers of Companies

The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial year ended March 31, 2022 and March 31, 2021.

62 Loans or advances to specified persons

The Group has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are:

- (a) repayable on demand or,
- (b) without specifying any terms or period for repayment.

63 Details of transactions with Companies struck off under section 248 of the Companies Act, 2013:

The group have not undertaken any transactions with any company whose name is struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended March 31, 2022 and March 31, 2021.

64 Disclosure of Loans given/ Investment made/ Guarantee / Securities given as per Section 186(4) as per Companies Act 2013:

As per Multi-Party Interoperability Agreement entered into on June 15, 2019 amongst Metropolitan Clearing Corporation of India Ltd (MCCIL), Metropolitan Stock Exchange of India Limited (MSE), NSE Clearing Limited (NCL), The National Stock Exchange of India Limited (NSE), Indian Clearing Corporation Limited (ICCL) & BSE Limited (BSE), for the purposes of settlement of Inter CC obligations, are be required to post collateral with each other. The various forms in which the margins can be exchanged between the Clearing Corporations are cash, securities, corporate bonds, government securities, bank guarantees, fixed deposit receipts and any other form as allowed by SEBI from time to time, or mutually agreed by the Clearing Corporations. Further, for this purpose, each Clearing Corporation will only post its own collateral with the other Clearing Corporation free from any lien, charge or any encumbrances whatsoever.

Accordingly, MCCIL had lien marked its fixed deposits amounting to INR 5.96 Crore in favour of NCL towards Inter CC Margin.

65 Office of Regional Director, (WR), Ministry of Corporate Affairs vide letter dated March 25, 2021 intimated commencement of inspection u/s 206(5) of the Companies Act, 2013. The Exchange has submitted necessary documents and the inspection is under process.
66 Ratios

Particulars	Year ended	Numerator	Denominator	Final Ratio	Variance
Current Ratio	March 31, 2022	32,105	5,111	6	(0.38%)
	March 31, 2021	38,468	6,101	6	
		Current Assets:- Value of all assets it can reasonably expect to convert into cash within one year	Current Liability:- Obligations that are due within one year		
Return on equity ratio	March 31, 2022	(3,167)	26,068	(12%)	14.07%
	March 31, 2021	(3,108)	29,175	(11%)	
		Net income:- Net profit before dividend	Shareholder equity:- Assets minus liabilities		
Trade receivable turnover ratio	March 31, 2022	1,006	291	3	(54.96%)
	March 31, 2021	1,063	138	8	
		Net credit sales:- sales where the amount is realised at a later date.	Average accounts receivable:- sum of starting and ending accounts receivable over a time period (such as monthly or quarterly), divided by 2.	Decrease due to decrease in average receivables and turnover in CY.	

Trade payable turnover ratio	March 31, 2022	2,482	97	26	90.97%
	March 31, 2021	1,721	128	13	
		Net credit purchase:- purchase where the amount is paid at a later date.		Average accounts payable:- sum of starting and ending accounts payable over a time period (such as monthly or quarterly), divided by 2.	Increase due to increase in credit purchase and decrease in average payable in CY.
Net capital turnover ratio	March 31, 2022	1,006	26,068	4%	5.88%
	March 31, 2021	1,063	29,175	4%	
		Total Sales:- Total annual turnover of the Company for the financial year		Shareholder equity:- Assets minus liabilities	
Net profit ratio	March 31, 2022	(3,167)	1,006	(3)	7.73%
	March 31, 2021	(3,108)	1,063	(3)	
		Net profit:- net profit / (loss) for the year		Net sales:-Total annual turnover of the Company for the financial year	
Return on capital employed	March 31, 2022	(3,126)	26,068	(12%)	14.08%
	March 31, 2021	(3,067)	29,175	(11%)	
		Earnings and before interest and tax		Shareholder equity:- Assets minus liabilities	

67 Office of Regional Director, (WR), Ministry of Corporate Affairs vide letter dated March 25, 2021 intimated commencement of inspection u/s 206(5) of the Companies Act, 2013. The Exchange has submitted the information and documentation sought and the inspection is under process.

68 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.

69 Balances grouped under Non-Current and Current Liabilities and Non-Current and Current Assets in certain cases are subject to confirmation and reconciliation from respective parties. Impact of the same, if any, shall be accounted as and when determined.

70 In the opinion of the management the loans and advances are approximately of the value stated, if realized, paid in ordinary course of business. The provision for all known liabilities are adequate and are not in excess of amount considered reasonably necessary.

71 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report of even date

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

For and on Behalf of the Board of Directors of
Metropolitan Stock Exchange of India Limited

Pramod Tilwani
 Partner
 Membership No.076650

S.V.D. Nageswara Rao
 Chairman & Public Interest Director
 DIN : 02105323

Latika S. Kundu
 Managing Director & CEO
 DIN : 08561873

Mumbai
 Dated : May 27, 2022

Saket Bhansali
 Chief Financial Officer

Durgesh Kadam
 Head Legal & Company Secretary
 FCS 8496



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