



## 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 15<sup>TH</sup> ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 15th Annual General Meeting (“AGM”) of Shareholders of Metropolitan Stock Exchange of India Limited (“MSE”) will be held on Wednesday, December 20, 2023 at 02:00 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, 2023 and the Reports of the Board of Directors and Auditors thereon

#### **SPECIAL BUSINESS**

##### **2) TO CONSIDER AND APPROVE APPOINTMENT OF MR. MANOJ KUNKALIENKAR (DIN: 00019200), AS NON-INDEPENDENT DIRECTOR ON THE BOARD OF THE COMPANY**

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** based on the recommendation of Nomination and Remuneration Committee, approval of the Board of Directors of the Company and pursuant to provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as may be amended from time to time and subject to approval of the Securities and Exchange Board of India (SEBI) and other regulatory approvals in this regard as may be necessary and subject to such condition(s) and modification(s) as may be prescribed and imposed by such authorities while granting such approval(s), permission(s) and sanction(s), Mr. Manoj Kunkalienkar (DIN:00019200) who has consented to act as a Director, is eligible for appointment and in respect of whom the Company has received a Notice in writing from a member under the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company in Non-Independent Director category, liable to retire by rotation.

**RESOLVED FURTHER THAT** any one of the Directors and/ or Managing Director & CEO and/ or Chief Financial Officer and/ or Chief Regulatory Officer & Compliance Officer and/ or Head- Legal & Company Secretary of the Company be and are hereby authorized to do all acts, deeds and things necessary to give effect to the above resolution.”

##### **3) TO APPOINT MR. DINESH C PATWARI (DIN: 10060352) AS AN (INDEPENDENT DIRECTOR) PUBLIC INTEREST DIRECTOR & CHAIRMAN OF THE COMPANY.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors through circular resolution passed on May 22, 2023 and in accordance with the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred as ‘SECC Regulations, 2018’), as amended from time to time and Articles of Association of the Company, and in terms of the approval of the Securities and Exchange Board of India vide its letter dated May 19, 2023, and such other approvals as may be necessary, and such conditions as may be prescribed by the authorities, consent of the Members be and is hereby accorded for the appointment of Mr. Dinesh C Patwari (DIN: 10060352) as Independent Director (Public Interest Director) and Chairman of the Company w.e.f. May 22, 2023, for 3 (three) consecutive years, not liable to retire by rotation, commencing from May 22, 2023 upto May 21, 2026 and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a shareholder proposing his candidature for the office of Director.

**RESOLVED FURTHER THAT** any Director, Managing Director and Chief Executive Officer, Chief Financial Officer, Chief Regulatory Officer & Compliance Officer and Head-Legal & Company Secretary be and are hereby severally authorized to take necessary steps as may be required to give effect to the resolution and matters related thereto.”

**4) TO APPOINT MR. RAKESH KUMAR SRIVASTAVA (DIN: 08896124) AS AN (INDEPENDENT DIRECTOR) PUBLIC INTEREST DIRECTOR.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors through circular resolution passed on November 18, 2023 and in accordance with the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred as ‘SECC Regulations, 2018’), as amended from time to time and Articles of Association of the Company, and in terms of the approval of the Securities and Exchange Board of India vide its letter dated November 13, 2023, and such other approvals as may be necessary, and such conditions as may be prescribed by the authorities, consent of the Members be and is hereby accorded for the appointment of Mr. Rakesh Kumar Srivastava (DIN: 08896124) as Independent Director (Public Interest Director) of the Company w.e.f. November 18, 2023, for 3 (three) consecutive years, not liable to retire by rotation, commencing from November 18, 2023 upto November 17, 2026 and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a shareholder proposing his candidature for the office of Director.

**RESOLVED FURTHER THAT** any Director, Managing Director and Chief Executive Officer, Chief Financial Officer, Chief Regulatory Officer & Compliance Officer and Head-Legal & Company Secretary be and are hereby severally authorized to take necessary steps as may be required to give effect to the resolution and matters related thereto.”

**By Order of the Board of Directors**

Date: November 20, 2023

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 businesses 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](mailto:secretarial@msei.in)
3. Pursuant to the General Circular Nos. 09/2023 dated September 09, 2023 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 September 30, 2024, without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the Fifteenth 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 2022-23, 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](http://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](mailto:ramakant.kini@sterlingassociates.in) and/ or on [evoting@nsdl.co.in](mailto: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. 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.

10. 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.
11. 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.
12. 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.
13. 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.
14. 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.
15. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act
16. 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 02:00 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.
17. The term ‘Members’ has been used to denote Shareholders of Metropolitan Stock Exchange of India Limited.
18. The Audited Accounts of the Company and its subsidiary Companies are available on the Company’s website at [www.msei.in](http://www.msei.in).

## 19 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](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

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

1. 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](mailto: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 Tuesday, December 12, 2023 at 09:00 A.M. and closes on Thursday, December 14, 2023 at 05:00 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.
2. 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.
3. 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.

## 21. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

- 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.
- 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.mseil.in](http://www.mseil.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](http://www.evoting.nsdl.com).
- 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., Wednesday, December 13, 2023 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.
- 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. Wednesday, December 13, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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](http://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. Wednesday, December 13, 2023, may follow steps mentioned in the Notice of the AGM under **Step 1: "Access to NSDL e-Voting system"**.
- The remote e-voting period commences on Sunday, December 17, 2023 (9:00 A.M. IST) and ends on Tuesday, December 19, 2023 (5:00 P.M. IST). During this period, Members of the Company, holding shares as on the cutoff date i.e., Wednesday, December 13, 2023, 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.

## 22. 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 Sunday, December 17, 2023 at 09:00 A.M. and ends on Tuesday, December 19, 2023 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. Wednesday, December 13, 2023, 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 Wednesday, December 13, 2023.

- 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.	<p>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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 &amp; voting during the meeting.</p> <p>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p>



Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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 &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>App Store</b></p> </div> <div style="text-align: center;">  <p><b>Google Play</b></p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. 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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>2. 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 &amp; 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.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will aut</p> <p>5. Authenticate the user by sending OTP on registered Mobile &amp; 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.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>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 &amp; voting during the meeting.</p>

**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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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?**

- 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, 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.
- 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***

- Password details for shareholders other than Individual shareholders are given below:
  - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - 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.
  - 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.
- If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - 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](http://www.evoting.nsdl.com).
  - “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto: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](mailto: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](mailto: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](mailto: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.

23. 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](http://www.evoting.nsdl.com) to reset the password.

24. 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](http://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](mailto:evoting@nsdl.co.in).

**Declaration of Voting Results:**

25. 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](http://www.msei.in) and <https://www.evoting.nsdl.com> (agency providing e-voting facility).

26. 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	Wednesday, December 13, 2023
2	For updating Email ID & other details before the Cut-off date for e-Voting	<b>Refer point no. 10</b>
3	Time period for remote e-Voting	Commences on Sunday, December 17, 2023 at 9:00 AM Ends on Tuesday, December 19, 2023 at 5:00 PM
4	Speaker Registration/ Post your Queries	<b>Refer point no. 20</b>

By Order of the Board of Directors

Date: November 20, 2023  
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:

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 10, 2023 approved and recommended the appointment of Mr. Manoj Kunkalienkar (DIN:00019200) as a Non-Independent Director, subject to approval of the Shareholders and Securities and Exchange Board of India (SEBI). The Company has received all statutory disclosures/ declarations from Mr. Manoj Kunkalienkar. The Company has received a notice in writing from a Shareholder under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company.

In the opinion of the Board, Mr. Manoj Kunkalienkar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as Non-Independent Director of the Company and is independent of the Management.

Mr. Manoj Kunkalienkar completed his education from IIT Bombay, India's premier institute, with B. Tech in Electrical Engineering (1981) and M. Tech in Computer Science (1983). Specializes in application system performance consulting and has improved performance of various applications in sectors namely the Banking, Finance and Insurance sector. He has been working closely with Dr. Deepak Phatak and Dr. N. L. Sarda of IIT Bombay providing consulting services to prestigious organizations such as IIT Bombay, MTNL, Rashtriya Chemical Fertilizers Limited. In early years of his life after graduating from IIT.

Mr. Manoj Kunkalienkar shall be liable to retire by rotation and the applicable terms and conditions as mentioned under Companies Act, 2013, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be applicable to him.

Mr. Manoj Kunkalienkar shall be entitled to receive sitting fees. Mr. Manoj Kunkalienkar 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. Manoj Kunkalienkar, 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. Based on the recommendation of the Nomination and Remuneration Committee and considering his rich and varied experience, the Board recommends appointment of Mr. Manoj Kunkalienkar, as set out in the resolution in Item no. 2, for approval of the members as an Ordinary Resolution. The appointment of Mr. Manoj Kunkalienkar will be effective post approval of Securities and Exchange Board of India.

#### Item No. 3:

SEBI had vide letter dated May 19, 2023 approved the appointment of Mr. Dinesh C. Patwari as Public Interest Director of the Exchange for a period of three years under provisions of SECC Regulations, 2018. The Board Vide Circular resolution dated May 22, 2023 approved and rec-



ommended the name of Mr. Dinesh C. Patwari to SEBI for nomination as Public Interest Director ('PID') on the Board of Exchange. As per SECC Regulations, 2018 Mr. Dinesh C. Patwari is not liable to retire by rotation.

As per SECC Regulation 2(1)(o), Public Interest Director is an Independent Director and as per Section 150(2) of the Companies Act 2013, appointment of Independent Director shall be approved by shareholders in a general meeting.

Mr. Dinesh C. Patwari is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received declaration from him that he meets with the criteria of independence as prescribed under subsection 149(6) of the Act. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 for such appointment as Independent Director.

Accordingly, the Board recommends the Resolution at Item No. 3 of the accompanying Notice for appointment of Mr. Dinesh C. Patwari as an Independent Director and Chairman.

None of the Directors except Mr. Dinesh C. Patwari, or key managerial personnel, or their relatives are concerned or interested, financially or otherwise, in this resolution.

#### Item No. 4:

SEBI had vide letter dated November 13, 2023 approved the appointment of Mr. Rakesh Kumar Srivastava as Public Interest Director of the Exchange for a period of three years under provisions of SECC Regulations, 2018. The Board Vide Circular resolution dated November 18, 2023 approved and recommended the name of Mr. Rakesh Kumar Srivastava to SEBI for nomination as Public Interest Director ('PID') on the Board of Exchange. As per SECC Regulations, 2018 Mr. Rakesh Kumar Srivastava is not liable to retire by rotation.

As per SECC Regulation 2(1)(o), Public Interest Director is an Independent Director and as per Section 150(2) of the Companies Act 2013, appointment of Independent Director shall be approved by shareholders in a general meeting.

Mr. Rakesh Kumar Srivastava is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received declaration from him that he meets with the criteria of independence as prescribed under subsection 149(6) of the Act. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 for such appointment as Independent Director.

Accordingly, the Board recommends the Resolution at Item No. 4 of the accompanying Notice for appointment of Mr. Rakesh Kumar Srivastava as an Independent Director and Chairman.

None of the Directors except Mr. Rakesh Kumar Srivastava, or key managerial personnel, or their relatives are concerned or interested, financially or otherwise, in this resolution.

#### Details of Director seeking appointment 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. Dinesh C. Patwari	Mr. Manoj Kunkalienkar	Mr. Rakesh Kumar Srivastava
Category	Public Interest Director	Non-Independent Director	Public Interest Director
DIN	10060352	00019200	08896124
Date of first appointment on the Board	22/05/2023	NA	18/11/2023
Item No.	3	2	4
Date of Birth	August 01, 1962	August 08, 1959	July 01, 1963
Brief Resume and Expertise in specific functional area	<p>Brief work experience of Mr. Dinesh C. Patwari is as follows:</p> <p>A versatile, result oriented and a committed professional with 36 years of varied experience in the field of Taxation, Finance, Investigation, Governance and Human Resource Management. With his superlative performance in the past several years, he was able to create many landmarks in the different assignments held. As a team leader, He always got complete support from all the stake holders, due to an objective, focused, humane and participative leadership, that he conducted with integrity. It is said that he still works with the energy, enthusiasm, dedication and focus of a 30-year-old.</p>	<p>Brief work experience of Mr. Manoj Kunkalienkar is as follows:</p> <p>Mr. Manoj Kunkalienkar completed his education from IIT Bombay, India's premier institute, with B. Tech in Electrical Engineering (1981) and M. Tech in Computer Science (1983). Specializes in application system performance consulting and has improved performance of various applications in sectors namely the Banking, Finance and Insurance sector. He has been working closely with Dr. Deepak Phatak and Dr. N. L. Sarda of IIT Bombay providing consulting services to prestigious organizations such as IIT Bombay, MTNL, Rashtriya Chemical Fertilizers Limited.</p>	<p>Brief work experience of Mr. Rakesh Kumar Srivastava is as follows</p> <p>Mr. Srivastava is a law graduate, Fellow Member of Company Secretary, Post Graduate in Commerce, Active Member of ASSOCHAM, Merchant chamber of UP, Former Chairman of NIRC, Former Chairman of Kanpur Chapter of ICSI, having experience of more than three decades and worked as Company Secretary cum Chief Law Officer in various organizations and thereafter established a company in the name &amp; style of "Rana Corporate Advisors Private Limited" for providing Corporate Strategic Advisory</p>

	<ul style="list-style-type: none"> <li>- Principal Chief Commissioner of Income Tax, Karnataka &amp; Goa (for approximately 2 years), with Tamil Nadu &amp; Puducherry also held as an additional charge for 9 months.</li> <li>- DGIT(Inv.), Chennai for 18 months and Bangalore for 4 months (as an additional charge).</li> <li>- PCIT-2 and PCIT-3, Mumbai and PCIT-2, Jaipur ( 5 years )</li> <li>- Commissioner of Income Tax (Appeals) and ITAT ( 7 years )</li> <li>- Addl. Commissioner of Income Tax, Central, Ranges assessments &amp; ITAT (9 years)</li> <li>- ACIT, Central &amp; Business Charges and ADIT(Inv.) (8 years)</li> </ul> <p>He also authored a Book Titled 'Options &amp; Futures in an Indian Perspective' published by JAICO Publishing House in 2000, even before these instruments were introduced in India. 3 editions and several reprints of this Book have come so far.</p>	<p>At 3i Infotech his focus was on handling the software services. He was elevated to the board and his responsibility included global technology services business, top and bottom line responsibility for Indian geography and support services like quality, PMO etc.</p> <p>After 3i Infotech, he was entrusted with a role of MD &amp; CEO at Saraswat Infotech where he transformed SIL from an inward focused services company (providing services to the parent) to customer focused organization by offering bouquet of products and services.</p> <p>Currently he runs an IP-Led Services business, Soft.Com India Pvt. Ltd.</p>	<p>Services, Secretarial Audit, Due Diligence, Corporate Governance Compliance Audit, Corporate Restructuring advisory services for Merger, Amalgamation, Takeover, Scrutinizer for E-voting, Postal Ballot Process, Internal Audit, Intellectual Property Right, Compliance, Advisory, Arbitration Services, Appearance before various regulatory authorities viz., Ministry of Corporate Affairs (MCA), National Company Law Tribunal (NCLT), Securities &amp; Exchange Board of India (SEBI), Stock Exchanges, National and other Consumer Forums, Trade Mark, Patent, Copyright Registry &amp; other Quasi-judicial Authorities for various Corporate Houses and Public Sector undertakings.</p> <p>A dedicated and resourceful Professional with a strong background of Secretarial / Legal Compliance, Funds Management and Strategic Business Planning with highly diversified business conglomerates. Can be headhunted for spearheading the efforts across organizations to achieve management vision &amp; goals in planned and stipulated time frame. Assured to make an organization benchmark in the field at world level by improving the process and system by utilizing Educational and Practical Experience in best way.</p>
Qualifications	<ul style="list-style-type: none"> <li>- MBA in Public Policy &amp; Management from IIM, Ahmedabad</li> <li>- Treasury &amp; Forex Management from ICAI</li> <li>- M.Com in Accounts &amp; Business Statistics from Rajasthan University</li> <li>- M.Com in Financial Management from Rajasthan University</li> <li>- B.Com from Rajasthan University</li> </ul>	<ul style="list-style-type: none"> <li>- B. Tech in Electrical Engineering (1981) from IIT, Bombay</li> <li>- M. Tech in Computer Science (1983) from IIT, Bombay</li> </ul>	<ul style="list-style-type: none"> <li>- Fellow Member of Institute of Company Secretaries of India</li> <li>- LLB from Kanpur University</li> <li>- M.Com from Kanpur University</li> </ul>
Terms and Conditions of appointment/ re appointment	Not liable to retire by rotation	Liable to retire by rotation	Not liable to retire by rotation
Number of Meetings of the Board attended during the year	0	0	0
Remuneration drawn, if any	Sitting fees as permitted under the Companies Act, 2013.	Sitting fees. As permitted under the Companies Act, 2013.	Sitting fees as permitted under the Companies Act, 2013.

Other Directorships	Nil	Nil	- Managing Director in Rana Corporate Advisors Pvt Ltd since 28/09/2020
Chairman/Member of the Committees of the Board of Directors of other companies in which he/she is a Director	Nil	Nil	Nil
Committee position held in MSE*	Chairman-Advisory Committee Chairman-Stakeholder Relationship Committee Chairman- Standing Committee on Technology Chairman- Regulatory Oversight Committee Chairman- Risk Management Chairman- Delisting Committee Member-Member and Core Settlement Guarantee Fund Committee (MCSGF) Member- Public Interest Directors Member- Investment Committee Member- MSEI-Investor Protection Fund	Member- Standing Committee on Technology Member- Information Security Steering Committee	Chairman – Nomination & Remuneration Committee Member – Audit Committee Member – Standing Committee on Technology
No. of Equity shares held in the Exchange	Nil	Nil	NIL
Relationship between Directors inter se	None	None	None

\*Chairmanship and membership of Advisory Committee, Stakeholder Relationship Committee, Standing Committee on Technology, Regulatory Oversight Committee, Risk Management, Delisting Committee, Member and Core Settlement Guarantee Fund Committee (MCSGF), Public Interest Directors, Investment Committee, MSEI-Investor Protection Fund have been considered.

**By Order of the Board of Directors**

Date: November 20, 2023  
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

# ANNUAL REPORT 2022-23

Currency Derivatives

Interest Rate Futures

Equity

Equity Derivatives



*Your* TRUST

*is our* STRENGTH



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# Corporate Information

## Board of Directors

**Mr. Dinesh C Patwari \***

Chairman & Public Interest Director

**Mr. Rakesh Kumar Srivastava\*\***

Public Interest Director

**Ms. Trishna Guha**

Public Interest Director

**Ms. Latika S. Kundu**

Managing Director & CEO

\* Mr. Dinesh C Patwari appointed as a director w.e.f. May 22, 2023 and Chairman w.e.f. June 13, 2023

\*\* Mr. Rakesh Kumar Srivastava appointed as director w.e.f. November 18, 2023

## Chief Financial Officer

**Mr. Saket Bhansali**

## Company Secretary

**Mr. Dugesh Kadam**

## Statutory Auditors

**M/s. T. R. Chadha & Co. LLP**

Chartered Accountants

## Internal Auditors

**M/s. Mittal and Associates**

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

## 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 IFax: : +91-022-6112 9009 Email-Secretarial@msei.in

CIN: U65999MH2008PLC185856

LEI Number: 3358002YCEYDX7UK4352

\* For the details of statutory committees under the Companies Act, 2013 and SECC Regulations please visit our website—  
[www.msei.in](http://www.msei.in).

## From MD & CEO's desk



**“ As we transition from 0-to-1 to the 1-to-10 stage, we are entering into a phase of acceleration and scale. We are aggressively updating our approaches to business development, product innovation, technology adaption and human resources addition to build a resilient Exchange and dedicated to strengthen the foundations of the Exchange for Bharat. ”**

**Latika S Kundu**

Managing Director & CEO

**W**e are often asked “What does it feel like to build an Exchange in India?”

Building something of this urgency and ambition for impacting so many lives countrywide have often led me reflect that I have learnt a lot in the valleys during the last three years as much at the mountain tops. You might have felt this when you are hiking up a hill and finally conquer a summit, only to realize in awe that the climb must continue and that the real summit is still far ahead.

In an era where technology is a key driver of progress, MSE is dedicated to harnessing its potential to redefine the landscape of the Indian capital markets. MSE is not just adapting to change but also committed to play an active role in shaping it. As we witness the awakening of a thriving Asian giant - a once slumbering elephant, now humming in harmony, with an unwavering focus to impact 1.4B lives - MSE is dedicated to develop resilient systems for the inclusive growth of Capital Markets in India.

We take great pride in highlighting the success of the Opening Bell Ceremony, culminating as part of World Investor Week for the past two years. We have embarked on an audacious goal for creating innovative products and spreading awareness in the market with an aim to include all – from communities like LGBTQIA+ to household women, aspiring youth to NSG commandos. We hosted the first ever MSE Investor Expo as a part of our initiative during the Opening Bell Ceremony in 2023. The event attracted a robust participation of 2,000 attendees, both in-person and online. We were able to partner with leading Mutual Fund, Wealth Management and Brokerage institutions in our mission this year. These gatherings continue to serve as a dynamic nexus, uniting investors, industry experts, and thought leaders.

The primary goal is to nurture dialogue, exchange insights, and elevate awareness about the myriad opportunities inherent within the capital markets.

In our pursuit to make investing more accessible, MSE has launched investor awareness videos in multiple languages through our mascot. This initiative is designed to reach a wider audience and encourage greater participation in the capital markets. Additionally, our campaigns Invest and Grow Sensibly on the radio and music apps seek to engage and educate diverse demographics on the benefits and intricacies of investing.

We are a thriving and growing platform in the vast market that the country offers. As we transition from 0-to-1 to the 1-to-10 stage, we are entering into a phase of acceleration and scale. We are aggressively updating our approaches to business development, product innovation, technology adaption and human resources addition to build a resilient Exchange and dedicated to strengthen the foundations of the Exchange for Bharat.

MSE is built on the two pillars of Discipline and Integrity which strengthens the core philosophy of the Exchange ‘MSE First’. Our shareholders, employees, customers and partners have trusted us and believed us at this crucial juncture of the Exchange’s journey. I thank all of you for your immense support and providing us the right pathway from where we started this journey in FY 2020-21 to where we are today and to where we want to be. At the heart of MSE’s success is our people-centric approach, as we navigate the complexities of the financial world, the well-being and success of our people remains paramount. The ethos of ‘MSE First’ underlines our commitment to our stakeholders –investors, employees, and the market.

*‘Your TRUST is Our STRENGTH’*

# Board's Report

Metropolitan Stock Exchange of India Limited  
Annual Report 2022-23

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

The Board of Directors ("Board") presents the Fifteenth (15th) Annual Report of MSE together with the audited financial statement for the Financial Year ended March 31, 2023.

## 1. FINANCIAL SUMMARY AND HIGHLIGHTS

The financial performance for Financial Year ("FY") 2022-23 is summarised in the following table:

(Rs. in Lakh except per share data)

Particular	Standalone		Consolidated	
	For the Year ended	For the Year ended	For the Year ended	For the Year ended
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>I Income</b>				
(a) Revenue from operations	755	550	922	1,006
(b) Other income	2,229	865	4,544	1,500
<b>Total Revenue</b>	<b>2,984</b>	<b>1,415</b>	<b>5,466</b>	<b>2,506</b>
<b>II Expenditure</b>				
(a) Operating expenses	1,430	934	2,324	1,730
(b) Employee benefits expenses	1,499	1,450	1,897	1,985
(c) Finance costs	26	35	39	60
(d) Advertisement and business promotion expenses	379	58	379	58
(e) Depreciation and amortization expense	601	719	1,065	1,048
(f) Administration and Other expenses	835	568	1,234	751
<b>Total Expenses</b>	<b>4,770</b>	<b>3,764</b>	<b>6,938</b>	<b>5,632</b>
<b>III Profit / (Loss) before exceptional items and tax</b>	<b>(1,786)</b>	<b>(2,349)</b>	<b>(1,472)</b>	<b>(3,126)</b>
Exceptional items	211	-	521	-
<b>IV Profit / (Loss) before tax</b>	<b>(1,997)</b>	<b>(2,349)</b>	<b>(1,993)</b>	<b>(3,126)</b>
Less : Current tax	-	-	-	14
Less: Earlier Year Tax	-	-	(0)	-
Less : Deferred tax	-	-	(127)	27
<b>V Profit / (Loss) for the year</b>	<b>(1,997)</b>	<b>(2,349)</b>	<b>(1,866)</b>	<b>(3,167)</b>
<b>Other comprehensive income</b>				
1) Items that will not be reclassified to profit or (loss) (net of tax)	19	20	27	36
2) Income tax relating to item will not reclassified to profit or ( loss )	-	-	-	(4)
<b>Total other Comprehensive Income for the year, net of tax</b>	<b>19</b>	<b>20</b>	<b>27</b>	<b>32</b>
<b>VI Total Comprehensive Income for the year</b>	<b>(1,978)</b>	<b>(2,329)</b>	<b>(1,839)</b>	<b>(3,135)</b>
<b>VII Non-controlling interest in Income/(Loss)</b>	<b>-</b>	<b>-</b>	<b>(11)</b>	<b>(33)</b>
<b>VIII Net Profit / (Loss) after Taxes and Minority Interest (VI-VII)</b>	<b>(1,978)</b>	<b>(2,329)</b>	<b>(1,828)</b>	<b>(3,102)</b>
<b>IX Earnings per equity share of face value of Re.1 each</b>				
Basic (in Rs.)	(0.04)	(0.05)	(0.04)	(0.06)
Diluted (in Rs.)	(0.04)	(0.05)	(0.04)	(0.06)

### Revenue

During the year, Total Revenue increased to Rs. 2,984 Lakhs in FY 2022-23 compared to Rs. 1,415 Lakhs in FY 2021-22. Operating Revenue increased to Rs. 755 Lakhs in FY 2022-23 compared to Rs. 550 Lakhs in FY 2021-22. Transaction fees income increased to Rs. 350 Lakhs in FY 2022-23 compared to Rs. 146 Lakhs in FY 2021-22. Processing fees decreased to Rs. 55 Lakhs in FY 2022-23 compared to Rs. 56 Lakhs in FY 2021-22. The Listing Fees income decreased to Rs. 171 Lakhs in FY 2022-23 compared to Rs. 172 Lakhs in FY 2021-22 and Other income increased to Rs. 2,229 Lakhs in FY 2022-23 compared to Rs. 865 Lakhs in FY 2021-22.

### Expenditure

Total Expenses has increased to Rs. 4,770 Lakhs in FY 2022-23 as Compared to Rs. 3,764 Lakhs in FY 2021-22.

The operating expenses increased to Rs. 1,430 Lakhs in FY 2022-23 as compared to Rs. 934 Lakhs in FY 2021-22, Employee benefit expenses increased to Rs. 1,499 in FY 2022-23 as compared to Rs. 1,450 in FY 2021-22, Advertising and business promotion expenses increased to Rs. 379 Lakhs in FY 2022-23 as compared to Rs. 58 Lakhs in FY 2021-22, The Finance cost has decreased to Rs. 26 Lakhs in FY 2022-23 as compared to Rs. 35 Lakhs for FY 2021-22. Administration and other expenses increased to Rs. 835 Lakhs in FY 2022-23 as compared to



Rs. 568 Lakhs in FY 2021-22. Depreciation and amortization expenses decreased to Rs.601 Lakhs in FY 2022-23 as compared to 719 Lakhs in FY 2021-22.

## 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](http://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, 1348 companies are available for trading. In Equity Derivatives, Stock Futures and Stock Options are available for trading in the Exchange on 191 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, Exchange 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

The Exchange continues Technology Enablement Program for Members which was launched with effect from June 01, 2020 which includes a number of measures to enable member participation for trading on the Exchange platform. In order to further increase member participation, the Exchange has enhanced "Technology Enablement Program for Members" which includes additional incentives for members applicable to new criteria introduced w.e.f April 01, 2022.

The 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'.

#### New functionalities introduced in TWS and MAT

As a part of our continuous endeavour to provide secure and robust trading platform to the market participants and for security risk controls, the Exchange have implemented changes related to Password Length and related encryption. Further, the Exchange has also introduced several new functionalities in Trading Workstation (TWS) and Member Admin terminal (MAT)

#### 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.

#### Change in market timings for Interest Rate Futures

As per Press Release 2022-2023/1682 dated 08 February, 2023 issued by RBI and in co-ordination with other Exchanges, Expiry timings of Interest Rate Futures

contracts were extended from 9:00 AM to 3:30 PM to 9:00 AM to 5:00 PM with effect from February 23, 2023.

#### **T+1 settlement cycle**

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 “MIs” (Stock Exchanges, Clearing Corporations and Depositories) had finalized the roadmap for the implementation of T+1 settlement cycle.

In coordination with other Exchanges and Clearing Corporations, all the securities available for Trading in Capital market segment of MSE are moved to T+1 settlement cycle with effective from January 27, 2023.

#### **Standardisation of file formats for MII-Member Interface – ISO Tags**

New standardized file formats in Capital Market, Equity Derivatives and Currency Derivatives segments were introduced commonly by all the exchanges for the files provided by the Exchange to Intermediaries. The Exchange started to disseminate new common file formats to the members along with the existing formats in order to ensure smooth transition.

## **5. MEMBERSHIP**

The details of Segment wise members registered with SEBI as on March 31, 2023 are as follows:

Currency Derivatives	Equity Cash	Equity Futures & Options
488	303	284

Particulars	FY 2022-23	FY 2021-2022
Centres participating across India*	729**	729**

Note:

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

\*\* As on March 31, 2023 and March 31, 2022 respectively.

## **6. TECHNOLOGY**

The Exchange has prioritized performance, reliability, redundancy, and security in the design of its IT infrastructure. The Trading System operates on a Fault Tolerant Infrastructure consisting of Fault Tolerant Servers, routers, and firewalls equipped with Intrusion Prevention and Detection System, ensuring High Availability. The robust technology infrastructure supports efficient operations, fast order routing, immediate trade execution, trade reporting, market data dissemination, risk management, and market surveillance. The Exchange achieved 100% uptime during the Financial Year 2022-23 without any technical difficulties and is committed to continuous improvement through customer feedback by adding new security features and functionalities for an enhanced experience. The MSE trading system is user-friendly and has a sound architecture that meets the Exchange's system requirements, which has gained greater acceptance among traders and investors. The Exchange's systems and processes are designed to uphold market integrity

and promote transparency in operations. Additionally, the Exchange's interoperability framework enables the settlement of trades executed at MSE at designated Clearing Corporations.

The Exchange's Surveillance system has the capability to generate alerts with user-configurable thresholds that trigger investigations into any unusual trading trends. The system complies with SEBI's specified norms to ensure efficient security watch systems and reports. The Exchange is committed to continuously improving member satisfaction and providing world-class technology. The Exchange's online trading system is accessible to members across the country through multiple modes of connectivity, including Multi-Protocol Label Switching (MPLS), colocation, and the internet. The IT components are hosted in a state-of-the-art data center designed to support mission-critical operations, monitored 24/7.

MSE maintains a Disaster Recovery Site (DRS) at a different seismic zone and a Near Site near its Primary Site to achieve minimal data loss (near to zero data loss). The Exchange implements a state-of-the-art DR solution with real-time data replication from the Primary Site to the Near Site and DR Site. Synchronization between the Primary Site and the Near Site is synchronous, while synchronization between the Primary Site and the DR Site is asynchronous. The Exchange's Recovery Time Objective (RTO) and Recovery Point Objective (RPO) are 45 minutes and 15 minutes, respectively, for all critical systems like Trading, Surveillance, and Risk Management. Periodic mock tests and unannounced live trading from the DR site ensure proper functioning of DR systems.

The Exchange offers real-time price information through its “Data feed” service to interested parties. Additionally, the Exchange provides delayed data feed at no cost to data feed vendors. The data feed includes information about products traded on the Exchange platform.

#### **GRC (Governance Risk and Compliance) & Quality Management System**

MSE adheres to all controls mandated by SEBI's Cyber Security & Cyber Resilience Framework. The Exchange has implemented various IT security features to ensure the safety and integrity of its systems and data. The Exchange conducts comprehensive system audits through independent system auditors. Information security is a crucial aspect of MSE's day-to-day business processes, and as such, the Exchange maintains its ISO/IEC 27001:2013 certification for effective Information Security Management System. MSE has also implemented the Quality Management System ISO 9001:2015 standard to provide quality-driven services to members. The systems at MSE are identified as “Protected Systems” by the National Critical Information Infrastructure Protection Centre (NCIIPC) and are closely monitored by NCIIPC.

## **7. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES**

Your Company has two subsidiaries i.e. MSE Enterprises Limited (formerly known as Metropolitan Clearing Corporation of India Limited) (“MEL”) and MSE Fintech Limited (“MSE Fintech”). No new subsidiaries were incorporated during the year and neither of the subsidiaries has 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.

During the year ended March 31, 2023, MEL has surrendered its license to operate as Clearing Corporation and has been derecognized with effect from October 03, 2022.

Your Company and the Board of MEL, have accorded their in-principal approval for the merger of MEL with the Company. The Company has filed merger application with NCLT on March 23, 2023. Alongwith necessary exhibits. It was listed several times since filing of petition with NCLT. The matter was hold on September 7, 2023 and the order was pronounced on October 18, 2023.

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. 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 from the Company's website or may write to the Company for the same on [secretarial@msei.in](mailto: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 amount 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 2022-23 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 Board's 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, 2023, 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 Three. Being a Stock Exchange, the Board comprises of three Public Interest Directors ("PIDs") and one Managing Director & CEO (considered in the Shareholder Director Category).

### Changes during the year

During the period under review, 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.

### Changes after the end of the year

Mr. Dinesh C. Patwari appointed as a PID w.e.f. May 22, 2023 and Chairman w.e.f. June 13, 2023. Mr. Rakesh Kumar Srivastava appointed as a PID w.e.f. November 18, 2023.

Mr. S.V.D. Nageswara Rao resigned as the Chairman and PID w.e.f. May 08, 2023. 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. Raghunathan Srinivasa ceased to be a Shareholder Director w.e.f. February 01, 2023. The term of 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. S.V.D. Nageswara Rao, Mr. Vijay Sardana and Mr. Raghunathan Srinivasa.

#### 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 2022-23, sixteen (16) 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 2022 and December 2022.

#### 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 thereof of these Committees held 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 or Standing / Statutory 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 evaluation of the Board, Board committees and Individual directors was carried out by external consultant and report was sent to the NRC Chairman. However, Mr. Ajai Kumar, PID and Chairman of NRC ceased to be a director as he completed his term on October 22, 2023. Hence, the evaluation report shall be placed at the ensuing Board Meeting. 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:-

#### Changes during the year

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 – 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.

#### Changes after the end of the year

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. Mr. Jibananda Bain, Chief Information Security Officer (CISO) appointed on May 18, 2022 and resigned w.e.f. March 27, 2023.

Mr. Isidorio Fernandes is appointed as Chief Technology Officer w.e.f. July 3, 2023. Mr. Laxmi Narayan Sahu appointed as Chief Information Security Officer (CISO) w.e.f. August 21, 2023. Mr. Abhisheka Srivastava appointed as Head-HR w.e.f. Jun 23, 2023.

### 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 2022-23, 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 2022-23 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 125 as on March 31, 2023 as against 135 as on March 31, 2022. 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 matters. 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, 2023, 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.

### Auditor's Report

The auditor in their report on the audited financial statements for the year ended March 31, 2023 expressed non-qualified report.

### Emphasis of Matter:

- a. We draw attention to Note 36 of Standalone Financial Statement with regard to proposed Merger of MSE Enterprises Limited (MEL) (formerly known as Metropolitan Clearing Corporation of India Limited), with Company wherein it states that Board of Company and MEL accorded their in-principle approval for the Merger. Pursuant to the application made by MEL to SEBI to surrender the license/ recognition, MEL has been derecognized to operate as Clearing Corporation w.e.f. October 3, 2022.
- b. We draw attention to Note 38 of Standalone Financial Statement with regard to preparation of Standalone financial on Going Concern Basis which states that "The Exchange has incurred losses of Rs. 1,978 Lakh during the year ended March 31, 2023 (March 31, 2022 Rs. 2,329 Lakh) and the net worth of the Exchange as per Stock Exchange and Clearing Corporation Regulation 2018 (SECC) norms amounts to Rs. 12,351 Lakh as on March 31, 2023 (March 31, 2022 Rs. 14,117 Lakh). The Exchange has already filed application with NCLT during current year

for merger of MSE Enterprises Limited (MEL), subsidiary (formerly known as Metropolitan Clearing Corporation of India Limited) with the Exchange which shall further augment the net worth significantly as per SECC norms. The Exchange is in compliance of all regulatory requirements including interoperability, T+1 settlement cycle, etc. The Exchange has not defaulted in payment of any of its creditors, statutory/regulatory liability and to employees and has sufficient funds to discharge all its liabilities. The Exchange has been able to increase its business volumes in the Currency Derivatives segment regularly and achieved its highest daily volume of last eight years during current year. The Exchange is also in the process of enabling various initiatives, rationalization measures, brand building and technological upgradation which shall help in Business and Product Expansion along with focus on bringing down overall cost of operations. This shall ensure further significant reduction in losses and the Exchange is confident of making profits shortly. The Exchange is also expecting the resolution of pending legal matters in its favour considering the current status which shall result in significant benefits to the Exchange. The Exchange accordingly continues to prepare its Financial Statements on going concern basis.

Our opinion is not modified in respect of these matters.

#### Other Matter:

The forensic audit of the Company, with respect to the whistle blower complaints, as advised by Securities Exchange and Board of India (SEBI) has been completed and the report for the same is submitted to the SEBI. The matter is pending.

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. Ajai Kumar, Chairman\*

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

\*\* Mr. Vijay Sardana, PID term expired on April 26, 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 categorized 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 reports 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:

- 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.
- 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.
- 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.

- Reviewed key operational risks and actions based on inputs from internal risk register, external assessment, internal audit findings and incidents.
- 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.
- Monitoring by regulatory department, the key developments in the regulatory environment.
- 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 the financial year 2022-23 was conducted by M/s. Mittal & Associates. Internal Audit Reports for all quarters of Financial Year 2022- 23 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 2022-2023 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 2022-23 amounted to Rs. 22,50,000/- as compared to Rs. 22,50,000/- in the previous year. The expenditure in foreign currency during the financial year 2022-23 amounted to Rs. 20,03,544/- as compared to Rs. 33,41,118/- 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, 2023 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 2022-23.

## 30. EXTRACT OF ANNUAL RETURN

The Annual Return for financial year 2022-23 as per provisions of the Act and Rules thereto, is available on the Company's website <https://www.msei.in/about-us/financials>

## 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. 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
2	A.Y. 2022-23	67,92,343	Appeal is pending with CIT

Above expenses incurred by the Exchange is being appealed before the Income Tax Department. If this appeal is unfavourable it may impact the Exchange.

ii. 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. The petition has been admitted by the petition is admitted vide order dated 20th February 2023. Now the matter will be mentioned on the regular board of the supreme court. The matter was listed twice on 26/07/2023 and 27/07/2023 however on both the dates the matter could not reach due to paucity of time. Our counsel mentioned the matter on 27/07/2023 and requested Supreme Court for early date. The matter was again listed on 10.08.2023. Due to the continued lengthy arguments in earlier matter for the entire day, the board was discharged and indicated that the balance matters in today's list will remain on board and be taken up next week. Accordingly, the matter is likely to come on 16.08.2023.

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, 2023, there are 43 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 3.74 crores for FY 2022-23.

Further, the Exchange had incurred close to approx. INR 7.47 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, the 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 2022-23, 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, 2023, forms part of this Annual Report as an **Annexure IX**. 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 proposed amendments in Bye-laws, Rules and Regulations of the Exchange have been published in state gazette on 02/08/2023 and on 19/08/2023 in Central gazette of India.

**E. 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.
- (c) 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

### Investor Awareness Programme

As per SEBI directives, the Exchange has established the Metropolitan Stock Exchange Investor Protection Fund Trust (MSEIPFT). The main focus of MSEIPFT is to conduct Investor Education and Awareness programmes (IAP) to ensure better protection for investors. These programs have proven to be effective in engaging with retail and potential Investors.

In the fiscal year 2022-23, the Exchange initiated a comprehensive series of regional investor awareness programs to educate and empower individuals across different locations. A total of 136 programs were conducted, reaching out to a substantial audience of over 8735 participants of which 70 were conducted by MSE in collaboration with SEBI, the depositories, NSDL and CDSL. These programs were strategically designed to enhance the knowledge and understanding of investors in various regions, fostering a culture of informed decision-making and responsible investment practices.

Out of 136 programs 26 were webinars to ensure wider accessibility and inclusivity in investor education. These online sessions allowed individuals from different locations to participate conveniently from the comfort of their homes or workplaces. The webinars covered a broad range of investment-related subjects, such as financial planning, investment instruments, regulatory frameworks, and ethical investing. By leveraging digital platforms, the exchange successfully reached out to a diverse audience, transcending geographical boundaries and connecting with investors in 26 locations.

The programs played a crucial role in fostering a culture of informed investment decision-making, equipping individuals with the necessary knowledge and tools to navigate the complexities of the financial markets.

The Exchange's commitment to investor education demonstrates its dedication to promoting a sustainable and thriving investment ecosystem in the region.





# World Investor Week 2022

The Exchange enthusiastically participated in the World Investor Week 2022, a global initiative by IOSCO & WFE aimed at promoting investor education and protection. As a part of this event, the exchange hosted the opening bell ceremony at its corporate office on October 03, 2022 in Mumbai.

It was a remarkable occasion as the event was attended by the Head of the Triveni Samaj along with the other members of the LGBTQ community, highlighting the exchange's commitment to inclusivity. Mr. G. P. Garg, the Executive Director of SEBI (Securities and Exchange Board of India), also graced the program with his presence, adding further significance to the event. To mark the occasion, the exchange introduced its investor awareness mascot, 'Mr. Amol', symbolizing the journey towards financial literacy. Additionally, the Exchange released 10 informative videos on investor awareness, empowering attendees with valuable knowledge. The program attracted a sizable audience, actively engaging in the discussions and initiatives.

This event exemplified the Exchange's dedication to spreading awareness, educating investors, and fostering a culture of informed decision-making in the financial market.







# Investor Awareness Program for LGBTQ Community

The Exchange demonstrated its commitment to inclusivity and diversity by organizing a special financial literacy program catered specifically to the LGBTQ community.

Recognizing the unique financial challenges and needs faced by this community, the program aimed to provide tailored education and guidance on financial management and investment opportunities.

The program successfully attracted 50 participants, creating a supportive space for individuals to learn and engage in meaningful discussions. By addressing topics such as budgeting, investing, and planning for the future, the Exchange empowered participants to take control of their financial well-being.

This initiative exemplifies the Exchange's dedication to promoting financial literacy among diverse communities and ensuring equal access to knowledge and resources for all.





## ABC – ‘I’ (Any Body Can – Invest)

A series of 8 workshops namely ‘ABC – ‘I’ (Anybody Can – Invest) aimed at equipping the common man with the fundamentals of investing in the securities market and managing personal finances. The Exchange Presents ‘ABC – ‘I’ (Anybody Can – Invest)’ Workshops: Empowering the Common Man to Master Investing and Personal Finance.

An initiative aimed at empowering the common man to gain the knowledge and skills necessary to invest in the securities market and effectively manage personal finances. We are delighted to note that a series of workshops titled ‘ABC – ‘I’ (Anybody Can – Invest),’ was conducted in the dynamic cities of Mumbai, Thane, and Navi Mumbai.

The primary objective of these workshops is to bridge the gap between financial literacy and practical application, ensuring that every individual has the opportunity to navigate the complexities of the securities market and make informed investment decisions.

The ‘ABC – ‘I’ (Anybody Can – Invest)’ workshops covered a wide range of topics designed to cater to individuals from all backgrounds and levels of experience. Participants gained a deep understanding of crucial concepts related to investing and personal finance management. These workshops were conducted in English, Hindi and Marathi language. A total of 387 participants attended and made it successful.



# Regional Investor Awareness Program

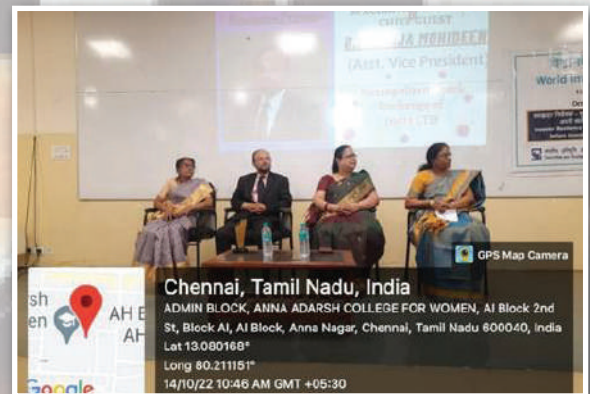
The Exchange has taken a proactive approach to promote investor awareness by conducting a series of investor education initiatives.

In collaboration with esteemed regulatory bodies such as SEBI (Securities and Exchange Board of India), CDSL (Central Depository Services Limited), and NSDL (National Securities Depository Limited), the Exchange organized a total of 5 physical sessions and 9 webinars across 13 cities.

The aim was to reach out to as many participants as possible and equip them with the necessary knowledge and tools to make informed investment decisions. The efforts proved successful, as a total of 1,073 participants were covered throughout the sessions.

By partnering with key industry stakeholders and providing accessible platforms for investor education, the Exchange has played a crucial role in enhancing financial literacy and empowering investors across multiple cities.

These workshops were designed to be interactive and engaging, providing participants with ample opportunities to ask questions, participate in discussions, and collaborate with industry experts and fellow attendees.





## Nukkad Natak

The Exchange organized 08 Nukkad Natak / Skits in 5 different colleges in Mumbai, Navi Mumbai and Goa.

Financial literacy skits or plays have the potential to make a lasting impact by combining entertainment and education to promote sound financial practices among individuals.

Through the medium of dramatic storytelling and engaging performances, these skits / plays captivate audiences and effectively convey important financial concepts. By weaving informative content into relatable narratives, they create a memorable and relatable experience that resonates with viewers.

Such performances not only entertain but also empower individuals with the knowledge and skills needed to make informed financial decisions. By promoting financial literacy in an engaging and accessible manner, these skits / plays have the power to positively influence attitudes and behaviors towards money management, ultimately leading to improved financial well-being for individuals and communities.

Audience covered are as below;

1. Government College of Commerce, Goa - 2 Skits
2. JVM Mehta College, Airoli; Navi Mumbai - 1 Skit/play
3. MMP Shah, Matunga; Mumbai - 1 skit/play
4. VSIT, Wadala; Mumbai - 1 skit/play
5. Wilson College, Chowpatty; Mumbai- 3 Role Plays



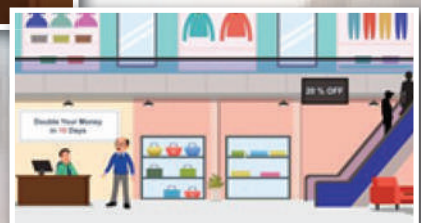
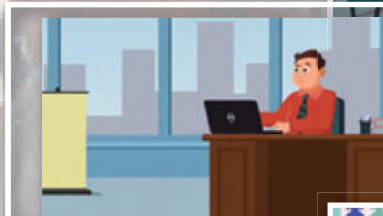
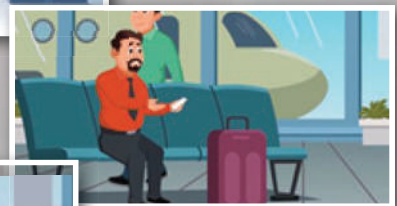
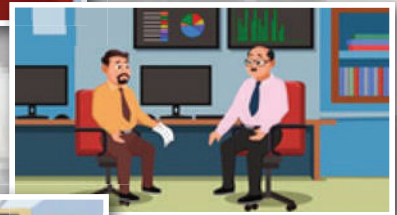
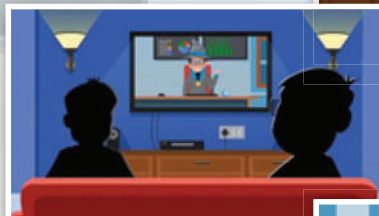
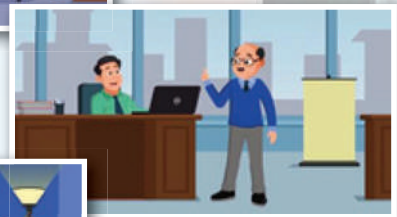
# 2D Animated Videos on Investor Awareness

The exchange took a proactive step towards investor awareness by creating 10 informative videos in both English and Hindi languages. These videos covered a range of important topics related to investment, financial literacy, and market insights.

In order to reach a wide audience, the exchange strategically posted these videos on various social media platforms, including Twitter, Facebook, LinkedIn, Instagram, and YouTube.

Additionally, the videos were made available on the exchange's official website, ensuring easy access for interested individuals.

By utilizing the power of digital platforms, the exchange effectively disseminated valuable investor education content to a broad spectrum of viewers, contributing to the overall goal of promoting financial literacy and empowering investors with the necessary knowledge to make informed decisions.







## Initiatives by MSEIPFT

### “Be Wise Think Twice”

As part of its ongoing commitment to educate investors in the securities market and empower them to make well-informed investment decisions, the Metropolitan Stock Exchange Investor Protection Fund Trust (MSEIPFT) continued with its campaign called “Be Wise Think Twice” on its social media handles.

Through this initiative, MSEIPFT successfully reached out to a wide audience. The “Be Wise Think Twice” campaign was designed to equip investors with essential knowledge and insights, enabling them to exercise caution and prudence before making investment choices.

# Kaun Banega Investor?

To celebrate World Investor Week, the Exchange organized an engaging online crossword contest on Facebook, accompanied by cross promotions on LinkedIn, Instagram, and Twitter.

The campaign ran for one week, offering participants the chance to test their knowledge. Each day, a new crossword puzzle or set of questions was posted on our social media platforms, allowing participants to showcase their expertise.

To maintain fairness and timeliness, answers were accepted only within a seven-hour timeframe. The winners were announced after the contest based on the speed and accuracy of their answers, creating an atmosphere of friendly competition and encouraging active participation.





# Jargons of the day

MSE introduced an innovative concept called “Jargons of the Day.” This concept aimed to simplify complex financial terms and jargon that often act as barriers for individuals seeking to understand and engage with the world of investing. During the World Investor Week, each day featured a specific financial term that was commonly used but not widely understood by the general public. MSE took the responsibility of demystifying these terms by breaking them down into simple explanations and offering practical insights on their relevance in the investment landscape.

By addressing these jargons in a user-friendly manner, MSE aimed to bridge the knowledge gap and empower individuals to make informed investment decisions. Through the “Jargons of the Day” concept, MSE successfully made investing more accessible and comprehensible to a wider audience.

By simplifying financial terms, MSE not only fostered financial literacy but also encouraged individuals to take an active interest in investing and capital markets.



# Investment Mantra

The Exchange launched a captivating series of online infographics titled 'Investment Mantra'

Over the course of a week, these infographics showcased famous investors and their remarkable investment journeys. With the aim of engaging our existing follower base and reaching a wider audience, we strategically posted the series on our Facebook page, with cross promotions on LinkedIn, Instagram, and Twitter.

By leveraging these popular social media platforms, we were able to generate increased participation and foster a sense of enthusiasm among our followers. The infographics provided valuable insights into the investment strategies and achievements of renowned investors, serving as a source of inspiration for aspiring investors in India.





# Kolkata Book Fair 2023

The International Kolkata Book Fair, formerly known as the Calcutta Book Fair, is a prominent winter fair held in Kolkata, India. Unlike typical trade fairs, this book fair is primarily aimed at the general public rather than wholesale distributors. It stands out as the world's largest non-trade book fair, Asia's largest book fair, and attracts the highest number of attendees compared to other book fairs worldwide. In fact, it is considered the third-largest annual gathering of books globally, following the Frankfurt Book Fair and the London Book Fair.

The 45th edition of the International Kolkata Book Fair was held from January 31, 2023 to February 12, 2023 at Central Park in Bidhannagar. The Securities and Exchange Board of India (SEBI) decided that all Market Infrastructure Institutions (MII) should participate in the book fair with the primary objective of promoting investor education and creating awareness about the capital markets.

By integrating investor education within the book fair, SEBI aimed to reach a wide audience and provide valuable knowledge about the financial markets and investment opportunities. The inclusion of such initiatives in a renowned cultural event like the International Kolkata Book Fair underscores the importance of empowering individuals with the necessary information to make informed financial decisions.





# Samman 2022

Employees spend the majority of their waking hours at work, investing their time and effort in enhancing their performance to achieve the objectives of the company. It is crucial for organizations to acknowledge and appreciate the contributions of these employees.

Recognition serves as one of the simplest yet powerful ways to ensure that employees feel valued for their hard work and dedication. When employees receive constant and genuine recognition, it motivates them to continue contributing to the success of the organization. Recognized employees are more likely to develop a sense of loyalty and commitment, making them want to stay and further enhance their performance.

This year on October 7, 2022, the MSE hosted “Samman” an evening dedicated to honoring the long-serving staff members of the exchange. The Managing Director and CEO, Ms. Latika S Kundu, took the opportunity to personally congratulate the MSE team members who had dedicated over 10 years of service to the exchange.

The event was a platform for the organization to recognize and appreciate the remarkable commitment and loyalty displayed by these employees.

As a token of appreciation, MSE presented the honored employees with a tangible symbol of recognition along with a heartfelt letter expressing gratitude for their significant contributions.

Through this gesture, MSE reinforced the value it places on its employees and encouraged them to continue their exceptional performance and commitment to the exchange's success.

## Rewards & Recognition @ MSE

MSE understands the importance of recognizing and rewarding its employees for their outstanding contributions.

To foster a culture of appreciation and motivation, MSE has implemented a robust rewards and recognition program. This program is designed to acknowledge the exceptional efforts and achievements of employees across various departments and levels within the organization.

The rewards and recognition program at MSE includes several elements aimed at celebrating and appreciating employee performance.

These elements may include non-monetary rewards like certificates of achievement, trophies, or plaques.

By implementing such a comprehensive rewards and recognition program, MSE not only motivates its employees to strive for excellence but also cultivates a positive and encouraging work environment where individuals feel valued and appreciated for their contributions.





# Women's Day @ MSE

On the 8th of March 2023, the exchange celebrated International Women's Day with great enthusiasm. As part of the celebrations, the exchange took the opportunity to launch its first-ever corporate video, highlighting its values, achievements, and commitment.

This initiative aimed to inspire and empower women, encouraging them to pursue careers in finance and providing them with role models and mentors to look up to.

Simultaneously, the exchange also dedicated the day to giving back to the community by visiting the 'Vatsalya Trust,' an NGO focused on empowering and educating less fortunate girls and women.



## Visit to Vatsalya Trust on Women's Day

The exchange presented the NGO with a thoughtful assortment of books, board games, educational toys, and sweets, bringing joy and educational resources to the beneficiaries.

Additionally, the exchange generously sponsored a special lunch for the girls and women at the NGO, further fostering a sense of camaraderie and support.

By actively engaging with the community and promoting education and empowerment, the exchange demonstrated its commitment to creating a more inclusive and equitable society.



**41. 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 you 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: November 20, 2023

Place: Mumbai

**Dinesh C Patwari**  
Chairman  
DIN: 10060352

## 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, 2023)	NIL			
J	Employee wise details of options granted during FY 2022-23				
	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’				
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 2022-2023.

For and on behalf of the Board of Directors

**Latika S. Kundu**  
Managing Director & CEO  
DIN: 08561873

Date: November 20, 2023

Place: Mumbai

**Dinesh C Patwari**  
Chairman  
DIN: 10060352

**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-2022-2023. 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

Date: November 20, 2023

Place: Mumbai

**Dinesh C Patwari**  
Chairman  
DIN: 10060352



### Details of Transactions with Related Parties

(Rs. In Lakhs)

Nature of Transaction	MSE Fintech Limited	MSE Enterprises Limited (formerly known as Metropolitan Clearing Corporation Of India Ltd)	MSEI-IPF CDS Trust ( Others )#	Metropolitan Stock Exchange ESOP Trust (Others)
<b>Expenses</b>				
Clearing and settlement charges	-	0	-	-
	-	0	-	-
Other services	-	57	-	-
	-	5	-	-
<b>Income</b>				
Rent income	-	6	-	-
	-	6	-	-
Refund of Core SGF	-	1,546	-	-
	-	-	-	-
Shared service cost recovered	-	52	-	-
	-	146	-	-
Reimbursement of Expenses	0	11	-	-
	0	-	-	-
Amount Receivable	0	6	-	1
	0	319	-	0
Closing Balance of Investments in equity shares	5	12,017	-	-
	5	12,017	-	-
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 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.

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

For and on behalf of the Board of Directors

**Latika S. Kundu**  
Managing Director & CEO  
DIN: 08561873  
Date: November 20, 2023  
Place: Mumbai

**Dinesh C Patwari**  
Chairman  
DIN: 10060352

### NOMINATION AND REMUNERATION POLICY

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

### 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, 2022 TO MARCH 31, 2023

Name & Qualifications	Age	Designation	Remuneration received (Rs.)	Experience in years	Date of commencement of employment	Previous employment
Latika S Kundu MBA, ACCP-ICCP, BCOM#	53	MD & CEO	50,00,000	22+	12-Mar-2020	Singapore Diamond Investment Exchange Pte. Ltd
Saket Bhansali B.com / PGDBA	45	Chief Financial Officer	55,00,000	22	03-Apr-2020	Singapore Diamond Investment Exchange Pte. Ltd
P. K. Ramesh BSc., MA (Economics), MBA (Finance), LLB and PG in Securities Law	61	Chief Regulatory Officer & Compliance Officer	46,00,000	37	24-May-2018	United Stock Exchange
Neeraj Omprakash Gupta Diploma in Computer Engineering *	49	Chief Technology Officer (19-Jan-2021 to 02-Jul-2022)	11,52,695	26	19-Jan-2021	Indian Commodity Exchange
Sachin Nayak B.Com., ACA	42	Head Market Operation	35,30,000	17	08-Sept-2008	City Group Global Services
Anish Kumar B.Com, ACS, Diploma in Computer Law and Management, **	45	Chief Risk Officer (14-Feb-2022 to 22-Jun-2022)	2,41,087	23	01-April-2009	NSE
Jagdish Asodekar *Post Diploma in Fiber *Diploma in Electronics & Telecommunication Diploma in Software System Analysis & Applications ***	45	Chief Information Security Officer (14-Feb-2022 to 01-Jun-2022)	3,25,038	22	25-Jan-2021	MCX
Durgesh Kadam B.Com, FCS, LLB, ACG (UK)	50	Head – Legal and Company Secretary	27,06,663	26	13-Apr-2022	SICOM Ltd
Jibananda Bain MBA – IT ****	53	Chief Information Security Officer (01-Jun-2022 to 29-Mar-2023)	16,55,917	21	01-June-2022	DCB Bank
Utkarsh Sharma CFA	46	Head – Business Development	44,72,218	24	11-Apr-2022	Indian Commodity Exchange
Manish Gupta MCA, PGDCA	43	Chief Technology Officer	36,51,934	21	27-June-2022	CIFL

\* 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. Jibananda Bain, Chief Information Security Officer (CISO) appointed on May 18, 2022 and resigned w.e.f. March 27, 2023.

#### Notes:

- None of the above employees is a relative of any Director of the Company.
- Except Mr. Saket Bhansali, Mr. Sachin Nayak, as on March 31, 2023, 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.
- 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  
Date: November 20, 2023  
Place: Mumbai

**Dinesh C Patwari**  
Chairman  
DIN: 10060352

**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 2022-23 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. Ajai Kumar	*	01:2.42
2	Ms. Trishna Guha	*	01:2.51
3	Mr. S. V. D. Nageswara Rao #	*	01:2.72
4	Mr. Vijay Sardana ##	*	01:0.07
5	Mr. Raghunathan Srinivasa ###	*	01:1.03
6	Mrs. Latika S Kundu \$ MD & CEO	No increase or decrease in the remuneration	01:10.87
7	Mr. Saket Bhansali \$\$ Chief Financial Officer	No increase or decrease in the remuneration	01:9.42
8	P K Ramesh Chief Regulatory officer	No increase or decrease in the remuneration	01:6.67
9	Mr. Sachin Nayak Head - Market Operations	No increase or decrease in the remuneration	01:5.12
10	Mr. Manish Gupta Chief Technology Officer	No increase or decrease in the remuneration	01:5.29
11	Mr. Jibananda Bain * Chief Information Security Officer	No increase or decrease in the remuneration	01:2.40
12	Mr. Durgesh M Kadam ** Head - Legal & Company Secretary	No increase or decrease in the remuneration	01:3.92
13	Mr. Utkarsh Sharma *** Sr. Vice President	No increase or decrease in the remuneration	01:6.48
14	Mr. Anish Kumar **** Chief Risk Officer	No increase or decrease in the remuneration	01:0.47
15	Mr. Jagdish Asodekar ***** Chief Information Security Officer	No increase or decrease in the remuneration	01:0.47
16	Mr. Neeraj Gupta ***** Chief Technology Officer	No increase or decrease in the remuneration	01:1.67

Note:

\$ This excludes the variable pay component of Rs.25,00,000/-p.a., which is governed by Malus and Clawback arrangement as per SECC Regulations and is yet to be paid.

\$\$ This excludes variable payment of Rs.9,97,260/- which is governed by Malus and Clawback arrangement as per SECC Regulations and is paid to the KMP.

Note:

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

# Mr. S.V.D. Nageswara Rao resigned w.e.f. May 08, 2023.

## Mr. Vijay Sardana – first term expired on April 26, 2022 (did not want to continue)

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

\* Mr. Jibananda Bain, Chief Information Security Officer (CISO) appointed on May 18, 2022 and resigned w.e.f. March 27, 2023.

\*\* Mr. Durgesh Kadam appointed w.e.f. April 13, 2022

\*\*\* Mr. Utkarsh Sharma appointed w.e.f. April 11, 2022

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

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

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

- (i) The percentage increase in the median remuneration of employees in the financial year 2022-23 is 6.15 %, however the total remuneration as on March 31, 2023 vis-a-vis March 31, 2022 Increased by Rs. 1.56 cr. The total remuneration paid to the employees as on March 31, 2023 was Rs. 14.31 cr as against Rs. 12.75 cr. on March 31, 2022.
- (ii) The number of permanent employees on the rolls of company as on March 31, 2023 is 125 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

**Dinesh C Patwari**  
Chairman  
DIN: 10060352

Date: November 20, 2023

Place: Mumbai



## Form No. MR-3

## SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2023

(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,

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”).

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, 2023** 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, 2023** 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.

**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.

**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 & Metropolitan Stock Exchange of India Limited (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. Further, pursuant to the order passed by the Supreme Court on 20th February, 2023, NSE had admitted petition. The matter is still pending for final hearing.
3. 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. The matter is pending for pre-admission hearing before Bombay High Court. MSE had filed its written statement to the suit. The matter is still pending.

4. In the matter of Company's Subsidiary viz. Metropolitan Clearing Corporation of India Limited ("MCCIL"), SEBI vide its letter dated 18th July, 2022, in response to letters dated 2nd June,2022 and 28th June,2022 submitted by MCCIL, had rejected the submissions of MCCIL and advised them to extend necessary co-operation to the Company in this regard. The Company and the shareholders directors requested MCCIL to place the said letter before the Board and to consider the agenda on merger of MCCIL with the Company. Accordingly, in-principal approval of the Board of MCCIL was granted for the merger of MCCIL into & with the Company. MCCIL Management informed SEBI on 21st September, 2022 about the decision of MCCIL with the Company. SEBI vide its letter dated 23rd September, 2022 had informed MCCIL about the acceptance for surrender of recognition of MCCIL as Clearing Corporation. Accordingly, the recognition of MCCIL as Clearing Corporation stands expired on 2nd October, 2022.
5. Approval of the Board of Directors of the Company was obtained at its Meeting held on 2nd December, 2022 for purchase of 51,99,545 Equity Shares of MCCIL held by Multi Commodity Exchange of India Limited (MCX) & 63 Moons Technologies Ltd. under Section 179 read with Section 186 of the Companies Act, 2013.
6. Approval of the Board of Directors of the Company was obtained at its Meeting held on 2nd March, 2023 for Composite Scheme of Arrangement amongst the Company and MSE Enterprises Ltd. (Formerly known as MCCIL) and their respective shareholders pursuant to Section 230 and 232 read with Section 66 of the Companies Act, 2013.

**ALWYN JAY & CO.**

Company Secretaries

**Partner**

**[Jay D'souza FCS 3058]**

**[Certificate of Practice No. 6915]**

**[UDIN : F003058E000781000]**

Place: Mumbai

Date : 10th August 2023

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 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.

**ALWYN JAY & CO.**  
Company Secretaries

**Partner**  
**[Jay D'souza FCS 3058]**  
**[Certificate of Practice No. 6915]**  
**[UDIN : F003058E000781000]**

Place: Mumbai  
Date : 10th August 2023



**TUSHAR SHRIDHARANI**  
 B. Com., LL.B., F.C.S.  
 10, New Marine Lines 417, Jolly Bhavan No. 1  
 Tel.: (022) 7963 3947  
 Email : tushar@tusharshri.com  
 Web: www.tusharshri.com

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
**The Members of**  
**MSE Enterprises Limited**

(Formerly known as Metropolitan Clearing Corporation of India Limited  
 (CIN: U67120MH2008PLC188032) Bldg. A, Unit 205B, 2nd Floor,  
 Agastya Corporate Park, LBS Marg, Kurla West Mumbai – 400 070

I have conducted the Secretarial Audit of the compliance of applicable  
 statutory provisions and the adherence to good corporate practices  
 by MSE Enterprises Limited (formerly known as Metropolitan Clearing  
 Corporation of India Limited) (hereinafter called **“the Company”**).  
 Secretarial Audit was conducted in a manner that provided me a  
 reasonable basis for evaluating the corporate conducts/statutory  
 compliances and expressing my 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 my opinion, the Company  
 has, during the audit period covering the financial year ended on  
 March 31, 2023 (hereinafter called **“Audit Period”**) complied to the  
 extent applicable 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 to the extent  
applicable for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 (hereinafter called **“the Act”**) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Securities and Exchange board of India (Depositories and Participants) Regulations, 2018;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - a) 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; and
  - b) The Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2018.\* (\*Remained applicable till October 2, 2022.)

During the Audit Period; provisions of the following Act  
 Regulations and rules framed thereunder were not applicable to

the Company.

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- 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;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;
- e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

- i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

I have also examined compliance with the applicable regulations  
 of the following:

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

For the Audit Period, the Company has complied with the provisions  
 of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned  
 above to the extent applicable, subject to the following observations.

- a) As per regulation 23(1) of The Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2018 the Governing Board of the Company did not have Managing Director during February 12, 2022 till October 2, 2022.
- b) No separate meeting of the Independent Directors was held as required in pursuance of section 149(8) of the of the Act read with clause VII of Schedule IV to the Act.
- c) Audited financial statements for the year ended March 31, 2021 and March 31, 2022 were not adopted by the members of the Company in original Annual General Meetings that were held on November 25, 2021 and September 21, 2022 respectively.

The original financial statements, however, were re-stated and  
 following which the members of the Company adopted audited  
 financial statements in the adjourned Annual General Meetings  
 that were held on December 22, 2022 and December 26, 2022

for financial year ended March 31, 2021 and for financial year ended March 31, 2022 respectively.

- d) Ms. Leher Arora resigned as the Company secretary of the Company effective 28th March, 2023. As per the provisions of section 204 read with relevant rules; appointment of the Company Secretary is required to be made within -6- months from the date of resignation.
- e) Attendance record of meetings of the board of directors held prior to September 20, 2022 was not available for examination. Having that in regard, we abstain to provide any comment on compliances by the Company with respect to relevant provisions of the Act. Additionally, the pages of the attendance records that the Company has are not consecutively page numbered as per the requirement of paragraph 7.1.4 of the Secretarial Standard – 1 (Secretarial Standard On Meetings Of The Board Of Directors).
- f) Attendance record of meetings of the board of directors held prior to November 9, 2022 was not available for examination. Having that in regard, we abstain to provide any comment on compliances by the Company with respect to relevant provisions of the Act. Additionally, the pages of the attendance records that the Company has are not consecutively page numbered as per the requirement of paragraph 7.1.4 of the Secretarial Standard – 1 (Secretarial Standard On Meetings Of The Board Of Directors – also applicable to Meetings of Committee(s) of the Board).

I further report that:

- 1. The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and 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.
- 2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- 3. Majority decisions were carried through while the dissenting members' views were captured and recorded as part of the minutes.

I further report that 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, though the same needs to be strengthened and be monitored more meticulously.

I further report that during the Audit Period the following event has a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc. referred to above.

- The Securities Exchange Board of India vide its letter dated September 23, 2022 confirmed Boards' decision with respect to surrender of its license to carry on its business as 'Clearing Corporation' with effect from October 2, 2022 and in principle approval to the proposed merger of the Company with Metropolitan Stock Exchange of India Limited, the Holding Company.

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

**(Tushar Shridharani)**

Practicing Company Secretary FCS  
FCS 2690 / COP 2190  
UDIN - F002690E000697131

Place: Mumbai

Date: July 28, 2023

**Annexure – 1**

To,

The Members of

**MSE Enterprises Limited**

(Formerly known as Metropolitan Clearing Corporation of India Limited  
Bldg. A, Unit 205B, 2nd Floor, Agastya Corporate Park  
LBS Marg, Kurla West Mumbai – 400 070

This letter is an integral part of the Secretarial Audit Report of even date for F.Y. 2022-23 submitted to MSE Enterprises Limited (Formerly known as Metropolitan Clearing Corporation of India Limited) ("the Company") in pursuance of provisions of section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Members of the Company are informed as follow.

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 audit.
2. 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 basis to ensure that correct facts as reflected in secretarial records. I believe that the processes and practices that I followed; provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the management representation about compliance of laws, rules and regulations and happening of events etc.
5. 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 basis.
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.

**(Tushar Shridharani)**

Practicing Company Secretary FCS  
FCS 2690 / COP 2190  
UDIN - F002690E000697131

Place: Mumbai

Date: July 28, 2023



## **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 Capital Markets, a dynamic hub for investment and capital allocation, has undergone transformative changes in recent years, and the year 2022 has witnessed significant developments that hold the potential to unlock the 'Bharat' story. As the term 'Bharat' signifies the vast rural and semi-urban areas of India, the Capital Market's evolution is crucial in harnessing their economic potential and fostering financial inclusion.

Our collective long-term goal of transforming India into an advanced nation by 2047 during its centennial independence year aligns with the aim of establishing an independent India and positioning the nation as a favoured investment location. In 2022, India's Gross Domestic Product (GDP) is recorded at USD 3.5 trillion, approximately one-seventh the size of the United States' economy. India possesses the capacity to attain a USD 40 trillion economy by 2047. Achieving this demands an expedited pace of growth with particular emphasis on constructing infrastructure and augmenting the business environment's friendliness through productive investment.

The Indian Stock Exchanges are a tool for nation building and a major job creator. The Exchange space spans across 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.

Given the escalating call for investment in infrastructure and an excessive dependence on the banking sector to fulfil financial demands, the role of the capital market in generating resources for profitable investment and narrowing the financial disparity is of significance. A well-established and more extensive capital market amplifies economic advancement by funding extended-term investment requisites and also cultivates a sense of accountability among enterprises to deliver results.

Furthermore, it aids in spreading the risk associated with credit and in diminishing the expense of funds by encouraging inventive and economical financial instruments. The optimal blend of equity and debt capital is imperative for businesses to construct a diversified collection. Presently, major corporations dominate the credit and equity markets for capital acquisition. In contrast, small and medium-scale enterprises have traditionally leaned on conventional avenues of financial backing, such as bank loans. This is primarily due to the expensive prerequisites for listing, scarcity of collateral, lack of investor demand, and imbalances in information.

Nonetheless, to achieve inclusive and impartial growth, the accessibility of funds must extend to smaller participants as well.

Despite endeavours made to facilitate resource generation for small and medium enterprises through specialized platforms, there remains a substantial scope for enhancing the engagement of emerging businesses in India's progress narrative. In the years ahead, robust availability of capital will be pivotal to sustaining the trajectory of elevated growth.

### **2. GLOBAL ECONOMIC OUTLOOK**

The pace of worldwide economic expansion is expected to decrease in the latter part of 2023, with indications of inflation cooling down. Nevertheless, global core inflation is projected to remain elevated, until 2024. The initial six months of 2023 saw a boost in global economic growth, reaching 2.8%. Up to this point, the tightening of monetary policies has been balanced by diminishing supply disruptions caused by the aftermath of the COVID-19 pandemic and Russia's incursion into Ukraine. However, starting from 2022, global policy rates have climbed by nearly 400 basis points (bps), impacting spending sensitive to interest rates and hindering industrial output. The present momentum won't suffice to prevent the deceleration of growth as the world economy's resilience diminishes. An additional phase of tightening in developed economies is widely anticipated before the conclusion of 2023, aiming to rein in inflation. Yet, additional tightening is liable to compromise the well-being of the private sector. A synchronized worldwide economic downturn could be looming, potentially striking prior to the close of 2024.

According to IMF, the outlook is "broadly stable" in emerging market and developing economies for 2023-2024, with growth of 4% expected in 2023 and 4.1% in 2024. But it noted that credit availability is tight and there was a risk that debt distress could spread to a wider group of economies.

In the years just prior to the pandemic, China experienced much higher inflation than in the major Western economies. Then, with COVID-19 restrictions, China transitioned to deflation by the end of 2020. Then, inflation rebounded to a modest level, rising above 2% during much of 2022. Now, however, as Western economies struggle to bring inflation down from 40-year highs, China is suddenly struggling with deflation. This was not meant to be. Rather, when China finally removed all pandemic-related restrictions at the end of 2022, there was an expectation that economic growth would soar while inflation would rise commensurately. Neither happened and instead, the economy has sputtered while inflation decelerated.

A new report from the Federal Reserve Bank of New York indicates that, although household debt in the United States continues to grow, the financial condition of US households remains favourable. That is, household ability to service debts is strong and household balance sheets do not represent a systemic threat to the financial system—unlike in the period 2007–2009. Recently, rating agency Fitch downgraded US government debt. This followed the recent debt-ceiling crisis that ended more quickly than expected. Still, Fitch cited the crisis, saying that "repeated debt limit standoffs and last-minute resolutions" are a concern. It also expressed concern that the insurrection on January 6, 2021 reflected increased political division that could undermine the ability of Congress to act in

the future. In addition, Fitch cited the long-term trajectory of US deficits. Following the Fitch action, bond yields increased, but mostly due to factors unrelated to the Fitch decision, such as news about the resilience of the economy.

The European Union reported that Eurozone real GDP growth resumed in the second quarter following two consecutive quarters with no growth. However, four Eurozone countries had either zero or negative GDP growth in the second quarter. Germany and Portugal had zero growth while Italy and Austria had negative growth. Meanwhile, Latvia and Sweden, both members of the European Union (EU), also had negative growth. Thus, the European economy appears to have remained weak in the second quarter.

In India, weak global demand and the effect of monetary policy tightening to manage inflationary pressures will constrain the economy in FY 2023-24, limiting real GDP growth to 6%. Moderating inflation and monetary policy easing in the second half of 2024 will help discretionary household spending regain momentum. This, along with improved global conditions, will help economic activity to accelerate, with growth of 7% in real GDP in FY 2024-25.

### 3. DOMESTIC ECONOMIC OUTLOOK

According to the Morgan Stanley Report, India is on track to become the world's third largest economy by 2027, surpassing Japan and Germany, and have the third largest stock market by 2030. India will be one of only three economies in the world that can generate more than \$400 billion annual economic output growth from 2023 onward, and this will rise to more than \$500 billion after 2028. Analysts working across sectors look at how this new era of economic development could bring about staggering changes: boosting India's share of global manufacturing, expanding credit availability, creating new businesses, improving quality of life and spurring a boom in consumer spending.

Unprecedented assistance has been extended by the government to foster the growth of the MSME sector. During the Union Budget FY2023-24, an overhauled Credit guarantee scheme for MSMEs was introduced, infused with Rs 9,000 crore. This renewed scheme is anticipated to reduce credit costs by 1% and enable an additional collateral-free credit guarantee amounting to Rs 2 trillion. Additionally, earlier initiatives like the Special Credit Linked Capital Subsidy Scheme (SCLCSS) for the services sector, SAMBHAV to stimulate entrepreneurship and domestic manufacturing, and Raising and Accelerating MSME Performance (RAMP) to enhance market and credit access, among other measures, have served as catalysts for the growth of MSMEs.

Indian consumers are poised to experience a rise in disposable income. The distribution of income in India could undergo a transformation in the coming decade, potentially leading to a doubling of overall consumption in the country from \$2 trillion in 2022 to \$4.9 trillion by the decade's conclusion. The greatest expansions are anticipated in non-grocery retail segments, encompassing categories such as apparel and accessories, leisure and recreation, and household goods and services, among others. As per a Deloitte report, India achieved a 6.1% growth rate in the quarter of Q1 FY 2023-24, exceeding market

expectations by approximately ~100 basis points. While growth was widespread, sectors like construction and agriculture experienced higher-than-anticipated expansions. The robust growth in manufacturing provided reassurance, as the sector's moderate growth in previous quarters had raised concerns among policymakers.

On the expenditure front, exports exhibited resilience in the face of global challenges, while imports displayed their slowest growth rate since December 2020, primarily due to the easing of crude oil prices, which reduced India's import bills. Private consumption, constituting the largest component of India's final demand, grew modestly by 7.5% in FY2022-23, emerging as the most fragile link in overall growth. The share of private consumption in GDP dwindled in the last quarter and marked the lowest in the past seven quarters, primarily due to weakened rural demand. However, there are indications of change on this front as well.

Urban demand conditions have maintained their resilience, evidenced by the sales of mid- to high-end automobile segments, the volume of UPI transactions, and domestic air passenger traffic statistics. Rural demand, previously lagging, has experienced recent ascent, exemplified by tractor sales, IIP nondurable goods data, and figures from the Mahatma Gandhi National Rural Employment Guarantee Act. Energy also holds pivotal importance for economic advancement, as it impacts education, productivity, communication, commerce, and quality of life. Recent upgrades to transmission and distribution have provided electricity access to all of India's 600,000-plus villages. This could lead to a 60% increase in India's daily energy consumption over the next decade.

The foundation for India evolving into a global hub for major corporations' back-office operations was laid as far back as the 1990s. Outsourcing of services like software development, customer service, and business process outsourcing to India by companies worldwide commenced in the early days of the Internet. However, contemporary dynamics such as tighter global labour markets and the emergence of distributed work models are reinvigorating the concept of India as the world's back office. Additionally, in the forthcoming decade, the number of individuals employed in India for overseas roles is expected to at least double, surpassing 11 million. This is attributed to the surge in global spending on outsourcing, projected to increase from \$180 billion per year to around \$500 billion by 2030.

### 4. MSE'S OUTLOOK

Our aim is to empower Bharat by transforming the financial to economic systems in the country by creating resilient capital market ecosystems, enabling competition and generating sustainable growth by bridging the gaps and making the markets accessible to those it remained inaccessible. Our ethos centre around forging connections, cultivating opportunities, and consistently delivering outstanding results. Our tenets lie embedded in discipline; integrity and resilience helping individuals realize their full potential. We have set out a vision of attracting liquidity by providing broader and more effective access enabling financial inclusion. 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 market innovation.

Have we ever wondered what is it for a kid from Kargil to have a typical school experience, an uninterrupted internet connection or an access to loan for higher education? Or have we ever pondered on the difficulties faced by a widowed mother from Jharkhand who spends 80% of her monthly income for the last 8 years on gold ornaments for her teenage daughter's marriage? What does it look like for a senior citizen from Chennai, whose children are settled in the US, to immediately transfer funds to the hospital during his wife's road accident? The answer to all of these lies in a robust financial system with increased education and awareness. The Government continues its attempt in steering growth through infrastructure development, financial inclusion, capital expenditure allocation and job creation. However, to strengthen the pillars of economy, an important enabler would be to spread the financial education and awareness which needs to be done from the grass root levels. Being in a privileged position and leading one of the financial institutions in the country, it is our responsibility to provide support to the Government by developing the next generation of financially aware, digitally independent citizens who can create a balance between individual pursuits and the entire community growth as a whole. Indian markets have evolved in the last two decades.

Our regulators, systems and processes are robust and resilient enough to be considered as one of the best in the world. High schools and colleges do not teach basic financial concepts. Post the pandemic, an influencer-led financial education era has advanced in the country via various social media platforms. However, the pertinent risk lying there is biased information, misinformation and incomplete education – which have often led retail investors to take erratic decisions and eventually, lose more money in the capital markets under pressure situations. Therefore, most people become more averse to investing and assume stock market akin to gambling and at best, stick to traditional modes of investments like fixed deposits, gold, chit funds or real estate. Although household savings has increased by 150% in the last 10 years, household investment in equities as a % of financial savings is still at 5% in India whereas in other emerging markets is much higher between 15% -20%.

Imagine an ambitious high school or a college student understanding the time value of money, the currency markets and the volatility of different currencies as well as certain concepts of hedging. It will enable the student to make an informed choice and better planning for her higher education when she looks for financing options.

The kid from Kargil getting an access to the best loan option from a bank or an edu-fintech startup, the mother from Jharkhand becoming aware of instruments like gold bonds to invest her monies periodically or the senior citizen knowing how to use internet banking or UPI for money transfer – will not only impact their lives, but the people surrounding them as well. These stories are a reminder that financial education and awareness

with robust strategies beyond business will not just change a person's life, but an entire family's future, across the country, for generations to come. The question is how many stories we are willing to rewrite.

MSE aims to transform the socio-economic systems by reaching to the grassroots levels and collaborating, partnering and co-creating with various enablers in the value chain and ecosystem (from institutions to small businesses, from proprietary trading firms to retail investors) to lead that change and help all people gain access to those privileges of right financial education, skillsets, products and accessibility and make it inclusive for all irrespective of gender, sexuality, caste, class and creed.

MSE's value proposition is to develop differentiated offerings various products which shall expand the market, meet the needs of the market participants and address current gaps. The Exchange is just entering the next phase of its evolution i.e. "Accelerate and Scale". For creation of a long-term sustainable moat, we need to focus on providing competitive pricing (affordable for market participants), leverage technology to provide advantages like high latency speed and seamless execution process, asset classes and products suitable for easy market adoption, and ensure quality customer service. Along with those, we intend to build the market products in close cooperation with the market participants. We would further support them with technology benefits and help them build easy-to-adopt user interfaces for potential customers.

### 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 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
- Investor Charter
- 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.

### OTHER SEBI MEASURES AND UPDATES

SEBI notified various circulars under its various regulations for streamlining and additional governance requirements.

DATE	SUBJECT
4-Apr-22	Execution of 'Demat Debit and Pledge Instruction' (DDPI) for transfer of securities towards deliveries / settlement obligations and pledging / repledging of securities
5-Apr-22	Revision of UPI limits in Public Issue of Equity Shares and convertibles
8-Apr-22	Standard Operating Procedures (SOP) for dispute resolution available under the stock exchange arbitration mechanism for disputes between a listed company and its investor(s)
8-Apr-22	Clarification on applicability of Regulation 23(4) read with Regulation 23(3)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in relation to Related Party Transactions
13-Apr-22	Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper
20-Apr-22	Streamlining the Process of Public Issues and redressal of Investor grievances
26-Apr-22	Master Circular for Real Estate Investment Trusts (REITs)
26-Apr-22	Master circular for Infrastructure Investment Trusts (InvITs)
28-Apr-22	Reduction of timelines for listing of units of Real Estate Investment Trust(REIT)
28-Apr-22	Reduction of timelines for listing of units of Infrastructure Investment Trust(InvIT)
2-May-22	System and Network Audit of Market Infrastructure Institutions (MIIs)
10-May-22	Changes to the Framework to Enable Verification of Upfront Collection of Margins from Clients in Cash and Derivatives segments
13-May-22	Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
18-May-22	Simplification of procedure and standardization of formats of documents for transmission of securities
19-May-22	Streamline Process of Right Issue

19-May-22	Revised format of security cover certificate, monitoring and revision in timelines
20-May-22	Modification in Cyber Security and Cyber Resilience framework of Stock Exchanges, Clearing Corporations and Depositories
23-May-22	Circular on Development of Passive Funds
25-May-22	Simplification of procedure and standardization of formats of documents for issuance of duplicate securities certificates
27-May-22	Modification to Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default
30-May-22	Standard Operating Procedures (SOP) for dispute resolution under the Stock Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/Investor(s)
30-May-22	Processing of ASBA applications in Public Issue of Equity Shares and Convertibles
13-May-22	Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
13-May-22	Guidelines for seeking NOC by Stock Brokers / Clearing Members for setting up Wholly Owned Subsidiaries, Step Down Subsidiaries, Joint Ventures in GIFT IFSC.
3-Jun-22	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)
3-Jun-22	Investor Grievance Redressal Mechanism
7-Jun-22	Modification in Cyber Security and Cyber resilience framework for Stock Brokers / Depository Participants
20-Jun-22	Naming / Tagging of demat accounts maintained by Stock Brokers
24-Jun-22	Introduction of Unified Payments Interface (UPI) mechanism for Infrastructure Investment Trusts
24-Jun-22	Introduction of Unified Payments Interface (UPI) mechanism for Real Estate Investment Trusts
24-Jun-22	Reduction of timelines for listing of units of privately placed Infrastructure Investment Trust (InvIT)
28-Jun-22	Adjustment in derivative contracts for dividend announcements
30-Jun-22	Implementation of Circular on 'Execution of 'Demat Debit and Pledge Instruction' (DDPI) for transfer of securities towards deliveries / settlement obligations and pledging / re-pledging of securities' - Extension
30-Jun-22	Disclosure of holding of specified securities and Holding of specified securities in dematerialized form
30-Jun-22	Modification in Cyber Security and Cyber resilience framework for Stock Brokers / Depository Participants
4-Jul-22	Investor Grievance Redressal Mechanism and Amendment to SEBI Circular no. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017
18-Jul-22	Levy of Goods & Services Tax (GST) on the fees payable to SEBI
27-Jul-22	SEBI Circular dated July 27, 2022 - Settlement of Running Account of Client's Funds lying with Trading Member (TM)
28-Jul-22	Addendum to SEBI Circular on Development of Passive Funds

29-Jul-22	Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper
29-Jul-22	Framework for automated deactivation of trading and demat accounts in cases of inadequate KYCs
4-Aug-22	Enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence
5-Aug-22	Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT by freezing PAN at security level)
18-Aug-22	Block Mechanism in demat account of clients undertaking sale transactions
26-Aug-22	Amendments to guidelines for preferential issue and institutional placement of units by a listed InvIT
26-Aug-22	Amendments to guidelines for preferential issue and institutional placement of units by a listed REIT
2-Sep-22	SEBI Circular dated September 02, 2022 - Performance/ return claimed by unregulated platforms offering algorithmic strategies for trading
13-Sep-22	Master Circular on Surveillance of Securities Market
19-Sep-22	Validation of Instructions for Pay-In of Securities from Client demat account to trading member (TM) Pool Account against obligations received from the clearing corporations
19-Sep-22	Framework on Social Stock Exchange ("SSE")
22-Sep-22	Issue and listing of Commercial Paper by listed InvITs
22-Sep-22	Issue and listing of Commercial Paper by listed REITs
28-Sep-22	Amendments to guidelines for preferential issue and institutional placement of units by a listed InvIT
28-Sep-22	Amendments to guidelines for preferential issue and institutional placement of units by a listed REIT
3-Oct-22	Extension of timeline for entering the details of the existing outstanding non-convertible securities in the 'Security and Covenant Monitoring' system hosted by Depositories
6-Oct-22	Execution of 'Demat Debit and Pledge Instruction' (DDPI) for transfer of securities towards deliveries / settlement obligations and pledging / re-pledging of securities - Clarification
10-Oct-22	Review of provisions pertaining to Electronic Book Provider platform
19-Oct-22	Request for Quote (RFQ) platform for trade execution and settlement of trades in listed Non-convertible Securities, Securitized Debt Instruments, Municipal Debt Securities and Commercial Paper
27-Oct-22	Block Mechanism in demat account of clients undertaking sale transactions - Clarification
28-Oct-22	Addendum to SEBI Circular on Development of Passive Funds
28-Oct-22	Reduction in denomination for debt securities and non-convertible redeemable preference shares
31-Oct-22	Review of provisions pertaining to specifications related to International Securities Identification Number (ISIN) for debt securities issued on private placement basis
7-Nov-22	Master Circular on issuance of No Objection Certificate (NOC) for release
7-Nov-22	Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform

10-Nov-22	Applicability of GST on fees remitted to SEBI - Revision in Chapter - XX of Operational Circular for issue and listing of Non-convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper
14-Nov-22	Registration and regulatory framework for Online Bond Platform Providers (OBPPs)
11-Nov-22	Handling of Clients' Securities by Trading Members(TM) / Clearing Members (CM)
17-Nov-22	Scheme(s) of Arrangement by entities who have listed their Non-convertible Debt securities (NCDs)/ Non-convertible Redeemable Preference shares (NCRPS)
24-Nov-22	Disclosures and compliance requirements for Issuance and Listing of Municipal Debt Securities under SEBI (Issue and Listing of Municipal Debt Securities) Regulations, 2015, which fall within the definition of "green debt security"
24-Nov-22	Reporting of trades in non-convertible securities under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021
25-Nov-22	Extension of timelines for implementation of SEBI circulars SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/137 and SEBI/HO/MIRSD/ DoP/P/CIR/2022/119
25-Nov-22	Framework to address the 'technical glitches' in Stock Brokers' Electronic Trading Systems
28-Nov-22	Procedure for seeking prior approval for change in control
30-Nov-22	Review of timelines for listing of securities issued on a private placement basis (Revision in Chapter VII of the "Operational Circular for issue and listing of Non-convertible Securities, Securitized Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper")
30-Nov-22	Net Settlement of Cash segment and Futures & Options (F&O) segment upon expiry of stock derivatives
30-Nov-22	Inclusion of Equity Exchange Traded Funds as list of eligible securities under Margin Trading Facility
1-Dec-22	Operational Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper
9-Dec-22	Scheme(s) of Arrangement by entities who have listed their Non-convertible Debt securities (NCDs)/ Non-convertible Redeemable Preference shares (NCRPS) ('debt listed entities')
19-Dec-22	Clarification to SEBI circular dated August 04, 2022 on enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence
30-Dec-22	Introduction of Investor Risk Reduction Access (IRRA) platform in case of disruption of trading services provided by the Trading Member (TM)
5-Jan-23	Limited relaxation – dispatch of physical copies of financial statements etc. – Regulation 58 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
5-Jan-23	Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Reg.

5-Jan-23	Extension of timelines for entering and verification of the details of the existing outstanding non-convertible securities in the 'Security and Covenant Monitoring' system hosted by Depositories
5-Jan-23	Monitoring and Periodical reporting of the compliance with the requirements pertaining to 'Security and Covenant Monitoring' system hosted by Depositories
6-Jan-23	Operational Circular for Credit Rating Agencies
9-Jan-23	Standard Operating Procedure for handling of Stock Exchange Outage and extension of trading hours thereof
9-Jan-23	Mode of settlement for trades executed on the Request for Quote (RFQ) platform
10-Jan-23	Comprehensive Framework on Offer for Sale (OFS) of Shares through Stock Exchange Mechanism
10-Jan-23	Introduction of future contracts on Corporate Bond Indices
12-Jan-23	Facility of conducting meetings of unit holders of InvITs through Video Conferencing or Other Audio Visual means
12-Jan-23	Facility of conducting meetings of unit holders of REITs through Video Conferencing or Other Audio-Visual mean
1-Feb-23	Changes to the Framework to Enable Verification of Upfront Collection of Margins from Clients in Cash and Derivatives segments
3-Feb-23	Manner of achieving minimum public shareholding
6-Feb-23	Revised Disclosure Requirements for Issuance and Listing of Green Debt Securities
6-Feb-23	SEBI Circular_Enhanced obligations and responsibilities on Qualified Stock Brokers (QSBs)
7-Feb-23	SEBI Circulars_Grant of extension of time to entities operating/ desirous of operating as Online Bond Platform Providers (OBPPs) for making an application to obtain certificate of registration as a stock broker under the Securities and Exchange Board of India
8-Feb-23	Clarification w.r.t. issuance and listing of perpetual debt instruments, perpetual non-cumulative preference shares and similar instruments under Chapter V of the SEBI (Issue and Listing of Non-convertible Securities) Regulations, 2021
8-Feb-23	Entities allowed to use e-KYC Aadhaar Authentication services of UIDAI in securities Market as sub-KUA
9-Feb-23	Clarification in respect of the compliance by the first-time issuers of debt securities under SEBI(Issue and Listing of Non-Convertible Securities) Regulations, 2021 with Regulation 23(6)
15-Feb-23	Issue Summary Document(ISD) and dissemination of issue advertisements
15-Feb-23	Maintenance of a website by stock brokers and depository participants
22-Feb-23	Advisory for SEBI Regulated Entities (REs) regarding Cybersecurity best practices.
6-Mar-23	Framework for Adoption of Cloud Services by SEBI Regulated Entities (Res)
8-Mar-23	Operational Guidance -Amendment to Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018("Buy-back Regulations")
16-Mar-23	Common and simplified norms for processing investor's service requestsby RTAs and norms for furnishing PAN, KYC details and Nomination

27-Mar-23	Nomination for Eligible Trading and Demat Accounts – Extension of timelines for existing account holders
28-Mar-23	Norms for Scheme of Arrangement by unlisted Stock Exchanges, Clearing Corporations and Depositories
31-Mar-23	Extension of compliance period – Fund raising by large corporates through issuance of debt securities to the extent of 25% of their incremental borrowings in a financial year
31-Mar-23	Operational Circular for Debenture Trustees
27-Mar-23	Amendment to Securities Lending Scheme, 1997

## 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.

### 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 the 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 and are fast-evolving in nature. There is also an increased risk on financial institutions 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 get impacted 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 have a proactive Cyber security posture 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 training to employees and improvement in cybersecurity policies and procedures is undertaken by MSE.



## 7. SEGMENT WISE PERFORMANCE

### Currency Derivatives Segment

Particulars	2022 - 23	2021 - 22
Annual Volume (No. of contracts)	28,420,818	12,012,062
Annual Turnover (Rs. Crore)	2,31,434.63	90,270.10
Average Daily Volume (No. of contracts)	116003	49637
Average Daily Turnover (Rs. Crore)	944.63	373.02

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. 12 securities were traded on MSE platform during the FY 2022-23. Total volume i.e. traded quantity on MSE platform during the FY 2022-23 in the Capital Market Segment was 2,429,955 shares and the total value traded being Rs 44.48 crore.

### Companies Listed on the Exchange:

As on March 31, 2023, the Exchange has admitted 2002 Companies for trading on the Exchange platform. Out of these, 285 Companies were through direct listing and 1717 permitted category. The 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.

### 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.

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.

## 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 2022-23 to ascertain the carrying value of predominantly the 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, 2023 is required.

#### 9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Exchange has implemented effective system controls to ensure that all its Technology 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 technology infrastructure are error free. The Audit Committee is in overall supervision of the internal controls and reports are submitted to the Board in a periodic manner.

#### 10. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Loss for the year reduced to Rs. 1,997 Lakhs in FY 2022-23 as compared to Rs. 2,349 Lakhs FY 2021-22.

##### Revenue

During the year, Total Revenue increased to Rs. 2,984 Lakhs in FY 2022-23 compared to Rs. 1,415 Lakhs in FY 2021-22. Operating Revenue increased to Rs. 755 Lakhs in FY 2022-23 compared to Rs. 550 Lakhs in FY 2021-22. Transaction fees income increased to Rs. 350 Lakhs in FY 2022-23 compared to Rs. 146 Lakhs in FY 2021-22. Processing fees decreased to Rs. 55 Lakhs in FY 2022-23 compared to Rs. 56 Lakhs in FY 2021-22. The Listing Fees income decreased to Rs. 171 Lakhs in FY 2022-23 compared to Rs. 172 Lakhs in FY 2021-22 and Other income increased to Rs. 2,229 Lakhs in FY 2022-23 compared to Rs. 865 Lakhs in FY 2021-22.

##### Expenditure

Total Expenses has increased to Rs. 4,770 Lakhs in FY 2022-23 as Compared to Rs. 3,764 Lakhs in FY 2021-22. The operating expenses increased to Rs. 1,430 Lakhs in FY 2022-23 as compared to Rs. 934 Lakhs in FY 2021-22, Employee benefit expenses increased to Rs. 1,499 in FY 2022-23 as compared

to Rs. 1,450 in FY 2021-22, Advertising and business promotion expenses increased to Rs. 379 Lakhs in FY 2022-23 as compared to Rs. 58 Lakhs in FY 2021-22, The Finance cost has decreased to Rs. 26 Lakhs in FY 2022-23 as compared to Rs. 35 Lakhs for FY 2021-22. Administration and other expenses increased to Rs. 835 Lakhs in FY 2022-23 as compared to Rs. 568 Lakhs in FY 2021-22. Depreciation and amortization expenses decreased to Rs.601Lakhs in FY 2022-23 as compared to 719 Lakhs in FY 2021-22.

##### Balance Sheet

As on March 31, 2023, the Paid-up Share Capital stood at Rs. 481,02,17,033 divided into 481,02,17,033 equity shares of Rs. 1/- each. Total current and non-current assets stood at Rs. 10,099 and Rs. 18,569, respectively as on March 31, 2023 as against Rs. 8,754 and Rs. 21,687 lakhs, respectively as on March 31, 2022. Total current and non-current liabilities stood at Rs. 2,300 and Rs. 2,209, respectively as on March 31, 2023 as against Rs. 1,930 and Rs. 2,375 lakhs, respectively as on March 31, 2022. Investment in subsidiaries stood at Rs. 12,019 lakhs in as on March 31, 2023 as against Rs. 12,019 lakhs as on March 31, 2022. Networth of the Company stood at Rs. 24,159 lakhs as on March 31, 2023 as against Rs. 26,136 lakhs as on March 31, 2022.

##### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Our headcount as on March 31, 2023 stood at 125 as against 135 as on March 31, 2022. 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.

#### 11. 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 %
		2022-23	2021-22		2022-23	2021-22	
i)	Debtor Turnover (Times)	3.45	1.89	82.38%	3.60	3.46	4.09%
ii)	Payable Turnover (Times)	63.76	31.67	101.31%	47.84	25.51	87.54%
iii)	Net capital turnover ratio (%)	3.12%	2.10%	48.49%	3.82%	3.86%	(1.07%)
iv)	Net profit ratio (%)	(261.99%)	(423.49%)	(38.14%)	(202.38%)	(314.87%)	(35.73%)
v)	Return on equity ratio	(8.26%)	(8.99%)	8.02%	(7.72%)	(12.15%)	36.14%
vi)	Return on capital employed	(8.26%)	(8.99%)	8.02%	(8.25%)	(11.99%)	31.20%

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

Return on Net Worth is (8.26%) for FY 2022-23 as compared to (8.99%) in FY 2021-22. The change of (8.02%) in Return of Net Worth is on account of decrease in losses by Rs.352 lakhs and reduction in Net Worth is due to current year loss of Rs.1,978 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.

**ANNEXURE VIII – Boards' Report**
**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") 2022-23, 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**

Our aim is to empower Bharat by transforming the financial to economic systems in the country by creating resilient capital market ecosystems, enabling competition and generating sustainable growth by bridging the gaps and making the markets accessible to those it remained inaccessible. Our ethos centre around forging connections, cultivating opportunities, and consistently delivering outstanding results. Our tenets lie embedded in discipline; integrity and resilience helping individuals realize their full potential. We have set out a vision of attracting liquidity by providing broader and more effective access enabling financial inclusion. 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 market innovation.

Have we ever wondered what is it for a kid from Kargil to have a typical school experience, an uninterrupted internet connection or an access to loan for higher education? Or have we ever pondered on the difficulties faced by a widowed mother from Jharkhand who spends 80% of her monthly income for the last 8 years on gold ornaments for her teenage daughter's marriage? What does it look like for a senior citizen from Chennai, whose children are settled in the US, to immediately transfer funds to the hospital during his wife's road accident? The answer to all of these lies in a robust financial system with increased education and awareness. The Government continues its attempt in steering growth through infrastructure development, financial inclusion, capital expenditure allocation and job creation. However, to strengthen the pillars of economy, an important enabler would be to spread the financial education and awareness which needs to be done from the grass root levels. Being in a privileged position and leading one of the financial institutions in the country, it is our responsibility to provide support to the Government by developing the next generation of financially aware, digitally independent citizens who can create a balance between individual pursuits and the entire community growth as a whole. Indian markets have evolved in the last two decades.

Our regulators, systems and processes are robust and resilient enough to be considered as one of the best in the world. High schools and colleges do not teach basic financial concepts. Post the pandemic, an influencer-led financial education era has advanced in the country via various social media platforms. However, the pertinent risk lying there is biased information, misinformation and incomplete education – which have often led retail investors to take erratic decisions and eventually, lose more money in the capital markets under pressure situations. Therefore, most people become more averse to investing and assume stock market akin to gambling and at best, stick to traditional modes of investments like fixed deposits, gold, chit funds or real estate. Although household savings has increased by 150% in the last 10 years, household investment in equities as a % of financial savings is still at 5% in India whereas in other emerging markets is much higher between 15% -20%.

Imagine an ambitious high school or a college student understanding the time value of money, the currency markets and the volatility of different currencies as well as certain concepts of hedging. It will enable the student to make an informed choice and better planning for her higher education when she looks for financing options.

The kid from Kargil getting an access to the best loan option from a bank or an edu-fintech startup, the mother from Jharkhand becoming aware of instruments like gold bonds to invest her monies periodically or the senior citizen knowing how to use internet banking or UPI for money transfer – will not only impact their lives, but the people surrounding them as well. These stories are a reminder that financial education and awareness with robust strategies beyond business will not just change a person's life, but an entire family's future, across the country, for generations to come. The question is how many stories we are willing to rewrite.

MSE aims to transform the socio-economic systems by reaching to the grassroots levels and collaborating, partnering and co-creating with various enablers in the value chain and ecosystem (from institutions to small businesses, from proprietary trading firms to retail investors) to lead that change and help all people gain access to those privileges of right financial education, skillsets, products and accessibility and make it inclusive for all irrespective of gender, sexuality, caste, class and creed.

MSE's value proposition is to develop differentiated offerings various products which shall expand the market, meet the needs of the market participants and address current gaps. The Exchange is just entering the next phase of its evolution i.e. "Accelerate and Scale". For creation of a long-term sustainable moat, we need to focus on providing competitive pricing (affordable for market participants), leverage technology to provide advantages like high latency speed and seamless execution process, asset classes and products suitable for easy market adoption, and ensure quality customer service. Along with those, we intend to build the market products in close cooperation with the market participants. We would further support them with technology benefits and help them build easy-to-adopt user interfaces for potential customers.

**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 (3) 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 2022-23. During the Financial year ended March 31, 2023 the composition of the Board of Directors was:

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

**Note:**

\* Mr. S.V.D. Nageswara Rao resigned w.e.f. May 08, 2023.

\*\* Mr. Vijay Sardana – first term expired on April 26, 2022 (did not want to continue)

\*\*\* Mr. Raghunathan Srinivasa – appointed as shareholder director w.e.f. January 6, 2022 and ceased to be shareholder director w.e.f. February 01, 2023.

\*\*\*\* Mr. Ajai Kumar completed his term as on October 22, 2023.

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

During the financial year ended March 31, 2023, sixteen (16) meetings of the Board of Directors were held. The dates of the Board Meetings were: April 07, 2022, April 28, 2022, May 27, 2022, August 11, 2022, September 30, 2022, October 31, 2022, November 11, 2022, December 02, 2022, December 20, 2022, January 04, 2023, January 09, 2023, February 13, 2023, February 23, 2023, March 02, 2023, March 08, 2023 and March 11, 2023.

The attendance details and number of directorships and committee positions held by the Directors as on March 31, 2023 are given below:

Sr. No	Name of Director	Category	Attendance at Board Meetings during FY 2022-23		Whether attended last AGM held on 01-12-2022	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. Ajai Kumar	PID	16	16	YES	7	-	3	4	#
2	Ms. Trishna Guha**	PID	16	16	YES	2	-	-	3	\$
3	Mr. S.V.D Nageswara Rao*	PID	16	16	YES	-	-	-	-	-
4	Mr. Vijay Sardana**	PID	1	1	NO	-	-	-	-	-
5	Mr. Raghunathan Srinivasa***	SHD	11	10	YES	-	-	-	-	-
6	Ms. Latika S. Kundu	MD & CEO	16	13	YES	1	-	-	-	Nil

\* Mr. S.V.D. Nageswara Rao resigned w.e.f. May 08, 2023.

\*\* Mr. Vijay Sardana – first term expired on April 26, 2022 (did not want to continue)

\*\*\* Mr. Raghunathan Srinivasa – appointed as shareholder director w.e.f. January 6, 2022 and ceased to be shareholder director w.e.f. February 01, 2023.



# 1. CANFIN Homes Limited – Independent Director 2. HFCL Limited – Independent Director  
\$ 1. East India Pharmaceutical Works Limited 2. Shalimar Wires Industries Limited

### 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 2022-23 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.
- All Public Interest Directors are Independent Directors.
- 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.
- Memberships/Chairmanships of only the Audit Committee/ Stakeholders’ Relationship Committee/ Nomination and Remuneration Committee of all Public Companies have been considered above.
- None of the Directors are related to each other.
- None of the Director holds any shares in the Company.
- 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>
- 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 four (4) times. The meetings were held on May 27, 2022, August 11, 2022, November 11, 2022, and February 13, 2023.

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, 2023 are listed below:

Members	Category	Meetings held during the tenure	Meetings Attended during the Year
Ms. Trishna Guha Public Interest Director	Independent Director	4	4
Mr. S.V.D. Nageswara Rao* Public interest Director	Independent Director	4	4
Mr. Vijay Sardana ** Public Interest Director	Independent Director	0	0
Mr. Raghunathan Srinivasa***	Shareholder Director	3	3
Mr. Ajai Kumar **** Public interest Director and Chairman of the Committee	Independent Director	4	4

Note:

\* Mr. S.V.D. Nageswara Rao resigned w.e.f. May 08, 2023.

\*\* Mr. Vijay Sardana – first term expired on April 26, 2022 (did not want to continue)

\*\*\* Mr. Raghunathan Srinivasa – appointed as shareholder director w.e.f. January 6, 2022 and ceased to be shareholder director w.e.f. February 01, 2023.

\*\*\*\* Mr. Ajai Kumar completed his term as on October 22, 2023.

## 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 six (6) times during the year. The meetings were held on April 04, 2022, May 13, 2022, August 30, 2022, January 04, 2023, January 09, 2023 and March 02, 2023.

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, 2023 were as under:

Members	Category	Meetings held during the tenure	Meetings attended during the tenure
Ms. Trishna Guha Public Interest Director	Independent Director	6	6
Mr. S.V.D. Nageswara Rao* Public interest Director	Independent Director	6	6
Mr. Ajai Kumar** Public Interest Director	Independent Director	6	6

Note:

\* Mr. S.V.D. Nageswara Rao resigned w.e.f. May 08, 2023.

\*\* Mr. Ajai Kumar completed his term as on October 22, 2023.

#### 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](http://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:

- Mandate and composition
- Effectiveness of the Committees
- Structure of the Committees and their meetings
- Independence of the Committees from the Board
- Contribution to the decisions of the Board

## vi. Observations of Board evaluation carried out for the year:

- Gist of observations on performance evaluation of Board: NIL

Observations of Board evaluation carried out for Previous year: NIL

Proposed actions based on current year observations: NA

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

## 4. Remuneration of Directors

- 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.

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

NAME OF THE DIRECTOR	SITTING FEES (IN RS.)
Ms. Trishna Guha	17,30,000
Mr. S V D Nageswara Rao*	18,80,000
Mr. Vijay Sardana**	50,000
Mr. Raghunathan Srinivasa***	7,10,000
Mr. Ajai Kumar ****	16,70,000

Note:

\* Mr. S.V.D. Nageswara Rao resigned w.e.f. May 08, 2023.

\*\* Mr. Vijay Sardana – first term expired on April 26, 2022 (did not want to continue)

\*\*\* Mr. Raghunathan Srinivasa – appointed as shareholder director w.e.f. January 6, 2022 and ceased to be shareholder director w.e.f. February 01, 2023.

\*\*\*\* Mr. Ajai Kumar completed his term as on October 22, 2023.

- The details of remuneration paid to Executive Director for the financial year ended March 31, 2023 are provided hereunder:



Particulars	Ms. Latika S Kundu
	MD & CEO
Salary and allowances	Rs. 75,00,000/-
Period of Service Contracts	For a period of three years Commencing on and from March 12, 2020 to March 11, 2023, which has been further extended by six months upto September 11, 2023, vide the approval of SEBI and governing board of the Exchange
Notice Period	Three Months

This 'Salary and allowances' includes variable pay component of Rs.25,00,000/-p.a., which is governed by Malus and Clawback arrangement as per SECC Regulations and is yet to be paid

## 5. 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 meetings were held on May 27, 2022 and November 11, 2022. 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*	Public Interest Director	2	2
Mr. Raghunathan Srinivasa**	Shareholder Director	2	2
Ms. Latika S. Kundu	MD & CEO	2	2

\* Mr. S.V.D. Nageswara Rao resigned w.e.f. May 08, 2023.

\*\* Mr. Raghunathan Srinivasa – appointed as shareholder director w.e.f. January 6, 2022 and ceased to be shareholder director w.e.f. February 01, 2023.

### 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 the 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.
- Name and Designation of Compliance Officer  
Mr. P. K. Ramesh - Chief Regulatory Officer & Compliance Officer.
  - Name and Designation of Company Secretary  
Mr. Durgesh Kadam, Head – Legal & Company Secretary
  - 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

## 6. 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 one (1) time. The meetings was held on September 26, 2022

Members	Category	Meetings held during the Year	Meetings Attended during the Year
Ms. Trishna Guha Public Interest Director	Independent Director	1	1
Mr. Suresh Viswanathan	External Expert	1	1
Mr. Vijay Sardana * Public interest Director and Chairperson of the Committee	Independent Director	NA	NA
Mr. Ajai Kumar** Public Interest Director Chairperson of the Committee	Independent Director	1	1

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

\*\* Mr. Ajai Kumar completed his term as on October 22, 2023.

### 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.

## 7. 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 the 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. in the month of June 2022 & December 2022. 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, 2023 are listed below:

Members	Category	Meetings held during the Year	Meetings Attended during the Year
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	NA	NA
Mr. Ajai Kumar*** Public interest Director	Independent Director	2	2

Note:

\* Mr. S.V.D. Nageswara Rao resigned w.e.f. May 08, 2023.

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

\*\*\* Mr. Ajai Kumar completed his term as on October 22, 2023.

### 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:

- 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
2021-22	December 01, 2022 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	No special resolutions 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. Appointment of Mr. Ajai Kumar (DIN: 02446976) as an (Independent Director) Public Interest Director 3. 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

## B. Postal Ballot

The Company has not passed any resolution by way of postal ballot during the financial year ended March 31, 2023 and no resolution was proposed to be conducted through postal ballot.

xii. No Extraordinary general meeting of the members was held during FY 2022-23.

## 9. Means of Communication:

The Exchange disseminates all material information to its Shareholders through its website: [www.msei.in](http://www.msei.in). The Exchange's website: [www.msei.in](http://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:

<b>Day, Date, Time of Annual General Meeting (2022-2023)</b>	Wednesday, December 20, 2023 at 02:00 p.m. Venue:- The Company is conducting meeting through Video Conferencing/Other Audio Visual Means pursuant to the MCA Circular dated May 5, 2020 and December 28, 2022. 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
<b>Financial year</b>	April 01, 2022 to March 31, 2023
<b>Dividend payment date</b>	Not Applicable
<b>Listing on Stock Exchanges</b>	The Company is not listed on any stock exchange.
<b>Stock Market Code, Market Price Data and share price performance to broad based indices</b>	Not applicable as the Company is not listed on any stock exchange
<b>Registrars &amp; Share Transfer Agents</b>	KFin Technologies Private Limited Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad 500 032, India. Tel: +91-040-6716 2222
<b>Share transfer System</b>	100% of Equity Shares of the company are in electronic form. Transfer of shares is done through depositories with no involvement of the company.
<b>Dematerialization of Shares and liquidity</b>	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.
<b>Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity</b>	As at March 31, 2023, the Company had no outstanding Warrants.
<b>Exchange operations are located at and Address for Correspondence</b>	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
<b>Legal Identified Number (LEI)</b>	3358002YCEYDX7UK4352

## 11. Distribution of Shareholding as on March 31, 2023:

Sr. No	Category	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1	up to 1 - 5000	15948	29.10	4,90,13,198	1.02
2	5001 - 10000	11276	20.58	10,21,04,964	2.12
3	10001 - 20000	7570	13.81	12,35,13,008	2.57
4	20001 - 30000	4844	8.84	12,59,25,180	2.62
5	30001 - 40000	1921	3.51	7,05,82,706	1.47
6	40001 - 50000	3370	6.15	16,50,14,574	3.43
7	50001 - 100000	5241	9.56	44,75,75,395	9.30
8	100001 & ABOVE	4631	8.45	3,72,64,88,008	77.47
	<b>Total</b>	<b>54800</b>	<b>100.00</b>	<b>4,81,02,17,033</b>	<b>100.00</b>



## 12. Category – wise Shareholding Pattern as on March 31, 2023:

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	238	875298478	18.20
(c)	Individuals	52866	2647387791	55.04
(d)	HUF	1360	202249942	4.20
(e)	Trusts	1	5672734	0.12
(f)	Non-Resident Indian	321	360824256	7.50
	<b>Total B</b>	<b>54800</b>	<b>481,02,17,033</b>	<b>100.00</b>
	<b>Total (A+B)</b>	<b>54800</b>	<b>481,02,17,033</b>	<b>100.00</b>

### 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 2022-23, 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](http://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 2022-23, 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 2022-2023 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 2022-23 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, 2023, the Company holds 95.85% of the paid-up capital of Metropolitan Clearing Corporation of India Limited (MCCIL) and 100% of MSE Fintech 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, 2023:

Category	No. of Shareholders	No. of shares	Percentage (%)
NSDL	21,336	2,722,219,985	56.59
CDSL	31,451	2,087,997,048	43.41
<b>Total</b>	<b>52,509</b>	<b>481,02,17,033</b>	<b>100.00</b>

**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, 2023, 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	Payment to Auditor	(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	1,19,450
	<b>Total</b>	<b>17,19,450</b>

**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.**

<b>Strategy and Planning</b>	Appreciation of long-term trends, strategic choices and experience in guiding and leading management team to make decisions in uncertain environments
<b>Governance</b>	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.
<b>Specific Skill Set</b>	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

**Dinesh C. Patwari**  
Chairman  
DIN: 10060352

Date: November 20, 2023  
Place: Mumbai

**ANNEXURE A – Corporate Governance Report**

**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 2022-23 as adopted by the Board of directors and applicable Regulations.

**Latika S. Kundu**

Managing Director & CEO

DIN: 08561873

Dated: November 20, 2023

Place: Mumbai



**ANNEXURE B – Corporate Governance Report****PRACTICING COMPANY SECRETARIES' CERTIFICATE ON 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, 2023, 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.

**ALWYN JAY & CO.**  
**Company Secretaries**

**Partner**  
[Jay D'souza FCS 3058]  
[Certificate of Practice No. 6915]  
[UDIN : F003058E002101627]

**Date: November 21, 2023**  
**Place: Mumbai**

**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, having CIN U65999MH2008PLC185856 and having registered office at 205(A), 2nd Floor, Piramal Agastya Corporate Park Kamani Junction, LBS Road, Kurla (West), Mumbai – 400 070, Maharashtra, India, (hereinafter referred to as “the Company”) 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 Clause 10(i) of the Securities 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 ending on 31st March, 2023 or a part thereof of their appointment, 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.	Mr. Ajai Kumar	02446976	Director	October 23, 2020
2.	Ms. Trishna Guha	08200779	Director	October 4, 2018
3.	Mr. S.V.D. Nageswara Rao	02105323	Director	October 4, 2018
4.	Ms. Latika S. Kundu	08561873	Managing Director	March 12, 2020

**Note:**

(1) Mr. S.V.D Nageswara Rao resigned w.e.f. May 08, 2023.

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.

**ALWYN JAY & CO.**  
Company Secretaries

Partner  
[Jay D'souza FCS 3058]  
[Certificate of Practice No. 6915]  
[UDIN : F003058E00101561]

Date: November 21, 2023  
Place: Mumbai

**ANNEXURE D – Corporate Governance****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, 2023;
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. 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, 2023 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:
  - i. significant changes in internal control financial reporting during the year;
  - ii. There are no significant changes in accounting policies made during the year, except as disclosed in the notes to the financial statements and;
  - iii. 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.

Yours Sincerely,

**Saket Bhansali**  
Chief Financial Officer

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

**Dated: May 30, 2023**  
**Place: Mumbai**

# **Standalone Financial Statement**



## Independent Auditor's Report

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

#### 1. 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, 2023, 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, 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 of 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, 2023 and loss (including other comprehensive income), cash flows and its changes in equity for the year ended on that date.

#### 2. Basis for Opinion

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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

#### 3. Emphasis of Matter

- a. We draw attention to Note 36 of the Standalone Financial Statements, with regard to proposed Merger of MSE Enterprises Limited (MEL) (formerly known as Metropolitan Clearing Corporation of India Limited), with Company wherein it states that Board of Company and MEL accorded their in-principle approval for the Merger. Pursuant to the application made by MEL to SEBI to surrender the license/recognition, MEL has been derecognized to operate as Clearing Corporation w.e.f. October 3, 2022.
- b. We draw attention to Note 38 of the Standalone Financial Statements with regard to preparation of standalone financial on Going Concern Basis which states that "The Exchange has prepared its Financial Statements on Going Concern Basis, the Exchange has incurred losses of Rs. 1,978 Lakh during the year ended March 31, 2023 (March 31, 2022: Rs. 2,329 Lakh) and the net worth of the Exchange as per Stock Exchange and Clearing Corporation Regulation 2018 (SECC) norms amounts to Rs. 12,351 Lakh as on March 31, 2023 (March 31, 2022: Rs. 14,117 Lakh). The Exchange has already filed application with NCLT during current year for merger of MSE Enterprises Limited (MEL), subsidiary (formerly known as Metropolitan Clearing Corporation of India Limited) with the Exchange which shall further augment the net worth significantly as per SECC norms. The Exchange is in compliance of all regulatory requirements including interoperability, T+1 settlement cycle, etc. The Exchange has not defaulted in payment of any of its creditors, statutory/regulatory liability and to employees and has sufficient funds to discharge all its liabilities. The Exchange has been able to increase its business volumes in the Currency Derivatives segment regularly and achieved its highest daily volume of last eight years during current year. The Exchange is also in the process of enabling various initiatives, rationalization measures, brand building and technological upgradation which shall help in Business and Product Expansion along with focus on bringing down overall cost of operations. This shall ensure further significant reduction in losses and the Exchange is confident of making profits shortly. The Exchange is also expecting the resolution of pending legal matters in its favour considering the current status which shall result in significant benefits to the Exchange. The Exchange accordingly continues to prepare its Standalone Financial Statements on going concern basis.

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. 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. 46% of the Operating Expenses (refer note 29) for the year ended March 31, 2023.

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, 2023.

## **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 Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. The other information is expected to be made available to us after the date of this auditor's report.

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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate that matter to those charged with governance.

## **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 and presentation 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, 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 Act, 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 and Board of Directors.
- 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 Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 Standalone 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. Other Matter**

The forensic audit of the Company, with respect to the whistle blower complaints, as advised by Securities Exchange and Board of India (SEBI) has been completed and the report has been submitted to SEBI. The matter is pending.

Our opinion is not modified in respect of these matters.

## **9. Report on Other Legal and Regulatory Requirements**

- a. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, 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 all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company in electronic modes 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. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Ind As) Rules, 2015, as amended.
  - v. On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
  - vi. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - vii. 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:
    - a. The Company has disclosed the impact of pending litigations as on March 31, 2023 on its financial position in its Standalone Financial Statements – Refer Note 34 to the Standalone Financial Statements.
    - b. 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.
    - c. There were no amounts which were required to be transferred to the investor's education and protection fund by the Company during the year ended March 31, 2023.
    - d. (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 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 (Refer Note 53 to the Standalone Financial Statements);
    - (ii) 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 (Refer Note 53 to the Standalone Financial Statements); and

- (iii) 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.
- e. During the year the Company has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 1st April, 2023, reporting in respect of mandatory use of accounting software with requisite audit trail facility is not applicable.
- c. 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.

For **T R Chadha & Co LLP**

Chartered Accountants

Firm's Registration No. 006711N/N500028

**Pramod Tilwani**

Partner

Membership No. 076650

**UDIN:** 23076650BGUWKQ4551

**Place of Signature:** Mumbai

**Date:** May 30, 2023



## 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, 2023

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) 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 in the current year, 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) As disclosed by the management in note no. 54, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023, 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

In our opinion, and according to the information and explanations given to us, 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 subsidiaries, 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 Act. Accordingly, reporting under paragraph 3(vi) of the Order is not applicable to the Company.

### (vii) Statutory Dues

- a) Undisputed statutory dues including employees' state insurance, income-tax, goods and service tax, cess have been regularly deposited by the Company with the appropriate authorities in all cases during the year, except Provident Fund. In respect of Provident Fund, during the year, the Company is irregular in depositing the sum, due for 6 to 10 months and the amount involved is Rs. 1.72 lakhs.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023, 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 54 of the Standalone Financial Statements, 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**

- 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.
- as disclosed by management in note 54 of the Standalone Financial Statements, the Company has not been declared as wilful defaulter by any bank or financial institution or other lender;
- no term loan has been availed by the Company during the year, accordingly, reporting under paragraph 3(ix) (c) of the Order is not applicable to the Company.
- The Company has not borrowed funds as on March 31, 2023, Accordingly, reporting under paragraph 3(ix) (d) of the Order is not applicable to the Company.
- on an overall examination of the financial statements, 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.
- on an overall examination of the financial statements, 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**

- 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.
- 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**

- 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.
- 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.
- 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, 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**

- In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 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**

- 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.
- 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.
- 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. 965 lakhs and Rs. 1,595 lakhs 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, 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 52 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.

For **T R Chadha & Co LLP**

Chartered Accountants

Firm's Registration No. 006711N/N500028

**Pramod Tilwani**

Partner

Membership No. 076650

**UDIN:** 23076650BGUWKQ4551

**Place of Signature:** Mumbai

**Date:** May 30, 2023

## **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, 2023**

### **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, 2023, 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, 2023, 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 Act, to the extent applicable to an audit of internal financial controls with reference to Standalone 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 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.

For **T R Chadha & Co LLP**

Chartered Accountants

Firm's Registration No. 006711N/N500028

**Pramod Tilwani**

Partner

Membership No. 076650

**UDIN:** 23076650BGUWKQ4551

**Place of Signature:** Mumbai

**Date:** May 30, 2023

# Standalone Balance Sheet

AS AT MARCH 31, 2023

( ₹ in Lakh )

Particulars		Note	As at March 31, 2023	As at March 31, 2022
<b>I</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Property, plant and equipment	3	150	232
	(b) Intangible assets	4	752	939
	(c) Intangible assets under development	4	38	110
	(d) Right of use assets	3	256	402
	(e) Financial assets			
	i. Investments			
	a. Investment in subsidiaries	5	11,808	12,019
	b. Other Investments	5	437	2,823
	ii. Other financial assets	6	144	77
	(f) Income tax assets (net)	7	342	418
	(g) Deferred tax assets (net)	8	-	186
	(h) Other non-current assets	9	4,641	4,481
			<b>18,569</b>	<b>21,687</b>
<b>2</b>	<b>Current Assets</b>			
	(a) Financial assets			
	i. Investments	10	6,719	4,325
	ii. Trade receivables	11	91	346
	iii. Cash and cash equivalents	12	715	1,468
	iv. Bank balance other than (iii) above	13	830	438
	v. Other financial assets	14	1,326	1,815
	(b) Income tax assets (net)	15	-	2
	(c) Other current assets	16	418	360
			<b>10,099</b>	<b>8,754</b>
	<b>Total Assets</b>		<b>28,668</b>	<b>30,441</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
<b>3</b>	<b>Equity</b>			
	(a) Equity Share capital	17	48,052	48,052
	(b) Other equity	18	(23,893)	(21,916)
	<b>Total Equity</b>		<b>24,159</b>	<b>26,136</b>
	<b>Liabilities</b>			
<b>4</b>	<b>Non-Current Liabilities</b>			
	(a) Financial liabilities			
	i. Lease rental liability	19	142	321
	ii. Other financial liabilities	20	2,059	2,044
	(b) Provisions	21	8	10
			<b>2,209</b>	<b>2,375</b>
<b>5</b>	<b>Current Liabilities</b>			
	(a) Financial liabilities			
	i. Lease rental liability	22	179	148
	ii. Trade payables			
	a. Total outstanding dues of micro, small and medium enterprises	23	2	0
	b. Total outstanding dues to creditors other than micro, small and medium enterprises		90	58
	iii. Other financial liabilities	24	1,614	1,411
	(b) Other current liabilities	25	396	311
	(c) Provisions	26	19	2
			<b>2,300</b>	<b>1,930</b>
	<b>Total Equity and Liabilities</b>		<b>28,668</b>	<b>30,441</b>

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

2-62

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 30, 2023

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

**Ajai Kumar**  
Public Interest Director  
DIN : 02446976

**Saket Bhansali**  
Chief Financial Officer

**Latika S. Kundu**  
Managing Director & CEO  
DIN :0008561873

**Durgesh Kadam**  
Head Legal & Company Secretary  
FCS 8496

# Standalone Statement of Profit and Loss



FOR THE YEAR ENDED MARCH 31, 2023

( ₹ in Lakh )

Particular	Note	For the Year 2022-23	For the Year 2021-22
<b>I Income</b>			
(a) Revenue from operations	27	755	550
(b) Other income	28	2,229	865
<b>Total Income</b>		<b>2,984</b>	<b>1,415</b>
<b>II Expenses</b>			
(a) Operating expenses	29	1,430	934
(b) Employee benefits expense	30	1,499	1,450
(c) Finance costs	31	26	35
(d) Advertisement and business promotion expenses	32	379	58
(e) Depreciation and amortisation expense	3 & 4	455	573
(f) Depreciation On Right to Use Assets		146	146
(g) Other expenses	33	835	568
<b>Total Expenses</b>		<b>4,770</b>	<b>3,764</b>
<b>III Loss before Exceptional items and tax (I - II)</b>		<b>(1,786)</b>	<b>(2,349)</b>
<b>IV Exceptional items</b>			
Provision for impairment of investment in Subsidiary Company (Refer note 37)		211	-
<b>V Loss before tax (III - IV)</b>		<b>(1,997)</b>	<b>(2,349)</b>
<b>VI Tax expense</b>			
Less : Current tax		-	-
Less : Deferred tax		-	-
<b>VII Loss for the year (V - VI)</b>		<b>(1,997)</b>	<b>(2,349)</b>
<b>VIII Other comprehensive income</b>			
1) Items that will not reclassified to profit or (loss) (net of tax)		19	20
2) Income tax relating to item will not reclassified to profit or ( loss )		-	-
<b>Total other Comprehensive Income for the year, net of tax</b>		<b>19</b>	<b>20</b>
<b>IX Total Comprehensive Income for the year (VII- VIII)</b>		<b>(1,978)</b>	<b>(2,329)</b>
Earnings per equity share of face value of Re.1 each			
Basic (in Rs.)	40	(0.04)	(0.05)
Diluted (in Rs.)		(0.04)	(0.05)

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

2-62

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 30, 2023

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

**Ajai Kumar**  
Public Interest Director  
DIN : 02446976

**Saket Bhansali**  
Chief Financial Officer

**Latika S. Kundu**  
Managing Director & CEO  
DIN :0008561873

**Durgesh Kadam**  
Head Legal & Company Secretary  
FCS 8496

# Standalone Statement of Cash Flow

FOR THE YEAR ENDED MARCH 31, 2023

( ₹ in Lakh )

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flow from Operating Activities</b>		
Net Profit / (Loss) before tax as per Statement of Profit and Loss	(1,997)	(2,348)
<b>Adjustments for</b>		
Depreciation/Amortisation	455	573
Depreciation On Right to Use Assets	146	146
Net fair value gain/loss on financial assets measured at fair value through profit and loss	1	(2)
Exchange Rate fluctuation	(1)	1
Interest income from financial assets at amortised cost	(561)	(591)
Discount income on bonds	(4)	-
Interest on IT Refund	(7)	(8)
Refund of Core SGF Contribution	(1,546)	-
Provision for impairment of investment in subsidiary	211	-
Finance Costs - ROU Asset (net) & Write off Income	26	35
Profit on sale of Property, plant and equipment (net)	(2)	(1)
Provision for doubtful debts	10	55
Profit on sale of investments (net)	(32)	(41)
Property, plant and equipment / CWIP written off / provided for	53	-
MAT Credit written off	186	-
Sundry balances written back	(20)	(79)
Remeasurement of Employee Benefit	19	20
<b>Operating profit/ (loss) before working capital changes</b>	<b>(3,063)</b>	<b>(2,240)</b>
<b>Adjustments for</b>		
Decrease/ (increase) in Trade receivable	266	(89)
Decrease/ (increase) in financial & other assets	(216)	(56)
<b>Total Increase / (decrease) in Current and non current assets</b>	<b>50</b>	<b>(145)</b>
Increase / (decrease) in trade payables	34	(75)
Increase / (decrease) in financial & other liabilities	302	(262)
Increase / (decrease) in provision	10	(5)
<b>Total Increase / (decrease) in Current and non current Liabilities</b>	<b>346</b>	<b>(342)</b>
<b>Cash generated from/(used in) operations</b>	<b>(2,667)</b>	<b>(2,727)</b>
Less: ( Taxes paid ) / refund received	<b>85</b>	<b>35</b>
<b>Net cash generated from/(used in) operating activities</b>	<b>(2,582)</b>	<b>(2,692)</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Property, plant and equipment (including Capital Work In Progress)	(166)	(116)
Proceeds from Property, plant and equipment (net)	2	3
Purchase of current investments	(3,785)	(3,391)
Proceeds from sale of current investments	3,921	3,611
Fixed deposit placed with banks	(2,841)	(2,556)
Corporate Deposits ( net )	1,395	(1,568)
Refund of Core SGF Contribution	1,546	-
Fixed deposit matured	2,978	7,613
Investment in Corporate Bonds (Including premium)	(1,539)	-
Profit on sale of investments (net)	31	44
Interest received (net of accrued interest)	462	511
<b>Net cash generated from/(used in) Investing Activities</b>	<b>2,004</b>	<b>4,151</b>



# Standalone Statement of Cash Flow

FOR THE YEAR ENDED MARCH 31, 2023



( ₹ in Lakh )

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>C. Cash flow from Financing Activities</b>		
Lease Liability Payment	(174)	(168)
<b>Net cash generated from/(used in) Financing Activities</b>	<b>(174)</b>	<b>(168)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(752)</b>	<b>1,291</b>
Cash and Cash Equivalents at Beginning of the Year	<b>1,468</b>	<b>177</b>
<b>Cash and Cash Equivalents at End of the Year</b>	<b>716</b>	<b>1,468</b>
(Refer note 12)		
Add : Fixed Deposits held for more than three months (refer note 13)	830	438
<b>Closing Cash and Bank Balance</b>	<b>1,546</b>	<b>1,906</b>
Component of cash & bank balance (refer note 12)		
<b>In current account</b>		
Owned	236	713
Earmarked	480	755
Cash on hand	0	0
Stamps in hand	0	0
<b>Balances as per statement of cash flows</b>	<b>716</b>	<b>1,468</b>

## 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 30, 2023

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

**Ajai Kumar**  
Public Interest Director  
DIN : 02446976

**Saket Bhansali**  
Chief Financial Officer

**Latika S. Kundu**  
Managing Director & CEO  
DIN :0008561873

**Durgesh Kadam**  
Head Legal & Company Secretary  
FCS 8496

## STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

### A. Equity Share Capital

( ₹ in Lakh )

Particulars	As at 31 March 2023		As at 31 March 2022	
	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	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	<b>4,81,02,17,033</b>	<b>48,102</b>	<b>4,81,02,17,033</b>	<b>48,102</b>
Add:-Shares issued during the year	-	-	-	-
<b>Equity shares at the end of the year *</b>	<b>4,81,02,17,033</b>	<b>48,102</b>	<b>4,81,02,17,033</b>	<b>48,102</b>

\* 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	
<b>As at March 31, 2021</b>	<b>39,531</b>	<b>(59,121)</b>	<b>0</b>	<b>2</b>	<b>(19,587)</b>
Changes in accounting policy/prior period errors	-	-	-	-	-
<b>Restated as at March 31, 2021</b>	<b>39,531</b>	<b>(59,121)</b>	<b>0</b>	<b>2</b>	<b>(19,587)</b>
Tax (remeasurement of employee defined benefit liability /asset)	-	-	-	20	20
Profit / (loss) for the year	-	(2,349)	-	-	(2,349)
<b>As at March 31, 2022</b>	<b>39,531</b>	<b>(61,469)</b>	<b>0</b>	<b>22</b>	<b>(21,916)</b>
Changes in accounting policy/prior period errors	-	-	-	-	-
<b>Restated as at March 31, 2022</b>	<b>39,531</b>	<b>(61,469)</b>	<b>0</b>	<b>22</b>	<b>(21,916)</b>
Tax (remeasurement of employee defined benefit liability /asset)	-	-	-	19	19
Profit / (loss) for the year	-	(1,997)	-	-	(1,997)
<b>As at March 31, 2023</b>	<b>39,531</b>	<b>(63,466)</b>	<b>0</b>	<b>42</b>	<b>(23,893)</b>

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

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

2-62

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  
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**Ajai Kumar**  
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DIN : 02446976

**Latika S. Kundu**  
Managing Director & CEO  
DIN :0008561873

Mumbai  
Dated : May 30, 2023

**Saket Bhansali**  
Chief Financial Officer

**Durgesh Kadam**  
Head Legal & Company Secretary  
FCS 8496

## SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

### 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/2022/96 dated September 14, 2022 renewed the recognition granted to the Stock Exchange for a period of one year commencing on the 16th day of September 2022 and ending on 15th day of September 2023.

The Standalone Financial Statements were authorized for issue by the Company's Board of Directors on May 30, 2023.

### 2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone 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).

**Dividend income** is recognized when the company's right to receive dividend is established.

The disclosure of significant accounting reporting requirements relating to revenue from contracts with customers are provided in Note 51.

## 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 Statement of 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.

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 statement of 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 MSEI Employees Group Gratuity Assurance Scheme ("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 the 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.

### **2.17 Recent accounting pronouncements**

The Ministry of Corporate Affairs (MCA) on March 31, 2023 through Companies (Indian Accounting Standards) Amendment Rules,

2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after April 01, 2023.

**a) IND AS 1 – Presentation of Financial Statements –**

This amendment requires the Company to disclose its material accounting policies rather than their significant accounting policies. The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.

The Company does not expect this amendment to have any material impact in its financial statements.

**b) IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors -**

This amendment has changed the definition of a “change in accounting estimates” to a definition of “accounting estimates”. The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The Company does not expect this amendment to have any material impact in its financial statements.

**c) IND AS 12 – Income Taxes -**

This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.

The Company does not expect this amendment to have any material impact in its financial statements.

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023.**  
( 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	Subtotal (A)	Right of use assets (B)	Total C= A+B
<b>Gross Carrying amount as at March 31, 2021</b>	<b>93</b>	<b>3,027</b>	<b>43</b>	<b>11</b>	<b>0</b>	<b>3,174</b>	<b>695</b>	<b>3,869</b>
Addition	4	5	3	-	141	152	-	152
Disposals/Write off	11	313	-	-	-	324	-	324
<b>Gross Carrying amount as at March 31, 2022</b>	<b>85</b>	<b>2,718</b>	<b>45</b>	<b>11</b>	<b>141</b>	<b>3,002</b>	<b>695</b>	<b>3,697</b>
Addition	5	14	1	-	16	36	-	36
Disposals/Write off	40	322	20	-	-	383	-	383
<b>Gross Carrying amount as at March 31, 2023</b>	<b>49</b>	<b>2,410</b>	<b>26</b>	<b>11</b>	<b>158</b>	<b>2,655</b>	<b>695</b>	<b>3,351</b>
<b>Accumulated Depreciation as at March 31, 2021</b>	<b>83</b>	<b>2,861</b>	<b>32</b>	<b>11</b>	<b>0</b>	<b>2,989</b>	<b>147</b>	<b>3,136</b>
Depreciation charges during the year	6	59	4	-	36	105	146	251
Disposals/Write off	11	313	-	-	-	324	-	324
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>79</b>	<b>2,607</b>	<b>37</b>	<b>11</b>	<b>36</b>	<b>2,770</b>	<b>293</b>	<b>3,063</b>
Depreciation charges during the year	4	62	4	-	46	116	146	263
Disposals/Write off	40	322	19	-	-	381	-	381
<b>Accumulated Depreciation as at March 31, 2023</b>	<b>43</b>	<b>2,347</b>	<b>22</b>	<b>11</b>	<b>83</b>	<b>2,505</b>	<b>439</b>	<b>2,945</b>
<b>Net Carrying amount as at March 31, 2023</b>	<b>7</b>	<b>64</b>	<b>5</b>	<b>(0)</b>	<b>75</b>	<b>150</b>	<b>256</b>	<b>406</b>
<b>Net Carrying amount as at March 31, 2022</b>	<b>7</b>	<b>112</b>	<b>9</b>	<b>(0)</b>	<b>105</b>	<b>232</b>	<b>402</b>	<b>634</b>

\* 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
<b>Gross Carrying amount as at March 31, 2021</b>	<b>10,183</b>	<b>203</b>	<b>10,386</b>
Addition	54	138	193
Disposals/write off	-	151	151
Provision for diminution of assets	-	80	80
<b>Gross Carrying amount as at March 31, 2022</b>	<b>10,237</b>	<b>110</b>	<b>10,348</b>
Addition	151	52	202
Disposals/write off	49	71	120
Provision for diminution of assets	-	53	53
<b>Gross Carrying amount as at March 31, 2023</b>	<b>10,339</b>	<b>38</b>	<b>10,378</b>
<b>Accumulated Depreciation as at March 31, 2021</b>	<b>8,830</b>	<b>-</b>	<b>8,830</b>
Depreciation charges during the year	468	-	468
Disposals/write off	-	-	-
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>9,298</b>	<b>-</b>	<b>9,298</b>
Depreciation charges during the year	338	-	338
Disposals/write off	49	-	49
<b>Accumulated Depreciation as at March 31, 2023</b>	<b>9,587</b>	<b>-</b>	<b>9,588</b>
<b>Net Carrying amount as at March 31, 2023</b>	<b>752</b>	<b>38</b>	<b>790</b>
<b>Net Carrying amount as at March 31, 2022</b>	<b>939</b>	<b>110</b>	<b>1,050</b>

(Other than internally generated)

\* In certain cases the Company has only usage right and not the title or ownership, net carrying amount of Rs. 445 Lakhs (PY 602 lakh).

##### Notes:-

- The Company has made provision of Rs.53 lakhs during the financial year ended March 31, 2023 and Rs. 80 lakh during the financial year ended March 31, 2022.
- The Company has not revalued its intangible assets during the current or previous year.

#### Intangible Assets under development ageing as on March 31, 2023

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	20	-	3	148	171
Projects temporary suspended	-	-	-	-	-

#### List of projects whose completion is overdue as on March 31, 2023

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
<b>Total</b>	<b>-</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>151</b>

\* The Company has revised its estimation of completion of the above mentioned projects, hence the above table is updated to that extent.

### 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	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
<b>Total</b>	<b>19</b>	<b>133</b>	<b>-</b>	<b>-</b>	<b>151</b>

## 5 Non Current Investment

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Investment in Equity Instrument</b>				
<b>Unquoted (at cost)</b>				
Subsidiary Companies				
12,01,71,400 Equity Shares (PY 12,01,71,400 ) of MSE Enterprises Limited (formerly known as 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 of Rs.10 each fully paid-up.	5		5	
	<b>12,022</b>		<b>12,022</b>	
Less :- Provision for diminution in the value of Investments (A)	214	11,808	3	12,019
<b>Other Investments</b>				
<b>(i) Corporate Fixed Deposits *</b>				
HDFC Ltd	397		718	
LIC Housing Finance Limited	-		1,465	
Bajaj Finance Ltd	-	397	640	2,823
<b>(ii) Corporate Bonds</b>				
8.50% State Bank of India Perpetual Bonds(Series II) (INE062A08223) 4 (PY: Nil) Units face value of Re.10,00,000/- each	40		-	
Premium on Corporate Bonds	0	40	-	-
<b>(B)</b>		<b>437</b>		<b>2,823</b>
<b>Total [ C = A + B ]</b>		<b>12,245</b>		<b>14,842</b>
Aggregate book value of quoted investments		40		-
Aggregate market value of quoted investments		41		-
Aggregate carrying value of un-quoted investments		12,205		14,842
Aggregate amount of impairment in value of investments		214		3
* Rs. 84 Lakh (PY Rs. 330 Lakh/-) are towards making payments of the deposits of members.				

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



## 6 Other Financial Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Non Current Bank Balance</b>				
Deposit with banks ( with Original Maturity more than 12 months )		-		-
<b>Earmarked</b>				
Towards investor service fund		21		-
Towards arbitration		11		-
Towards defaulter committee fund		31		-
<b>Others (unsecured, considered good)</b>				
Security Deposits		82		77
<b>Total</b>		<b>144</b>		<b>77</b>

## 7 Income Tax Assets (Net)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Advance income tax (net)		342		418
<b>Total</b>		<b>342</b>		<b>418</b>

## 8 Deferred tax assets (Net)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
MAT credit entitlements		-		186
<b>Total</b>		<b>-</b>		<b>186</b>

## 9 Other Non-Current Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good)				
Tax recoverable, statutory deposits and dues from government		4,631		4,473
Prepaid expenses		9		9
<b>Total</b>		<b>4,641</b>		<b>4,481</b>

## 10 Current Investments

Particulars	As at March 31, 2023		As at March 31, 2022	
	Units	Rupees	Units	Rupees
<b>In Mutual Funds ( Quoted ) *</b>				
<b>Investments in mutual funds at FVTPL</b>				
ICICI Prudential Money Market Fund - Direct Growth		-	16454.329	50
ABSL MMF - G-D		-	10002.764	30
ABSL SF G-R Plan		-	14633.345	64
Axis Treasury Advantage Fund Growth		-	1372.007	34
ICICI Prudential Savings Fund – R- G		-	7286.135	32
Axis Money Market Fund – Regular Growth		-	5282.179	61
HDFC Floating Rate Debt Fund – RG		-	125616.136	50
ICICI Prudential Liquid Fund D-G	16013.810	53		-
Tata Liquid Fund- Growth	1295.923	46		-
Nippon India Ultra Short Duration Fund – Direct Growth	781.667	29		-
ABSL Liquid Fund - G-D	15365.653	56		-
<b>Total</b>		<b>184</b>		<b>321</b>
<b>Other Investments</b>				
<b>(i) Corporate Fixed Deposits **</b>				
HDFC Ltd	1,444		1,750	
LIC Housing Finance Limited	1,495		-	
Mahindra & Mahindra Finance Limited	100		1,499	
Bajaj Finance Ltd	1,996	5,035	755	4,004
<b>(ii) Corporate Bonds</b>				
9.05% Housing Development Finance Corporation Limited NCD (Series U-004) (INE001A07RJ2) 50 (PY: Nil) Units face value of Re.10,00,000/- each	500		-	
7.28% Housing Development Finance Corporation Limited NCD (Series AA-007) (INE001A07TM2) 50 (PY: Nil) Units face value of Re.10,00,000/- each	499		-	
5.75% Bajaj Finance Limited NCD (NE296A07RX9) 50 (PY: Nil) Units face value of Re.10,00,000/- each	489		-	
Premium on Corporate Bonds	7		-	
Discount receivable on Corporate Bonds	4	1,499	-	-
		<b>6,719</b>		<b>4,325</b>
Aggregate book value of quoted investments		1,672		321
Aggregate market value of quoted investments		1,682		321
Aggregate carrying value of un-quoted investments		5,047		4,004
Aggregate amount of impairment in value of investments		-		-
* Rs. 55.79 Lakh (PY Rs. 29.90 Lakh/-) are towards making payments of the deposits of members.				
** Rs. 1,428 Lakh (PY Rs. 1,051 Lakh ) are towards making payments of the deposits of members.				

## 11 Trade receivables

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Current</b>				
Secured, considered good		-		-
Unsecured, considered good		91		346
Receivables which have significant increase in credit risk		-		-
Credit impaired	140		132	
Less :- Allowance for credit impaired debts (including expected credit loss allowance)	140	-	132	-
<b>Total</b>		<b>91</b>		<b>346</b>

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, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Balance at the beginning of the year		132		77
Impairment loss allowance on trade receivables		8		55
<b>Balance at the end of the year</b>		<b>140</b>		<b>132</b>

### Trade receivable ageing as on March 31, 2023

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 Good	75	15	0	-	1	91
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	35	40	33	33	140
(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, 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 Good	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.

## 12 Cash and cash equivalent

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Balance with banks				
- In current accounts				
Owned	26		58	
<b>Earmarked</b>				
Towards investor service fund	2		10	
Towards arbitration	5		5	
Towards defaulter committee fund	0		0	
<b>(A)</b>		<b>33</b>		<b>73</b>
- Fixed Deposit with banks having maturity less than 3 months				
Owned	210		655	
<b>Earmarked</b>				
Towards members deposit	392		661	
Towards investor service fund	10		10	
Towards defaulter committee fund	70		68	
Stamps in hand	0		0	
Cash on hand	0		0	
<b>(B)</b>		<b>682</b>		<b>1,394</b>
<b>Total (C=A+B)</b>		<b>715</b>		<b>1,468</b>

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

## 13 Other Bank balance

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Other Bank Balances in Fixed Deposits</b>				
Earmarked		-		275
Towards Arbitration Deposits		-		11
Towards Investor Service Fund		100		-
Towards Defaulter Committee fund		118		18
Towards Members Deposit fund		612		135
<b>Total</b>		<b>830</b>		<b>438</b>

## 14 Other Financial Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Loan to Metropolitan Stock Exchange ESOP Trust	11		11	
Less :-Provision for Doubtful Loan	11	-	11	-
<b>Current Bank Balance</b>				
Deposit with banks (with Original Maturity more than 12 months)		427		380
Earmarked				
Towards members deposit		206		708
Towards investor service fund		139		209
Towards defaulter committee fund		118		185
Interest accrued on Fixed Deposits		90		78
Owned	23		33	
Earmarked	67		45	
Interest Accrual on Corporate FD		323		254
Owned	247		202	
Earmarked	76		52	
Interest accrued on Corporate Bonds		23		-
Owned	23		-	
Unbilled receivable		0		0
<b>Total</b>		<b>1,326</b>		<b>1,815</b>

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

## 15 Income Tax Assets (Net) - Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Advance Income Tax (Net of Provision)		-		2
<b>Total</b>		<b>-</b>		<b>2</b>

## 16 Other Current Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>(Unsecured, considered good, unless otherwise stated)</b>				
Advances to vendors		353		294
Advances to employees		0		0
Gratuity receivable		-		4
Prepaid expenses		65		62
<b>Total</b>		<b>418</b>		<b>360</b>

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

## 17 Equity Share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Authorised :</b>				
5,50,00,00,000 (PY 5,50,00,00,000) Equity Shares face value of Re.1/- each		55,000		55,000
<b>Issued :</b>				
4,81,02,17,033 (PY 4,81,02,17,033 ) Equity Shares face value of Re.1/- each #		48,102		48,102
<b>Subscribed and Paid-up</b>	48,102		48,102	
4,81,02,17,033 (PY 4,81,02,17,033 ) Equity Shares face value of Re.1/- each				
<b>Less :-</b> 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
<b>Total</b>		<b>48,052</b>		<b>48,052</b>

### 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, 2023		As at March 31, 2022	
	No. of Shares	Rupees	No. of Shares	Rupees
<b>Equity shares</b>				
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	<b>4,81,02,17,033</b>	<b>48,102</b>	<b>4,81,02,17,033</b>	<b>48,102</b>



### 17.3 Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	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, 2023		As at March 31, 2022	
	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	
<b>As at 31 March 2021</b>	<b>39,531</b>	<b>(59,121)</b>	<b>0</b>	<b>2</b>	<b>(19,587)</b>
Changes in accounting policy/prior period errors	-	-	-	-	-
<b>Restated as at March 31, 2021</b>	<b>39,531</b>	<b>(59,121)</b>	<b>0</b>	<b>2</b>	<b>(19,587)</b>
Tax (remeasurement of employee defined benefit liability /asset)	-	-	-	20	20
Profit / (loss) for the year	-	(2,349)	-	-	(2,349)
<b>As at March 31, 2022</b>	<b>39,531</b>	<b>(61,469)</b>	<b>0</b>	<b>22</b>	<b>(21,916)</b>
Changes in accounting policy/prior period errors	-	-	-	-	-
<b>Restated as at March 31, 2022</b>	<b>39,531</b>	<b>(61,469)</b>	<b>0</b>	<b>22</b>	<b>(21,916)</b>
Tax (remeasurement of employee defined benefit liability /asset)	-	-	-	19	19
Profit / (loss) for the year	-	(1,997)	-	-	(1,997)
<b>As at March 31, 2023</b>	<b>39,531</b>	<b>(63,466)</b>	<b>0</b>	<b>42</b>	<b>(23,893)</b>

\* 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, 2023 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, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Lease rental liability		142		321
<b>Total</b>		<b>142</b>		<b>321</b>

#### 20 Other financial liabilities - Non Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Amount received from members and applicants towards :				
- Deposits		2,005		2,009
- Other Liabilities		54		35
<b>Total</b>		<b>2,059</b>		<b>2,044</b>

#### 21 Provisions - Non Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Employee benefits</b>				
Provision for leave encashment		8		10
<b>Total</b>		<b>8</b>		<b>10</b>

#### 22 Lease rental liability - Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Lease rental liability		179		148
<b>Total</b>		<b>179</b>		<b>148</b>

#### 23 Trade Payables

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Total outstanding dues of micro, small and medium enterprises (Refer Note 44)		2		0
Total outstanding dues to creditors other than micro, small and medium enterprises		90		58
<b>Total</b>		<b>92</b>		<b>58</b>

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

**Trade payable ageing as on March 31, 2023**

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	2	-	-	-	2
(ii) Others	90	-	-	-	90
(iii) Disputed-MSME	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-

**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.

**24 Other current financial liabilities**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Deposits from members		1,095		1,165
Share application money refundable		0		0
Provision for expenses		463		234
Sebi Regulatory Fees		56		12
<b>Total</b>		<b>1,614</b>		<b>1,411</b>

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

**25 Other Current Liabilities**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Unearned income ( Refer note 51 )		25		27
Investor Service fund # ( Including interest earned of Rs. 14.49 lakh (PY 9 lakh))		288		244
Investor Protection Fund		10		6
TDS Payable		49		18
Other Liabilities including Statutory Liabilities		24		17
# 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. 288 lakh ( PY 244 lakh) as at March, 31, 2023 represents the Listing Fees Contribution, net of expenses and interest earned thereon.				
<b>Total</b>		<b>396</b>		<b>311</b>

## 26 Provisions - Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Employee benefits</b>				
Provision for gratuity		13		-
Provision for leave encashment		6		2
<b>Total</b>		<b>19</b>		<b>2</b>

## 27 Revenue from operations

Particular	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Revenue from operations ( refer note 51 )</b>				
<b>Sale of services -</b>				
Transaction Fees		350		146
<b>Other operating revenue -</b>				
Membership Admission Fees		11		8
Processing Fees		55		56
Listing Fees		171		172
Other connectivity charges		82		61
Data Feed Charges		44		44
Membership Surrender Fee		36		56
Other revenue from Operations		6		6
<b>Total</b>		<b>755</b>		<b>550</b>

## 28 Other income

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Interest Income</b>				
- on Bank Deposits		148		200
- on Corporate Deposits		328		391
- on Corporate Bonds		85		-
- Other Interest		12		12
Profit on sale of Current Investments (Net)		32		41
Fair valuation of Mutual fund		(1)		2
Core SGF Refund		1,546		-
Sundry balance written back		20		79
Exchange Rate Fluctuation (net)		1		-
Profit on sale of assets		2		1
Operating Lease Income for Asset Usage		52		132
Miscellaneous Income		5		6
<b>Total</b>		<b>2,229</b>		<b>865</b>

## 29 Operating expenses

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Clearing and Settlement Charges		114		48
Technology Cost		747		613
Sebi Regulatory Charges		66		25
Internet Connectivity Charges		2		1
Direct Communication Expenses		51		45
POP / NPN Charges		41		46
Co-Location Charges		105		90
Electricity Expenses- Direct		105		66
Contribution to core settlement guarantee fund		181		-
Rent on equipment		18		-
<b>Total</b>		<b>1,430</b>		<b>934</b>

## 30 Employee benefits expense

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Salaries, Allowances and Bonus		1,369		1,361
Contribution to Provident Fund and other funds (refer note 41)		112		80
Staff Welfare and Other Amenities		18		9
<b>Total</b>		<b>1,499</b>		<b>1,450</b>

## 31 Finance costs

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Finance cost - Right of use Asset-Ind AS		26		35
<b>Total</b>		<b>26</b>		<b>35</b>

## 32 Advertisement and Business Promotion Expenses

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Advertisement		82		3
Business Promotion Expenses		277		54
Sponsorships and Seminar		20		-
<b>Total</b>		<b>379</b>		<b>58</b>



### 33 Other expenses

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Rent		23		20
<b>Repairs and Maintenance</b>				
- Computers		31		42
- Others		99		64
Insurance		34		33
Travelling and Conveyance		21		6
Communication Expenses		8		7
Legal and Professional Charges		115		130
Electricity Expenses		33		33
Premium Amortisation on Bonds		12		-
Office Expenses		42		42
Security service charges		13		11
Directors Sitting Fees		60		49
<b>Payment to Auditors :</b>				
- Audit Fees (Incl. tax audit, ICFR report)	16		16	
- Other matters (Certification)	1		3	
- Reimbursement	0	17	-	19
Provision towards CWIP		54		-
Exchange Rate Fluctuation (net)		-		1
Expected credit loss on trade receivables		10		57
Bad debts	1		2	
Less:- Allowance for credit loss made earlier	(1)	-	(2)	-
Rates & Taxes		209		18
Contribution to ISF		32		30
Miscellaneous Expenses		19		4
<b>Total</b>		<b>835</b>		<b>568</b>

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

### 34 Contingent Liability

#### (i) Claim against the Company not acknowledged as debts :

- 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.

In Notice of Motion no. 530/2014 the Hon'ble Bombay High Court through its order dated June 12, 2019 disposed off the Notice of Motion and 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 along with Delay Condonation Application and Interim Application for Stay to the said order dated June 12, 2019. The delay condonation application was allowed. The Appeal along with the Interim Application for stay was last scheduled on 05/12/2022 for admission, but was not taken up for hearing. The next date is not yet listed by Registry of Bombay High Court.

- 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.
- Claims not acknowledged as debt Rs.35 Lakh ( PY Rs.70 Lakh )

- d. Cogencis Information Services Limited has filed a Commercial Suit No: COMS/202/2021 before High Court of Bombay claiming a sum of approx Rs.1.30 cr along with interest on principal amount of Rs.69.9 Lakh 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.

The Exchange has filed Written Statement to the Suit filed by Cogencis on 13 June 2022. The commercial suit is at Pre-Admission stage and next date will be provided as per CMIS of the Bombay High Court. However no new date has been Listed as of now

### **35 Capital Commitment**

Estimated amount of contracts remaining to be executed on capital account and not provided for ( net of advances ) is Rs 48.49 Lakhs as on 31st March, 2023. ( PY Rs. 14 Lakhs).

- 36 The Exchange and MSE Enterprises Limited (MEL) (formerly known as Metropolitan Clearing Corporation of India Limited) Boards respectively accorded their in-principle approval for the merger of MEL with MSE. Pursuant to the application made by MEL to SEBI to surrender the license / recognition, MEL has been derecognized to operate as Clearing Corporation with effect from October 3, 2022. The Exchange has filed merger application with NCLT on March 23, 2023 with the appointed date of April 01, 2023.
- 37 The Exchange has carried out the Impairment testing of Investment made into MEL during the year ended March 31, 2023, accordingly the Exchange has made a provision for Impairment of Investment into MEL of Rs. 211 lakhs since carrying value of investment made in MEL is higher than the networth of the MEL as on March 31, 2023
- 38 The Exchange has prepared it's Financial Statements on Going Concern Basis, the Exchange has incurred losses of Rs. 1,978 Lakh during the year ended March 31, 2023 (March 31, 2022: Rs. 2,329 Lakh) and the net worth of the Exchange as per Stock Exchange and Clearing Corporation Regulation 2018 (SECC) norms amounts to Rs. 12,351 Lakh as on March 31, 2023 (March 31, 2022: Rs. 14,117 Lakh). The Exchange has already filed application with NCLT during current year for merger of MSE Enterprises Limited (MEL), subsidiary (formerly known as Metropolitan Clearing Corporation of India Limited) with the Exchange which shall further augment the net worth significantly as per SECC norms. The Exchange is in compliance of all regulatory requirements including interoperability, T+1 settlement cycle, etc. The Exchange has not defaulted in payment of any of its creditors, statutory/regulatory liability and to employees and has sufficient funds to discharge all its liabilities. The Exchange has been able to increase its business volumes in the Currency Derivatives segment regularly and achieved its highest daily volume of last eight years during current year. The Exchange is also in the process of enabling various initiatives, rationalization measures, brand building and technological upgradation which shall help in Business and Product Expansion along with focus on bringing down overall cost of operations. This shall ensure further significant reduction in losses and the Exchange is confident of making profits shortly. The Exchange is also expecting the resolution of pending legal matters in its favour considering the current status which shall result in significant benefits to the Exchange. The Exchange accordingly continues to prepare its Financial Statements on going concern basis.
- 39 In some earlier years, MSE 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). on February 12, 2018, an interim stay was granted to the proceedings of damages before NCLAT during the pendency of the present appeal filed by NSE in Supreme Court. The appeal was last 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 as pending before 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 appeal filed by NSE before Supreme Court i.e Civil Appeal No.8974 of 2014 is admitted vide order dated 20th February 2023. Now the matter will be mentioned on the regular board of the supreme court. The matter was last scheduled twice on 26/04/2023 and 27/04/2023 on the board of the Court Room no. 5, before Hon'ble Mr. Justice Dinesh Maheshwari and Hon'ble Mr. Justice Sanjay Kumar of the Supreme Court. however the matter could not reach till the end of the day due to urgent hearing of other connected matters. Now the matter is scheduled to be listed on 26/07/2023

#### 40 Earnings per share ('EPS')

Particulars	Apr-22 to Mar-23	Apr-21 to Mar-22
Profit/(Loss) after tax as per statement of profit and loss attributable to equity share holders	(1,997)	(2,349)
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	(0.04)	(0.05)
Diluted earnings per share of face value Re. 1 each	(0.04)	(0.05)

#### 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	FY 2022-23	FY 2021-22
Employer's Contribution to Provident Fund	53	55

##### 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, 2023 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, 2023.

- I Changes in the present value of Projected Benefit Obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity	
	FY 2022-23 (Funded)	FY 2021-22 (Funded)
Projected Value of Benefit Obligation at the beginning of the year	110	135
Current Service cost	16	20
Interest Cost	8	9
Actuarial (gain) / loss	17	(21)
Benefits paid	(34)	(34)
Defined Benefit obligation at the end of the year	116	110

- II Reconciliation of opening and closing balance of the Fair value of Plan Assets-

Particulars	Gratuity	
	FY 2022-23	FY 2021-22
Fair Value of Plan Assets at the beginning of the year	114	119
Expected Return On Plan Assets	8	8
Contribution during the year	18	21
Benefit Paid From The Fund	(34)	(34)
Actuarial Gains/(Losses) On Plan Assets	(2)	(1)
Fair Value of Plan Assets at the end of the year	103	114

### III The amount recognized in the Balance Sheet as follows:-

Particulars	Gratuity	
	FY 2022-23	FY 2021-22
Present value of Benefit Obligation at the end of the Project	(116)	(110)
Fair Value of Plan Asset at the end of the Period	103	114
Funded Status (Surplus / (Deficit))	(13)	4
Asset/(Net Liability) recognized in Balance Sheet (Current)	(13)	4

### IV The amount recognized in the statement of Profit & Loss is as follows:-

Particulars	Gratuity	
	FY 2022-23 (Funded)	FY 2021-22 (Funded)
Current service cost	16	20
Interest Cost	(0)	1
Net expenses	15	21

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

### V The amount recognized in the Balance Sheet as follows:-

Particulars	Gratuity	
	FY 2022-23	FY 2021-22
Actuarial (Gains) / Losses on obligation for the period	17	(21)
Return on plan assets, excluding interest income	2	1
Net (income) / expense for the period recognized in OCI	19	(20)

### VI Expected payout from the fund / employer

Particulars	Fund		Employer	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Projected benefits payable in Future Years from Date of reporting				
1st Following year	50	7	-	-
2nd Following year	25	8	-	-
3rd Following year	20	12	-	-
4th Following year	13	12	-	-
5th Following year	8	12	-	-
6th - 10th Following years	13	45	-	-
11th year and above	1	110	-	-

### 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	
	FY 2022-23	FY 2021-22
Projected benefit obligation on Current Assumption	116	110
Effect of +1% change in Rate of discounting	(2)	(8)
Effect of -1% change in Rate of discounting	2	9
Effect of +1% change in Rate of Salary Increase	2	9
Effect of -1% change in Rate of Salary Increase	(2)	(8)
Effect of +1% change in Rate of Employee Turnover	(0)	(0)
Effect of -1% change in Rate of Employee Turnover	0	0

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

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, asset liability matching risk, mortality risk, concentration 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. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Asset Liability Matching Risk	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk
Concentration Risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

#### VIII Principal actuarial assumptions at the Balance sheet date:

Particulars	Gratuity As at	
	March 31, 2023	March 31, 2022
Mortality Table(LIC)	Indian Assured Lives Mortality (2012-14)Urban	Indian Assured Lives Mortality (2006-08)Ult
Rate of employee turnover	38%	For service 4 yrs & below 19% pa & 7% pa thereafter
Discount rate (per annum)	7.20%	6.90%
Expected Return on Plan Asset	7.20%	6.90%
Rate of escalation in salary (per annum)	6.00%	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

## 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".

## 43 Ind AS 24 - Related party Disclosures

### a) Names of related parties and nature of relationship:

#### (i) Subsidiary

- MSE Enterprises Limited (formerly known as Metropolitan Clearing Corporation Of India Limited)
- MSE Fintech 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. Durgesh Kadam (Company Secretary) w.e.f. April 13, 2022
- Mr. P. K. Ramesh (Chief Regulatory officer)
- Mr. Neeraj Gupta (Chief Technology Officer) upto July 02, 2022



- Mr. Manish Gupta (Chief Technology Officer) w.e.f. June 27, 2022
- Mr. Anish Kumar (Chief Risk Officer ) upto April 22, 2022
- Mr. Sachin Nayak (Head – Market Operations) w.e.f. February 14, 2022
- Mr. Jagdish Asodekar (Chief Information Security Officer) upto June 01, 2022
- Mr. Jibananda Bain (Chief Information Security Officer) w.e.f. June 01, 2022 and upto March 29, 2023
- Mr. Utkarsh Sharma (Head - Business Development) w.e.f. April 11, 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	MSE Enterprises Limited	Metropolitan Stock Exchange Investor Protection Fund#	Metropolitan Stock Exchange ESOP Trust (Others)
<b>Expenses</b>				
Clearing and settlement charges	-	0	-	-
	-	0	-	-
Other services	-	57	-	-
	-	5	-	-
<b>Income</b>				
Rent income	-	6	-	-
	-	6	-	-
Refund of Core SGF	-	1,546	-	-
	-	-	-	-
Shared service cost recovered	-	52	-	-
	-	146	-	-
Reimbursement of Expenses	0	11	-	-
	0	-	-	-

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

c) Closing Balance of related parties

Nature of Transaction	MSE Fintech Limited	MSE Enterprises Limited	Metropolitan Stock Exchange Investor Protection Fund#	Metropolitan Stock Exchange ESOP Trust (Others)
Amount Receivable	0	6	-	1
	0	319	-	0
Closing Balance of Investments in equity shares	5	12,017	-	-
	5	12,017	-	-
Closing Balance of Loan to ESOP Trust	-	-	-	60
	-	-	-	60

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

# 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.

## d) Transactions with KMP:

Nature of transactions	Amount (Rs.)
<b>Salary &amp; allowances*:</b>	
Ms. Latika S. Kundu	75
	75
Mr. Saket Bhansali	65
	65
Ms. Manisha Thakur	-
	30
Mr. P.K. Ramesh	46
	46
Mr. Neeraj Gupta	13
	45
Mr. Anish Kumar	3
	6
Mr. Sachin Nayak	35
	5
Mr. Jagdish Asodekar	4
	3
Mr. Durgesh M Kadam	27
	-
Mr. Utkarsh Sharma	45
	-
Mr. Manish Gupta	37
	-
Mr. Jibananda Bain	17
	-
<b>Nature of transactions</b>	<b>Amount (Rs.)</b>
<b>Director Sitting Fees</b>	
Mr. Dinesh K Mehrotra	-
	8
Mr. S V D Nageswara Rao	19
	11
Ms. Trishna Guha	17
	11
Mr. Vijay Sardana	1
	9
Mr. Ajai Kumar	17
	10
Mr. S. Raghunathan	7
	1

\*Excludes gratuity and long term compensated absences which are actuarially valued and where separate amounts are not identifiable.

- 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 italic represent previous year's amounts.
- The transactions with the related parties are disclosed only till the relation exists.

#### 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	FY 2022-23	FY 2021-22
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. 2,29,112 Interest-Rs.Nil	Principal - Rs. 2,315 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	
	FY 2022-23	FY 2021-22
Opening Gross Block	695	695
Addition	-	-
Deletion	-	-
<b>Closing Gross Block</b>	<b>695</b>	<b>695</b>
Opening Accumulated Depreciation	293	147
Addition	146	146
Deletion	-	-
<b>Closing Accumulated Depreciation</b>	<b>439</b>	<b>293</b>
<b>Net Block</b>	<b>256</b>	<b>402</b>

b) Carrying value of Lease Liability and the movements thereof :

Particulars	For the year ended	
	FY 2022-23	FY 2021-22
Opening Balance	469	602
Addition	-	-
Interest Cost accrued during the year	26	35
Lease liability payment	175	168
Deletion	-	-
<b>Closing Balance</b>	<b>321</b>	<b>469</b>
<b>Current Lease Liability</b>	<b>179</b>	<b>148</b>
<b>Non Current Lease Liability</b>	<b>142</b>	<b>321</b>

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. 23 Lakhs (Previous Year Rs. 20 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	
	March 31, 2023	March 31, 2022
<b>Future minimum lease payments</b>		
Not later than one year	222	192
Later than one year and not later than five years	174	318
Later than five years	-	-

- d) ii Lease payments recognised in the statement of Profit & Loss is Rs. 203.24 Lakhs (Previous year Rs. 194.66 Lakhs).
- d) iii Sub-lease payment received and recognised in the statement of Profit & Loss is Rs. 6 Lakhs (Previous Year Rs. 6 Lakhs).

#### 46 Fair value Measurement

Financial Instruments by category

Particulars	March 31, 2023			March 31, 2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
Equity Instruments	-	-	11,808	-	-	12,019
Other Instruments	-	-	6,971	-	-	6,827
Mutual Funds	184	-	-	321	-	-
Trade receivables	-	-	91	-	-	346
Cash and cash equivalents	-	-	715	-	-	1,468
Bank balances other than cash and cash equivalents	-	-	830	-	-	438
Deposits	-	-	144	-	-	77
Other financial assets	-	-	1,326	-	-	1,815
<b>Total financial assets</b>	<b>184</b>	<b>-</b>	<b>21,886</b>	<b>321</b>	<b>-</b>	<b>22,990</b>
<b>Financial liabilities</b>						
Trade payables	-	-	92	-	-	58
Other financial liabilities	-	-	3,673	-	-	3,456
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>3,765</b>	<b>-</b>	<b>-</b>	<b>3,513</b>

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 March 31, 2023	As at March 31, 2022
<b>Financial assets</b>		
At Fair value through profit & loss		
<b>Level 1</b>		
Mutual fund Investments	184	321
	<b>184</b>	<b>321</b>

#### 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 Company shall have a minimum net worth of Rs. 10,000 Lakhs 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, 2023 and March 31, 2022.

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2023</b>				
<b>Liabilities</b>				
Trade payables	92	92	-	92
Other financial liabilities	3,673	1,614	2,059	3,673
<b>Assets</b>				
Trade Receivables	91	91	-	91
Investment	18,964	6,719	12,246	18,964
Cash and Cash equivalents	715	715	-	715
Bank balances other than cash and cash equivalents	830	830	-	830
Deposits	144	-	144	144
Other financial assets	1,388	1,326	63	1,388
<b>As at March 31, 2022</b>				
<b>Liabilities</b>				
Trade payables	58	58	-	58
Other financial liabilities	3,456	1,411	2,044	3,456
<b>Assets</b>				
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

#### 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/2022/96 dated September 14, 2022 renewed the recognition granted to the Stock Exchange for a period of one year commencing on the 16th day of September 2022 and ending on 15th day of September 2023.

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, 2023 stands at INR 12,351 Lakhs.

## 49 Taxes

### a) Income Tax Expenses

The major components of income tax expenses for the year ended March 31, 2023

#### Profit or loss section

Particulars	FY 2022-23	FY 2021-22
Current tax expense	-	-
Tax expense of earlier years	-	-
Deferred tax	-	-
<b>Total income tax expense recognised in profit or loss</b>	<b>-</b>	<b>-</b>

#### Other comprehensive income section

Particulars	FY 2022-23	FY 2021-22
Re-measurements of the defined benefit plans;	-	-
<b>Total income tax expense recognised in Other comprehensive income</b>	<b>-</b>	<b>-</b>

### b) Reconciliation of effective tax rate

Particulars	FY 2022-23	FY 2021-22
a) Income before income tax	(1,997)	(2,349)
b) Enacted tax rate in India	26%	26%
c) Expected tax expenses (a*b)	-	-
d) Other than temporary differences	-	-
Investment income	-	-
Expenses disallowed / (allowed)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
e) Temporary difference	8,325	8,889
Temporary difference on which deferred tax assets not recognised	<b>(8,325)</b>	<b>(8,889)</b>
<b>Total</b>	<b>-</b>	<b>-</b>
<b>f) Net adjustments (d+e)</b>	<b>-</b>	<b>-</b>
<b>g) Current tax expense of earlier years</b>	<b>-</b>	<b>-</b>
<b>h) Tax expenses recognised in Profit or Loss (c+f+g)</b>	<b>-</b>	<b>-</b>

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	FY 2022-23	FY 2021-22
Repair, Maintenance & Sponsorship	20	33

## 51 Revenue from contract with customer

### a The revenue from contracts with customers to the amounts disclosed as total revenue is as under

Particulars	FY 2022-23	FY 2021-22
Revenue from contract with customer	749	544
Revenue from other sources	6	6
<b>Total</b>	<b>755</b>	<b>550</b>

### b The disaggregation of revenue from contracts with customers is as under :

#### i Geographical Location

Particulars	FY 2022-23		FY 2021-22	
	India	Foreign	India	Foreign
Total Revenue	732	22	527	23

#### ii At point in time / Over time

Particulars	FY 2022 - 23			FY 2021 - 22		
	At point in time	Over Time	Total	At point in time	Over Time	Total
Total Revenue	457	298	755	272	278	550

**c The contract assets & liability from contract with customers are as under :**

**i Contract Assets**

Particulars	FY 2022-23	FY 2021-22
Opening Balance of Contract Asset	20	71
Previous year - Contract Asset - reclassified to trade receivable on invoicing	20	69
Current year – Contract asset	60	18
Closing Balance of Contract Assets	60	20

**ii Contract Liability**

Particulars	FY 2022-23	FY 2021-22
Opening Balance of Contract Liability	27	36
Previous year - Contract Liability - Revenue recognized during the year	6	17
Current year – Contract Liability Carried forward	5	8
Closing Balance of Contract Liability	25	27

**52 Corporate Social Responsibility**

The Company was not required to spend any amount towards CSR as per Section 135 of the Companies Act, 2013 as the networth of the Company is below Rs. 500 crore, turnover for current financial year is below Rs. 1,000 crore and the Company has made net loss during immediately preceding financial year.

**53 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

**54 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.
- The company has filed application for merger and amalgamation u/s 230-232 of Companies Act CAA/ 86/MB/2023 before NCLT, Mumbai for merger with its subsidiary MSE Enterprises Ltd. The application is ongoing
- There are no charges or satisfaction required to be registered with ROC by the Company
- 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.
- 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, 2023 and March 31, 2022.
- There are no core investment company (CIC) in the group

**55 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, 2023 and March 31, 2022.

**56 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:

- repayable on demand or,
- without specifying any terms or period for repayment.

**57 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, 2023 and March 31, 2022.

## 58 Ratios

Particulars	Year ended	Numerator	Denominator	Final Ratio	Variance
Current Ratio	March 31, 2023	10,099	2,300	4	(3%)
	March 31, 2022	8,754	1,930	5	
		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, 2023	(1,997)	24,159	(8%)	(8%)
	March 31, 2022	(2,349)	26,136	(9%)	
		Net income:- Net profit before dividend	Shareholder equity:- Assets minus liabilities		
Trade receivable turnover ratio	March 31, 2023	755	219	3	82%
	March 31, 2022	550	290	2	
		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.	Increase due to increase in net credit sales in current year as compared to previous year and decrease in average accounts receivable in CY.	
Trade payable turnover ratio	March 31, 2023	2,357	37	63	99%
	March 31, 2022	1,503	47	32	
		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 net credit purchase in current year as compared to previous year and decrease in average accounts payable in CY.	
Net capital turnover ratio	March 31, 2023	755	24,159	3%	48%
	March 31, 2022	550	26,136	2%	
		Total Sales:- Total annual turnover of the Company for the financial year	Shareholder equity:- Assets minus liabilities	Increase due to increase in Total Sales.	
Net profit ratio	March 31, 2023	(1,978)	755	(262%)	(38%)
	March 31, 2022	(2,329)	550	(423%)	
		Net profit:- net profit / (loss) for the year	Net sales:-Total annual turnover of the Company for the financial year	Decrease due to decrease in loss for the year and increase in net sales in CY as compared to PY.	
Return on capital employed	March 31, 2023	(1,997)	24,159	(8%)	(8%)
	March 31, 2022	(2,349)	26,136	(9%)	
		Earnings and before interest and tax	Shareholder equity:- Assets minus liabilities		

- 59** 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.
- 60** 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.
- 61** 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.

**62** 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 30, 2023

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

**Ajai Kumar**  
Public Interest Director  
DIN : 02446976

**Saket Bhansali**  
Chief Financial Officer

**Latika S. Kundu**  
Managing Director & CEO  
DIN :0008561873

**Durgesh Kadam**  
Head Legal & Company Secretary  
FCS 8496



# Consolidated Financial Statement

## Independent Auditor's Report

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

### 1. Opinion

We have audited the accompanying Consolidated Financial Statements of **Metropolitan Stock Exchange of India Limited (the "Holding Company" "Parent Company")** and its subsidiaries (MSE Enterprises Limited (Formerly Known As Metropolitan Clearing Corporation of India Limited) and MSE Fintech Limited) (the Holding Company and its subsidiaries together referred to as **'the Group'**), which comprise the Consolidated Balance Sheet as at March, 31, 2023, 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, 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, 2023, and its consolidated loss (including other comprehensive income), consolidated cash flows and its consolidated changes in equity for the year ended on that date.

### 2. Basis for Opinion

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. We draw attention to Note 38 of the Consolidated Financial Statements with regard to proposed Merger of MSE Enterprises Limited (MEL) (formerly known as Metropolitan Clearing Corporation of India Limited) with Parent Company wherein it states that Board of Parent Company and MEL accorded there in principle approval for the Merger. Pursuant to the application made by MEL to SEBI to surrender the license/recognition, MEL has been derecognized to operate as Clearing Corporation w.e.f. October 3, 2022.
- b. We draw attention to Note 40 of the Consolidated Financial Statements with regard to preparation of financial on Going Concern Basis which state that "The Parent Company has prepared its Financial Statements on Going Concern Basis, the Parent Company has incurred losses of Rs. 1,978 Lakh during the year ended March 31, 2023 (March 31, 2022: Rs. 2,329 Lakh) and the net worth of the Parent Company as per Stock Exchange and Clearing Corporation Regulation 2018 (SECC) norms amounts to Rs. 12,351 Lakh as on March 31, 2023 (March 31, 2022: Rs. 14,117 Lakh). The Parent Company has already filed application with NCLT during current year for merger of MSE Enterprises Limited (MEL), subsidiary (formerly known as Metropolitan Clearing Corporation of India Limited) with the Parent Company which shall further augment the net worth significantly as per SECC norms. The Parent Company is in compliance of all regulatory requirements including interoperability, T+1 settlement cycle, etc. The Parent Company has not defaulted in payment of any of its creditors, statutory/regulatory liability and to employees and has sufficient funds to discharge all its liabilities. The Parent Company has been able to increase its business volumes in the Currency Derivatives segment regularly and achieved its highest daily volume of last eight years during current year. The Parent Company is also in the process of enabling various initiatives, rationalization measures, brand building and technological upgradation which shall help in Business and Product Expansion along with focus on bringing down overall cost of operations. This shall ensure further significant reduction in losses and the Parent Company is confident of making profits shortly. The Parent Company is also expecting the resolution of pending legal matters in its favour considering the current status which shall result in significant benefits to the Parent Company. The Parent Company accordingly continues to prepare its Consolidated Financial Statements on going concern basis.

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. 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. 46% of the Operating Expense of Holding Company (refer note 31) for the year ended March 31, 2023.

**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, 2023.

## 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.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon. The other information is expected to be made available to us after the date of this auditor's report.

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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate that matter to those charged with governance.

## 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 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.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors (i) in 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 Consolidated Financial Statements.

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

- a) We did not audit the financial statements of a subsidiary; whose financial statements include total asset of Rs. 13,084.13 lakhs, total revenues of Rs. 2,581.20 lakhs, net loss after tax of Rs. 396.37 lakhs, total comprehensive income of Rs. (261.93) lakhs and net cash inflow of Rs. (7.88) lakhs for the year ended March 31, 2023, 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.
- b) The forensic audit of the Parent Company, with respect to the whistle blower complaints, as advised by Securities Exchange and Board of India (SEBI) has been completed and the report has been submitted to SEBI. The matter is pending.

Our 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 matters 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, 2020 ("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, 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. 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. 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. On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2023, 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, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. 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.
- vii. 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:
  - a. The Consolidated Financial Statements discloses the impact of pending litigations on the consolidated financial position of the Group (refer note 36).
  - b. 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 36).
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
    - (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.
  - e. During the year the Group has neither declared nor paid any dividend, as such compliance of section 123 of the Act is not applicable.
  - f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding company and Subsidiaries only w.e.f. 1st April, 2023, reporting in respect of mandatory use of accounting software with requisite audit trail facility is not applicable.
- c. 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:** 23076650BGUWKR9955

**Place of Signature:** Mumbai  
**Date:** May 30, 2023



## 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 on the Consolidated Financial Statements for the year ended March 31, 2023, 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 subsidiary companies incorporated in India 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:** 23076650BGUWKR9955

**Place of Signature:** Mumbai

**Date:** May 30, 2023

**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, 2023, 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, 2023, 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, 2023, 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.

For **T R Chadha & Co LLP**

Chartered Accountants

Firm's Registration No. 006711N/N500028

**Pramod Tilwani**

Partner

Membership No. 076650

**UDIN:** 23076650BGUWKR9955

**Place of Signature:** Mumbai

**Date:** May 30, 2023

# Consolidated Balance Sheet



AS AT MARCH 31, 2023

(₹ in Lakh)

Particulars		Note	As at March 31, 2023		As at March 31, 2022	
<b>I</b>	<b>ASSETS</b>					
<b>1</b>	<b>Non-Current Assets</b>					
	(a) Property, plant and equipment	3	634		891	
	(b) Intangible assets	4	781		1,534	
	(c) Intangible assets under development	4	39		176	
	(d) Right of use assets		287		744	
	(e) Financial assets					
	i. Investments	5	437		2,823	
	ii. Other financial assets	6	902		1,324	
	(f) Income tax assets (net)	7	342		418	
	(g) Deferred tax assets (net)	8	-		186	
	(h) Other non-current assets	9	4,904	<b>8,326</b>	4,896	<b>12,992</b>
<b>2</b>	<b>Current Assets</b>					
	(a) Financial assets					
	i. Investments	10	6,909		5,269	
	ii. Trade receivables	11	91		421	
	iii. Cash and cash equivalents	12	721		1,482	
	iv. Bank balance other than (iii) above	13	10,639		21,602	
	v. Other financial assets	14	1,365		1,818	
	(b) Income tax assets (net)	15	1,441		1,048	
	(c) Other current assets	16	454	<b>21,620</b>	465	<b>32,105</b>
	<b>Total Assets</b>			<b>29,946</b>		<b>45,097</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>					
<b>3</b>	<b>Equity</b>					
	(a) Equity Share capital	17	48,052		48,052	
	(b) Other equity	18	(23,897)		(21,984)	
	<b>Total Equity</b>			<b>24,155</b>		<b>26,068</b>
<b>4</b>	<b>Non Controlling Interest</b>			<b>514</b>		<b>525</b>
<b>5</b>	<b>Core Settlement Guarantee Fund</b>	19		-		<b>850</b>
	<b>Liabilities</b>					
<b>6</b>	<b>Non-Current Liabilities</b>					
	(a) Financial liabilities					
	i. Lease rental liability	20	142		569	
	ii. Other financial liabilities	21	2,060		11,899	
	(b) Provisions	22	23		29	
	(c) Deferred Tax Liability	23	-		127	
				<b>2,225</b>		<b>12,624</b>
<b>7</b>	<b>Current Liabilities</b>					
	(a) Financial liabilities					
	i. Lease rental liability	24	216		265	
	ii. Trade payables					
	a. Total outstanding dues of micro, small and medium enterprises	25	2		0	
	b. Total outstanding dues to creditors other than micro, small and medium enterprises		90		58	
	iii. Other financial liabilities	26	1,979		3,989	
	(b) Other current liabilities	27	742		697	
	(c) Provisions	28	23	<b>3,052</b>	21	<b>5,030</b>
	<b>Total Equity and Liabilities</b>			<b>29,946</b>		<b>45,097</b>

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

2-67

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

**Ajai Kumar**  
Public Interest Director  
DIN : 02446976

**Latika S. Kundu**  
Managing Director & CEO  
DIN : 0008561873

Mumbai  
Dated : May 30, 2023

**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, 2023



( ₹ in Lakh )

Particular	Note	For the Year 2022-23	For the Year 2021-22
<b>I Income</b>			
(a) Revenue from operations	29	922	1,006
(b) Other income	30	4,544	1,500
<b>Total Income</b>		<b>5,466</b>	<b>2,506</b>
<b>II Expenses</b>			
(a) Operating expenses	31	2,324	1,730
(b) Employee benefits expense	32	1,897	1,985
(c) Finance costs	33	39	60
(d) Advertisement and business promotion expenses	34	379	58
(e) Depreciation and amortisation expense	3 & 4	794	777
(f) Depreciation On Right to Use Assets		271	271
(g) Other expenses	35	1,234	751
<b>Total Expenses</b>		<b>6,938</b>	<b>5,632</b>
<b>III Loss before Exceptional items and tax (I - II)</b>		<b>(1,472)</b>	<b>(3,126)</b>
<b>IV Exceptional items</b>			
i. Software written off (Refer note 39)		521	-
<b>V Loss before tax (III - IV)</b>		<b>(1,993)</b>	<b>(3,126)</b>
<b>VI Tax expense</b>			
Less : Current tax		-	14
Less : Earlier year tax		(0)	-
Less : Deferred tax		(127)	27
<b>VII Loss for the year (V - VI)</b>		<b>(1,866)</b>	<b>(3,167)</b>
<b>VIII Non Controlling Interest</b>		(11)	(33)
<b>IX Other comprehensive income</b>			
1) Items that will not reclassified to profit or (loss) (net of tax)		27	36
2) Income tax relating to item will not reclassified to profit or ( loss )		-	(4)
<b>Total other Comprehensive Income for the year, net of tax</b>		<b>27</b>	<b>32</b>
<b>X Total Comprehensive Income for the year (VII- VIII - IX)</b>		<b>(1,828)</b>	<b>(3,102)</b>
<b>Earnings per equity share of face value of Re.1 each</b>			
Basic (in Rs.)	42	(0.04)	(0.06)
Diluted (in Rs.)		(0.04)	(0.06)

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

2-67

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

**Ajai Kumar**  
Public Interest Director  
DIN : 02446976

**Latika S. Kundu**  
Managing Director & CEO  
DIN :0008561873

Mumbai  
Dated : May 30, 2023

**Saket Bhansali**  
Chief Financial Officer

**Durgesh Kadam**  
Head Legal & Company Secretary  
FCS 8496



# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2023



( ₹ in Lakh )

Particulars	For the year March 31, 2023	For the year March 31, 2022
<b>A. Cash flow from Operating Activities</b>		
Net Profit / (Loss) before tax as per Statement of Profit and Loss	(1,866)	(3,167)
<b>Adjustments for</b>		
Depreciation/Amortisation	794	777
Depreciation On Right to Use Assets	271	271
Assets Written off	521	-
Net fair value gain/loss on financial assets measured at fair value through profit and loss	(29)	(36)
Exchange Rate fluctuation	(1)	1
Interest income from financial assets at amortised cost	(2,815)	(1,314)
Discount income on bonds	(4)	-
Interest on IT Refund	(24)	(8)
Refund of Core SGF Contribution	(1,546)	-
Finance Costs - ROU Asset (net) & Write off Income	39	60
Profit on sale of Property, plant and equipment (net)	(2)	(1)
Provision for doubtful debts	10	35
Profit on sale of investments (net)	(58)	(47)
Property, plant and equipment / CWIP written off / provided for	136	-
MAT Credit written off	186	-
Sundry balances written back	(20)	(79)
Remeasurement of Employee Benefit	27	32
<b>Operating profit/ (loss) before working capital changes</b>	<b>(4,381)</b>	<b>(3,476)</b>
<b>Adjustments for</b>		
Decrease/ (increase) in trade receivable	341	(217)
Decrease/ (increase) in financial & other assets	(40)	(245)
<b>Total Increase / (decrease) in Current and non current assets</b>	<b>301</b>	<b>(462)</b>
Increase / (decrease) in trade payables	34	(77)
Increase / (decrease) in financial & other liabilities	(12,862)	(523)
Increase / (decrease) in provision	(8)	(2)
<b>Total Increase / (decrease) in Current and non current Liabilities</b>	<b>(12,836)</b>	<b>(602)</b>
<b>Cash generated from/(used in) operations</b>	<b>(16,916)</b>	<b>(4,540)</b>
Less:( Taxes paid) / refund received	(294)	81
<b>Net cash generated from/(used in) operating activities</b>	<b>(17,210)</b>	<b>(4,459)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Property, plant and equipment (including Capital Work In Progress)	(306)	(454)
Proceeds from Property, plant and equipment (net)	2	3
Purchase of current investments	(5,197)	(4,956)
Proceeds from sale of current investments	6,087	5,823
Fixed deposit placed with banks	(13,326)	(24,893)
Corporate Deposits ( net )	1,395	(1,568)
Refund of Core SGF Contribution	1,546	-
Fixed deposit matured	25,316	30,777
Investment in Corporate Bonds (Including premium)	(1,539)	-
Profit on sale of investments (net)	87	84
Interest received (net of accrued interest)	2,711	1,234
<b>Net cash generated from/(used in) Investing Activities</b>	<b>16,776</b>	<b>6,050</b>

# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, 2023



( ₹ in Lakh )

Particulars	For the year March 31, 2023	For the year March 31, 2022
<b>C. Cash flow from financing activities</b>		
Lease Liability Payment	(328)	(298)
<b>Net cash generated from/(used in) Financing Activities</b>	<b>(328)</b>	<b>(298)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(762)</b>	<b>1,293</b>
Cash and Cash Equivalents at Beginning of the Year	1,482	189
<b>Cash and Cash Equivalents at End of the Year</b> (Refer note 12)	<b>720</b>	<b>1,482</b>
Add : Fixed Deposits held for more than three months (refer note 13)	10,639	21,602
<b>Closing Cash and Bank Balance</b>	<b>11,359</b>	<b>23,084</b>
<b>Component of cash &amp; bank balance (refer note 12)</b>		
In current account		
Owned	241	727
Earmarked	479	755
Cash on hand	0	0
Stamps in hand	0	0
<b>Balances as per statement of cash flows</b>	<b>720</b>	<b>1,482</b>

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

- 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.
- Figures in brackets represent cash outflows.
- 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

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

**Pramod Tilwani**  
Partner  
Membership No.076650

**Ajai Kumar**  
Public Interest Director  
DIN : 02446976

**Latika S. Kundu**  
Managing Director & CEO  
DIN :0008561873

Mumbai  
Dated : May 30, 2023

**Saket Bhansali**  
Chief Financial Officer

**Durgesh Kadam**  
Head Legal & Company Secretary  
FCS 8496

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

### A. Equity Share Capital

(₹ in Lakh)

Particulars	As at 31 March 2023		As at 31 March 2022	
	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	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	<b>4,81,02,17,033</b>	<b>48,102</b>	<b>4,81,02,17,033</b>	<b>48,102</b>
Add:-Shares issued during the year	-	-	-	-
<b>Equity shares at the end of the year *</b>	<b>4,81,02,17,033</b>	<b>48,102</b>	<b>4,81,02,17,033</b>	<b>48,102</b>

\* 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		
<b>As at March 31, 2021</b>	<b>39,531</b>	<b>(58,136)</b>	<b>0</b>	<b>(14)</b>	<b>(258)</b>	<b>(18,877)</b>
Changes in accounting policy/prior period errors	-	-	-	-	-	-
<b>Restated as at March 31, 2021</b>	<b>39,531</b>	<b>(58,136)</b>	<b>0</b>	<b>(14)</b>	<b>(258)</b>	<b>(18,877)</b>
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)
<b>As at March 31, 2022</b>	<b>39,531</b>	<b>(61,275)</b>	<b>0</b>	<b>18</b>	<b>(258)</b>	<b>(21,984)</b>
Changes in accounting policy/prior period errors	-	(85)	-	-	-	(85)
<b>Restated as at March 31, 2022</b>	<b>39,531</b>	<b>(61,361)</b>	<b>0</b>	<b>18</b>	<b>(258)</b>	<b>(22,069)</b>
Tax (remeasurement of employee defined benefit liability /asset)	-	-	-	27	-	27
Non controlling Interest Reallocation	-	11	-	-	-	11
Profit / (loss) for the year	-	(1,866)	-	-	-	(1,866)
<b>As at March 31, 2023</b>	<b>39,531</b>	<b>(63,216)</b>	<b>0</b>	<b>45</b>	<b>(258)</b>	<b>(23,897)</b>

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

### 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

**Ajai Kumar**  
Public Interest Director  
DIN : 02446976

**Latika S. Kundu**  
Managing Director & CEO  
DIN :0008561873

Mumbai  
Dated : May 30, 2023

**Saket Bhansali**  
Chief Financial Officer

**Durgesh Kadam**  
Head Legal & Company Secretary  
FCS 8496

## SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

### 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 MSE Enterprises Limited (MEL) (formerly known as Metropolitan Clearing Corporation of India Ltd) and MSE Fintech Limited (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 30, 2023.

### 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

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.

#### 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 cease 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, 2023	% of Voting Power As at March 31, 2022
<b>Subsidiary Company - Direct</b>			
MSE Enterprises Limited (formerly known as Metropolitan Clearing Corporation India Limited)	India	95.85	95.85
MSE Fintech Limited	India	100.00	100.00

## 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. 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 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.

**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.

**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).

**Dividend income** is recognized when the company's right to receive dividend is established.

The disclosure of significant accounting reporting requirements relating to revenue from contracts with customers are provided in Note 53.

## 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.

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. 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 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 MSEI Employees Group Gratuity Assurance Scheme ("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 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.

## 2.17 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 the 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 Recent accounting pronouncements

The Ministry of Corporate Affairs (MCA) on March 31, 2023 through Companies (Indian Accounting Standards) Amendment Rules, 2023 has notified the following amendments to IND AS which are applicable for the annual periods beginning on or after April 01, 2023

### a) IND AS 1 – Presentation of Financial Statements

This amendment requires the Company to disclose its material accounting policies rather than their significant accounting policies. The Company will carry out a detailed review of accounting policies to determine material accounting policy information to be disclosed going forward.

The Company does not expect this amendment to have any material impact in its financial statements.

### b) IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors -

This amendment has changed the definition of a "change in accounting estimates" to a definition of "accounting estimates". The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

The Company does not expect this amendment to have any material impact in its financial statements

### c) IND AS 12 – Income Taxes -

This amendment has done away with the recognition exemption on initial recognition of assets and liabilities that give rise to equal and offsetting temporary differences.

The Company does not expect this amendment to have any material impact in its financial statements.

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

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

### 3 Property, Plant and Equipment

Particulars	Office Equip-ment's	Computer Hardware	Furniture & Fixtures	Vehicles	Leasehold Improve-ments	Sub-total (A)	Right of use assets (B)	Total C= (A+B)
<b>Gross Carrying amount as at March 31, 2021</b>	<b>145</b>	<b>3,611</b>	<b>42</b>	<b>11</b>	<b>196</b>	<b>4,005</b>	<b>1,256</b>	<b>5,261</b>
Addition	5	101	3	18	142	269	-	269
Disposals/Write off	11	313	-	-	-	324	-	324
<b>Gross Carrying amount as at March 31, 2022</b>	<b>139</b>	<b>3,398</b>	<b>44</b>	<b>30</b>	<b>338</b>	<b>3,949</b>	<b>1,256</b>	<b>5,205</b>
Addition	5	96	1	-	16	118	-	118
Disposal	40	322	20	-	-	383	186	569
<b>Gross Carrying amount as at March 31, 2023</b>	<b>104</b>	<b>3,172</b>	<b>25</b>	<b>30</b>	<b>354</b>	<b>3,685</b>	<b>1,070</b>	<b>4,755</b>
<b>Accumulated Depreciation as at March 31, 2021</b>	<b>87</b>	<b>3,004</b>	<b>33</b>	<b>11</b>	<b>5</b>	<b>3,140</b>	<b>241</b>	<b>3,380</b>
Depreciation charges during the year	16	149	4	1	74	243	271	514
Disposals/Write off	11	313	-	-	-	324	-	324
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>92</b>	<b>2,839</b>	<b>37</b>	<b>13</b>	<b>78</b>	<b>3,059</b>	<b>511</b>	<b>3,570</b>
Depreciation charges during the year	14	172	4	2	181	373	271	644
Disposals	40	322	19	-	-	381	-	381
<b>Accumulated Depreciation as at March 31, 2023</b>	<b>66</b>	<b>2,689</b>	<b>22</b>	<b>15</b>	<b>259</b>	<b>3,051</b>	<b>783</b>	<b>3,833</b>
<b>Net Carrying amount as at March 31, 2023</b>	<b>38</b>	<b>483</b>	<b>4</b>	<b>15</b>	<b>95</b>	<b>634</b>	<b>287</b>	<b>921</b>
<b>Net Carrying amount as at March 31, 2022</b>	<b>47</b>	<b>559</b>	<b>8</b>	<b>17</b>	<b>260</b>	<b>891</b>	<b>744</b>	<b>1,635</b>

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

Note:- The Group 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
<b>Gross Carrying amount as at March 31, 2021</b>	<b>10,821</b>	<b>260</b>	<b>11,079</b>
Addition	188	240	428
Disposals/write off	-	244	244
Provision for diminution of assets	-	80	80
<b>Gross Carrying amount as at March 31, 2022</b>	<b>11,009</b>	<b>176</b>	<b>11,184</b>
Addition	189	101	290
Disposals/write off	768	102	870
Provision for diminution of assets	-	136	136
<b>Gross Carrying amount as at March 31, 2023</b>	<b>10,431</b>	<b>39</b>	<b>10,468</b>
<b>Accumulated Depreciation as at March 31, 2021</b>	<b>8,942</b>	<b>-</b>	<b>8,942</b>
Depreciation charges during the year	534	-	534
Disposals/write off	-	-	-
<b>Accumulated Depreciation as at March 31, 2022</b>	<b>9,475</b>	<b>-</b>	<b>9,475</b>
Depreciation charges during the year	421	-	421
Disposals/write off	247	-	247
<b>Accumulated Depreciation as at March 31, 2023</b>	<b>9,650</b>	<b>-</b>	<b>9,650</b>
<b>Net Carrying amount as at March 31, 2023</b>	<b>781</b>	<b>39</b>	<b>818</b>
<b>Net Carrying amount as at March 31, 2022</b>	<b>1,534</b>	<b>176</b>	<b>1,708</b>

(Other than internally generated)

\* In certain cases the Group has only usage right and not the title or ownership, net carrying amount of Rs. 445 Lakhs (PY 602 lakh).

#### Notes:-

- The Group has made provision of Rs.136 lakhs during the financial year ended March 31, 2023 and Rs. 80 lakh during the financial year ended March 31, 2022.
- The Group has not revalued its intangible assets during the current or previous year.

#### Intangible Assets under development ageing as on March 31, 2023

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	70	23	5	157	255
Projects temporary suspended	-	-	-	-	-

**List of projects whose completion is overdue as on March 31, 2023**

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
<b>Total</b>	-	<b>151</b>	-	-	<b>151</b>

\* The Group has revised its estimation of completion of the above mentioned projects, hence the above table is updated to that extent.

**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
<b>Total</b>	<b>74</b>	<b>142</b>	-	-	<b>216</b>



## 5 Non Current Investment

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Other Investments</b>				
<b>(i) Corporate Fixed Deposits*</b>				
HDFC Ltd	397		718	
LIC Housing Finance Limited	-		1,465	
Bajaj Finance Ltd	-	397	640	2,823
<b>(ii) Corporate Bonds</b>				
8.50% State Bank of India Perpetual Bonds(Series II) (INE062A08223) 4 (PY: Nil) Units face value of Re.10,00,000/- each	40		-	
Premium on Corporate Bonds	0	40	-	-
<b>Total</b>		<b>437</b>		<b>2,823</b>
Aggregate book value of quoted investments		40		-
Aggregate market value of quoted investments		41		-
Aggregate carrying value of un-quoted investments		397		2,823
Aggregate amount of impairment in value of investments		-		-

\* Rs. 84 Lakh (PY Rs. 330 Lakh/-) are towards making payments of the deposits of members.

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

## 6 Other Financial Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Non Current Bank Balance</b>				
Deposit with banks ( with Maturity more than 12 months )		676		1,173
<b>Earmarked</b>				
Towards investor service fund		21		-
Towards arbitration		11		-
Towards defaulter committee fund		31		-
<b>Others (unsecured, considered good)</b>				
Sundry deposits		163		151
<b>Total</b>		<b>902</b>		<b>1,324</b>

## 7 Income Tax Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Advance income tax (net)		342		418
<b>Total</b>		<b>342</b>		<b>418</b>

## 8 Deferred Tax Assets (Net)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
MAT credit entitlements		-		186
<b>Total</b>		<b>-</b>		<b>186</b>

## 9 Other Non-Current Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good)				
Tax recoverable, statutory deposits and dues from government		4,895		4,888
Prepaid expenses		9		9
<b>Total</b>		<b>4,904</b>		<b>4,896</b>

## 10 Current Investments

Particulars	As at March 31, 2023		As at March 31, 2022	
	Units	Rupees	Units	Rupees
<b>In Mutual Funds ( Quoted ) *</b>				
<b>Investments in mutual funds at FVTPL</b>				
Aditya Birla Sun Life Liquid Fund - Dir - Growth		-	3,834.120	13
BOI AXA Liquid Fund- Dir- Overnight		-	8,948.627	96
SBI Premier Liquid Fund- Dir- Overnight		-	2,959.167	102
Sundaram Money Fund - Direct Plan - Growth		-	8,305.724	156
Sundaram Money Fund- Direct- Overnight		-	2,368.001	273
Mirae Asset Cash Management Fund - Direct Plan - Growth		-	2,649.356	60
Mirae Liquid Fund- Dir- Overnight		-	5,368.560	58
BOI AXA Liquid Fund - Direct Plan - Growth	4910.214	127	7,574.017	186
Sundaram Liquid Fund Direct Plan Growth	3166.973	63	-	-
ICICI Prudential Money Market Fund - Direct Growth		-	16454.329	50
ABSL MMF - G-D		-	10002.764	30
ABSL SF G-R Plan		-	14633.345	64
Axis Treasury Advantage Fund Growth		-	1372.007	34
ICICI Prudential Savings Fund – R- G		-	7286.135	32
Axis Money Market Fund – Regular Growth		-	5282.179	61
HDFC Floating Rate Debt Fund – RG		-	125616.136	50
ICICI Prudential Liquid Fund D-G	16013.810	53	-	-
Tata Liquid Fund- Growth	1295.923	46	-	-
Nippon India Ultra Short Duration Fund – Direct Growth	781.667	29	-	-
ABSL Liquid Fund - G-D	15365.653	56	-	-
<b>Total</b>		<b>375</b>		<b>1,265</b>
<b>Other Investments</b>				
<b>(i) Corporate Fixed Deposits **</b>				
HDFC Ltd	1,444		1,750	
LIC Housing Finance Limited	1,495		-	
Mahindra & Mahindra Finance Limited	100		1,499	
Bajaj Finance Ltd	1,996	<b>5,035</b>	755	<b>4,004</b>
<b>(ii) Corporate Bonds</b>				
9.05% Housing Development Finance Corporation Limited NCD (Series U-004) (INE001A07RJ2) 50 (PY: Nil) Units face value of Re.10,00,000/- each	500		-	
7.28% Housing Development Finance Corporation Limited NCD (Series AA-007) (INE001A07TM2) 50 (PY: Nil) Units face value of Re.10,00,000/- each	499		-	
5.75% Bajaj Finance Limited NCD (NE296A07RX9) 50 (PY: Nil) Units face value of Re.10,00,000/- each	489		-	
Premium on Corporate Bonds	7		-	
Discount receivable on Corporate Bonds	4	<b>1,499</b>	-	-
		<b>6,909</b>		<b>5,269</b>
Aggregate book value of quoted investments		1,862		1,265
Aggregate market value of quoted investments		1,872		1,265
Aggregate carrying value of un-quoted investments		5,047		4,004
Aggregate amount of impairment in value of investments				
* Rs. 55.79 Lakh (PY Rs. 29.90 Lakh/-) are towards making payments of the deposits of members.				
** Rs. 1,428 Lakh (PY Rs. 1,051 Lakh ) are towards making payments of the deposits of members.				

## 11 Trade Receivables

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Current</b>				
Secured, considered good		-		-
Unsecured, considered good		91		421
Receivables which have significant increase in credit risk		-		-
Credit impaired	251		132	
Less :- Allowance for credit impaired debts (expected credit loss allowance)	251	-	132	-
<b>Total</b>		<b>91</b>		<b>421</b>

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, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Balance at the beginning of the year		132		77
Impairment loss allowance on trade receivables		120		55
Balance at the end of the year		<b>251</b>		<b>132</b>

### Trade receivable ageing as on March 31, 2023

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	75	15	0	-	1	<b>91</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	111	35	40	33	33	<b>251</b>
(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, 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	-	-	-	-	-	-

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

### 12 Cash and Cash Equivalent

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Balance with banks				
- In current accounts				
Owned	31		72	
<b>Earmarked</b>				
Towards investor service fund	2		10	
Towards arbitration	5		5	
Towards defaulter committee fund	0		0	
<b>Total (A)</b>		<b>38</b>		<b>87</b>
- Fixed Deposit with banks having maturity less than 3 months				
Owned	210		655	
<b>Earmarked</b>				
Towards members deposit	392		661	
Towards investor service fund	10		10	
Towards defaulter committee fund	70		68	
Stamps in hand	0		0	
Cash on hand	0		0	
<b>Total (B)</b>		<b>683</b>		<b>1,394</b>
<b>Total (C =A+B)</b>		<b>721</b>		<b>1,482</b>

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

### 13 Other Bank Balance

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Other Bank Balances in Fixed Deposits</b>		9,809		21,439
Earmarked				
Towards Arbitration Deposits		-		11
Towards Investor Service Fund		100		-
Towards Defaulter Committee fund		118		18
Towards Members Deposit fund		612		135
<b>Total</b>		<b>10,639</b>		<b>21,602</b>

#### 14 Other Financial Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Loan to Metropolitan Stock Exchange ESOP Trust	11		11	
Less :- Provision for Doubtful Loan	11	-	11	-
<b>Current Bank Balance</b>				
Deposit with banks ( with Original Maturity more than 12 months )		427		380
Earmarked				
Towards members deposit		206		708
Towards investor service fund		139		209
Towards defaulter committee fund		118		185
Interest accrued on Fixed Deposits		90		78
Owned	23		33	
Earmarked	67		45	
Interest Accrual on Corporate FD		323		254
Owned	247		202	
Earmarked	76		52	
Interest accrued on Corporate Bonds		23		-
Owned	23		-	
Unbilled receivable		40		3
<b>Total</b>		<b>1,365</b>		<b>1,818</b>

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

#### 15 Income Tax Assets (Net) - Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Advance Income Tax (Net of Provision)		1,441		1,048
<b>Total</b>		<b>1,441</b>		<b>1,048</b>

#### 16 Other Current Assets

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>(Unsecured, considered good, unless otherwise stated)</b>				
Advances to vendors		353		294
Advances to employees		0		0
Capital advances		-		7
Gratuity receivable		-		4
Prepaid expenses		100		160
<b>Total</b>		<b>454</b>		<b>465</b>

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



## 17 Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Authorised :</b>				
5,50,00,00,000 (PY 5,50,00,00,000) Equity Shares face value of Re.1/- each		55,005		55,005
<b>Issued :</b>				
4,81,02,17,033 (PY 4,81,02,17,033 ) Equity Shares face value of Re.1/- each #		48,102		48,102
<b>Subscribed and Paid-up</b>	48,102		48,102	
4,81,02,17,033 (PY 4,81,02,17,033 ) Equity Shares face value of Re.1/- each				
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
<b>Total</b>		<b>48,052</b>		<b>48,052</b>

### 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, 2023		As at March 31, 2022	
	No. of Shares	Rupees	No. of Shares	Rupees
<b>Equity shares</b>				
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, 2023		As at March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity shares of Re.1/- each fully paid-up</b>				
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, 2023		As at March 31, 2022	
	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 Distribution tax	Total
				Remeasurement of employees benefit		
<b>As at 31 March 2021</b>	<b>39,531</b>	<b>(58,136)</b>	<b>0</b>	<b>(14)</b>	<b>(258)</b>	<b>(18,877)</b>
Changes in accounting policy/prior period errors	-	-	-	-	-	-
<b>Restated as at March 31, 2021</b>	<b>39,531</b>	<b>(58,136)</b>	<b>0</b>	<b>(14)</b>	<b>(258)</b>	<b>(18,877)</b>
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)
<b>As at March 31, 2022</b>	<b>39,531</b>	<b>(61,275)</b>	<b>0</b>	<b>17</b>	<b>(258)</b>	<b>(21,984)</b>
Changes in accounting policy/prior period errors	-	(85)	-	-	-	(85)
<b>Restated as at March 31, 2022</b>	<b>39,531</b>	<b>(61,361)</b>	<b>0</b>	<b>17</b>	<b>(258)</b>	<b>(22,069)</b>
Tax (remeasurement of employee defined benefit liability /asset)	-	-	-	27	-	27
Non controlling Interest Reallocation	-	11	-	-	-	11
Profit / (loss) for the year	-	(1,866)	-	-	-	(1,866)
<b>As at March 31, 2023</b>	<b>39,531</b>	<b>(63,215)</b>	<b>0</b>	<b>45</b>	<b>(258)</b>	<b>(23,897)</b>

\* 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, 2023 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, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Core Settlement Guarantee Fund				
As per Last Balance Sheet		850		865
Add : Contribution/ Interest Accrued during the year		-		-
Less:- Contribution withdrawn		850		-
Less : Transfer to ICCL		-		2
Less : Transfer to NCL		-		13
( Refer Note 54 )				
<b>Total</b>		<b>-</b>		<b>850</b>

## 20 Lease rental liability - Non Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Lease rental liability		142		569
<b>Total</b>		<b>142</b>		<b>569</b>

## 21 Other financial liabilities - Non Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Amount received from members and applicants towards :				
- Deposits		2,005		4,009
- Other Liabilities		54		35
<b>Core Settlement Guarantee Fund:</b>				
For Segments other than Commodity Derivatives		-		2,739
For Commodity Segment		-		5,075
- Other Deposits		0		40
<b>Total</b>		<b>2,060</b>		<b>11,899</b>

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

## 22 Provisions - Non Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Employee benefits</b>				
Provision for gratuity		5		-
Provision for leave encashment		18		29
<b>Total</b>		<b>23</b>		<b>29</b>

## 23 Deferred Tax Liability

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Deferred Tax Credit / (Charge)		127		96
Charge / (Credit) for the year		(127)		31
<b>Total</b>		<b>-</b>		<b>127</b>

## 24 Lease rental liability - Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Lease rental liability		216		265
<b>Total</b>		<b>216</b>		<b>265</b>

## 25 Trade Payables

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Total outstanding dues of micro, small and medium enterprises (Refer note 46)		2		0
Total outstanding dues to creditors other than micro, small and medium enterprises		90		58
<b>Total</b>		<b>92</b>		<b>58</b>

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

**Trade payable ageing as on March 31, 2023**

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	2	-	-	-	2
(ii) Others	90	-	-	-	90
(iii) Disputed-MSME	-	-	-	-	-
(iv) Disputed-Others	-	-	-	-	-

**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.

**26 Other Current Financial Liabilities**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Deposits from members		1,130		3,352
Share application money refundable		0		0
Provision for expenses		793		260
Sebi Regulatory Fees		56		12
Members Margin and Deposits - Commodity Segment		-		366
<b>Total</b>		<b>1,979</b>		<b>3,989</b>

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

**27 Other Current Liabilities**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Unearned income ( Refer note 53 )		25		27
Investor Service fund # ( Including interest earned of Rs. 14.49 lakh (PY 9 lakh))		288		244
Investor Protection Fund		10		6
TDS Payable		62		25
Other Liabilities including Statutory Liabilities		26		66
Other Payable as per the Scheme Of Capital Reduction		331		331
# 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. 288 lakh ( PY 244 lakh) as at March, 31, 2023 represents the Listing Fees Contribution, net of expenses and interest earned thereon.				
<b>Total</b>		<b>742</b>		<b>697</b>

## 28 Provisions - Current

Particulars	As at March 31, 2023		As at March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Employee benefits</b>				
Provision for gratuity		13		14
Provision for leave encashment		9		7
<b>Total</b>		<b>23</b>		<b>21</b>

## 29 Revenue From Operations

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Revenue from operations (refer note 53)</b>				
<b>Sale of services -</b>				
Transaction fees		350		146
Clearing and settlement fees		129		448
<b>Other operating revenue -</b>				
Membership admission fees		11		3
Processing fees		86		58
Listing fees		171		172
Income related to commodity segment		6		6
Other connectivity charges		82		61
Data feed charges		44		44
Membership surrender fee		36		56
Other revenue from operations		6		11
<b>Total</b>		<b>922</b>		<b>1,006</b>

## 30 Other Income

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
<b>Interest Income</b>				
- on Bank Deposits		2,402		923
- on Corporate Deposits		328		391
- on Corporate Bonds		85		-
- Other Interest		28		12
Profit on sale of Current Investments (Net)		58		47
Fair valuation of Mutual fund		29		36
Core SGF Refund		1,546		-
Sundry balance written back		20		79
Exchange Rate Fluctuation (net)		1		-
Profit on sale of assets		2		1
Miscellaneous Income		45		10
<b>Total</b>		<b>4,544</b>		<b>1,500</b>



### 31 Operating Expenses

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Clearing and Settlement Charges		114		48
Technology Cost		1,679		1,409
Sebi Regulatory Charges		66		25
Internet Connectivity Charges		2		1
Direct Communication Expenses		51		45
POP / NPN Charges		41		46
Co-Location Charges		97		90
Electricity Expenses- Direct		92		66
Contribution to core settlement guarantee fund		181		-
Rent on equipment		2		-
<b>Total</b>		<b>2,324</b>		<b>1,730</b>

### 32 Employee Benefits Expense

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Salaries, allowances and bonus		1,747		1,872
Contribution to Provident Fund and other funds (refer note 43)		128		102
Staff welfare and other amenities		22		10
<b>Total</b>		<b>1,897</b>		<b>1,985</b>

### 33 Finance Costs

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Finance cost - Right of use Asset-Ind AS		39		60
<b>Total</b>		<b>39</b>		<b>60</b>

### 34 Advertisement and business promotion expenses

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Advertisement		82		3
Business promotion expenses		277		54
Sponsorships and seminar		20		-
<b>Total</b>		<b>379</b>		<b>58</b>

### 35 Other Expenses

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
	Rupees	Rupees	Rupees	Rupees
Rent		29		26
<b>Repairs and Maintenance</b>				
- Computers		31		42
- Others		89		64
Insurance		53		51
Travelling and Conveyance		21		6
Communication Expenses		8		7
Legal and Professional Charges		137		149
Electricity Expenses		43		33
Premium Amortisation on Bonds		12		-
Office Expenses		98		100
Security service charges		13		11
Directors Sitting Fees		100		83
<b>Payment to Auditors :</b>				
- Audit Fees (Incl. tax audit, ICFR report)	23		23	
- Other matters (Certification)	6		5	
- Reimbursement	0	29	0	28
Provision towards CWIP		138		-
Exchange Rate Fluctuation (net)		-		1
Expected credit loss on trade receivables		122		57
Bad debts	1			
Less:- Allowance for credit loss made earlier	(1)	-		-
Rates & Taxes		209		20
Contribution to ISF		32		30
Operating Expenses - Commodity Segment		3		5
Miscellaneous Expenses		67		37
<b>Total</b>		<b>1,234</b>		<b>751</b>

\* 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.

In Notice of Motion no. 530/2014 the Hon'ble Bombay High Court through its order dated June 12, 2019 disposed off the Notice of Motion and 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 along with Delay Condonation Application and Interim Application for Stay to the said order dated June 12, 2019. The delay condonation application was allowed. The Appeal along with the Interim Application for stay was last scheduled on 05/12/2022 for admission, but was not taken up for hearing. The next date is not yet listed by Registry of Bombay High Court.

- 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. 35 Lakh ( PY Rs.70 Lakh )
- d. Cogencis Information Services Limited has filed a Commercial Suit No: COMS/202/2021 before High Court of Bombay claiming a sum of approx Rs.1.30 cr along with interest on principal amount of Rs.69.9 Lakh 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.

The Exchange has filed Written Statement to the Suit filed by Cogencis on 13 June 2022. The commercial suit is at Pre-Admission stage and next date will be provided as per CMIS of the Bombay High Court. However no new date has been Listed as of now.

- e. 63 Moons Technologies Ltd vide letter dated 03rd May, 2023 has claimed interest on the amount payable towards capital reduction approved by NCLT by order dated 19.08.2019.

### 37 Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for ( net of advances ) is Rs 48.49 Lakhs as on 31st March, 2023. ( PY Rs. 14 Lakh).

- 38 The Parent Company and MSE Enterprises Limited ("MEL") (formerly known as Metropolitan Clearing Corporation of India Limited) Boards respectively accorded their in-principle approval for the merger of MEL with MSE. Pursuant to the application made by MEL to SEBI to surrender the license / recognition, As per SEBI letter dated September 23, 2022, the recognition granted to MEL as a Clearing Corporation has expired wef October 03, 2022. MSE has filed merger application with NCLT on March 23, 2023 with the appointed date of April 01, 2023.

- 39 Pursuant to derecognition of MEL as Clearing Corporation, following steps has been carried out:

- a) Impairment testing on the assets has been conducted and requisite provision has been made and shown as Exceptional Item in the Consolidated Audited Financial Results for the quarter and year ended March 31, 2023.
- b) Interest earned on MEL own contribution to Core Settlement Guarantee Fund since inception has been shown as Operating Income, since MEL has been derecognised as a Clearing Corporation by SEBI from October 02, 2022.
- c) Pursuant to derecognition of MEL as a Clearing Corporation w.e.f. October 02, 2022, the contribution made by the Parent Company towards Core SGF with interest thereon, totalling to INR 15.46 Crores has been refunded to the Parent Company Also, the contribution made by ICEX towards Core SGF with interest thereon, totalling to INR 44.37 Crores has been refunded to ICEX.

- 40 The Parent Company has prepared its Financial Statements on Going Concern Basis, the Parent Company has incurred losses of Rs. 1,978 Lakh during the year ended March 31, 2023 (March 31, 2022: Rs. 2,329 Lakh) and the net worth of the Parent Company as per Stock Exchange and Clearing Corporation Regulation 2018 (SECC) norms amounts to Rs. 12,351 Lakh as on March 31, 2023 (March 31, 2022: Rs. 14,117 Lakh). The Parent Company has already filed application with NCLT during current year for merger of MSE Enterprises Limited (MEL), subsidiary (formerly known as Metropolitan Clearing Corporation of India Limited) with the Parent Company which shall further augment the net worth significantly as per SECC norms. The Parent Company is in compliance of all regulatory requirements including interoperability, T+1 settlement cycle, etc. The Parent Company has not defaulted in payment of any of its creditors, statutory/regulatory liability and to employees and has sufficient funds to discharge all its liabilities. The Parent Company has been able to increase its business volumes in the Currency Derivatives segment regularly and achieved its highest daily volume of last eight years during current year. The Parent Company is also in the process of enabling various initiatives, rationalization measures, brand building and technological upgradation which shall help in Business and Product Expansion along with focus on bringing down overall cost of operations. This shall ensure further significant reduction in losses and the Parent Company is confident of making profits shortly. The Parent Company is also expecting the resolution of pending legal matters in its favour considering the current status which shall result in significant benefits to the Parent Company. The Parent Company accordingly continues to prepare its Financial Statements on going concern basis.

- 41 In some earlier years, MSE 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). on February 12, 2018, an interim stay was granted to the proceedings of damages before NCLAT during the pendency of the present appeal filed by NSE in Supreme Court. The appeal was last 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 as pending before 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 appeal filed by NSE before Supreme Court i.e Civil Appeal No.8974 of 2014 is admitted vide order dated 20th February 2023. Now the matter will be mentioned on the regular board of the supreme court. The matter was last scheduled twice on 26/04/2023 and 27/04/2023 on the board of the Court Room no. 5, before Hon'ble Mr. Justice Dinesh Maheshwari and Hon'ble Mr. Justice Sanjay Kumar of the Supreme Court. however the matter could not reach till the end of the day due to urgent hearing of other connected matters. Now the matter is scheduled to be listed on 26/07/2023.

#### 42 Earnings per share ('EPS')

Particulars	Apr-22 to Mar-23	Apr-21 to Mar-22
Profit/(Loss) after tax as per statement of profit and loss attributable to equity share holders	(1,855)	(3,167)
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	(0.04)	(0.07)
Diluted earnings per share of face value Re. 1 each	(0.04)	(0.07)

#### 43 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	FY 2022-23	FY 2021-22
Employer's Contribution to Provident Fund	70	77

##### 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, 2023 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, 2023.

- I Changes in the present value of Projected Benefit Obligation representing reconciliation of opening and closing balances thereof are as follows:

Particulars	Gratuity	
	FY 2022-23 (Funded)	FY 2021-22 (Funded)
Projected Value of Benefit Obligation at the beginning of the year	153	208
Current Service cost	22	30
Interest Cost	10	12
Actuarial (gain) / loss	10	(37)
Benefits paid	(54)	(60)
Defined Benefit obligation at the end of the year	141	153

- II Reconciliation of opening and closing balance of the Fair value of Plan Assets-

Particulars	Gratuity	
	FY 2022-23	FY 2021-22
Fair Value of Plan Assets at the beginning of the year	143	173
Expected Return On Plan Assets	9	10
Contribution during the year	26	21
Benefit Paid From The Fund	(54)	(60)
Actuarial Gains/(Losses) On Plan Assets	(2)	(1)
Fair Value of Plan Assets at the end of the year	122	143

**III** The amount recognized in the Balance Sheet as follows:-

Particulars	Gratuity	
	FY 2022-23	FY 2021-22
Present value of Benefit Obligation at the end of the Project	(141)	(153)
Fair Value of Plan Asset at the end of the Period	122	143
Funded Status (Surplus / (Deficit))	(19)	(10)
Asset/(Net Liability) recognized in Balance Sheet (Current)	<b>(19)</b>	<b>(10)</b>

**IV** The amount recognized in the statement of Profit & Loss is as follows:-

Particulars	Gratuity	
	FY 2022-23 (Funded)	FY 2021-22 (Funded)
Current service cost	22	30
Interest Cost	0	2
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Net expenses	<b>22</b>	<b>32</b>

**V** The amount recognized in the Balance Sheet as follows:-

Particulars	Gratuity	
	FY 2022-23	FY 2021-22
Actuarial (Gains) / Losses on obligation for the period	10	(37)
Return on plan assets, excluding interest income	2	1
Net (income) / expense for the period recognized in OCI	<b>12</b>	<b>(36)</b>

**VI** Expected payout from the fund / employer

Particulars	Fund		Employer	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Projected benefits payable in Future Years from Date of reporting				
1st Following year	53	19	-	-
2nd Following year	29	12	-	-
3rd Following year	24	16	-	-
4th Following year	16	17	-	-
5th Following year	10	15	-	-
6th - 10th Following years	23	59	-	-
11th year and above	11	126	-	-

**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	
	FY 2022-23	FY 2021-22
Projected benefit obligation on Current Assumption	141	153
Effect of +1% change in Rate of discounting	(3)	(9)
Effect of -1% change in Rate of discounting	4	11
Effect of +1% change in Rate of Salary Increase	4	10
Effect of -1% change in Rate of Salary Increase	(3)	(9)
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, asset liability matching risk, mortality risk, concentration 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. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Interest Risk	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Asset Liability Matching Risk	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
Mortality risk	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk
Concentration Risk	Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

#### VIII Principal actuarial assumptions at the Balance sheet date:

Particulars	Gratuity As at	
	March 31, 2023	March 31, 2022
Mortality Table(LIC)	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ult
Rate of employee turnover	38%	For service 4 yrs & below 19% pa & 7% pa thereafter
Discount rate (per annum)	7.20%	6.90%
Expected Return on Plan Asset	7.20%	6.90%
Rate of escalation in salary (per annum)	6.00%	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



#### 44 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		Unallotable		Total	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022	31.03.2023	31.03.2022
<b>REVENUE:</b>								
External Revenue	755	550	167	456	-	-	922	1,006
Inter-segment Revenue	-	-	0	742	-	-	0	742
<b>Total Revenue</b>	<b>755</b>	<b>550</b>	<b>167</b>	<b>1,198</b>	<b>-</b>	<b>-</b>	<b>922</b>	<b>1,748</b>
<b>SEGMENT RESULT :</b>								
Loss Before Interest & Tax	(3,680)	(3,041)	(2,818)	(1,541)	87	84	(6,410)	(4,498)
Less : Interest Expense	-	-	-	-	(39)	(60)	(39)	(60)
Add : Interest Income	-	-	-	-	4,457	1,433	4,457	1,433
Loss After Interest	(3,680)	(3,041)	(2,818)	(1,541)	4,505	1,456	(1,992)	(3,126)
Less: Tax Expense	-	-	-	-	-	-	(127)	41
Less : Minority Interest	-	-	-	-	-	-	(11)	(33)
Total Other Comprehensive income	-	-	-	-	-	-	27	32
<b>Loss for the Year</b>	<b>(3,680)</b>	<b>(3,041)</b>	<b>(2,818)</b>	<b>(1,541)</b>	<b>4,505</b>	<b>1,456</b>	<b>(1,827)</b>	<b>(3,102)</b>
<b>OTHER INFORMATION</b>								
Segment Assets	19,022	15,438	10,675	12,801	249	16,938	29,946	45,177
Segment Liabilities	4,173	4,081	390	10,722	714	2,851	5,277	17,654
Segment Capital Expenditure	166	116	140	338	-	-	306	454
Depreciation / Amortisation	455	573	339	204	-	-	794	777

##### 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.

#### 45 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. Durgesh Kadam (Company Secretary) w.e.f. April 13, 2022
- Mr. P. K. Ramesh (Chief Regulatory officer)
- Mr. Neeraj Gupta (Chief Technology Officer) upto July 02, 2022
- Mr. Manish Gupta (Chief Technology Officer) w.e.f. June 27, 2022
- Mr. Anish Kumar (Chief Risk Officer ) upto April 22, 2022
- Mr. Sachin Nayak (Head – Market Operations) w.e.f. February 14, 2022
- Mr. Jagdish Asodekar (Chief Information Security Officer) upto June 01, 2022
- Mr. Jibananda Bain (Chief Information Security Officer) w.e.f. June 01, 2022 and upto March 29, 2023
- Mr. Utkarsh Sharma (Head - Business Development) w.e.f. April 11, 2022

**MEL**

- Mr. Krishana Wagle (MD) w.e.f. February 27, 2021 to February 12, 2022
- Mr. Krishana Wagle (CFO) up to February 26, 2021
- Mrs. Avni Patel - Company Secretary (till 18.04.2022)
- Mr Kirit Dodiya - CFO
- Mr Vishnu Sah - Company Secretary (till 04.11.2022)
- Ms. Lehar Arora - Company Secretary (till 29.03.2022)

**(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	-	1
	-	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
	65
Ms. Manisha Thakur	-
	30
Mr. P.K. Ramesh	46
	46
Mr. Neeraj Gupta	13
	45
Mr. Anish Kumar	3
	6
Mr. Sachin Nayak	35
	5
Mr. Jagdish Asodekar	4
	3
Mr. Durgesh M Kadam	27
	-
Mr. Utkarsh Sharma	45
	-
Mr. Manish Gupta	37
	-
Mr. Jibananda Bain	17
	-
Mr. Krishna J. Wagle	-
	37
Ms. Avni Patel	4
	20
Mr. Kirit Dodiya	24
	16
Mr Vishnu Sah	5
	-
Ms. Lehar Arora	4
	-

### Nature of transactions

Director Sitting Fees	Amount (Rs.)
Mr. Dinesh K Mehrotra	- 8
Mr. S V D Nageswara Rao	19 11
Ms. Trishna Guha	17 11
Mr. Vijay Sardana	1 9
Mr. Ajai Kumar	17 10
Mr. S. Raghunathan	7 1
Mr. Vijay Ranjan	7 12
Ms. Rita Menon	6 11
Mr. Alok Mittal	8 11
Mr Ashok Kumar Dogra	8 -
Mr Rakesh Kumar Srivastava	8 -
Ms. Neha Gada	2 -

\*Excludes gratuity and long term compensated absences which are actuarially valued and where separate amounts are not identifiable.

- 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 italic represent previous year's amounts.
- The transactions with the related parties are disclosed only till the relation exists.

### 46 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	FY 2022-23	FY 2021-22
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. 2,29,112 Interest-Rs.Nil	Principal - Rs. 2,315 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.

## 47 Operating lease

The Group'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	
	FY 2022-23	FY 2021-22
Opening Gross Block	1,256	1,256
Addition	-	-
Deletion	186	-
<b>Closing Gross Block</b>	<b>1,070</b>	<b>1,256</b>
Opening Accumulated Depreciation	511	241
Addition	271	271
Deletion	-	-
<b>Closing Accumulated Depreciation</b>	<b>783</b>	<b>511</b>
<b>Net Block</b>	<b>287</b>	<b>744</b>

### b) Carrying value of Lease Liability and the movements thereof :

Particulars	For the year ended	
	FY 2022-23	FY 2021-22
Opening Balance	834	1,072
Addition	-	-
Interest Cost accrued during the year	39	60
Lease liability payment	310	298
Deletion	205	-
<b>Closing Balance</b>	<b>358</b>	<b>834</b>
<b>Current Lease Liability</b>	<b>216</b>	<b>265</b>
<b>Non Current Lease Liability</b>	<b>142</b>	<b>569</b>

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. 29 Lakhs (Previous Year Rs. 26 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	
	March 31, 2023	March 31, 2022
<b>Future minimum lease payments</b>		
Not later than one year	259	327
Later than one year and not later than five years	174	580
Later than five years	-	-

d) ii Lease payments recognised in the statement of Profit & Loss is Rs. 338 Lakhs (Previous year Rs. 325 Lakhs).

## 48 Fair value Measurement

Financial Instruments by category

Particulars	As on March 31, 2023			As on March 31, 2022		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Investments						
Other Instruments	-	-	6,971	-	-	6,827
Mutual Funds	375	-	-	1,265	-	-
Trade receivables	-	-	91	-	-	421
Cash and cash equivalents	-	-	721	-	-	1,482
Bank balances other than cash and cash equivalents	-	-	10,639	-	-	21,602
Deposits	-	-	902	-	-	1,324
Other financial assets	-	-	1,365	-	-	1,818
<b>Total financial assets</b>	<b>375</b>	<b>-</b>	<b>20,690</b>	<b>1,265</b>	<b>-</b>	<b>33,474</b>
<b>Financial liabilities</b>						
Trade payables	-	-	92	-	-	58
Other financial liabilities	-	-	4,039	-	-	15,888
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4,131</b>	<b>-</b>	<b>-</b>	<b>15,947</b>

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, 2023	As at 31st March, 2022
<b>Financial assets</b>		
<b>At Fair value through profit &amp; loss</b>		
<b>Level 1</b>		
Mutual fund Investments	375	1,265
	<b>375</b>	<b>1,265</b>

### 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

## 49 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.

## 50 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, 2023 and March 31, 2022.

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2023</b>				
<b>Liabilities</b>				
Trade payables	92	92	-	<b>92</b>
Other financial liabilities	4,039	1,979	2,060	<b>4,039</b>
<b>Assets</b>				
Trade Receivables	91	91	-	<b>91</b>
Investment	6,909	6,909	-	<b>6,909</b>
Other Investments	437	-	437	<b>437</b>
Cash and Cash equivalents	721	721	-	<b>721</b>
Bank balances other than cash and cash equivalents	10,639	10,639	-	<b>10,639</b>
Deposits	163	-	163	<b>163</b>
Other financial assets	2,104	1,365	739	<b>2,104</b>
<b>As at March 31, 2022</b>				
<b>Liabilities</b>				
Trade payables	58	58	-	<b>58</b>
Other financial liabilities	15,888	3,989	11,899	<b>15,888</b>
<b>Assets</b>				
Trade Receivables	421	421	-	<b>421</b>
Investment	5,269	5,269	-	<b>5,269</b>
Other Investments	2,823	-	2,823	<b>2,823</b>
Cash and Cash equivalents	1,482	1,482	-	<b>1,482</b>
Bank balances other than cash and cash equivalents	21,602	21,602	-	<b>21,602</b>
Deposits	151	-	151	<b>151</b>
Other financial assets	2,991	1,818	1,173	<b>2,991</b>

#### 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/2022/96 dated September 14, 2022 renewed the recognition granted to the Stock Exchange for a period of one year commencing on the 16th day of September 2022 and ending on 15th day of September 2023.

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, 2023 stands at INR 12,351 Lakhs.

## 51 Taxes

### a) Income Tax Expenses

The major components of income tax expenses for the year ended March 31, 2023 and March 31, 2022 are given below:

#### Profit or loss section

Particulars	FY 2022-23	FY 2021-22
Current tax expense	-	14
Tax expense of earlier years	(0)	-
Deferred tax	(127)	27
<b>Total income tax expense recognised in profit or loss</b>	<b>(127)</b>	<b>41</b>

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

#### Other comprehensive income section

Particulars	FY 2022-23	FY 2021-22
Re-measurements of the defined benefit plans;	-	(4)
<b>Total income tax expense recognised in Other comprehensive income</b>	<b>-</b>	<b>(4)</b>

### b) Reconciliation of effective tax rate

Particulars	FY 2022-23	FY 2021-22
a) Income before income tax	(1,993)	(3,126)
b) Enacted tax rate in India	26%	26%
c) Expected tax expenses (a*b)	-	-
d) Other than temporary differences		
Investment income	-	-
Expenses disallowed / (allowed)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
e) Temporary difference	8,326	8,890
Temporary difference on which deferred tax assets not recognised	<b>(8,326)</b>	<b>(8,890)</b>
<b>Total</b>	<b>-</b>	<b>-</b>
f) Net adjustments (d+e)	-	-
g) Current tax expense of earlier years	(0)	-
<b>h) Tax expenses recognised in Profit or Loss (c+f+g)</b>	<b>(127)</b>	<b>41</b>

In the absence of reasonable certainty, deferred tax assets on account of unabsorbed depreciation and brought forward losses has not been recognized.

## 52 Expenditure in foreign currency

Particulars	FY 2022-23	FY 2021-22
Repair, Maintenance & Sponsorship	20	33

## 53 Revenue from contract with customer

### a The revenue from contracts with customers to the amounts disclosed as total revenue is as under

Particulars	FY 2022-23	FY 2021-22
Revenue from contract with customer	916	994
Revenue from other sources	6	11
<b>Total</b>	<b>922</b>	<b>1,006</b>

### b The disaggregation of revenue from contracts with customers is as under :

#### i Geographical Location

Particulars	FY 2022-23		FY 2021-22	
	India	Foreign	India	Foreign
Total Revenue	900	22	983	23

#### ii At point in time / Over time

Particulars	FY 2022-23			FY 2021-22		
	At point in time	Over Time	Total	At point in time	Over Time	Total
Total Revenue	625	298	922	728	278	1006

c The contract assets & liability from contract with customers are as under :

i Contract Assets

Particulars	FY 2022-23	FY 2021-22
Opening Balance of Contract Asset	20	71
Previous year - Contract Asset - reclassified to trade receivable on invoicing	20	69
Current year – Contract asset	60	18
Closing Balance of Contract Assets	60	20

ii Contract Liability

Particulars	FY 2022-23	FY 2021-22
Opening Balance of Contract Liability	27	36
Previous year - Contract Liability - Revenue recognized during the year	6	17
Current year – Contract Liability Carried forward	5	8
Closing Balance of Contract Liability	25	27

54 Core Settlement Guarantee Fund (Core SGF)

(A) Interest earned on own contribution to Core Settlement Guarantee Fund since inception amounting to 15.46 crores has been shown as Operating Income during the FY 2022-23, since MEL has been derecognised as a clearing corporation by SEBI from 02-Oct-2022.

(B) Pursuant to derecognition of MEL as a clearing corporation w.e.f. 02- Oct-2022, the contribution made by MSE towards Core SGF with interest thereon, totalling to INR 15.46 Crores has been refunded to MSE. Also, the contribution made by ICEX towards Core SGF with interest thereon, totalling to INR 44.37 Crores has been refunded to ICEX.

55 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, 2023

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 Consolidated Net asset	Amount	As % of Consolidated Profit / Loss	Amount	As % of Consolidated OCI	Amount	As % of total comprehensive income	Amount
<b>A</b>	<b>Parent</b>								
	Metropolitan Stock Exchange of India Ltd.	56%	16,860	(88%)	(1,997)	72%	20	(88%)	(1,977)
<b>B</b>	<b>Indian Subsidiaries</b>								
i	MSE Enterprises Limited	42%	12,571	(12%)	(270)	28%	8	(12%)	(262)
ii	MSE Fintech Limited	0%	2	0%	(0)	0%	-	0%	(0)
iii	Non-controlling Interest in all Subsidiaries	2%	514	0%	(11)	0%	-	0%	(11)
	<b>Total</b>	<b>100%</b>	<b>29,946</b>	<b>(100%)</b>	<b>(2,278)</b>	<b>100%</b>	<b>28</b>	<b>(100%)</b>	<b>(2,250)</b>

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 Consolidated Net asset	Amount	As % of Consolidated Profit / Loss	Amount	As % of Consolidated OCI	Amount	As % of total comprehensive income	Amount
<b>A</b>	<b>Parent</b>								
	Metropolitan Stock Exchange of India Ltd.	38%	17,099	(101%)	(2,349)	63%	20	(101%)	(2,329)
<b>B</b>	<b>Indian Subsidiaries</b>								
i	MSE Enterprises Limited	61%	27,551	2%	56	37%	12	3%	67
ii	MSE Fintech Limited	0%	2	0%	(0)	0%	-	0%	(0)
iii	Non-controlling Interest in all Subsidiaries	1%	525	(1%)	(33)	0%	-	(1%)	(33)
	<b>Total</b>	<b>100%</b>	<b>45,177</b>	<b>(100%)</b>	<b>(2,327)</b>	<b>100%</b>	<b>32</b>	<b>(100%)</b>	<b>(2,295)</b>

**56** 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.

**57 Corporate Social Responsibility**

The group was not required to spend any amount towards CSR as per Section 135 of the Companies Act, 2013 as the networth of the group is below Rs. 500 crore, turnover for current financial year is below Rs. 1,000 crore and the group has made net loss during immediately preceding financial year.

**58 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.

**59 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 Parent company has filed application for merger and amalgamation u/s 230-232 of Companies Act CAA/ 86/MB/2023 before NCLT, Mumbai for merger with its subsidiary MSE Enterprises Ltd. The application is ongoing.
- 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, 2023 and March 31, 2022.
- h. There are no core investment company (CIC) in the group

**60 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, 2023 and March 31, 2022.

**61 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.

**62 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, 2023 and March 31, 2022.

**63** 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.

## 64 Ratios

Particulars	Year ended	Numerator	Denominator	Final Ratio	Variance
Current Ratio	March 31, 2023	21,620	3,052	7	11%
	March 31, 2022	32,105	5,030	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, 2023	(1,866)	24,155	(8%)	(36%)
	March 31, 2022	(3,167)	26,068	(12%)	
		Net income:- Net profit before dividend	Shareholder equity:- Assets minus liabilities	Decrease due to decrease in net income for CY.	

Trade receivable turnover ratio	March 31, 2023	922	256	4	4%
	March 31, 2022	1,006	291	3	
		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, 2023	3,567	75	48	86%
	March 31, 2022	2,482	97	26	
		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 net credit purchase in current year as compared to previous year and decrease in average accounts payable in CY.	

Net capital turnover ratio	March 31, 2023	922	24,155	4%	(1%)
	March 31, 2022	1,006	26,068	4%	
		Total Sales:- Total annual turnover of the Company for the financial year		Shareholder equity:- Assets minus liabilities	

Net profit ratio	March 31, 2023	(1,866)	922	(202%)	(36%)
	March 31, 2022	(3,167)	1,006	(315%)	
		Net profit:- net profit / (loss) for the year	Net sales:-Total annual turnover of the Company for the financial year	Decrease due to decrease in loss for the year and increase in net sales in CY as compared to PY.	

Return on capital employed	March 31, 2023	(1,993)	24,155	(8%)	(31%)
	March 31, 2022	(3,126)	26,068	(12%)	
		Earnings and before interest and tax	Shareholder equity:- Assets minus liabilities	Decrease due to decrease in earnings before interest and tax	

- 65** 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.
- 66** 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.
- 67** 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

**Ajai Kumar**  
Public Interest Director  
DIN : 02446976

**Latika S. Kundu**  
Managing Director & CEO  
DIN :0008561873

Mumbai  
Dated : May 30, 2023

**Saket Bhansali**  
Chief Financial Officer

**Durgesh Kadam**  
Head Legal & Company Secretary  
FCS 8496



## 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**

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	MSE Enterprises Limited (formerly known as Metropolitan Clearing Corporation of India Limited)	November 07, 2008	12,537.10	(219.61)	13,084.13	766.64	190.17	1,823.77	(396.37)	126.75	(269.62)	NIL	95.85 %
2.	MSE Fintech Limited	March 02, 2012	5.00	(3.75)	2.17	0.92	NIL	NIL	(0.44)	NIL	(0.44)	NIL	100%

- Name of subsidiary which are yet to commence operations: MSE Fintech Limited
- 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

**Dinesh C. Patwari**  
Chairman  
DIN: 10060352

**Saket Bhansali**  
Chief Financial Officer

**Durgesh Kadam**  
Head – Legal and Company Secretary

Date:  
Place: Mumbai



**METROPOLITAN STOCK EXCHANGE**

Registered Office:

**METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED**

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