

METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED

Registered Office: Vibgyor Towers, 4th Floor, C-62, 'G' Block, Bandra Kurla Complex, Bandra(East), Mumbai- 400098,
CIN: U65999MH2008PLC185856, Tel. +91 22 6112 9000/ Fax +91 22 6112 9009, Website: www.msei.in/e-mail: secretarial@msei.in

NOTICE OF 11TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eleventh Annual General Meeting of Metropolitan Stock Exchange of India Limited will be held on Monday, September 23, 2019 at 11:00 a.m. at MIG Cricket Club, 2nd floor, Galaxy Hall, Ramakrishna Paramahans Marg, MIG Colony, Bandra East, Mumbai, Maharashtra 400051, to transact the following business:

ORDINARY BUSINESS:

1) TO RECEIVE, CONSIDER AND ADOPT:

- a) The audited standalone financial statements of the Company for the financial year ended March 31, 2019, together with the Report of the Board of Directors ("the Board") and Statutory Auditors thereon; and
- b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2019, together with the Report of the Statutory Auditors thereon.

2) RE-APPOINTMENT OF SHAREHOLDER DIRECTOR, WHO RETIRES BY ROTATION

To appoint a Director in place of Mr. Sudhir Bassi (DIN: 07819617), Shareholder Director, who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment, subject to approval of Securities and Exchange Board of India (SEBI).

3) APPOINTMENT OF AUDITORS:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to provisions of Section 139, 142, and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, the appointment of M/s. T R Chadha & Co, LLP, Chartered Accountants (LLP Identification No. AAF-3926 and FRN: 006711N/N500028) be and are hereby appointed as the Statutory Auditor of the Company to hold such office for a period of five years from the conclusion of this Annual General Meeting (AGM) till the conclusion of 16th AGM of the Company at such remuneration plus actual out of pocket expenses and applicable taxes, etc. as may be mutually agreed to between the Board of Directors and the Auditors."

SPECIAL BUSINESS:

4) Appointment of Ms. Trishna Guha (DIN: 08200779) as an Independent Director of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to 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 Regulation 23 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred as 'SECC Regulations, 2018'), other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and Articles of Association of the Company, Ms. Trishna Guha (DIN: 08200779), who was appointed by Board of Directors as a Public Interest Director (pursuant to approval of Securities and Exchange Board of India) on October 04, 2018 for a period of three years and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations 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 member proposing her as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company for her remaining period as Public Interest Director, not be liable to retire by rotation;

RESOLVED FURTHER THAT any Director and/or Interim CEO and/or the 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.

5) Appointment of Mr. Sonti Venkata Durga Nageswara Rao (DIN: 02105323) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 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 Regulation 23 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred as 'SECC Regulations, 2018'), other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and Articles of Association of the Company, Mr. Sonti Venkata Durga Nageswara Rao (DIN: 02105323), who was appointed by Board of Directors as a Public Interest Director (pursuant to approval of Securities and Exchange Board of India) on October 04, 2018 for a period of three years and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations 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 him as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company for his remaining period as Public Interest Director, not liable to retire by rotation;

RESOLVED FURTHER THAT any Director and/or Interim CEO and/or the 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."

6) Appointment of Mr. Vijay Sardana (DIN: 01977874) as an Independent Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 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 Regulation 23 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred as 'SECC Regulations, 2018'), other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time and Articles of Association of the Company, Mr. Vijay Sardana (DIN: 01977874), who was appointed by Board of Directors as a Public Interest Director (pursuant to approval of Securities and Exchange Board of India) on April 27, 2019 for a period of three years and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations 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 him as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company for his remaining period as Public Interest Director, not liable to retire by rotation;

RESOLVED FURTHER THAT any Director and/or Interim CEO and/or the 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."

7) Recommend names for appointment of MD & CEO to SEBI for seeking its prior approval

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with Regulation 25 of Securities Contract (Regulations) (Stock Exchanges & Clearing Corporations) Regulation, 2018 and all other applicable provisions including circulars, letters, notifications issued thereof, consent of the shareholders of the Company be and is hereby accorded to recommend to the SEBI two persons namely Mr. Kunal Sanghavi (DIN: 08100891) and Mrs. Latika Kundu for seeking SEBI's approval for appointing any one of them as Managing Director and Chief Executive Officer (MD & CEO), Key Managerial Personnel of the Company on the terms and conditions including remuneration as set out below:

MD & CEO's Remuneration:

1. The remuneration will be Rs.1,00,00,000 per annum on a cost to company (CTC) basis.
2. Out of the above remuneration payable to Mr. Sanghavi 25% of CTC would be variable pay. Further, 50% of the variable pay would be paid on a deferred basis after three years. The Malus and Clawback arrangement would be applicable to the compensation of MD & CEO of the Company. Remuneration payable to Ms. Kundu shall be fixed and shall have no variable component.

Terms and Conditions:

1. The annual Variable Compensation shall be based on the overall performance of the MD & CEO and shall be subject to the conditions as per the SECC regulations and the compensation policy.
 2. ESOPs and other equity linked instruments in the stock exchange/ clearing corporation will not form part of the compensation.
 3. No sitting fees shall be payable to MD & CEO
 4. The remuneration proposed is in compliance with the provisions of Companies Act, 2013, SEBI (LODR), Regulations, 2015 and SECC Regulations, 2018
 5. The notice period of MD & CEO shall be 3 months.
 6. The appointment of service of MD & CEO shall be subject to prior approval of SEBI.
 7. The appointment of MD & CEO shall be for a period of five years with effect from the date of joining, which date shall be determined by the Board after receipt of the approval from SEBI.
 8. The MD & CEO shall not be liable to retire by rotation.
 9. The MD & CEO shall, subject to the supervision, guidance and control of the Board of Directors, manage the business and affairs of the company
- “RESOLVED FURTHER THAT** any of the Directors and/or Interim CEO and/or Head-HR or the Company Secretary, be and is hereby authorized to recommend the aforesaid names to SEBI to approve one of the persons for the appointment of MD & CEO of the Company pursuant to the applicable provisions of the Securities Contract (Regulations) (Stock Exchanges & Clearing Corporations) Regulation, 2018 and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

8) Approval for Related Party Transactions

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT further to the approval granted by the shareholders at the Annual General Meeting of the Exchange held on September 30, 2015, and pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) the Shareholders do hereby ratify and grant approval to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Metropolitan Clearing Corporation of India Ltd. (MCCIL), subsidiary of the company (a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations) for availing clearing and settlement services, sharing of resources, sub-licensing of premises, reimbursement of expenses on behalf of the other, providing /availing security or loan and investment in MCCIL on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs.150 crore during a financial year, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution”.

By Order of the Board of Directors
For **Metropolitan Stock Exchange of India Limited**

Date: August 23, 2019
Place: Mumbai

Yashwant Kakade
Company Secretary

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item nos. 3 to 8 of the Notice is annexed hereto.
2. Members are requested to bring duly filled-in attendance slip to attend the meeting along with their copy of Annual Report to the Meeting. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the Registration Counter at the venue. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting.
3. Members desiring any information relating to the accounts and/or operations of the Company are requested to write to the Company at least 7 (seven) days before the date of the meeting so as to enable the management keep the information ready at the meeting, to the extent practicable.
4. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING SHALL BE ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE AT THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES SUBMITTED ON BEHALF OF COMPANIES, SOCIETIES, PARTNERSHIP FIRMS, HUF, and LLP ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY LETTER, AS APPLICABLE, ISSUED ON BEHALF OF THE NOMINATING ORGANISATION/ENTITY. PROXIES IN ORDER TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE COMMENCEMENT OF THE AGM. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting, a Member would be entitled to inspect the proxies lodged, during business hours, provided that a requisition for the same from a Member is received in writing not less than 3 days before the commencement of the Meeting.
5. A person appointed as proxy shall act on behalf of such member or number of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Karvy Fintech Private Limited to provide efficient and better services.
7. Non-Resident Indian Members are requested to inform about the following to the Company or its RTA or the concerned DP as the case may be, immediately:
 - a. The change in the residential status on return to India for permanent settlement and

- b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if not furnished earlier.
8. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participant with whom they are maintaining their demat accounts.
9. **As prescribed in Regulation 2(1)(t) under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, only the shareholders who are not Trading Members of the Company or their Associates and Agents shall be eligible to vote and recognized for counting of votes, for Item No. 2 (retirement by rotation of Shareholder Director) of the notice. For definition of Trading Member and Associate, please refer Regulation 2(1)(u) and 2(1)(b) of SECC Regulations, 2018.** Pursuant to the provisions of Section 152 of the Act and rules made thereunder and Articles of Association of the Company, Mr. Sudhir Bassi, Shareholder Director retires by rotation and being eligible, offers himself for re-appointment. A brief resume of Mr. Sudhir Bassi along with nature of his expertise is provided as an annexure to the Notice.
10. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Depositories and to Members who have not registered their e-mail address with the Depositories, through Courier/Speed Post/Registered Post or any other permissible means. The notice and annual report are also available on the website of the Company i.e. <http://www.msei.in/about-us/financials>. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.
11. In case of joint holders attending the meeting, only such joint-holder who is higher in the order of names, will be entitled to vote at the Meeting.
12. 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 Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection at the Annual General Meeting.
13. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the equity shares held by them. Member holding share in electronic mode may contact their respective DPs for availing the nomination facility.
14. To support the 'Green initiative', the Members who have not registered their e-mail addresses, are requested to register the same with their depository participant or RTA of the Company.
15. All the documents referred to in the accompanying Notice are open for inspection at the registered Office of the Company on all working days (except Saturday, Sunday and Public Holiday) between 11.00 A.M to 1.00 P.M. up to the date of AGM.
16. Members are requested to make all other correspondence in connection with the Equity Shares held by them by addressing letters directly to the RTA viz. Karvy Fintech Private Limited, Unit: Metropolitan Stock Exchange of India Limited, Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032 or to the Company at its Registered Office as mentioned in this Notice, quoting reference of their Client ID number and DP ID number.
17. Institutional members (i.e. other than Individuals, HUF, NRI etc.) who intend to send their Authorized Representatives to attend and vote at the Meeting are requested to ensure that the Authorized Representative carries a duly certified true copy of the Board Resolution, Power of Attorney or such other valid authorization, authorizing him to attend and vote at the Meeting and any one of the photo identity proofs (viz. Driving License, PAN Card, Election Card, Passport or any other valid proof). In terms of the provisions of the Companies Act, 2013, the representatives of Corporate Members without proper authorization, such as Board Resolution or Power of Attorney or such other valid authorization, may not be permitted to attend and /or vote at the Meeting.
Specimen Resolution for this purpose is as under:
(To be printed/typed on the letterhead of Corporate Member)
"RESOLVED THAT pursuant to the provisions of Section 113 and all other applicable provisions, if any, of the Companies Act, 2013, Mr./Ms. _____ or failing him, Mr./Ms. _____ be and is hereby authorized to act as the representative of (name of the Corporate Member) to attend the 11th Annual General Meeting of Metropolitan Stock Exchange of India Limited to be held on Monday, September 23, 2019 at MIG Cricket Club, 2nd floor, Galaxy Hall, Ramakrishna Paramahansa Marg, MIG Colony, Bandra East, Mumbai, Maharashtra 400051 or at any adjournment thereof, for and on behalf of the Company as its representative.
RESOLVED FURTHER THAT the aforesaid representative of the company, be and is hereby authorised to vote for and on behalf of the company on the resolutions as stated in the Notice of the 11th Annual General Meeting of Metropolitan Stock Exchange of India Limited or at any such adjournment thereof."
The aforesaid resolution shall preferably be signed by Director/Authorised Signatory of the Corporate Member.
18. The term 'Members' has been used to denote Shareholders of MSE Limited.
19. Mr. Ramakant Kini, (Enrol.no. MAH/2538/2006) Partner, Sterling Associates, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The decision of the Scrutinizer on the e-voting result shall be final.

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

Item No. 3

The Members of the Company at the 7th Annual General Meeting ('AGM') held on 30th September, 2015 approved the appointment of M/s. T R Chadha & Co, LLP, Chartered Accountants ('T R Chadha & Co.'), as the Auditors of the Company for a period of five years from the conclusion of the said AGM. M/s. T R Chadha & Co will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014. The present remuneration of Auditors for conducting the audit for the financial year 2019-20, is Rs.14,75,000 plus goods and services tax as applicable and reimbursement of out-of-pocket expenses incurred.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the appointment of T R Chadha & Co. as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 16th AGM.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found T R Chadha & Co. to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

T R Chadha & Co., was established in the year 1946. As on 31st March, 2019, the said network of audit firms has 17 partners and employs around 600 people.

T R Chadha & Co. have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.

Item No. 4

The Board vide resolution dated August 13, 2018 approved and recommended the name of Ms. Trishna Guha to SEBI for nomination as Public Interest Director ('PID') on the Board of Exchange. SEBI had vide letter dated September 27, 2018 approved the appointment of Ms. Trishna Guha as Public Interest

Director of the Exchange for a period of three years under provisions of SECC Regulations, 2018. As per SECC Regulations 2018, Ms. Trishna Guha 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.

Ms. Trishna Guha is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has also received declaration from her that she meets with the criteria of independence as prescribed under subsection 149(6) of the Act. In the opinion of the Board, she 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 Ms. Trishna Guha as an Independent Director.

None of the Directors except Ms. Trishna Guha, or key managerial personnel, or their relatives are concerned or interested, financially or otherwise, in this resolution

Item No. 5

The Board vide resolution dated August 13, 2018 approved and recommended the name of Mr. Sonti Venkata Durga Nageswara Rao to SEBI for nomination as Public Interest Director ('PID') on the Board of Exchange. SEBI had vide letter dated September 27, 2018 approved the appointment of Mr. Sonti Venkata Durga Nageswara Rao as Public Interest Director of the Exchange for a period of three years under provisions of SECC Regulations, 2018. As per SECC Regulations, 2018 Mr. Sonti Venkata Durga Nageswara Rao 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. Sonti Venkata Durga Nageswara Rao 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. 5 of the accompanying Notice for appointment of Mr. Sonti Venkata Durga Nageswara Rao as an Independent Director.

None of the Directors except Mr. Sonti Venkata Durga Nageswara Rao, or key managerial personnel, or their relatives are concerned or interested, financially or otherwise, in this resolution

Item No. 6

The Board vide resolution dated February 05, 2019 approved and recommended the name of Mr. Vijay Sardana to SEBI for nomination as Public Interest Director ('PID') on the Board of Exchange. SEBI had vide letter dated April 18, 2019 approved the appointment of Mr. Vijay Sardana as Public Interest Director of the Exchange for a period of three years under provisions of SECC Regulations, 2018. As per SECC Regulations, 2018 Mr. Vijay Sardana 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. Vijay Sardana 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. 6 of the accompanying Notice for appointment of Mr. Vijay Sardana as an Independent Director.

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

Item No. 7

In terms of the SECC Regulations, 2018, the Managing Director is included in the category of shareholder director, which requires approval of the shareholders for recommending the names of candidates for the position of Managing Director and Chief Executive Officer to Securities and Exchange Board of India (SEBI). The Nomination and Remuneration Committee and the Board in their meeting held on August 13, 2019 recommended the names of the following two candidates for the position of Managing Director (MD) & CEO of the Company for a period of five years from the date of his joining along with remuneration, subject to approval of shareholders of the Company and SEBI.

1. Mr. Kunal Sanghavi
2. Mrs. Latika Kundu

Pursuant to SECC Regulations, 2018 the names of candidates to be recommended to SEBI as Managing Directors and Chief Executive Officer shall first be approved by the governing board of the Exchange, followed by shareholders' approval before submitting the same to SEBI for approval.

After receipt of approval from SEBI for any one of the candidates referred herein, the compliances required under the Companies Act, 2013, SEBI (LODR), Regulations, 2015 and SECC Regulations, 2018 with regard to appointment and remuneration of Managing Directors and Chief Executive Officer shall be followed.

Accordingly your Board recommends the ordinary resolution at Item no. 7 for approval. Mr. Kunal Sanghavi, holds the position of Chief Financial Officer of the Company as on date. Except as stated above, none of the aforesaid candidates are related to any Director or Key Managerial Personnel of the Company. Except as stated above, none of the Directors or key managerial personnel or their relatives are concerned or interested in this resolution.

Copies of the Board resolution dated August 13, 2019 in respect of the above, may be inspected by shareholders at the Registered Office of the Company between 9.30 am and 5.30 pm on all business days up to the date of AGM.

In pursuance of Regulation 36(3) of SEBI (LODR) Regulations, the following information is being provided with regard to the candidates proposed to be appointed as Managing Director & Chief executive Officer as on August 13, 2019:

Item No.	7
Name of candidate	Mr. Kunal Sanghavi
Date of Birth	September 30, 1983
DIN	08100891
Educational qualification	PGPMAX – ISB (Indian School of Business) Executive MBA Equivalent (2017) CISA (Certified Information Systems Auditing) - ISACA, USA (2007) CA Post Qualification Course (Information Systems Auditing) - ICAI (2006) Chartered Accountant – ICAI (2005) B.Com - Mythical College, Delhi (2004)
Details of employment/ Occupation, past and present	Metropolitan Stock Exchange of India Ltd., CFO (12 th February 2018 till date) Angel Broking Private Ltd - DVP Accounts (26 th September 2016 to 9 th February 2018) Motilal Oswal Securities Ltd. - Vice President (20 th November 2006 to 26 th August 2016)
Details of other directorships	Metropolitan Clearing Corporation of India Ltd. as shareholder Director MCX-SX KYC Registration Agency Limited as Director
No. of Equity shares held in the Exchange	Nil

Item No.	7
Name of candidate	Mrs. Latika Kundu
Date of Birth	June 1, 1970
Educational qualification	Certified Six Sigma from Six Sigma Alchemy (P) Ltd. (2007) MBA from Institute for Technology & Management (USA) - Marketing and Finance (1996) Associate Computer Professional ICCP (USA) from BITS (1991) B.Com - Bombay University (1990)
Details of employment/ Occupation, past and present	Singapore Diamond Investment Exchange Pte. Ltd (SDiX) – Co-Founder & Chief Operating Officer (March 2015 to October 2016) Strategic Consultant, Singapore (May 2014 to March 2015) Singapore Mercantile Exchange Pte. Ltd (SMX) – Senior VP – Operations Group (December 2011 to February 2014) MCX Stock Exchange Ltd. (MCX- SX now MSE) – Senior VP & Head Market Operation (October 2008 to August 2011) Lehman Brothers, India- VP & Head of Equity Compliance (October 2007 to September 2008) National Stock Exchange of India Ltd. – Manager (August 1996 to October 2007)
Details of other directorships	Nil
No. of Equity shares held in the Exchange	Nil

Item No. 8

In accordance with the SCRA, 1956, the Exchange has been availing clearing and settlement services from MCCIL since its inception. MCCIL is a subsidiary of the Exchange, wherein the Exchange holds 95.85% equity shares of MCCIL. The services are being availed at an arm's length and are in the ordinary course of business.

As per section 188 of the Act, a Related Party Transaction requires prior approval of shareholders through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company or Rs.50 crores whichever is lower as per last audited financial statements of the Company.

In accordance with section 188 of the Act and the erstwhile clause 49 of the listing agreement, the Members at the AGM held on September 30, 2015 had accorded approval, inter alia, for availing clearing and settlement services, rendering, availing any other services and recovering /incurring of expenses from/ on behalf of MCCIL.

Further to the above approval of the shareholders, it is now proposed to set a limit for the transactions entered into or proposed to be entered with MCCIL. In view of the above and pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, approval of the shareholders is sought to ratify and grant approval to the Board of Directors of the Company to enter into the following contract(s)/ arrangement(s)/ transaction(s) with MCCIL, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company:

Name of the Related Party	Name of the Director or KMP who may be deemed to be related	Nature of Relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Any other information relevant or important for the members to take a decision on the proposed resolution
Metropolitan Clearing Corporation of India Ltd. (MCCIL)	1. Mr. Balu Nair, Interim CEO of the Exchange is the MD & CEO of MCCIL 2. Mr. Kunal Sanghavi, CFO of the Exchange is the Shareholder Director of MCCIL	The Exchange is the holding company of MCCIL having 95.85% shareholding in MCCIL	Contract(s)/ arrangement(s)/ transaction(s) with MCCIL, subsidiary of the company for availing clearing and settlement services, sharing of resources, sub-licensing of premises, reimbursement of expenses on behalf of the other, providing /availing security or loan and investment in MCCIL on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs.150 crore during a financial year.	MCCIL has been set up specifically to render clearing and settlement services to the Exchange in accordance with the SEBI Securities Contracts Regulations Act, 1956

The above transactions, which are enabling in nature, have been approved by the Audit Committee and the Board of Directors from time to time. None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 8 of this Notice as an Ordinary Resolution.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

I. **Remote e-voting:** In compliance with 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 the provisions of Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Fintech Private Limited (Karvy) on all resolutions set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants (s)]:

- Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- Enter the login credentials i.e. User ID and password provided in the e-mail received from Karvy Fintech Private Limited. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- After entering these details appropriately, click on "LOGIN".
- You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- You need to login again with the new credentials.

- vi. On successful login, the system will prompt you to select the "E-Voting EVENT" i.e., 'Name of the Company'. Select 'EVENT' of Metropolitan Stock Exchange of India limited-AGM and click on submit.
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s). Upon confirmation, the message 'Vote Cast Successfully' will be displayed.
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF/JPG Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s) who are authorized to vote, to the Scrutinizer at email ramakant.kini@sterlingassociates.in with a copy marked to evoting@karvy.com. They may also upload the same in the E-Voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."
- (B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:**
- i. E-Voting Event Number, User ID and Password is provided in the bottom of the Attendance Slip annexed to the Notice.
 - ii. Please follow all steps from Sl. No. (A) (i) to (xii) above to cast your vote by electronic means.
 - iii. Voting at AGM: The Members, who have not cast their vote through Remote e-voting, can exercise their voting rights at the AGM. The facility for voting through poll paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by Remote e-voting shall be able to exercise their right at the AGM through Poll. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

OTHER INSTRUCTIONS

- a. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. Premkumar Nair, (Unit: Metropolitan Stock Exchange of India Limited) at Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 – 6716 2222 or call Karvy's toll free No. 1800-3454-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on **September 20, 2019 at 9 A.M. IST and ends on September 22, 2019 at 5 P.M. IST**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **September 17, 2019**, are entitled to cast their votes electronically. *A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.* The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. The voting rights of Members shall be in proportion to their share of the paid up **equity share capital of the Company as on the cut-off date i.e September 17, 2019**
- e. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting i.e., September 17, 2019, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
Example for NSDL: MYEPWD <SPACE> IN12345612345678
Example for CDSL: MYEPWD <SPACE> 1402345612345678
Example for Physical: MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Member may call Karvy's toll free number 1800-3454-001.
 - iv. Member may send an e-mail request to einward.ris@karvy.com; evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.
- f. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny, and the result of the voting will be announced by the Chairman or any Director of the Company duly Authorised, on or before Tuesday, September 24, 2019 at the registered office and will also be displayed on the website of the Company (www.msei.in)

Notes:

1. Electronic copy of the Annual Report for 2018-19 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the Members whose email ids are registered with the Company/Depository Participant unless any Member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print a copy of this Attendance Slip.
2. Physical copy of the Annual Report for 2018-19 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent in the permitted mode(s) to all Members whose email ids are not registered with the Company and those who have requested for a hard copy.
3. The Notice of Annual General Meeting and The Annual Report 2018-19 is available on the Company's website www.msei.in

By Order of the Board of Directors
For **Metropolitan Stock Exchange of India Limited**

Yashwant Kakade
Company Secretary

Date: August 23, 2019
Place: Mumbai

Registered and Corporate Office: Vibgyor Towers, 4th Floor, C-62, G Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 098

Details of Director seeking Appointment/re-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. Sudhir Bassi	Ms. Trishna Guha	Mr. Sonti Venkata Durga Nageswara Rao	Mr. Vijay Sardana
Designation	Shareholder Director	Public Interest Director	Public Interest Director	Public Interest Director
DIN	07819617	08200779	02105323	01977874
Date of Appointment	November 2, 2017	October 4, 2018	October 4, 2018	April 27, 2019
Item No.	2	4	5	6
Date of Birth	August 6, 1969 Retired by rotation and reappointed at AGM held on September 26, 2018	August 21, 1957	January 12, 1967	February 18, 1967
Brief Resume and Expertise in specific functional area	<p>Mr. Bassi is an MBA in Finance and is currently designated as Executive Director in Capital Markets Practice Group of Khaitan and Company in Mumbai. Prior to joining Khaitan & Company, he was Managing Director at Morgan Stanley India Company Pvt. Ltd. He has vast experience of over 25 years in capital markets wherein he has advised companies on all types of capital raisings (public/private/international both in equity and debt space), open offers, buy-backs, delisting etc. During this period he has been associated with more than 120 equity offerings. He has also worked with JM Morgan Stanley Pvt. Ltd, JM Financial & investment Consultancy Services Pvt. Ltd and PNB Capital Services Ltd.</p> <p>Mr. Bassi has been involved in discussions with SEBI and Stock Exchanges in relation to development of regulatory framework for the 'Offer for Sale Mechanism'. SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2009, SEBI (Issue and Listing of Debt) Regulations, 2008. Mr. Bassi was also the Head of Capital Market-Policy Issues sub group of the Industry Affairs Committee of Association of Investment Bankers of India (AIBI).</p>	<p>Ms. Guha started career with West Bengal Electronics (Govt. of West Bengal Undertaking) as Programmer in the year 1983 and joined SBI as IT Specialist in the year 1987. Subsequently joined Allahabad Bank in 1989 in Middle Management Grade and elevated to the post of General Manager on 29.3.2011. Implemented CBS and was a key person in registering streamline operations in various sectors like Information Technology, Marketing, Retail Banking, Government Business which led the Bank to a higher growth trajectory. Promoted to Board level as Executive Director in Dena Bank on 05/08/2013. Introduced a series of Digital products like Digital Wallet, PoS, UPI, Loyalty Rewardz, Tab Banking etc. Member of IBA Standing Committee on Retail Banking & also Working Group of IBA on Leveraging Technology & Digital to improve Banking Operations Efficiency. Had been Chairperson of IBEX 2016 & 2017</p>	<p>Mr. Rao is a Professor in Finance and Economics Area at the School of Management, Indian Institute of Technology (IIT), Bombay since August 1997. Fellow (IIM-A) from Indian Institute of Management, Ahmedabad. Fellow (IIM-A) is the doctorate degree awarded by the Indian Institute of Management, Ahmedabad. Pursued B. Tech. (Mechanical Engineering) from National Institute of Technology (NIT), Warangal. His areas of Specialization are Finance, and Economics. His areas of Interest are Corporate Finance, Investment Banking, Capital Markets, Mutual Funds, Corporate Governance, and Financial Engineering.</p> <p>He was Member of the Board of Studies in Economics, NMIMS University, Mumbai and Inter-disciplinary Programmes, NMIMS University, Mumbai. Visiting Faculty at IIM Indore, IIM, Calicut, NITIE, Mumbai, UTI Institute of Capital Markets, Vashi, Navi Mumbai, MANAGE, Hyderabad, T.A. Pai Management Institute, Manipal, S.P. Jain Institute of Management and Research, Mumbai, NIT, Warangal, and some of the management schools in Bombay, and Delhi.</p>	<p>Mr. Sardana is well known and experienced Legal, Commercial & Investment Advisor & Arbitrator, Independent Director on various Boards & Member of Expert Committees. well-recognised in the Corporate World for Expertise in Techno-legal & Techno-Commercial Matters including Contracts Negotiation, Mediation & Arbitration including Intellectual Property Matters, business disputes and investments. He is on the on board of various organizations, well-known speaker, writer, author, blogger, corporate trainer, well known TV panelist on techno-economic and techno-legal matters including public policies, bio-economy and consumer markets, on issues impacting global and national trade and rural economy including food, agriculture and consumer issues.</p>
Qualifications	MBA from Punjabi University and B.Com from MM Modi College Punjabi University, Patiala	M.Sc. (Physics), Post Graduate Diploma in Computer Science	B. Tech. (Mechanical Engineering), Fellow (IIM-A) from Indian Institute of Management, Ahmedabad	PGDM/ MBA (IIM, Ahmedabad) M.Sc. (Food Tech.) (UN/FAO IFTTC / CFTRI), B.Sc. (Dairy Tech.) (Rajasthan Agri. Uni.) PG Dipl. in International Trade Law & ADR (ILI) LL.B (in progress)
Terms and Conditions of appointment/ re appointment	Liable to retire by rotation	Not liable to retire by rotation	Not liable to retire by rotation	Not liable to retire by rotation
Number of Meetings of the Board attended during the year	9	3	3	NIL * *Mr. Vijay Sardana was appointed w.e.f April 27, 2019

Other Directorships	NIL	NIL	Four S Services Private Ltd.	NABKISAN Finance Limited, Achievers Resources Private Limited, Food Security And Sustainable Agriculture Foundation
Chairman/Member of the Committees of the Board of Directors of other companies in which he is a Director	NIL	NIL	NIL	NIL
Committee position held in MSE*	Audit Committee Stakeholders' Relationship Committee	Audit Committee Nomination and Remuneration Committee Risk Management Committee Public Interest Director Committee	Audit Committee Nomination and Remuneration Committee Stakeholders' Relationship Committee Risk Management Committee Public Interest Director Committee	Audit Committee Risk Management Committee Public Interest Director Committee
No. of Equity shares held in the Exchange	NIL	NIL	NIL	NIL
Relationship between Directors inter se	NIL	NIL	NIL	NIL

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

By Order of the Board of Directors
For Metropolitan Stock Exchange of India Limited

Date: August 23, 2019

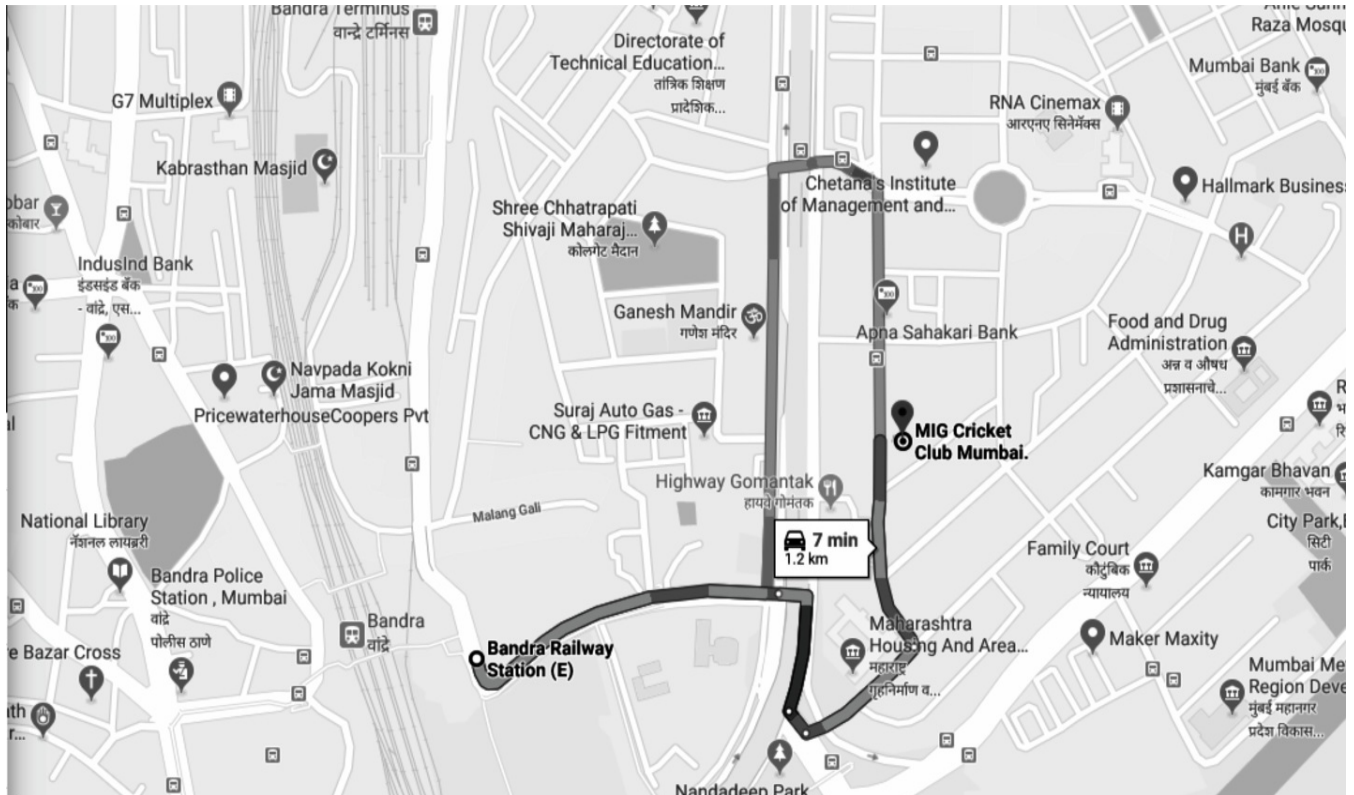
Place: Mumbai

Registered and Corporate Office: Vibgyor Towers, 4th Floor, C-62, G Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 098

Yashwant Kakade
Company Secretary

THE ROUTE MAP FOR AGM VENUE

MIG Cricket Club, 2nd floor, Galaxy Hall, Ramakrishna Paramahans Marg, MIG Colony, Bandra East, Mumbai, Maharashtra 400051 Landmark : Near MHADA Office





METROPOLITAN STOCK EXCHANGE

It's wiser to be on MSE



**Annual Report
2018 - 19**

INVESTOR AWARENESS PROGRAMMES



IAP event held at Bangalore on 5th October 2018



IAP event held at Nagpur on 16th November 2018



IAP event held at Bharuch on 15th December 2018



IAP event held at Virar on 15th February 2019



Table of Contents

Particulars	Page No.
CORPORATE INFORMATION	1
DIRECTORS' REPORT	2
Annexures to Directors' Report	10
Management Discussion and Analysis Report	19
Corporate Governance Report	25
STANDALONE	-
Independent Auditors' Report	36
Financial Statements	39
CONSOLIDATED	-
Independent Auditors' Report	62
Financial Statements	64

Corporate Information: Board of Directors

Name	Category
Mr. Dinesh Kumar Mehrotra	Chairman & Public Interest Director
Mr. Ketan Vikamsey	Public Interest Director
Mr. Sudhir Bassi	Shareholder Director
Ms. Trishna Guha	Public Interest Director (w.e.f October 4, 2018)
Mr. S.V.D Nageswara Rao	Public Interest Director (w.e.f October 4, 2018)
Mr. Vijay Sardana	Public Interest Director (w.e.f April 27, 2019)

Composition of Committees*

Audit Committee	Nomination and Remuneration Committee
Mr. Ketan Vikamsey	Ms. Trishna Guha
Mr. Dinesh K Mehrotra	Mr. Dinesh Kumar Mehrotra
Mr. Sudhir Bassi	Mr. Ketan Vikamsey
Ms. Trishna Guha	Mr. S.V.D Nageswara Rao
Mr. S.V.D. Nageswara Rao	
Mr. Vijay Sardana	
Stakeholders' Relationship Committee	Risk Management Committee
Mr. S.V.D Nageswara Rao	Mr. Vijay Sardana
Mr. Dinesh Kumar Mehrotra	Mr. Dinesh Kumar Mehrotra
Mr. Sudhir Bassi	Mr. Ketan Vikamsey
	Ms. Trishna Guha
	Mr. S.V.D Nageswara Rao

* The details of statutory committees under Companies Act, 2013 are given as above, for other Committees composition please visit our website - www.msei.in

Management Team

Name	Designation
Mr. Balu Nair	Interim CEO (w.e.f July 26, 2018)
Mr. Kunal Sanghavi	Chief Financial Officer
Mr. P.K. Ramesh	Chief Regulatory officer (w.e.f May 24, 2018) Compliance Officer (w.e.f August 6, 2018)
Mr. Savio D'Souza	Head - Human Resources
Mr. Kundan Zamvar	Vice President - Information Technology and Chief Information Security Officer
Mr. Ajit Singh	Vice President - Business Development

COMPANY SECRETARY

Mr. Yashwant Kakade (w.e.f November 2, 2018)

STATUTORY AUDITORS

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

INTERNAL AUDITORS

M/s. M. M. Nissim & Co., Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Fintech Private Limited
Selenium Tower B, Plot No. 31 & 32, Financial District,
Gachibowli, Hyderabad-500 032, India.
Tel: +91-040-6716 2222

REGISTERED OFFICE

Metropolitan Stock Exchange of India Limited
Vibgyor Towers, 4th Floor, Plot No. C-62, G Block, Bandra
Kurla Complex, Bandra (E), Mumbai - 400098,
Tel: +91- 022-6112 9000 | Fax. : +91-022-6112 9009
CIN: U65999MH2008PLC185856

BOARDS' REPORT

To the Members of Metropolitan Stock Exchange of India Limited

Your Directors present their Eleventh (11th) Annual Report and the Audited Statement of Accounts for the period commencing from April 1, 2018 to March 31, 2019.

1. FINANCIAL SUMMARY

(Rs. In Lakhs)

Particular	Standalone		Consolidated	
	For the Year ended March 31, 2019	For the Year ended March 31, 2018	For the Year ended March 31, 2019	For the Year ended March 31, 2018
I Income				
(a) Revenue from operations	583	849	804	849
(b) Other income	712	510	2,716	1,979
Total Revenue	1,295	1,359	3,520	2,828
II Expenditure				
(a) Operating expenses	965	1,334	1,602	2,080
(b) Employee benefits expense	1,572	1,730	1,882	1,995
(c) Finance costs	110	-	111	-
(d) Advertisement and business promotion expenses	194	804	194	804
(e) Depreciation and amortization expense	1,334	1,456	1,338	1,457
(f) Other expenses	1,855	1,598	2,238	1,968
Total Expenses	6,030	6,922	7,365	8,304
III Profit / (Loss) before tax	(4,735)	(5,563)	(3,845)	(5,476)
Exceptional items	-	-	-	-
IV Profit / (Loss) before tax	(4,735)	(5,563)	(3,845)	(5,476)
Less : Current tax	-	-	203	-
Less: Earlier Year Tax	8	-	8	-
Less : Deferred tax	-	-	3	(1)
V Profit / (Loss) for the year	(4,743)	(5,563)	(4,059)	(5,475)
Other comprehensive income				
1) Items that will be reclassified to profit or (loss) (net of tax)	(8)	17	(10)	18
2) Items that will not be reclassified to profit or (loss) (net of tax)	-	-	1	-
Total other Comprehensive Income for the year, net of tax	(8)	17	(9)	18
VI Total Comprehensive Income for the year	(4,751)	(5,547)	(4,068)	(5,457)
VII Minority Interest			28	4
VIII Net Profit / (Loss) after Taxes and Minority Interest (VI-VII)	(4,751)	(5,547)	(4,096)	(5,461)
IX Earnings per equity share of face value of Re. 1 each				
Basic (in Re.)	(0.10)	(0.15)	(0.08)	(0.15)
Diluted (in Re.)	(0.10)	(0.15)	(0.08)	(0.15)

2. CORPORATE AND BUSINESS BACKGROUND

The Company is a full service National level Stock Exchange with license to operate in Equity, Equity Derivatives, Currency Derivatives, Interest rate Derivatives and Debt Platform. The Exchange has live trading platform in all segments. The Exchange also has a subsidiary Metropolitan Clearing Corporation of India Limited (MCCIL). The Exchange now clears and settles trade via Interoperability mechanism through MCCIL, Indian Clearing Corporation Limited and NSE Clearing Limited.

The current ownership of the Exchange is well diversified between corporates, banks and individuals. The Exchange is required to seek annual renewal of recognition from SEBI which is due for renewal in September 2019.

3. REGULATORY UPDATES

- i. **SEBI Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018** SEBI vide its notification dated October 3, 2018, had notified SECC Regulations, 2018. As a result of this SEBI has rescinded the SECC Regulations, 2012 and its certain earlier circulars issued relating to the SECC Regulations, 2012.

The new regulations read with circulars issued thereunder, inter alia, provides for the following:

- i. The definition of "Associate" amended with reference to control of at least 20% of the total voting power of the first person in place of erstwhile threshold limit of 15%.

- ii. The definition of Key Management Personnel (KMP) was widened to include more officials of the Company, based on reporting two levels below, the MD & CEO.
- iii. A bilateral or multilateral financial institution approved by the Central Government can acquire or hold directly or indirectly, either individually or together with persons acting in concert, upto fifteen per cent of the paid-up equity share capital of the Exchange.
- iv. Willful defaulter and initiation of recovery proceedings under the SEBI Act, 1992 have been included in the list of criteria for fit and proper person.
- v. Categorization of Managing Director as Shareholder Director.
- vi. Voting on a resolution in the meeting of the governing board to be valid only when the number of public interest directors that have cast their vote on such resolution is equal to more than the number of shareholder directors who have cast their vote on such resolution.
- vii. The number of Committees constituted as per above regulations has been reduced from 16 Committees to 7 Committees, as mandated in the erstwhile SECC Regulations, 2012.

During the year under review, the Company has complied with the applicable provisions of the aforesaid regulations.

- ii. Measures undertaken to uphold investor confidence and preservation of interest of all stakeholders by replacement of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations 2009”) with ICDR 2018. SEBI has now rationalized the disclosure requirement to a large extent with key changes which includes financial information to be provided for a period of three years instead of five, threshold for identifying promoter group and criteria for identification of group companies, etc. SEBI has relaxed the eligibility and KYC norms for foreign portfolio investment (FPIs) and allowed the FPIs a period of two years for complying with the relaxed norms. The government has also relaxed FDI norms by enhancing sectorial limits across various sectors in an effort to boost foreign investment. In the commodity derivatives space, SEBI has allowed Eligible Foreign Entities (EFEs), categorized as foreign entities having actual exposure to Indian physical commodity markets, with a minimum net worth requirement of US\$ 500,000 to trade in commodity futures in India. Such an EFE may approach an authorized stock broker with a minimum net worth of Rs. 250 million for registration. The regulator has authorized the exchanges to frame any other criteria, too, for entry of EFEs into commodity derivatives.
- iii. SEBI has issued circular no: CIR/MRD/DRMNP/CIR/P/2018/145 dated November 27, 2018 regarding Interoperability among Clearing Corporations which allows market participants to consolidate their clearing and settlement functions at a single CCP, irrespective of the Stock Exchange on which the trade is executed. Interoperability among CCPs provides efficient allocation of capital for the market participants, thereby saving on costs as well as provides better execution of trades. Interoperability has been implemented on June 3, 2019.
- iv. SEBI has issued circular no: CIR/MRD/CSC/148/2018 dated December 07, 2018 regarding recognizing the need for a robust Cyber Security and Cyber Resilience framework at Market Infrastructure Institutions (MIs). MIs are required to have a Cyber Security Operation Center (C-SOC) that would be a 24x7x365 set-up manned by dedicated security analysts to identify, respond, recover and protect from cyber security incidents.
- v. SEBI has issued circular no: BI/HO/MIRSD/DOP/CIR/P/2018/153 dated December 17, 2018 regarding Early Warning Mechanism to prevent diversion of client securities, to put in place an Early Warning Mechanism and sharing of information between Stock Exchanges, Depositories and Clearing Corporations to detect the diversion of client’s securities by the stock broker at an early stage so as to take appropriate preventive measures. Increase in number of investor complaints against the stock broker / depository participant alleging un-authorized trading / unauthorized delivery instructions being processed and non-receipt of funds and securities and non-resolution of the same.
- vi. **Regulatory changes in ECM Segment**
SEBI has issued a circular no: SEBI/HO/MIRSD/DoP/CIR/P/2018/117 dated August 03, 2018 regarding discontinuation with Sub-Broker as an intermediary registered with SEBI.
- vii. **Regulatory changes in EDS Segment**
SEBI has issued circular no: SEBI/HO/MRD/DP/CIR/P/2018/67 dated April 11, 2018 regarding physical settlement of stock derivatives made mandatory in a phased/calibrated manner and Enhanced eligibility criteria for introduction of stocks in Derivatives Segment (‘Enhanced criteria’). Derivatives on stocks (new/existing) which meet the enhanced eligibility criteria shall be cash settled until further notification, however such stocks, if they fail to satisfy any of the enhanced eligibility criteria for a continuous period of three months, shall move from cash settlement to physical settlement.
SEBI has issued circular no: SEBI/HO/MRD/DRMNP/CIR/P/2018/155 dated December 17, 2018 regarding review of risk management framework for Equity Derivatives Segment wherein it specifies central counterparty (CCP) has to identify and consider a number of elements, including Margin Period of Risk (MPOR) or close-out period, while constructing an appropriate margin system to address risks that arise from the products cleared. Exchanges/ Clearing Corporations are required to estimate the appropriate MPOR, subject to a minimum of 2 days, for each equity derivative product based on liquidity therein and scale up the initial margins and exposure margins accordingly.
- viii. **Regulatory changes in IRF Segment**
SEBI has issued circular no: IMD/FPIC/CIR/P/2018/46 dated March 08, 2018 regarding allocation of separate limit of INR 5,00,000 lakhs to FPIs for taking long position in IRFs. The limits prescribed for investment by FPIs in Government Securities (currently INR 3,01,50,000 lakhs) shall be exclusively available for investment in Government Securities.

4. PRODUCTS & SERVICES:

MSE proposes to continue with its endeavor to grow volumes in the segments of trading products such as, Currency, Equity, Debt and IRF.

MSE is engaging with its Members and participants educating and presenting them all the opportunities across market segments. MSE have undertaken many initiatives for expanding its services for benefitting the end users and members. Recently, the Exchange received approval from the market regulator to launch weekly options on US Dollar-Indian Rupee (USD-INR) and two new currency products, which will provide new hedging tools to market participants during situations of extreme volatility in currency markets. In the debt space, MSE is reaching out to all market participants and the response has been quite encouraging so far. MSE has received positive responses from key players in the market for its debt reporting and settlement platforms. MSE has also initiated user enrolment drives and reaching out to Mutual Funds, Insurance companies, Banks, NBFC, PSU FI, Arrangers, and Corporate Treasuries. MSE's Electronic Book Provider (EBP) platform has been updated as per the requirements of new SEBI circular dated August 16, 2018 which facilitates online bidding for private placement of debt securities.

The Exchange introduced the XBRL based filing for listed companies in May 2018 through a filing portal called "MSE Listing Centre", which enabled all the listed companies on MSE to file their quarterly/yearly reports with respect to the shareholding pattern, corporate governance, reconciliation of share capital audit report and financial result. Now, moving forward, MSE is further working on the introduction of voting result and insider trading regulation filing facility in the XBRL based system, which will further enable the listed companies to file the disclosures with respect to the voting result and insider trading regulation.

Currency Derivatives:

This is MSE's flagship segment. To retain the members and get them to trade, MSE is carrying out various member engagement programs within the regulatory framework, recognition programs for all the members and interactive session.

Metropolitan Clearing Corporation of India Limited (MCCIL), subsidiary of the Exchange started clearing for Indian Commodity Exchange Limited (ICEX) since October 1, 2018

MCCIL has executed an agreement with ICEX for offering clearing and settlement services to ICEX for trades done on their existing Commodities and derivatives segments with effect from October 1, 2018.

MCCIL becomes first Clearing Corporation in India to be recognized as a Third Country Central Counterparty (TC-CCP) by Bank of England

MCCIL has become the first SEBI recognized clearing corporation in the country to receive recognition as a TC-CCP by Bank of England.

The recognition granted under United Kingdom's Temporary Recognition Regime (TRR), enables MCCIL to offer clearing services to UK-based entities once Britain's exit from the European Union (BREXIT) comes into effect.

5. MEMBERSHIP

The details of Segment wise members registered with SEBI as on March 31, 2019 are as follows:

Currency Derivatives	Equity Cash	Equity Futures & Options	Debt
607	377	367	14

Particulars	FY 2018 - 2019	FY 2017 - 2018
Centres participating across India*	729**	728**

Note:

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

** As on March 31, 2019 and March 31, 2018

6. TECHNOLOGY

The IT infrastructure at the Exchange has been designed with performance, reliability, redundancy and security as the key parameters. The Exchange's Clearing Corporation has a world class suite of software which does trading, matching, indexing and risk management. The Exchange also has a faster post trade clearance system in place. The Software includes Risk Management System, which helps in real time margining, flat as well as SPAN margining, real time position updates, maintains margin/MTM limits, online suspension of members, member level online alerts based on specific percentage of limits.

The technology deployed includes the latest fault tolerant servers, firewalls with IPS /IDS. The online trading system of the Exchange is accessible to its members through any location across the length and breadth of the country through multiple modes of connectivity such as Multi-Protocol Label Switching (MPLS), colocation and Internet.

The IT components are hosted in a state-of-art data center that is designed to support mission critical operations. The data centre and all its components are monitored 24 x 7.

MSE maintains a Disaster Recovery Site (DRS) at a different seismic zone and a Near Site near its Primary Site. As per SEBI directive and industry best practices, MSE is committed to achieve minimal data loss (near to zero data loss) by implementing state-of-the-art DR solution. Data is being replicated on a real-time basis from Primary Site in Mumbai to the Near Site as well as DR Site. Data synchronization between Primary Site and Near Site is synchronous & between Primary Site to DR site is asynchronous. Periodic mock tests and half yearly unannounced live trading from DR site for two consecutive days are done to ensure proper functioning of DR systems.

The robust technology infrastructure enables the Exchange to operate efficiently and also facilitates fast order routing, immediate trade execution, trade reporting, market data dissemination, risk management and market surveillance. The systems and processes of the Exchange are designed to safeguard market integrity and to enhance transparency in operations. The technology platform enables our members to undertake uninterrupted dealing even during sun outage time. The Exchange provides Real-time price information to interested parties through "Data feed" service of the Exchange. Data feed contains information relating to Products traded on the Exchange platform.

GRC (Governance Risk and Compliance) & Quality

MSE complies with all controls mandated by SEBI Cyber Security & Cyber Resilience Framework. MSE conducts the comprehensive system audit through independent system auditor. Further, information security being a crucial aspect of day to day business

processes, MSE continues to retain the ISO/IEC 27001:2013 certification for its effective Information Security Management System.

In continuation with its commitment to provide quality-driven services to members, MSE has implemented Quality Management System ISO 9001:2008 standard.

7. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

Your Company has two subsidiaries i.e. Metropolitan Clearing Corporation of India Limited (MCCIL) and MCX-SX KYC Registration Agency Limited (MCX-SX KRA). There were no new subsidiaries 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.

MCCIL undertakes clearing and settlement of the trades transacted on the Exchange platforms. As on March 31, 2019, the operational income of MCCIL has increased from Rs. 464.04 lakhs in the previous year to Rs. 593.57 lakhs in the current year. The profit after tax increased from Rs. 88.70 lakhs in the previous year to Rs. 684.34 lakhs in the current year.

MCX-SX KRA is a wholly owned subsidiary of your Company incorporated to undertake the business of KYC (Know Your Customer) Registration Agency and allied activities, subject to registration with SEBI under SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011. MCX-SX KRA is yet to commence its operations. It proposes to change its object clause to carryout IT, 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 as Annexure I. The annual report of the subsidiaries and the related documents are placed on the website of the Company i.e. <http://www.msei.in/about-us/financials>. in accordance with the provisions of Section 136 of the Companies Act, 2013. Shareholders may download the annual financial statements and detailed information of the subsidiaries from the Company's website or may write to the Company for the same. The audited financial statements of the subsidiary companies shall be kept open for inspection at the Registered Office of the Company during working hours for a period of 21 days before the date of the Annual General Meeting.

8. DIVIDEND AND RESERVES

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

9. CHANGES IN THE SHARE CAPITAL

- The Authorized Share Capital of the Company is Rs.55,000 lakhs divided into 55,000 lakhs equity shares of Re.1/- each.
- The Board at its meeting held on June 23, 2018 & July 26, 2018 had offered its eligible shareholders on Rights Basis 68,32,00,300 equity shares at a price of Rs. 2/- each (including a premium of Re.1 per share) aggregating to Rs. 1,36,64,00,600 in the ratio of 1:7 shares. The rights issue opened on August 10, 2018 and closed on September 08, 2018. Out of the subscription received, the Board vide circular resolution dated October 1, 2018 allotted 2,77,99,475 Equity Shares (having face value of Re. 1 per share) at a price of Rs.2 per share (including the premium of Re.1 per share) amounting to Rs. 5,55,98,950.

In cases where no application forms were received, the application money of Rs. 5,94,001/- has been refunded to the concerned applicants by the Exchange.

The balance unsubscribed portion of 65,54,00,825 equity shares of Re. 1/- each is available to be disposed-off by the Board of Directors as per the Companies Act, 2013. Whereas the Board of Directors, considering that no further subscription was envisaged and, has decided to withdraw unsubscribed portion of issue i.e. 65,54,00,825 equity shares of Rights Issue-2018 vide its Board Resolution dated May 7, 2018.

- The Board at its meeting held on August 11, 2017 had offered to its eligible shareholders on Rights basis 1,59,25,90,703 equity shares at a price of Rs.1.30/ per share (including a premium of Rs.0.30) aggregating to Rs.2,07,03,67,914 in the ratio of 1:2. The total allotment under the Rights issue 2017 was 1,59,03,84,141 equity shares aggregating to Rs.2,06,74,99,383/- as on January 19 2018. After the above allotment, the unsubscribed portion of 22,06,562 equity shares was withdrawn by the Board of Directors at their meeting held on May 10, 2018.
- The Exchange had in 2016 offered on rights basis 97,33,34,552 equity shares of Re.1 each per equity share at par value.

Allotments were made in financial year 2016-17 and the issue was fully subscribed after allotment of 72,06,47,359 equity shares @ Re. 1 each in the financial year 2017-18.

In the aforesaid Rights Issue in 2016, the Exchange also offered 243,333,614 warrants at a price of Re.1/- each to the eligible shareholders. Out of which 68,62,589 warrants were applied for and allotted upon receipt of Re. 0.50 per warrant. The balance Re. 0.50 was payable within (1) one month of the expiry of 12 (twelve) months period from the date of allotment of the warrants (i.e. September 24, 2016) based on the terms and conditions as mentioned in the letter of offer. Failure on the part of the warrant holder to submit the application along with the balance payment within the given timeline would make the warrants liable to be forfeited.

Upon completion of the aforesaid 12 month period on September 23, 2017, the Exchange sent several reminders through emails, advertisement and letters to the warrant holders informing them of the extended date for submission of the Warrant Conversion Form i.e. October 24, 2017. Despite the above reminders, 8 warrant holders had not paid the balance amount on 25,445 warrants hence these warrants were forfeited with approval of the Board of Directors on July 26, 2018.

Further, Company issued 15,000 equity shares by converting non-refundable interest free deposit for warrants of Rs. 15,000.

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 II to the Directors' 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.

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, 2019, there has been no non-compliance with the requirements of the Act.

12. Particulars of Loans, Guarantees or Investments

During the year the Exchange availed a short term loan of up to Rs.1,000 lakhs (Rupees One Thousand Lakhs) from Kotak Mahindra Investments Limited (KMIL) against the security of 5% of the Company's total equity shareholding in MCCIL. The loan was repaid and the charge created for securing the loan has been satisfied as on December 10, 2018.

The Board of Directors have approved availing of loans/overdraft against fixed deposits of MCCIL from Banks/Financial Institutions and MCCIL of an aggregate of sum of Rs. 9,000 lakhs. During the year the Exchange has availed OD Facility of Rs. 2400 lakhs from Development Credit Bank against the Fixed Deposits of subsidiary MCCIL.

13. Particulars of Contracts or Arrangements with Related Parties

The Company has formulated Policy on Related Party Transactions. The same is available on Company's website at web-link <https://www.msei.in/SX-Content/common/MCX-SX-About-Us/policy/2016/July/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 is set out in the *Annexure III* to the Directors' Report. All the Related Party Transactions entered in the Ordinary Course of Business and are at arm's length and were reviewed and approved by the Audit Committee. All Related Party Transactions are placed before the Audit Committee for its review on a quarterly basis.

14. Directors

During the period under review, Mr. S.V.D Nageswara Rao and Ms. Trishna Guha were appointed as Public Interest Directors with effect from October 4, 2018. Mr. Vijay Sardana was appointed as Public Interest Director with effect from April 27, 2019.

Mr. Sudhir Bassi, Shareholder Director retires by rotation and being eligible, offered himself for re-appointment at the ensuing Annual General Meeting.

During the period under review, Mr. Ajai Kumar and Mr. D.G. Patwardhan, Public Interest Directors have resigned from the Exchange with effect from August 6, 2018 and August 7, 2018 due to personal reasons respectively. The Company places on record its appreciation and gratitude for the valuable contributions made by them during their tenure as members of the Board.

Mr. Udai Kumar, Managing Director and CEO of the Exchange has completed his term with effect from January 21, 2019. The company has initiated the process for selection of the new MD and CEO in line with Companies Act, 2013 and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. Pending appointment of MD & CEO, the Company is unable to file active INC 22A with ROC and hence has been categorized as Active Non-Compliant company. Approval of the shareholders is being sought at the ensuing Annual General Meeting for names of candidates recommended for the position of MD and CEO.

15. Declarations by Public Interest Directors ('PIDs')

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164(2) of the Companies Act, 2013. 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 Clause 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further all PIDs have also given the declarations that they satisfy "Fit and Proper" criteria as stipulated under regulation 20 of SECC Regulations.

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>. The Board Members and the KMPs affirm compliance with the Code of Conduct on an annual basis.

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Act, as on March 31, 2019.

16. Meetings of the Board/ Committees

As on March 31, 2019, eleven (11) Board meetings were held during the year. Details of Board, Committees along with their terms of reference, composition and meetings held during the year, are provided in Corporate Governance Report as attached which forms part of the Annual Report.

Audit Committee Recommendations

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

17. 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 NRC has also revised the criteria for evaluation of the Directors as per SEBI Circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/26 dated February 5, 2019.

During the year, the Board carried out performance evaluation of the Committees of the Board, Independent Directors and the Board as a whole. The Independent Directors also evaluated the performance of all Non-Independent Directors and the Chairman.

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

Observations of Board evaluation carried out for the year:

1. Improve Management's Fraud Risk Practices and formulate appropriate policies.
2. Corporate Governance to improve.
3. Top Management/KMP's to ensure strict adherence to SEBI/Government/Regulatory Guidelines.
4. Focus on developing Innovative Strategies for Business.

Previous year's observations and action taken:

Implemented best corporate governance practices in the Company in accordance with applicable regulations.

Proposed actions based on current year observations:

1. Have commenced review of Management's Fraud Risk Practices and are in the process of formulating appropriate operating practices.
2. Will further strengthen Corporate Governance practices.
3. The Exchange continues to ensure strict adherence to SEBI/Government/Regulatory Guidelines.
4. Have put in place a core team for developing Innovative Strategies for Business.

The procedure followed for the performance evaluation of the Board, Committees and individual Directors are enumerated in the Corporate Governance Report.

18. Key Managerial Personnel

The Service Contract of Mr. Udai Kumar, Managing Director & CEO of the Company ended on January 21, 2019 and he was relieved with effect from the aforesaid date. The company has initiated the process for selection of the new MD and CEO in line with Companies Act, 2013 and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. Approval of the shareholders is being sought at the ensuing Annual General Meeting for names of candidates recommended for the position of MD and CEO.

Mr. Yashwant Kakade was appointed as the Company Secretary of the Company with effect from November 2, 2018.

As on March 31 2019, Key Managerial Personnel of the Company in terms of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 were Mr. P K Ramesh - Chief Regulatory Officer and Compliance Officer, Mr. Kunal Sanghavi - Chief Financial Officer, Mr. Kundan Zamvar - Vice President, Information Technology and Chief Information Security Officer, Mr. Savio D'souza - Head Human Resource and Mr. Yashwant Kakade - Company Secretary. Until the appointment of the MD & CEO, Mr. Balu Nair has been appointed as the Interim CEO of the Exchange upon receipt of SEBI's approval vide email dated July 27, 2018.

19. Policy on directors' appointment and remuneration

The Company has to comply with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 for appointment of directors on the governing board. Further the remuneration payable to the Executive Directors is also governed by the SECC Regulations. The Board periodically evaluates the need for change in its composition and size.

The policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of directors, and also remuneration for key managerial personnel and other employees is set out in Annexure IV to the Directors' Report.

20. Directors' Responsibility Statement:

In accordance with the provisions of Section 134 (3) 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 2018-19, 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 2018-19 and of the profit and loss of the Company for that period;
- c) They 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) They 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) They 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) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- g) Software is in use and are critical component of MSE's active segment and therefore the same has not been impaired.

21. Human Resources and Particulars of Employees

The employee count stood at 154 as on March 31, 2019 as against 150 as on March 31, 2018. 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 V & VI of this report respectively.

The Company has adopted a Whistle Blower Policy 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/2018/September/Whistle-Blower-Policy.pdf>

In the previous year, 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 as directed by SEBI. 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.

22. 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 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During FY 2018-19, the Company has received no complaints.

23. Auditors

The Auditors, M/s. T. R. Chadha & Co. LLP, Chartered Accountants (Firm Registration No. 006711N/N500028), Mumbai, will be completing their first term of five years at ensuing Annual General meeting to be held on Monday, September 23, 2019 and to be re-appointed for further term of five years to hold office from the conclusion of the ensuing 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 would

be in accordance with Section 139 of the Companies Act, 2013 and the rules made thereunder and that they are not disqualified in terms of Section 141 of the Act. No fraud has been reported by the Auditors to the Audit Committee or the Board.

Auditors Qualification

The auditor in their report on the audited financial statements for the year ended March 31, 2019 expressed certain qualifications emphasis of matter, key audit matter which are summarized below along with the Company's comments on the same:

- A) The company continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses during the current year, business volumes are further reduced and there is no clarity on increase in revenue in future. However, As advised, the company is working on a detailed plan for turn around and is confident of getting the required funds from its subsidiary company in the coming period, increase the volume and make profits in future years and hence prepared the accounts on going concern basis. In spite of continuous losses, the company has not done the detailed impairment testing to ascertain carrying value of fixed assets having net book value of Rs.4180 Lakhs. The management has also considered the GST Credit available amounting to Rs.4000 lakhs and MAT Credit Entitlement amounting to Rs.186 lakhs as recoverable, basis the same. We are unable to comment on the non-impairment and recoverability of the same and the adjustments, if any, that will be arising out of the same.
- B) The auditors in their report to the members have stated the following emphasis of matter:
We draw attention to Note 45 of standalone financial statement, which describes that in accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012, the Company shall have a minimum net worth of Rs.10,000 Lakhs, at all times. As at March 31, 2019 the net worth of the Exchange is Rs 7,397 Lakhs and the Company has asked SEBI for extension to comply with the above requirement vide letter dated March 14, 2019. Our opinion is not modified in respect of this matter.
- C) The auditors in their report to the members have stated the following Key Audit Matter:
The company has an unavoidable long- term contract with one of the service providers which constitutes approx. 80% of the Technology Cost (refer note 28) for the year ended 31st March 2019. 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 31.03.2019.

Management Response:

Pursuant to amendment of SECC Regulations, our subsidiary MCCIL has initiated capital reduction amounting to Rs. 17,000 lakhs. The Board and Shareholders of MCCIL have already approved the capital reduction. Upon receipt of approval from NCLT and SEBI, the capital reduction will be effected and MSE will receive proportionate (95.85%) refund of the capital reduced which will result in increase of networth by Rs. 16,280 lakhs. Currently company has also availed OD facility against FD's of subsidiary MCCIL pursuant to the approval of SEBI.

The company has recently received SEBI approval for three products namely

1. Weekly options on USD-INR,
2. Options on EUR-INR, GBP-INR, JPY-INR &
3. Options and futures on Cross currency i.e. EUR-USD, GBP-USD, USD-JPY.

On these product approvals, company foresees better business, hence prepared the accounts on going concern basis.

In the opinion of the management, the carrying value of the Tangible and Intangible assets is higher than the recoverable value and due to the measures taken for reduction in cost, proposed capital reduction in MCCIL, etc. will enable future growth with higher visibility. Further, in the new regulatory environment wherein interoperability of Clearing Corporations is allowed w.e.f. June 1 2019, it will result into significant shift of market share from dominant stock exchanges to other stock exchanges. The above said measures will result into increased market share and accordingly no impairment testing is carried out with respect to tangible and intangible assets.

The Company has unutilized service tax credit of Rs. 4,000 Lakhs as at March 31, 2019 and MAT credit of Rs. 186 Lakhs (previous year Rs. 4,081 Lakhs and Rs.186 Lakhs respectively). As mentioned above, the Company expects improved revenue earnings in the future years and hence is of the view that the unutilized service tax credit and MAT Credit will be fully utilized in future years and the same is considered as good for recovery.

24. Adequacy of Internal Financial Controls and Risk Management

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. The Company identifies elements of risks which affects the business of the Exchange and has a risk mitigation and management system for the same. These systems are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices and key business areas. 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.

The Company has designed and evaluated the effectiveness of internal financial controls, disclosures and procedures to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, audit by the internal, statutory and secretarial auditors, including audit of internal controls over financial reporting by the statutory auditors, and the reviews performed by management and the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2018-19.

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. DSM & Associates, Company Secretaries to undertake the secretarial audit of the Company and to issue Secretarial Audit Report. The Secretarial Audit Report is annexed as **Annexure VII** to this report.

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

26. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

1. The Company has a policy of switching off power after the office time in those areas where staff has left for the day. Staffs are strictly instructed to switch off their monitors before they leave for the day. The Company also maintains the air conditioning temperatures to conserve energy.

The earnings in foreign currency during financial year 2018-19 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 2018-19 amounted to Rs.34,89,308/- as compared to Rs.33,70,014/- in the previous year.

2. Our building has glass windows all around and we also use the ambient light for lighting purposes as much as possible. This reduces the electricity consumption due to lesser need of lighting during the day.
3. The capital investment on energy conservation equipment is Nil.

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, 2019 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.

30. Corporate Governance Report and Management Discussion and Analysis Report

In terms of Regulation 33 of SECC Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report and Corporate Governance Report are attached as Annexure IX and X and forms part of this Report.

31. Extract of Annual Return

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

32. Secretarial Standards

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

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. Suit filed by IL&FS in the matter of the share purchase agreement

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 IL&FS (Plaintiff), MSE (Defendant No.1) and MCX (Defendant NO.2) for purchase of shares of MSE by IL&FS from MCX. Various reliefs have been sought by IL&FS from MCX and MSE (on a joint and several basis), including monetary claim of INR 84.21 crore along with interest. The Notice of Motion no. 530/2014 in Suit no.: 295/2014 was heard on June 11, 2019 and the Hon'ble Bombay High Court through its order dated June 12, 2019 ordered that MSE and MCX, shall be restrained either directly or indirectly from issuing any further shares of MSE in any manner whatsoever without seeking the plaintiff's prior written consent in accordance with and/or in terms of Clause 5.5(a) of the SPA dated August 20, 2009. However, it was clarified by the Court that if ILFS unreasonably withholds its consent then MSE shall be at liberty to approach the court for appropriate orders. MSE is in the process of filing an Appeal to the said order.

However, the suit remains pending and no date of hearing has been fixed yet.

ii. Compensation claim on NSE with respect to predatory pricing and anti-competitive practices of NSE:

NSE has filed Civil Appeal No. 8974/2014 before the Hon'ble Supreme Court on September 16, 2014 against the order dated August 5, 2014 passed by the Hon'ble COMPAT wherein it had upheld the order passed by Competition Commission of India holding NSE to be a dominant player in the relevant market and further holding that it had abused its dominance therein and on that count inflicted a penalty of Rs. 55.50 crores on NSE. Hon'ble Supreme Court vide its order dated 23/09/2014 granted an interim stay on the recovery of penalty amount. The pleadings have been completed in the matter and the matter is now listed for final hearing before the Hon'ble Supreme Court on September 25, 2019.

Additionally, pursuant to the order passed by the Hon'ble COMPAT, the Company has filed an application for compensation, under section 53N of the Competition Act, 2002, before the Hon'ble COMPAT (now merged with NCLAT) for recovery of an amount of INR 856.99 (INR Eight Hundred Fifty Six Crores and Ninety Nine Lakhs) along with interest pendente lite in future at the rate of 18 (eighteen) percent till realization of the claim, from NSE in respect of losses and damages suffered on account of its abuse of dominant position. An interim order has been passed by Supreme Court on February 12, 2018 in Civil Appeal filed by NSE granting stay on the proceedings of damages filed by MSE. Pursuant to the said order, the Hon'ble Tribunal (NCLAT) vide its order dated March 08, 2018 adjourned the case for sine die with liberty to the parties to mention the matter after the decision of the Hon'ble Supreme Court.

iii. Matter under litigation in Income Tax Department

Sr. No	Assessment Year	Amount	Remarks
1	A.Y. 2009-10	301,240,000	Appeal is pending with CIT
2	A.Y. 2010-11	459,484,632	Appeal is pending with CIT
3	A.Y. 2011-12	204,123,005	Appeal is pending with CIT
4	A.Y. 2012-13	280,495,853	Appeal is pending with CIT
5	A.Y. 2013-14	99,347,151	Appeal is pending with CIT
6	A.Y. 2014-15	42,830,887	Appeal is pending with CIT

Above incurred Expense amount is in Appeals with Income Tax Department & if at all outcome is unfavorable then it may impact organization.

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 Act, 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 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

The Company being a recognised stock exchange is governed by SEBI. 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.

Senior official of the Company head various regulatory department and report to the Compliance Officer, who in turn reports to the Managing Director and CEO/ Interim CEO, Regulatory Oversight Committee and Board of Directors, whenever required.

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. Acknowledgements

The Directors would like to place 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, clearing banks, shareholding banks and institutions, NSDL, CDSL, FICCI, CII, ASSOCHAM, IMC, SAFE 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 Directors also wish to convey their appreciation to the Company's employees for their enormous efforts as well as their collective contribution which enabled the Company to meet the challenges set before it, including the fierce competition in the sector.

For and on behalf of the Board of Directors

Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Date: June 26, 2019
Place: Mumbai

ANNEXURE I - Boards Report
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

(Amount in INR Lakhs)

Sr. No.	Name of the subsidiary	Share Capital	Reserves & surplus	Total Assets	Total Liabilities	Investments (Current)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of shareholding
1	Metropolitan Clearing Corporation of India Limited	29,537.10	1462.96	44074.74	13,074.68	3421.39	593.57	890.17	203	684.34	NIL	95.85 %
2.	MCX-SX KYC Registration Agency Limited	5.00	(2.56)	2.61	0.17	NIL	NIL	(0.31)	NIL	(0.31)	NIL	100%

- Name of subsidiaries which are yet to commence operations: MCX-SX KYC Registration Agency Ltd.
- Name of subsidiaries which have been liquidated or sold during the year: None

Part "B"

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

ANNEXURE II- 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, 2019	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 presently intended to be offered through Trust			
F	Options lapsed as at March 31, 2019)	4,20,000	34,52,434	5,53,250	1,45,800
G	Variation of terms of options (as at March 31, 2019)	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, 2019)	NIL			
J	Employee wise details of options granted during FY 2018-19	NIL			
	i) KMPs/ Senior managerial personnel	NIL			
	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	NIL			
	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'	NIL			
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	Not declared dividend			
	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 2018-19.

For and on behalf of the Board of Directors

 Dinesh Kumar Mehrotra
 Chairman
 DIN: 00142711

 Date: June 26, 2019
 Place: Mumbai

ANNEXURE III - Boards Report
FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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 third proviso thereto:

- Details of contracts or arrangements or transactions not at arm's length basis-
 - Name(s) of the related party and nature of relationship: N.A.
 - Nature of contracts/arrangements/transactions: N.A.

- (c) Duration of the contracts / arrangements/transactions: **N.A.**
 (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
 (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**
 (f) Date(s) of approval by the Board: **N.A.**
 (g) Amount paid as advances, if any: **N.A.**
 (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: **N.A.**
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

Dinesh Kumar Mehrotra
 Chairman
 DIN: 00142711

Date: June 26, 2019
 Place: Mumbai

Annexure to Form No. AOC-2

Details of Transactions with Related Parties

(In Rs.)

Nature of Transaction	Metropolitan Clearing Corporation Of India Ltd (Subsidiary)
Principal Activities & Shareholding	Clearing and Settlement Function 95.85%
Clearing and settlement charges	9,36,984 (23,08,987)
Rent income	1,79,26,440 (61,69,188)
Shared service cost recovered / (Reversed)	3,62,27,040 (7,42,91,661)
Advance Shared service cost recovered	- (-)
Trade Receivable	17,89,277 (63,32,297)
Investments in equity shares	- (2,01,56,63,750)
Closing Balance of Investments in equity shares	2,83,12,09,910 (2,83,12,09,910)

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.

1. Related party relationship is as identified by the Company and relied upon by the auditors.
2. There are no amounts written off or written back in the year in respect of debts due from or to related parties.
3. Figures in bracket represent previous year's amounts.
4. The transactions with the related parties are disclosed only till the relation exists.
5. Transaction charges collected by MCCIL on behalf of the company and paid to the company have not been considered for the aforesaid disclosure.

For and on behalf of the Board of Directors

Dinesh Kumar Mehrotra
 Chairman
 DIN: 00142711

Date: June 26, 2019
 Place: Mumbai

ANNEXURE IV- Boards Report

NOMINATION AND REMUNERATION POLICY

The detailed Nomination and Remuneration policy is available on MSE's website at <https://www.msei.in/about-us/policy>.
 The NRC policy has been revised and approved at the Board meeting held on February 5, 2019.

- The modifications were to align the Policy with the recently amended SECC Regulations, 2018. Key amendments to the policy are as follows:
- Clause III (4) Definition of 'Key Managerial Personnel' has been amended as per Companies Act, 2013 and SECC Reg., 2018
 - Clause III(5) Definition of 'Senior Management Personnel' has been deleted as definition of KMP in comprehensive and includes Senior Personnel.
 - Clause B (4), deleted reference to ESOPs granted to KMPs, as SECC Reg does not permit ESOPs being granted to KMPs.
 - Clause VII(2), deleted the following clause on Clawback:
 "In case of KMPs having only fixed component in the remuneration - upto 10% of such fixed component, net of taxes and levies."

ANNEXURE V- Boards Report
STATEMENT PURSUANT TO RULE 5(3) 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, 2018 TO MARCH 31, 2019

Name & Qualifications	Age	Designation	Remuneration received as on March 31, 2019 (Rs.)	Experience in years	Date of commencement of employment	Previous employment	Nature of employment (contractual or otherwise)
Udai Kumar B. Sc., (Physics), M.Sc. (Physics), MBA (Finance)	59	MD & CEO 22-01-2016 to 21-01-2019	6,392,646	32.14	22-Jan-16	Metropolitan Clearing Corporation of India Ltd.	Permanent
Abhijit Chakraborty B.Com, MBA (Finance)	46	Chief Operating Officer - Strategy & Development 07-12-2015 to 01-04-2018	NIL	20	7-Dec-15	Motilal Oswal Financial Services Ltd.	Permanent
Kunal Suresh Sanghavi CISA, CA, PGPMAX, B.com	35	Chief Financial Officer	4,108,930	12	12-Feb-18	Angel Broking Pvt. Ltd.	Permanent
Savio Paul Gerald Dsouza B.Sc, PGDBM	41	Head - Human Resources	3,249,486	13.06	21-Apr-17	Anand Rathi Group	Permanent
Kundan Zamvar B.COM CISA,C-CISO, Diploma in IT	43	Vice President - IT and CISO	3,439,952	17.10	4-Apr-13	Auditime Quality Management Pvt Ltd	Permanent
Devanshu Desai B.E	37	Head - Technology 06-04-2017 to 09-04-2018	91,771 (w.e.f 01-04-2018 to 09-04-2018)	13.01	6-Apr-17	Angel Broking Pvt. Ltd.	Permanent
P K Ramesh Bsc., MA (Economics), MBA (Finance), LLB and PG in Securities Law	56	Chief Regulatory Officer & Compliance Officer 24-05-2018 to till date	3,178,731	34	24-May-18	United Stock Exchange	Permanent
Yashwant Kakade B.com, Company Secretary, MBA (Finance)	34	Company Secretary 02-11-2018 to till date	4,52,900	10	8-Apr-13	India Infoline	Permanent
Anish Kumar B.Com, Diploma in Corporate Law, C.S.	41	Compliance Officer - Investor Grievance & Arbitration and Compliance 04-11-2017 to 26-07-2018	1,360,846 (w.e.f 01-04-2018 to 31-07-2018)	17.09	1-Apr-09	National Stock Exchange of India Ltd.	Permanent

Notes:

- None of the above employees is a relative of any Director or Manager of the Company.
- 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.

For and on behalf of the Board of Directors

Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Date: June 26, 2019
Place: Mumbai

ANNEXURE VI- 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 2018-19, and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

Sr. No	Name of Director/KMP and Designation	% increase (decrease) in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Dinesh Kumar Mehrotra * Chairman and Public Interest Director	*	
2	Mr. Ketan Vikamsey* Public Interest Director	*	
3	Mr. Sudhir Bassi* Shareholder Director	*	
4	Ms. Trishna Guha* (w.e.f November 2, 2018)	*	
5	Mr. S.V.D. Nageswara Rao* (w.e.f November 2, 2018)	*	

6	Mr. Dilip G. Patwardhan* Public Interest Director (Resigned w.e.f. August 7, 2018)	*	
7	Mr. Ajai Kumar* Public Interest Director (Resigned w.e.f. August 6, 2018)	*	
8	Mr. Udai Kumar* Managing Director & CEO (w.e.f. January 22, 2016 till January 21, 2019)	Not applicable	1:19.80
9	Mr. Kunal Sanghavi Chief Financial Officer (w.e.f. February 12, 2018)	Not applicable	Not applicable
10	Mr. Yashwant Kakade Company Secretary (w.e.f. November 02, 2018)	15 %	1:1.30

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

- (i) The percentage decrease in the median remuneration of employees in the financial year 2018-19 is 7.01%
- (ii) The number of permanent employees on the rolls of company as on March 31, 2019 is 154 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 exceptional 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 7.08%.
- (iv) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.
- (v) Mr. Balu Nair, Managing Director of Metropolitan Clearing Corporation of India Ltd. was appointed as the Interim CEO of the Company at the Board meeting held on July 26, 2018. No remuneration and sitting fees is paid to Mr. Nair.

ANNEXURE VII - Boards Report

**Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial year ended 31st March, 2019**

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

To,
The Members of
Metropolitan Stock Exchange of India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Metropolitan Stock Exchange of India Limited (CIN: U65999MH2008PLC185856) (hereinafter referred as "The Company"). We have conducted Secretarial Audit in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covered for the financial year ended 31st March, 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extend, 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 period covering for the financial year ended 31st March, 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Securities Contracts (Regulation)(Stock Exchanges and Clearing Corporations) Regulations, 2018, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and Circulars dated December 13, 2012 (CIR/MRD/DSA/33/2012) and dated January 10, 2019 (SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13) and other Circulars;
- (iv) The Depositories Act, 1996 and the regulations and bye laws framed there under;
- (v) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act);
 - a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; to the extent applicable
 - c) SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - d) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e) SEBI (Share based employees benefits) Regulations, 2014;
- (vii) Other specifically applicable laws to the Company during the period under review;
 - (i) Income Tax Act, 1961;
 - (ii) Service Tax/GST;
 - (iii) Provident Fund;
 - (iv) Professional Tax;
 - (v) Tax Deducted at Source;

We have also examined compliance with the applicable clause of:

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

Based on the aforesaid information provided by the Company, we report that during the financial year under review, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

We further report that :

The Board of Directors of the Company consists of sufficient number of Public Interest Directors, Shareholder Directors, Managing Director etc. as required under the Act and Regulations. 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board and committees were unanimous and no dissenting views have been recorded.

We 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.

We further report that during the Audit Period;

- (i) Mr. Udai Kumar, Managing Director and Chief Executive Officer, has completed his tenure and his last working day was 21st January, 2019. Accordingly the Company has initiated process of selection of new MD and CEO in line with regulations of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. Pursuant to receipt of approval from the Board of Directors names of candidates recommended to be appointed as MD & CEO of the Company, is being placed before the shareholders for approval at the ensuing AGM. Meanwhile Mr. Balu Nair was appointed as Interim Chief Executive Officer of the Company with effect from July 26, 2018 subject to approval received from SEBI.
- (ii) Mr. S.V.D. Nageswara Rao and Ms. Trishna Guha, were appointed as Public Interest Directors with effect from 4th October, 2018. Mr. Vijay Sardana was appointed as Public Interest Director with effect from 27th April, 2019;
- (iii) Mr. Ajai Kumar and Mr. D. G. Patwardhan have resigned as Public Interest Directors of the Company with effect from August 6, 2018 and August 7, 2018 respectively.
- (iv) Mr. P. K. Ramesh was appointed as Compliance Officer, Principal Officer & Risk Officer for SEBI Compliances and under provisions of Prevention of Money Laundering Act, 2002;
- (v) Mr. Sudhir Bassi, Shareholder Director of the Company, who was liable to retire by rotation, which is in compliance with the provisions of section 152 of the Companies Act, 2013. (Prior to this, the composition of Board of Directors of the Company did not include any Director who was liable to retire by rotation)
- (vi) The Company in 2017 had offered to its eligible shareholders on Rights basis 1,59,25,90,703 Equity Shares of Re.1/- at a price of Rs.1.30 per Equity Share (including a premium of Rs.0.30/-) aggregating to Rs.2,07,03,67,914 in the ratio of 1:2. The total allotment under the Rights Issue-2017 was made of 1,59,03,84,141 Equity Shares, aggregating to Rs.2,06,74,99,383 as on 19th January, 2018. After the above allotment, the unsubscribed portion of 22,06,562 Equity Shares was withdrawn by the Board of Directors at their meeting held on 10th May, 2018.
- (vii) The Company in 2018 had offered to its eligible shareholders on Rights basis 68,32,00,300 Equity Shares of Re.1/- per Equity Shares at Rs.2/- per share (including a premium of Re.1/-), aggregating to Rs.1,36,64,00,600 in the ratio of 1:7 i.e. 1 (one) Equity Share for every 7 (seven) Equity Shares held and allotted 27799475 shares. The said issue opened on 10th August, 2018 and closed on 8th September, 2018. Whereas the Board of Directors, considering that no further subscription was envisaged has decided to withdraw unsubscribed portion of issue i.e. 65,54,00,825 equity shares of Rights Issue-2018 vide its Board Resolution dated May 7, 2018
- (viii) Mr. Yashwant Kakade was appointed as Company Secretary of the Company with effect from 2nd November, 2018, causing the time period of 9 months to elapse in between the appointment of new Company Secretary and resignation of previous Company Secretary. Hence the Company has exceeded the prescribed time period of 6 months, to fill up the causal vacancy caused in office of the Key Managerial Personnel, as per provisions of section 203 and the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014. Following the resignation of earlier company secretary, the Exchange had identified and approved for appointment of 3 candidates for the post of Company Secretary, however, those candidates did not accept the offer made by the Exchange;
- (ix) SEBI had granted renewal to the Company/Exchange and asked to ensure the net worth of Rs.10,000 Lakhs within six months from the date of amendment of SECC Regulations, 2018 (i.e. October 3, 2018). As on 31st March, 2019, the net worth of the Company/Exchange was only Rs.7,397 Lakhs. The Company/Exchange had requested SEBI for extension of time to comply with the above requirement up to 31st August, 2019. The subsidiary of the Exchange M/s. Metropolitan Clearing Corporation of India Limited (hereinafter "MCCIL") has initiated capital reduction process amounting to Rs.17,000 Lakhs which is pending with NCLT, Mumbai. MCCIL expects to receive requisite approval in due course which will result in the increase of Net Worth of the Company/ Exchange by Rs.16,280 Lakhs and accordingly the Company/ Exchange will be able to comply with the net worth requirement mentioned aforesaid.
- (x) The investigation as directed by SEBI has been conducted and final report of the same has been submitted to SEBI in December - 2018. As matter is sub judice, we offer no comment in this regards.

**For DSM & Associates,
Company Secretaries**

**CS Sanam Umbargikar
Partner
M.No.26141.
CoP No.9394.**

Date: June 26, 2019
Place: Mumbai

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness, appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the 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. Our examination was limited to the verification of procedures on test check 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.

For DSM & Associates,
Company Secretaries

CS Sanam Umbargikar
Partner
M.No.26141.
CoP No.9394.

Date: June 26, 2019
Place: Mumbai.

ANNEXURE VIII - Boards Report

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

CIN	U65999MH2008PLC185856
Registration Date	August 14, 2008
Name of the Company	Metropolitan Stock Exchange of India Limited
Category / Sub-Category of the Company	Company Limited by shares Indian Non-Government Company
Address of the Registered office and contact details	Vibgyor Towers, 4 th Floor, Plot no. C-62, G Block Bandra Kurla Complex, Bandra (East), Mumbai- 400098. Tel No: 022 61129000 Email Id: secretarial@msei.in
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Fintech Private Limited Unit : Metropolitan Stock Exchange of India Limited Selenium Tower B, Plot numbers 31 & 32 Nanakramguda, Financial District, Gachibowli Hyderabad - 500 032 Email: einward.ris@karvy.com Tel.No.: +91-040-6716 2222 Contact person Ms. Rajitha Cholleti Sr. Manager- Corporate Registry E-Mail: einward.ris@karvy.com Tel. No.: +91-040-6716 2222

II. Principal business activities of the company

No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Exchange Operation	66110	100%

III. Particulars of holding, subsidiary and associate companies as on March 31, 2019:

S. No	Name And Address Of The Company	CIN/ GIN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	Metropolitan Clearing Corporation of India Limited (Vibgyor Towers, 4 th Floor, Plot no. C-62, G Block, Bandra Kurla Complex, Bandra (East), Mumbai-	U67120MH2008PLC188032	Subsidiary	95.85%	2(87)(ii)

	400098)				
2	MCX SX KYC Registration Agency Limited (Vibgyor Towers, 4 th Floor, Plot no. C-62, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400098)	U65923MH2012PLC227604	Wholly owned Subsidiary	100%	2(87)(ii)

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity) as on March 31, 2019

i Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (April 1, 2018)				No. of Shares held at the end of the year (March 31, 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian (A)(1)	-	-	-	-	-	-	-	-	-
(2) Foreign (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	71,87,82,564	-	71,87,82,564	15.03	71,87,92,705	-	71,87,92,705	14.94	-0.09
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	71,87,82,564	-	71,87,82,564	15.03	71,87,92,705	-	71,87,92,705	14.94	-0.09
2. Non-Institutions									
a) Bodies Corp & LLP	89,41,59,803	-	89,41,59,803	18.71	92,81,79,109	-	92,81,79,109	19.3	0.59
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	69,24,50,958	-	69,24,50,958	14.46	82,14,01,136	-	82,14,01,136	17.07	2.61
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2,14,16,63,526	-	2,14,16,63,526	44.78	1,99,84,40,733	-	1,99,84,40,733	41.54	3.24
c) Others (specify)	-	-	-	-	-	-	-	-	-
Trust	56,72,734	-	56,72,734	0.12	56,72,734	-	56,72,734	0.12	No change
HUF	21,02,75,852	-	21,02,75,852	4.4	21,83,67,120	-	21,83,67,120	4.53	0.13
Partnership firm	11,93,63,496	-	11,93,63,496	2.5	11,93,63,496	-	11,93,63,496	2.5	No change
Sub-total (B)(2)	4,06,35,86,369	-	4,06,35,86,369	84.97	4,09,14,24,328	-	4,09,14,24,328	85.06	0.09
Total Public Shareholding (B)=(B)(1)+(B)(2)	4,78,23,68,933	-	4,78,23,68,933	100	4,81,02,17,033	-	4,81,02,17,033	100	-
by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4,78,23,68,933	-	4,78,23,68,933	100	4,81,02,17,033	-	4,81,02,17,033	100	-

ii Shareholding of Promoters- the Company does not have any Promoter, hence, this disclosure is not applicable.

lii Change in Promoters' Shareholding- the Company does not have any Promoter, hence, this disclosure is not applicable.

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding at the beginning of the year (April 1, 2018)		Date	Increase/Decrease in shareholding	Reason	Cumulative shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares	% of total shares				No. of shares	% of total shares
1	MULTI COMMODITY EXCHANGE OF INDIA LIMITED	33,17,77,008	6.94	1-Apr-2018	0	-	33,17,77,008	6.94
				31-Mar-2019			33,17,77,008	6.90

2	SIDDHARTH BALACHANDRAN	23,84,09,950	4.99	1-Apr-2018	0	-	23,84,09,950	4.99
				31-Mar-2019		-	23,84,09,950	4.96
3	RADHAKISHAN S DAMANI	11,93,63,496	2.50	1-Apr-2018	0	-	11,93,63,496	2.50
				31-Mar-2019			11,93,63,496	2.48
4	TRUST INVESTMENT ADVISORS PRIVATE LIMITED	11,91,15,930	2.49	1-Apr-2018	0	-	11,91,15,930	2.49
				31-Mar-2019			11,91,15,930	2.48
5	IL AND FS FINANCIAL SERVICES LIMITED	119,109,627	2.49	1-Apr-2018	0	-	119,109,627	2.49
				31-Mar-2019			119,109,627	2.48
6	UNION BANK OF INDIA	10,87,50,000	2.26	1-Apr-2018	0	-	10,87,50,000	2.26
				31-Mar-2019			10,87,50,000	2.26
7	STATE BANK OF INDIA	9,74,00,000	2.04	1-Apr-2018	0	-	9,74,00,000	2.02
				31-Mar-2019			9,74,00,000	2.02
8	NEMISH S SHAH	9,73,70,000	2.04	1-Apr-2018	0	-	9,73,70,000	2.04
				31-Mar-2019			9,73,70,000	2.02
9	AADI FINANCIAL ADVISORS LLP	9,73,50,000	2.04	1-Apr-2018	0	-	9,73,50,000	2.04
				31-Mar-2019			9,73,50,000	2.02
10	KUMAR CHIMANLAL MEHTA	8,87,54,112	1.86	1-Apr-2018	0	-	8,87,54,112	1.86
				31-Mar-2019			8,87,54,112	1.85

v. Shareholding of Directors and Key Managerial Personnel: -

Sr. No.	Name	Shareholding at the beginning of the year (April 1, 2018)		Date	Increase/Decrease in shareholding	Reason	Cumulative shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of shares	% of total shares				No. of shares	% of total shares
1	ANISH KUMAR*	80,890	0.00	1-Apr-2018 till date	-		80,890	0.00
2	KUNDAN ZAMVAR	300,000	0.00	1-Apr-2018 till date	-		300,000	0.01

*Mr. Anish Kumar ceased to be KMP on July 26, 2018.

V. Indebtedness - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial Year				
• Addition	34,14,77,297	NIL	NIL	34,14,77,297
• Reduction	10,00,00,000	NIL	NIL	10,00,00,000
Net Change	24,14,77,297	NIL	NIL	24,14,77,297
Indebtedness at the end of the financial year				
i) Principal Amount	24,14,77,297	NIL	NIL	24,14,77,297
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	24,14,77,297	NIL	NIL	24,14,77,297

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(in Rs.)

Sr. no.	Particulars of Remuneration	Mr. Udai Kumar MD & CEO (April 1, 2018 to January 21, 2019)
1	Gross salary	63,71,690
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission	Nil
5	Others, please specify	Nil
	Total (A)	63,71,690
	Ceiling as per the Act	As per Schedule V Part II Section II of Companies Act 2013

B. Remuneration to other directors:

(in Rs.)

Sr. no.	Particulars of Remuneration	Name of Directors							Total
		Trishna Guha*	S.V.D. Nageswara Rao*	Dinesh Kumar Mehrotra	Ketan Vikamsey	D.G. Patwardhan**	Ajai Kumar***	Sudhir Bassi	
1	Independent Directors	6,00,000	5,80,000	15,70,000	13,70,000	6,50,000	6,70,000		
	• Fee for attending board committee meetings								
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL		
	• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL		
	Total (1)	6,00,000	5,80,000	15,70,000	13,70,000	6,50,000	6,70,000		54,40,000
2	Other Non-Executive Directors							8,10,000	
	• Fee for attending board committee meetings								
	• Commission							NIL	
	• Others, please specify							NIL	
	Total (2)							8,10,000	8,10,000
	Total (B)=(1+2)								62,50,000
	Overall Ceiling as per the Act	Sitting fees not exceeding Rs. 1,00,000 per meeting of the Board and Committee meetings in terms of Rule 4 of the Companies(Appointment and Remuneration of Managerial Personnel), Rules, 2014.							

Note:

- *Ms. Trishna Guha was appointed as PID with effect from October 4, 2018;
 * Mr. S.V.D. Nageswara Rao was appointed as PID with effect from October 4, 2018;
 ** Mr. D.G. Patwardhan resigned as PID with effect from August 7, 2018;
 ***Mr. Ajai Kumar resigned as PID with effect from August 6, 2018.

C. Remuneration to key managerial personnel other than MD/Manager/WTD

(in Rs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer (Mr. Kunal Sanghavi) (From 01.04.2018 to 31.03.2019)	Company Secretary (Mr. Yashwant Kakade) (From 02.11.2018 to 31.03.2019)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,72,691	4,52,900	45,25,591
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify.	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	40,72,691	4,52,900	45,25,591

VII. Penalties / Punishment/ Compounding of offences - None

For and on behalf of the Board of Directors

 Dinesh Kumar Mehrotra
 Chairman
 DIN: 00142711

 Date: June 26, 2019
 Place: Mumbai

ANNEXURE IX - Boards Report

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, Equity Cash & Equity Derivatives segments and Debt Market segment. A vibrant capital market is a large job creator with the number of intermediaries required to support each trade. The Exchange ecosystem supports various intermediaries' including stock brokers, authorized persons, corporates, banks, depositories, depository participants, custodians and investors.

The Exchange employs advanced trading technology and IT infrastructure with significant scalable capacity and proven capability of handling high volume trades. Its subsidiary Metropolitan Clearing Corporation of India Limited (MCCIL) employs state-of-the-art Risk management systems with sizeable Settlement Guarantee Fund and zero-default record since inception.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian stock exchanges are crucial market intermediaries and are supervised by the Securities and Exchange Board of India (SEBI). It is a tool for nation building and a major job creator. The Exchange space spans many asset classes - equities, equity derivatives, currency derivatives, corporate and government bonds, interest rate derivatives, and commodity derivatives, etc. Stock exchanges in India are primarily regulated by SEBI.

SEBI has introduced the interoperability between Clearing Corporations, the framework is applicable to all the recognized CCPs

excluding those operating in the IFSC zone, and all the products available for trading on the stock exchanges (except commodity derivatives), interoperability norms benefits market participants to rationalize margins across exchanges and products by optimizing the use of capital but also reduce post-trade costs of trading firms. Interoperability across Clearing Corporations allows market participants to choose their trading and clearing venues without any restrictions. With new norms in place, members can deposit their collateral with the preferred CCP and take advantage of the lower costs provided by the other Stock Exchange. Interoperability among CCPs in India would go a long way in reducing systemic risks, encouraging innovations, facilitating competition, reducing post-trade costs and aligning the risk management framework with industry best standards and global best practices. The Government has also initiated several key measures relating to Capital markets. The Union Budget for FY 2018-19 introduced several measures for formalizing and enhancing the role of capital markets.

2. GLOBAL ECONOMIC OUTLOOK

Two overriding events have occurred at the end of the first quarter of 2019 that overshadow all other phenomena in the global markets in terms of importance: the first is the quarter-end inversion of the U.S. yield curve, and the second is the quarter-long rally followed by the recent surge in crude oil prices. Both events are significant enough to present a radical departure from the trend of the previous three years in terms of growth, inflation and asset allocation worldwide. It is of great importance for us to comprehend and interpret them in presenting our global economic outlook.

In response to the increase in financial market turbulence, many central banks in the emerging and developing economies tightened monetary policy or reduced their degree of monetary accommodation in 2018. As risks to financial stability increased, central banks in several economies including Argentina, Indonesia and Mexico, raised interest rates to stem foreign investment outflows and support domestic currencies. This in turn contributed to even tighter domestic financing conditions, weighing on the short-term growth outlook. Notwithstanding the increase in global financial market volatility, the emerging economies on aggregate continued to receive sizeable capital inflows in 2018, supported by sustained Foreign Direct Investment (FDI) flows.

In conclusion this is a year that could see renewed capital flight from the U.S. to emerging markets.

3. DOMESTIC ECONOMIC OUTLOOK

Recent economic releases have shown muted Index of Industrial production numbers accompanied by benign inflation. The Current Account Deficit is well under control, and the IMF has been all praise for India's economic management. The matter of concern to many in the current economic scenario is the existence of a weak spot on the unemployment front. However, we see this not as alarming but as a classic scenario of the onset of Keynesian economic management.

In FY 2018-19, Indian equity markets scaled all-time highs This reflects the confidence in the Indian economy despite challenges including the liquidity crisis in the domestic Non-Banking Financial Companies (NBFCs), regional conflicts, slowdown in global trade and volatile crude oil prices. The equity market took cognizance of the continued Government efforts in its focus on improving economic growth with series of big-ticket reforms like Goods and Services Tax (GST) and the Insolvency and the Bankruptcy Code (IBC).

A number of Government initiatives focusing on enhancing attractiveness of India as an investment destination have been launched. The Government's focus on job creation, infrastructure spending and improvement in farm income to boost domestic demand bodes well for the capital markets.

In FY 2018-19, the RBI has upped the policy repo rate twice by 25 basis points each – from 6% to 6.25% in the June 2018 monetary policy review and from 6.25% to 6.5% in August 2018. It changed the monetary policy stance from 'neutral' to 'calibrated tightening' in the October 2018 policy. In the Monetary Policy committee (MPC) meeting held in February and April 2019, the RBI cut its key interest rate by 25 basis points respectively, which currently stands at 6%. The RBI's Monetary Policy Committee also maintained its neutral stance on the trajectory of interest rates going ahead as per the April MPC meeting.

Investment is growing steadily, driven by the gradual increase in capacity utilization, large infrastructure programmes and recent structural reforms which are supporting investors' confidence, in particular the new Insolvency and Bankruptcy Code and public bank recapitalization. Investment, which makes 30% of GDP, remains robust as indicated by most forward-looking indicators. IIP for infra goods has maintained traction and iron & steel domestic consumption has been rising. Going forward, there is an expectation of continued recovery in investments amidst bank recapitalization. Policymakers have also eased financing conditions (for MSMEs and corporates looking to raise ECBs) which is further expected to boost investment.

Higher crude oil prices and the rupee depreciation may put pressure on domestic demand, inflation, current account deficit and public finances. Inflationary pressures may be reinforced by the decision to raise minimum support prices and government purchases of some agricultural products. However, the risks arising from inflation is likely to be mitigated by the RBI's credibility to maintain its 4% inflation target and the projected marginal increases in policy rates.

The weak Rupee will serve to strengthen India's global services exports, and strengthen our edge in the services export market, edging out our emerging competition in Eastern Europe and other parts of Asia. Our combination of high quality deliverables and a weak currency will be extremely compelling in the West.

On a net basis, our domestic outlook as it stands is overwhelmingly positive. We see reason to cross the 8% mark in a year's time, with a weak Rupee but strong domestic consumption. We see an even stronger pick up in a year and into 2020-21.

4. INDUSTRY OUTLOOK

All asset classes in an economy growing as robustly as India's would show great increases in volume and the exchange traded space would benefit highly. As expected, 2019 began with unprecedented volumes in all asset classes, with equities and currencies leading the pack. Both the major traded equity index and the flagship USDINR currency pair continued strongly in the global league tables in the Top Ten.

We see every reason that this trend should continue. Hence, MSE strongly see weekly options as the place where big spikes in volume will be seen.

There will be both speculative opportunity and hedging needs in this contract. Accordingly MSE expects that the exchange traded space will shortly come up with shorter and more exotic versions of this contract that will enable traders and hedgers to take short term positions.

In terms of the types of USDINR derivative positions, MSE see an equal distribution between calls and puts, with a lot of straddle and strangle positions as well as butterfly spreads to provide insurance from big swings. Accordingly MSE also anticipates big moves in open interest from mid-year to the end of 2019.

With favorable regulatory environment, Indian capital markets are expected to remain attractive to both domestic and foreign investors. Initiatives by the government towards ease of doing business, enhanced sectoral caps, simpler mechanism to obtain approval

for investment coupled by tax exemptions is expected to further boost the robust business environment for foreign investors leading to a larger inflow of capital in the coming years as well. This will not only augment the depth, maturity and robustness of the Indian capital markets but also build investor confidence.

Overall, equities, FX and commodities will all grow robustly in 2019-2020. The key factor that should power the industry to its next milestones will be the rise of derivative products. In light of the RBI Governor's recent pronouncement encouraging exotic derivatives, that is a very distinct possibility. We at MSE are working to capitalize on this trend.

5. MSE'S OUTLOOK

MSE's ongoing commitment is to enhance diversification and depth in the Indian capital market, by providing differentiated products and capital positioning required in the asset classes that would drive corporate and national growth.

MSE functions with advanced technology for trading, market risk control and provision of central counter party guarantees. Towards this end, MSE has the full faith and support of the regulators, shareholders and its Board.

As an exchange, MSE is gearing up to meet the opportunities on all these fronts. The exchange is uniquely poised to provide service-based platform offerings in the Listing space including for SME's.

The company is currently focused on developing market share in currency, IRFs and Equity and Equity Derivatives. The company has received SEBI approval for three products namely (i.) Weekly options on USD-INR (ii.) Options on EUR-INR, GBP-INR, JPY-INR (iii.) Options and futures on Cross currency i.e. EUR-USD, GBP-USD, USD-JPY.

6. IMPORTANT DEVELOPMENTS

Enhanced Supervision of Stock Brokers

I. Standardize of Books of accounts

In order to standardize the maintenance of books of accounts / records of Stock Brokers and ensure uniformity across all Stock brokers, a standard format for Register of Securities, Holding Statement, Bank Book and Client Ledger was prescribed in consultation with SEBI & Stock broker associations. Stock brokers were also advised to make necessary changes in their back office in order to comply with requirements and are required to upload the day-wise Holding Statement by selecting the working day to the Exchange on weekly basis.

II. Early Warning Mechanism to prevent diversion of client securities

SEBI has decided to put in place an Early Warning Mechanism and sharing of information between Stock Exchanges, Depositories and Clearing Corporations to detect the diversion of client's securities by the stock broker at an early stage to take appropriate preventive measures. The threshold for such early warning signals are decided by the Stock Exchanges, Depositories and Clearing Corporations with mutual consultation.

SEBI has issued circular number SEBI/HO/MIRSD/DOP/ CIR/P/2018/153 dated December 17, 2018 and inter alia covers the following early warning signals:

1. Significant reduction in net worth over previous half-year / year.
2. Significant losses in the previous half years / years.
3. Delay in reporting of Annual Report, Balance Sheet, Internal Audit Reports, Risk Based Supervision (RBS) data and any other data related to its financial health to the Stock Exchanges / Depositories.
4. Non-recovery of significant dues from debit balance of clients over a period of time.
5. Significant dues to credit balance of clients over a period of time.
6. Failure by stock broker to upload weekly data regarding monitoring of clients' funds as specified in SEBI's circular on Enhanced Supervision, for 3 consecutive weeks.
7. Pledging securities in case of clients having credit balance and using the funds so raised against them for own purposes or for funding debit balance of clients.
8. Mis-reporting / wrong reporting about the client funds / securities.

Graded Surveillance Measure ("GSM")

Under the GSM framework which became effective from March 14, 2017, based on satisfaction of certain pre-defined objective criteria, the securities attract following additional graded surveillance actions such as additional surveillance deposit, once a week trading only, Trade for Trade (TFT), etc.

Additional Surveillance Measure (ASM)

SEBI and Exchanges launched framework for stocks which witness price/ volume volatility in short/ medium term. The ASM framework was introduced on March 21, 2018 and revised subsequently during the FY 2018-19 based on reviews and market conditions.

Under this framework, securities are identified and placed in framework based on pre-defined criteria and additional actions are imposed in form of 100% margin, client specific margins subject to fulfilment of certain conditions, daily price band of 5 % and settlement on gross basis.

On October 31, 2018, the ASM framework underwent a significant revision to include stocks witnessing short term volatility and medium to long term volatility. Under Short Term ASM Framework, securities attract imposition of higher margins whereas under Long Term ASM Framework, actions include reduction

Investor Services

The Investor Services Cell provides the following services:

Redressal of complaints against trading members and Redressal of complaints against listed companies on MSE.

The Company redresses investor complaints against trading members by taking prompt action upon receiving the complaints. Investor complaints against trading members are received through the SEBI Complaints Redressal System ("SCORES") of SEBI, a web based system where investors can lodge their complaints online. The Company in turn communicates the complaints to the trading members electronically, thereby reducing the communication time resulting in expeditious resolution of investor complaints. The trading member sends its reply electronically. The complaints against trading members are redressed through conciliation process by Investor Grievances Redressal Committees ("IGRC") wherein the IGRC is also empowered to decide the claim value.

Investor Awareness Programme

MSE conducts Investor Education and Awareness programmes (IAP) and is building traction through these Programs. These programs connect us with the retail clients.

Around 85% of approximately estimated 323 lakhs registered stock market investors in India are men. While the burgeoning investor base has attracted the younger generation of investors, it hasn't been able to narrow down the gender divide. MSE aims to educate 2 lakh women in on financial literacy.

In its first ever attempt to educate women about share market, and to bridge the gender gap, the Exchange in association with Engendered, a cause marketing ecosystem to support women, organized a conference for women investors in Bangalore. The program received overwhelming response from the audience.

MSE has conducted around 32 Investor Education and Awareness programmes during the FY 2018-2019, out of which 14 were conducted in collaboration with SEBI and 18 exclusively by MSE. All the Investor Awareness Programmes received overwhelming response from the audience.

7. OPPORTUNITIES AND THREATS

The financial sector is an ever-evolving space, with new opportunities and pitfalls, and thus the need for having an efficient platform for hedging and trading. MSE as a market infrastructure institution is committed to providing a diverse product basket with Currency Futures, Currency Options, Interest Rate Futures, Debt Market Equity and Equity Derivatives, along with efficient operational parameters and customer-oriented service offerings to enable an efficient and robust marketplace.

The Exchange has facilitated members a ready-to-use data center with a hosted trading software, which provides instant connectivity at reduced latency to members. Members in or outside Mumbai can get immediate connectivity to the Exchange through this high-speed, ready-to-use data center. Last-mile linkage is enabled through web, thus eliminating time and cost for the PoP / P2P network.

The Exchange provides services like on demand CTCL, Web Trading, Algo and Co-location Connectivity at no cost through its empanelled vendors. Members can directly avail the services through the vendors. For facilitating Algo Traders better, an Algo Test Lab has been setup in the Co-location facility. This will enable members to bring in their own Algo or ISV developed Algo, to test in this setup with data feed. This move will help them test their Algo strategies by running programs/strategies and then start trading.

Threats to the exchange are addressed at length under "Risks & Concerns".

In November last year, SEBI came up with guidelines to usher in interoperability among clearing corporations. Interoperability was introduced with the objective of cutting costs for trading members and bringing in efficiency in clearing and settlement. MSE went live on June 3, 2019 with interoperability.

Interoperability is a mechanism that allows market participants to choose any clearing corporation to settle their trades, irrespective of the exchange where they executed their trades. Thus, participants who trade on multiple exchanges had to necessarily arrange for margin and capital separately at each of the three stock exchanges and their respective clearing corporations. This resulted in inefficient use of capital and high costs. Hence SEBI's decision to link all the clearing corporations in the securities market and allow consolidation of the clearing and settlement function at any one of them. The Indian securities markets is one of the first to bring about interoperability in the derivatives market where risk management is carried out real-time. Globally, though many bourses have tried interoperability, it has been on a smaller scale. Further, the move may unleash more competition for market shares among clearing corporations.

There are several benefits for stock market investors from clearing corporations becoming interoperable. First, it led to efficiency in capital deployment and save costs. An investor trading through the same broker across exchanges is eligible for netting the benefits for his trades in a given security across the exchanges. It has opened up opportunities for trade in different instruments across exchanges for an investor and get him better service from the clearing corporation which now faces more competition in the market than before. Interoperability saves participants from glitches arising in case of problems in a particular exchange or its clearing platform. It separates the execution risk from the settlement risk thus allowing market participants to seamlessly square off their positions in case of stock exchange outages.

With introduction of interoperability the cost of stock exchange could increase for providing space and infrastructure to stock exchanges. Also prior to introducing products a stock exchange would have to obtain approval of the clearing corporation(s), which could delay implementation.

8. SEGMENT WISE PERFORMANCE

The Exchange currently operates four trading platforms which may be considered as different lines of business within the same business segment. Accordingly, the Exchange has only one reportable segment within the meaning of "Indian Accounting Standard 108 - Operating Segments"

Currency Derivatives Segment

(Amount in Lakhs)

Particulars	2018 - 19	2017 - 18
Annual Volume (No. of contracts)	6,771,666	17,849,687
Annual Turnover (Rs. Lakhs)	47,238.52	115,732.78
Average Daily Volume (No. of contracts)	27,867	73,759
Average Daily Turnover (Rs. Lakhs)	194.40	478.23

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. 9 securities were traded on MSE platform during the FY 2018-19. Total volume i.e. traded quantity on MSE platform during the FY 2018-19 in the Capital Market Segment was 14,16,864 shares and the total value traded being Rs 3029 lakhs.

Companies Listed on the Exchange:

During the year under review, the Exchange has been aggressively listing new companies on its equity platform. The count of listed companies increased from 270 in FY 2017-18 to 287 in FY 2018-19. This includes companies listed on other nationwide stock exchanges as well as companies from regional stock exchanges. As on March 31, 2019, out of the 287 listed companies, there are 226 companies

which are exclusively listed on MSE. The Exchange has attracted these companies by demonstrating various unique services especially designed for companies and reasonable fee structure.

9. RISKS AND CONCERNS

The Company faces competition from existing and potential new players in the industry, which could adversely affect our business, operations and financial situation.

The Company operates in a very competitive environment and faces competition from BSE and NSE in its product segments. There could also be newer exchanges starting operations in these segments. MSE has a well differentiated market and product strategy to carve a niche. We face significant competition for listings, clearing, trading and settlement in its product segments. As a result of increased liberalization and globalization of the world capital markets, industry consolidation and an increasing number of traditional and non-traditional trading venues, we expect such competition to continue. We compete with national market participants in India, in a variety of ways, including the cost, quality and speed of trade execution, market liquidity, functionality, ease of use and performance of trading systems, the range of products and services offered to customers and listed companies, and technological innovation and reputation.

Increased competition from existing and potential competitors could cause us to experience a decline in our share of listing, clearing, trading and settlement activity. Such a decline would translate into a decrease in associated transaction fees, clearing and settlement fees, our proportionate share of market data fees, net investment income, custody fees and other related revenue, which would materially adversely affect our financial conditions and results of operations. In addition, increased competition particularly in a highly regulated environment may exert a downward pressure on fees in order for us to remain competitive, which could materially adversely affect our business, financial condition and results of operations. We could lose a substantial percentage of our market share of trading or listings if we are unable to effectively compete on price, or our profit margins could decline if we reduce pricing in response to increased competition.

If we fail to compete successfully, our business, financial condition and results of operations may be materially adversely affected.

The Company is exposed to credit risks with respect to our clearing members.

The settlement of trades executed on the exchange is guaranteed through an independent and qualified clearing corporation, MCCIL which is a 95.85% subsidiary of MSE. MCCIL assumes the central counterparty risk for each trade cleared and incurs credit exposure to clearing participants. As a result, MCCIL is subject to credit risk, liquidity risk, settlement risk and collateral risk in clearing and settlement business. Clearing participants may encounter economic difficulties for a variety of reasons, which could result in default on settlement obligations. Besides settlement risk, MCCIL is also subject to liquidity risk when either a clearing member defaults or is delayed in fulfilling its obligations or when a clearing bank defaults or delays in facilitating the pay-out of funds. MCCIL is also subject to collateral risk, where we are either unable to access the collateral deposited in a timely manner or face extreme market conditions that result in a reduction in the liquidation value of the collateral compared to the obligation which the collateral secures. Although MCCIL attempts to minimize exposure to such counterparty credit risks through rules and risk management measures, these measures may not be sufficient to detect problems and in certain circumstances, clearing participants might suffer difficulties that would impair their capacity to meet their financial performance obligations to MCCIL. If such impairment were to occur, MCCIL's measures to offset counterparty default risk and our financial resources, including the Core Settlement Guarantee Fund, might not prove sufficient to protect us from any counterparty defaults or from the material adverse effects of such defaults. Our results of operations could therefore be further materially adversely affected by losses sustained by MCCIL as a result of participant defaults on settlement obligations. Our business operations are also affected by timely and efficient transfer of securities to and from the depositories, NSDL and CDSL, by MCCIL.

Risk in delay in implementation, or failure to implement, our growth strategies.

The Company is in an expansion phase and is targeting to acquire a major market share in focused segments. There may be a risk of execution of the expansion strategy, which could impact the projected increase in the turnover of the Company and thereby directly or indirectly impacting the projected revenues. There may also be a lag effect in the percolation of the benefits of implementations of such a strategy. Further, our growth strategies, which involve various facets of operations, financial planning, product launches, brand building, vendor management, could be impacted due to internal or external factors.

Annual budgeting, break up of business plans into various projects and timelines, effective management information system and delegation are steps taken by the Company to ensure that we meet our timelines of implementation.

Execution Risk

Your company operates in a manner wherein they create various plans and strategies to roll out various products in markets. Business is dependent on successful rollout of these products which includes identifying the product concept, structuring and completing the research around the product, testing the product in paper and dummy environment, doing technological development of software and related integrations with respective segments in markets. Further, there are SEBI approvals required to bring these products in the market.

Accordingly organization faces execution risk in making the product live in terms of facing challenges and hurdles in setting various above aspects completed successfully besides SEBI and regulatory approvals which can impact the launch or delay of the same.

Lastly execution in terms of appropriate branding and Marketing strategies is required to achieve the members and make clients to trade in exchange is one risk which also impacts the products, business and related revenues.

Exchange is proactively taking various steps to address and mitigate various above listed risks.

Accounting Risks

Organization is faced with accounting risks wherein there are various assets capitalized in the Balance Sheet which may have to be impaired if there is in-sufficient revenue that arise out of those assets over a period of time and there is lack of Business benefit as per accounting regulation IND-AS.

The company continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses during the current year.

Pursuant to amendment of SECC Regulations, our subsidiary Metropolitan Clearing Corporation of India Ltd. (MCCIL) has initiated capital reduction amounting to Rs. 17,000 Lakhs.

The company during previous year had received SEBI approval for three products namely 1. Weekly options on USD-INR 2. Options on EUR-INR, GBP-INR, JPY-INR 3. Options and futures on Cross currency i.e. EUR-USD, GBP-USD, USD-JPY. Company foresees better business from same, hence prepared the accounts on going concern basis. In the opinion of the management, the carrying value of the

Tangible and Intangible assets is higher than the recoverable value and due to the measures taken for reduction in cost, proposed capital reduction in MCCIL, etc. will enable future growth with higher visibility. Further, Exchange and MCCIL has successfully gone live on interoperability on 3 June 2019, we expect it to result into significant shift of market share from dominant stock exchanges to other stock exchanges. The above said measures will result into increased market share and accordingly no impairment testing is carried out with respect to tangible and intangible assets. As mentioned above, the company expects improved revenue earnings in the future years.

SEBI License

Exchange renews and applies for its SEBI license every year. If the license is not renewed then it will impact the business and operations of the exchange. One of the critical component is fulfilling networth requirement of Rs. 100 crore by the Company (computed as per SEBI Regulations). We believe this requirement will be fulfilled and would be above the threshold requirements after the Exchange receives its portion of funds upon capital reduction of MCCIL.

Our operations are dependent on communications systems and technology platform. Any capacity constraints or failure that causes an interruption to our services or responsiveness could harm our reputation and business.

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. We have improved latency and backup of our communication systems. Regular system audits are conducted for identifying risks and compliance. All necessary software and hardware up gradations are undertaken on time. Annual maintenance contracts are maintained for all critical communication functions and systems.

We operate in a highly regulated sector

We require a number of regulatory approvals for operation or growth of our business, appointment of Managing Director and the failure to obtain the same in a timely manner or at all, may subject us to sanctions and penalties pursuant to inspection and supervision by regulatory authorities, including the SEBI, or otherwise adversely affect our operations. Also, delay in approvals including approval for products or appointment of Managing Director will also adversely affect our operations.

We/our subsidiary, MCCIL (on whom we depend for clearing services) require a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of our business verticals. Further, our operations are subject to continuous review and the governing regulations may change. While we believe that we currently have or have applied for all material approvals required for our business/products, we may not have, or may not receive, all necessary approvals, or be able to obtain renewals of all our approvals within the time frames anticipated by us or may not obtain the same at all, which could adversely affect our business. Failure to obtain, renew or maintain any required approvals, permits or licenses or to meet any regulatory requirements may result in the interruption of all or some of our operations, constrain our ability to scale-up our business or to introduce new products and services and could materially and adversely affect our business and financial results.

Damage to our reputation could materially affect our business.

We operate in an industry where reputation and customer confidence (including that of issuers, financial intermediaries and investors) are extremely important. Due to the role that we perform in the Indian capital, derivatives and foreign exchange markets, errors in our transaction systems, interruptions in trading, operational errors, inadvertent leakages of confidential information relating to customers, court cases, press speculation or other unfavourable information could damage our brand and reputation. The actions of other entities in the exchange market, including issuers, financial intermediaries and competing trading platforms, acting contrary to accepted standards of conduct or market practice could undermine general confidence in the Indian markets and in our business. Finally, our members and employees may engage in fraud or other misconduct, and although we take precautions to prevent and detect this activity, such precautions may not be effective in all cases, which could result in sanctions or serious harm to our reputation.

We cannot guarantee that these issues will not occur, thereby resulting in market disruption, regulatory investigations and reputational damage. Damage to our reputation may cause some issuers not to list their securities on the exchange as well as steer investors to what they deem to be more reliable exchanges thereby reducing the trading volume on the exchange. As a result, such reputational damage or any litigation or investigations may affect our business, financial condition and results of operations.

10. IMPAIRMENT OF SOFTWARE

We await to see revival of equities segment and other revenue streams, however, if it does not materialize, impairments may have to be done for the software appropriately.

11. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

12. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Revenue

During the year, processing fees decreased to Rs. 77 lakhs in FY 2018-19 compared to Rs. 238 lakhs in 2017-18. The listing fees increased in FY 2018-19 to Rs. 173 lakhs as compared to Rs. 104 lakhs in FY 2017-18. Transaction fees decreased to Rs. 62 lakhs in FY 2018-19 as compared to Rs. 216 lakhs in FY 2017-18. Total revenue from operations stood at Rs. 583 lakhs in FY 2018-19 as against Rs. 849 lakhs in FY 2017-18. The other income increased to Rs. 712 lakhs in FY 2018-19 as compared to Rs. 510 lakhs in FY 2017-18.

Expenditure

The operating expenses reduced from Rs.1,334 lakhs in FY 2017-18 to Rs.965 lakhs in FY 2018-19. Employee benefit expenses, depreciation and amortization expenses are also reduced. Advertising expenses has decreased from Rs. 804 lakhs in FY 2017-18 to Rs. 194 lakhs in FY 2018-19. The Finance cost has increased to Rs. 111 lakhs for FY 2018-19 as compared to Nil in FY 2017-18.

Balance Sheet

As on March 31, 2019, the share capital stood at Rs. 48,052 lakhs as against Rs. 47,774 lakhs as on March 31, 2018.

13. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Our headcount as on March 31, 2019 stood at 154 as against 150 as on March 31, 2018. 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, learning & development programs, initiatives to increase workplace diversity can increase productivity. The Company focuses to achieve such excellence through engagements in learning, quality, teamwork, and reengineering of the processes deployed at work.

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

	Particulars	Standalone			Consolidated		Change in %
		2018-19	2017-18	Change in %	2018-19	2017-18	
i)	Debtor Turnover (Times)	9.74	7.67	-27%	6.02	17.93	66%
ii)	Inventory Turnover (Times)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
iii)	Interest Coverage Ratio (Times)	-0.02	-	100%	-0.03	-	100%
iv)	Current Ratio (Times)	0.42	1.21	65%	4.78	3.01	-59%
v)	Debt Equity Ratio (Times)	0.23	0.16	-44%	0.54	0.34	-61%
vi)	Operating Profit Margin (%)	-793%	-656%	-21%	-4.65	-6.45	28%
vii)	Net Profit Margin (%)	-814%	-654%	-25%	-5.10	-6.44	21%
viii)	Return on Net Worth (%)	-13%	-14%	4%	-11%	-13%	18%

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

Return on Net Worth is -13 % for FY 2018-19 as compared to -14% in FY 2017-18. 4% change is on account of Reduction in losses by Rs.796 Lakhs and Right issue of share of Rs. 556 Lakhs in the FY 2018-19 (with premium of Re. 1 Per share).

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 X - Boards Report

CORPORATE GOVERNANCE REPORT

Metropolitan Stock Exchange of India Limited (MSE) (the Exchange) is a public limited company, the securities of which are not listed on any stock exchange. The Corporate Governance report for Financial Year ("FY") 2018-19, which forms part of Boards' Report, is prepared pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). This report is in compliance with the Listing Regulations 2015.

1. Company's Philosophy on Code of Governance

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

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

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 ("the Act"). The Company always endeavors to adopt highest corporate ethical standards in all its actions thereby reinforcing that the Company's Management is the trustee of its shareholders' capital and not the owner of it.

The Company is in compliance with the requirements stipulated under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, ("SECC Regulations") and SEBI Listing Regulations, 2015, as applicable, with regard to corporate governance.

2. Board of Directors

A. Composition:

The Company being a Stock Exchange is regulated by SEBI and is required to comply with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) 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, the Board of the Company comprises of Public Interest Directors and Shareholder 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 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 2018-19. As on March

31, 2019 the composition of the Board of Directors was:

Name of the Directors	Category & DIN
Mr. Dinesh Kumar Mehrotra	Chairman & Public Interest Director 00142711
Mr. Ketan Vikamsey	Public Interest Director 00282877
Mr. Sudhir Bassi	Shareholder Director 07819617
Ms. Trishna Guha*	Public Interest Director 08200779
Mr. S.V.D. Nageswara Rao*	Public Interest Director 02105323
Mr. Vijay Sardana**	Public Interest Director 01977874

Note:

*Mr. S.V.D. Nageswara Rao was appointed as PID with effect from October 4, 2018;

**Ms. Trishna Guha appointed as PID with effect from October 4, 2018;

** Mr. Vijay Sardana appointed as PID with effect from April 27, 2019

Note: Mr. Udai Kumar completed his term as MD & CEO with effect from January 21, 2019.

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

During the financial year ended March 31, 2019, eleven (11) meetings of the Board of Directors were held. The dates of the Board Meetings are: May 10 2018, June 7 2018, June 23 2018, July 17 2018, July 26 2018, August 6 2018, August 13 2018, September 12 2018, November 2 2018, February 5 2019 and March 6, 2019.

The attendance details and number of directorships and committee positions held by the Directors as on March 31, 2019 are given below:

Sr. No	Name of Director	Category	Attendance at Board Meetings during FY 2018-19		Whether attended last AGM held on 26.09.2018	No. of Directorship(s) held in other companies		Number of Committee positions held in other public companies	
			Held during the tenure of the Director	Attended		Public Limited	Private Limited	Chairman	Member
1	Mr. Dinesh Kumar Mehrotra	PID	11	11	Yes	4	2	2	5
2	Mr. Ketan Vikamsey	PID	11	10	Yes	-	-	-	-
3	Mr. Sudhir Bassi	SHD	11	8	Yes	-	-	-	-
4	Ms. Trishna Guha*	PID	3	3	NA	-	-	-	-
5	Mr. S.V.D Nageswara Rao*	PID	3	3	NA	-	1	-	-
6	Mr. Ajai Kumar**	PID	6	5	NA	1	-	-	-
7	Mr. D.G. Patwardhan***	PID	6	5	NA	1	-	-	-
8	Mr. Udai Kumar****	MD & CEO	11	4	No	2	-	-	-
9	Mr. Vijay Sardana*****	PID	-	-	-	-	-	-	-

Notes:

* Ms. Trishna Guha was appointed as PID with effect from October 4, 2018;

* Mr. S.V.D. Nageswara Rao was appointed as PID with effect from October 4, 2018;

**Mr. Ajai Kumar resigned as PID with effect from August 6, 2018

***Mr. D.G. Patwardhan resigned as PID with effect from August 7, 2018;

**** Mr. Udai Kumar completed his term as MD & CEO with effect from January 21, 2019.

*****Mr. Vijay Sardana was appointed as PID with effect from April 27, 2019

NOTES:

i. All directors are Non-Executive and Public Interest Directors except Mr. Sudhir Bassi who is a Non-Executive and Shareholder Director.

ii. All Public Interest Directors are Independent Directors

iii. The Directorships/ Committee memberships held by Directors as mentioned above, do not include foreign companies and companies under Section 8 of the Companies Act, 2013

iv. Memberships/ Chairmanships of only the Audit Committee/Stakeholders' Relationship Committee/NRC of all Public Companies have been considered above.

v. None of the Directors are related to each other.

vi. None of the Director hold any shares in the Company.

vii. The weblink of directors' familiarisation programme imparted to independent directors is <https://www.msei.in/SX-Content/common/MCX-SX-About-Us/policy/2015/May/FAMILIARIZATION-PROGRAM-FOR-PUBLIC-INTEREST-DIRECTOR.pdf>

viii. Details of Directors

The profiles of the directors are available on the Company's website at the following link: <https://www.msei.in/about-us/board-of-directors>

3. Audit Committee:

A. Composition, Meetings and Attendance:

During the year the Committee met five (5) times. The meetings were held on May 10 2018, August 13 2018, November 2 2018, February 5 2019 and March 6, 2019. Besides, the members of the Audit Committee, 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 and Mr. Ketan Vikamsey is the Chairman of the Committee. The details of the Composition and attendance of the members of the committee as on March 31, 2019 are listed below:

Members	Category	Meetings held during the tenure	Meetings Attended during the tenure
Mr. Ketan Vikamsey Public interest Director and Chairman of the Committee	Independent Director	5	5
Mr. Dinesh Kumar Mehrotra Public Interest Director	Independent Director	5	5
Mr. Sudhir Bassi	Shareholder Director	5	4
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	-	-
Mr. D.G. Patwardhan**** Public Interest Director	Independent Director	1	1

Note:

* Ms. Trishna Guha appointed as PID with effect from October 4, 2018;

** Mr. S.V.D. Nageswara Rao was appointed as PID with effect from October 4, 2018;

*** Mr. Vijay Sardana appointed as PID with effect from April 27, 2019

**** Mr. D.G. Patwardhan resigned as PID with effect from August 7, 2018;

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, 2015 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 four (4) times during the year. The meetings were held on May 10 2018, November 30 2018, February 5 2019 and March 05, 2019. The details of Composition and participation of the members at the meetings of the committee as on March 31, 2019 were as under:

Members	Category	Meetings held during the tenure	Meetings attended during the tenure
Ms. Trishna Guha* Public interest Director and Chairperson of the Committee	Independent Director	3	3
Mr. Dinesh Kumar Mehrotra Public interest Director	Independent Director	4	4
Mr. Ketan Vikamsey Public interest Director	Independent Director	4	4
Mr. Sudhir Bassi	Shareholder Director	4	3
Mr. S.V.D. Nageswara Rao** Public interest Director	Independent Director	3	3
Mr. D.G. Patwardhan*** Public interest Director	Independent Director	1	1
Mr. Ajai Kumar**** Public interest Director	Independent Director	1	1

Note:

*Ms. Trishna Guha appointed as PID with effect from October 4, 2018;

** Mr. S.V.D. Nageswara Rao was appointed as PID with effect from October 4, 2018;

*** Mr. D.G. Patwardhan resigned as PID with effect from August 7, 2018;

****Mr. Ajai Kumar resigned as PID with effect from August 6, 2018

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 2018 and the Companies Act, 2013 for remunerating the Executive Directors, Non-Executive Directors, Key Managerial Personnel and the Employees. The policy has been placed at MSE's website i.e. www.msei.in.

D. Performance Evaluation Criteria for Independent directors

With the objective of enhancing the effectiveness of the Board, the NRC formulated the methodology and criteria to evaluate the performance of the Board and each director. The NRC at its meetings discussed and 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 recently 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 recognized 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

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

5. Remuneration of Directors
a) All pecuniary relationship or transactions of the non-executive directors

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

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

NAME OF THE DIRECTOR	SITTING FEES (IN RS.)
Mr. Dinesh Kumar Mehrotra	15,70,000/-
Mr. Ketan Vikamsey	13,70,000/-
Mr. Sudhir Bassi	8,10,000/-
Ms. Trishna Guha*	6,00,000/-
Mr. S.V.D. Nageswara Rao*	5,80,000/-
Mr. D.G. Patwardhan**	6,50,000/-
Mr. Ajai Kumar***	6,70,000/-

Note:

*Ms. Trishna Guha was appointed as PID with effect from October 4, 2018;

* Mr. S.V.D. Nageswara Rao was appointed as PID with effect from October 4, 2018;

** Mr. D.G. Patwardhan resigned as PID with effect from August 7, 2018;

***Mr. Ajai Kumar resigned as PID with effect from August 6, 2018

c) The details of remuneration paid to Executive Director for the financial year ended March 31, 2019 are provided hereunder:

Particulars	Mr. Udai Kumar MD & CEO
Salary and allowances	Rs. 65,17,146
Period of Service Contract	For a period of three years from January 22, 2016 to January 21, 2019

6. Stakeholder Relationship Committee:
A. Composition and Terms of Reference

The Committee met 1(one) time during the year. The Chairman of the Committee is Mr. S.V.D. Nageswara Rao. The meeting was held on November 30, 2018. The details of Composition and participation of the members at the meetings of the committee as on March 31, 2019 were as under:

Members	Category	Meetings held during the tenure	Meetings attended during the tenure
Mr. S.V.D. Nageswara Rao* (Chairman of the Committee)	Public Interest Director	1	1
Mr. Sudhir Bassi	Shareholder Director	1	1
Mr. Dinesh Kumar Mehrotra	Public Interest Director	1	1

Note: * Mr. S.V.D. Nageswara Rao was appointed as PID with effect from October 4, 2018.

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 Listing (Obligation and Disclosure Requirements) Regulation, 2015 is given below:

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

C. **Name and Designation of Compliance Officer**
 Mr. P. K. Ramesh - Chief Regulatory Officer & Compliance Officer (w.e.f. August 6, 2018)

D. **Name and Designation of Company Secretary**
 Mr. Yashwant Kakade - Company Secretary (w.e.f. November 2, 2018)

E. **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	4	4	0

7. Public Interest Director Committee:

A. Composition, Meetings and Attendance:

During the year the Committee met two (2) times. The meetings were held on June 7, 2018 and November 30, 2018. The Company Secretary acts as the Secretary to the Committee and Mr. Ketan Vikamsey is the Chairman of the Committee. The details of the Composition and attendance of the members of the committee as on March 31, 2019 are listed below:

Members	Category	Meetings held during the tenure	Meetings Attended during the tenure
Mr. Ketan Vikamsey Public interest Director and Chairman of the committee	Independent Director	2	2
Mr. Dinesh Kumar Mehrotra Public Interest Director	Independent Director	2	2
Ms. Trishna Guha* Public Interest Director	Independent Director	1	1
Mr. S.V.D. Nageswara Rao* Public interest Director	Independent Director	1	1
Mr. Ajai Kumar **	Independent Director	1	1
Mr. D.G. Patwardhan*** Public Interest Director	Independent Director	1	1

Note:

* Ms. Trishna Guha was appointed as PID with effect from October 4, 2018;

* Mr. S.V.D. Nageswara Rao was appointed as PID with effect from October 4, 2018;

**Mr. Ajai Kumar resigned as PID with effect from August 6, 2018;

***Mr. D.G. Patwardhan resigned as PID with effect from August 7, 2018;

B. **Terms of Reference (TOR):**

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

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

C. 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
2017-18	September 26, 2018 at 11:30 a.m.	Banquet Hall, Ground Floor, MCA Recreation Centre, RG-2, G-Block, Bandra	NA
2016-17	September 14, 2017 at 11:30 a.m.	- Kurla Complex, Bandra (East), Mumbai - 400 051	To authorise the Board for increase in investment limit
2015-16	August 20, 2016 at 11.00 am	Vibgyor Towers, 4th Floor, Plot no. C-62, G Block, Bandra Kurla Complex, Bandra East, Mumbai- 400098	Appointment and remuneration of Mr. Udai Kumar, Managing Director & Chief Executive Officer

ix. *No Extraordinary general meeting of the members was held during FY 2018 -19*

B. **Postal Ballot**

The Company has not passed any resolution by way of postal ballot during the financial year ended March 31, 2019 and no

resolution was proposed to be conducted through postal ballot.

9. Means of Communication:

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

10. General Shareholder Information:

Day, Date, Time and Venue of Annual General Meeting (2018-2019)	Monday, September 23, 2019 at 11.00 a.m. Venue:- MIG Cricket Club, 2nd floor, Galaxy Hall, Ramakrishna Paramahans Marg, MIG Colony, Bandra East, Mumbai, Maharashtra 400051
Financial year	April 01, 2018 to March 31, 2019
Dividend payment date	Not Applicable
Listing on Stock Exchanges	The Company is not listed on any stock exchange.
Stock Market Code, Market Price Data and share price performance to broad based indices	Not applicable as the Company is not listed on any stock exchange
Registrars & Share Transfer Agents	Karvy Fintech Private Limited Selenium Tower B, Plot No. 31 & 32, Financial District, Gachibowli, Hyderabad 500 032, India. Tel: +91-040-6716 2222
Share transfer System	100% of Equity Shares of the company are in electronic form. Transfer of shares is done through depositories with no involvement of the company.
Dematerialization of Shares and liquidity	As required under SEBI Regulations, the entire 4,810,217,033 equity shares of the Company as on March 31, 2019 are under dematerialized (electronic) form. The equity shares of the Company have been admitted for dematerialization with both the depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). ISIN of the equity shares of the Company is INE312K01010.
Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	As at March 31, 2019, the Company had no outstanding Warrants.
Exchange operations are located at and Address for Correspondence	4th Floor, Vibgyor Towers, C-62, G Block Bandra Kurla Complex, Bandra, (East), Mumbai- 400098. Tel: 61129000 Email id: secretarial@msei.in Website: www.msei.in

11 Distribution of Shareholding as on March 31, 2019:

Sr. no	Category	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1	up to 1 - 5000	11,481	27.14	3,67,39,757	0.76
2	5001 - 10000	8,279	19.57	7,44,41,594	1.55
3	10001 - 20000	5,904	13.96	9,59,30,229	2.00
4	20001 - 30000	3,887	9.19	10,14,13,845	2.11
5	30001 - 40000	1,615	3.82	5,93,85,529	1.23
6	40001 - 50000	2,662	6.29	13,03,78,770	2.71
7	50001 - 100000	4,329	10.23	36,79,21,742	7.65
8	100001 & ABOVE	4,146	9.80	3,94,40,05,567	81.99
	Total	42,303	100.00	4,81,02,17,033	100.00

12 Category - wise Shareholding Pattern as on March 31, 2019:

Sr. No	Category	No. of Shareholders	No. of shares held	% of shareholding
(A)	PROMOTER AND PROMOTER GROUP	NIL	NIL	NIL
(B)	PUBLIC SHAREHOLDING			
(a)	Financial Institutions /Banks	20	71,87,92,705	14.94
(b)	Bodies Corporate	208	92,81,79,109	19.30
(c)	Individuals	40,593	2,46,95,81,983	51.34
(d)	HUF	1302	21,83,67,120	4.54
(e)	Trusts	1	56,72,734	0.12
(f)	Non-Resident Indian	179	46,96,23,382	9.76
	Total B	42,303	4,81,02,17,033	100.00
	Total (A+B)	42,303	4,81,02,17,033	100.00

13 Other Disclosures:

a. CEO Certification

The 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 2018-19, 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 Company has not entered into any materially significant related party transactions that may have potential conflict with the

interests of the Company at large. 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 <https://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:-

SEBI had renewed the recognition of the Exchange for a further period of one year commencing from September 16, 2018 to September 15, 2019 subject to condition that the Exchange shall build its Networth (undisputed) to the level as prescribed in SECC regulation 2012 within the period of three month from the date of renewal of recognition.

SEBI had granted renewal to the Exchange and asked to ensure the net worth of Rs.10,000 lakhs within six months from the date of amendment of SECC Regulations, 2018 (i.e. October 3, 2018). As on March 31, 2019, the net worth of the Exchange was only Rs.7397 lakhs. The Exchange had requested SEBI for extension of time to comply with the above requirement up to August 31, 2019. The subsidiary of the Exchange M/s. Metropolitan Clearing Corporation of India Limited (hereinafter “MCCIL”) has initiated capital reduction process amounting to Rs.17,000 lakhs which is pending with NCLT, Mumbai. MCCIL expects to receive requisite approval in due course which will result in the increase of Net Worth of the Exchange by Rs.16280 lakhs and accordingly the Exchange will be able to comply with the net worth requirement mentioned aforesaid.

In 2018-19, there were no Penalties or strictures imposed on the Exchange by SEBI or any statutory authority, on any matter related to the capital markets.

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

The Company has adopted a Code for all the Board Members, Key Management Personnel and Employees which includes a Whistle Blower Policy. This policy enables an employee to report any actual or possible violation of the code of conduct. Further, the mechanism adopted by the Whistle Blower policy is to report genuine concern or grievances and provide for adequate safeguard against victimization of whistle blower who can avail of such mechanism and also to provide for direct access to the Chairman of the Audit committee in exceptional cases.

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 blower was denied access to the Audit Committee during FY 2018-19 to the knowledge of the Compliance Officer. The same is reviewed by the Audit Committee on a quarterly basis.

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. The Committee of Public interest Directors had appointed an Independent and reputed investigation firm to investigate the matters as per the SEBI Directive. The investigation has been completed and the report has been submitted to SEBI in December 2018.

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

As per regulation 33 of SECC Regulations, 2018, the disclosure requirements and corporate governance norms as applicable to a listed entity are mutatis mutandis applicable to a recognized stock exchange. The Company has complied with the applicable mandatory requirements of Listing Regulation unless stated otherwise.

The Company has complied with the following Non-Mandatory requirements:

- The Company has appointed separate persons to the post of Chairman and is in the process of appointing the Managing Director & CEO.
- The Internal Auditor reports directly to the Audit Committee.

g. Policy for determining material subsidiaries

As on March 31, 2019 the Company holds 95.85% of the paid-up capital of Metropolitan Clearing Corporation of India Limited (MCCIL) and 100% of MCX-SX KYC Registration Agency Limited (MCX-SX KRA). 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.

Category	No. of Shareholders	No. of shares	Percentage (%)
NSDL	18,663	2,905,339,073	60.399334
CDSL	23,640	1,904,877,960	39.600666
Total	42,303	4,810,217,033	100.00

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

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2019, 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 a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

k. A certificate has been received from DSM & Associates, 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, the Interim CEO and the CFO 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 Committees and taken on record by the Board as annexed in **ANNEXURE D**.

m. Details of fees paid to Statutory Auditor

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

Sr. No	Nature of Audit	(Rs.)
1	Statutory Audit	800,000
2	Limited Review Audit	450,000
3	Tax Audit	225,000
4	Fees for other matters	15,00,000
	Total	29,75,000

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 SEBI (LODR), 2015

There are no such issues taken place during the year hence, not applicable.

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

Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management team to make decisions in uncertain environments
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective shareholder engagements and driving corporate ethics and values.
Specific Skill Set	Capital/ Commodity 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

 Dinesh Kumar Mehrotra
 Chairman
 DIN: 00142711

 Date: June 26, 2019
 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 2018-19 as adopted by the Board of directors.

 Balu Nair
 Interim CEO

 Dated: May 7, 2019
 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, 2018 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.

Accordingly, we have examined the compliance of conditions of Corporate Governance by Metropolitan Stock Exchange of India Limited (hereinafter known as "the Company"), for the year ended March 31, 2019 as stipulated in Regulations 17, 18, 19, 20, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out and examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 our examination of the relevant records and the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 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.

 For DSM & Associates,
 Company Secretaries

 Sd/-
 CS Sanam Umbargikar
 Partner
 M. No.: 26141
 COP No.9394

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
 Vibgyor Tower, 4th Floor, G Block C62,
 Bandra Kurla Complex, Bandra (E)
 Mumbai 400098

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 Vibgyor Tower, 4th Floor, G Block C62, Bandra Kurla Complex, Bandra (E) Mumbai 400098 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities 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 me 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, 2019 have been debarred or disqualified from being appointed or continuing as Directors of the 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	Appointment date
1	Mr. Dinesh Kumar Mehrotra	00142711	January 5, 2017
2	Mr. Ketan Vikamsey	00282877	April 5, 2017
3	Mr. Sudhir Bassi*	07819617	October 26, 2017
4	Ms. Trishna Guha	08200779	October 4, 2018
5	Ms. SVD Nageswara Rao	02105323	October 4, 2018
6	Mr. Vijay Sardana	01977874	April 27, 2019
7	Mr. Udai Kumar**	06750460	January 21, 2016
8	Mr. Ajai Kumar***	02446976	April 5, 2017
9	Mr. D.G. Patwardhan****	06914050	January 5, 2017

NOTES:

* Mr. Sudhir Bassi was reappointed on November 02, 2018 post approval from Shareholders and SEBI.

** Mr. Udai Kumar completed his term as MD & CEO with effect from January 21, 2019.

*** Mr. Ajai Kumar resigned as PID with effect from August 6, 2018

**** Mr. D.G. Patwardhan resigned as PID with effect from August 7, 2018;

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion 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.

For DSM & Associates,
 Company Secretaries
 Sd/-
 CS Sanam Umbargikar
 Partner
 M. No.: 26141
 COP No.9394

Date: June 26, 2019
 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, Mr. Balu Nair, Interim CEO and Mr. Kunal Sanghavi, Chief Financial Officer of Metropolitan Stock Exchange of India Limited, to best of our knowledge and belief, do hereby certify that:

1. We have reviewed the Financial Statement and the Cash flow Statement of the Company for the financial year ended March 31, 2019;
 - 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, 2019 which are fraudulent, illegal or in violation of the Company's Code of Conduct;
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,

Sd/-

Balu Nair
Interim CEO

Dated: May 7, 2019
Place: Mumbai

Sd/-

Kunal Sanghavi
Chief Financial Officer
PAN: BBQPS1323A

INDEPENDENT AUDITOR'S REPORT - STANDALONE

To

The members of Metropolitan Stock Exchange of India Limited

1. Qualified Opinion

We have audited the accompanying standalone financial statements of Metropolitan Stock Exchange of India Limited ('Company'), which comprise the Standalone Balance Sheet as at 31st March 2019, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Change in Equity, the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS'), gives the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

The company continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses during the current year, business volumes are further reduced and there is no clarity on increase in revenue in future. However, as advised, the company is working on a detailed plan for turn around and is confident of getting the required funds from its subsidiary company in the coming period, increase the volume and make profits in future years and hence prepared the accounts on going concern basis. In spite of continuous losses, the company has not carried out the detailed impairment testing to ascertain carrying value of fixed assets having net book value of Rs.4180 Lakhs. The management has also considered the GST Credit available amounting to Rs.4000 Lakhs and MAT Credit Entitlement amounting to Rs.186 Lakhs as recoverable, basis the same. We are unable to comment on the non-impairment and recoverability of the same and the adjustments, if any, that will be arising out of the same.

We conducted our audit 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 Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

3. Emphasis of Matter

We draw attention to Note 45 of standalone financial statement, which describes that 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. As at March 31, 2019 the net worth of the Exchange is Rs 7,397 Lakhs and the Company has asked SEBI for extension to comply with the above requirement vide letter dated March 14, 2019. Our opinion is not modified in respect of this 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Identification of Onerous Contract

As per Ind AS 37 "Provision, contingent liabilities and contingent assets", an onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The company has an unavoidable long-term contract with one of the service providers which constitutes approx. 80% of the Technology Cost (refer note 28) for the year ended 31st March 2019.

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 31.03.2019.

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available 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.

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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 and Board of Directors are 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 is also 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.
- 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.

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 auditor's 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, has been completed. As explained, the final report for the same is submitted to the Securities Exchange and Board of India (SEBI).

9. Report on Other Legal and Regulatory Requirements

- a. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- b. As required by Section 143(3) of the Act, based on our audit, we report that:
 - i. We have sought and obtained, except for the matters described in the Basis for Qualified Opinion paragraph, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - iii. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - iv. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - v. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - vi. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - vii. The qualification relating to the maintenance of accounts and other matters connected herewith are as stated in the Basis for Qualified Opinion paragraph above.
 - viii. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
 - ix. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statement. (Refer note 33)
 - ii. The company has entered into various contracts including long term contracts with a company towards software license and maintenance agreements etc. The continuance of these 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 financial statements including penalty and charges if any cannot be commented upon. (Refer note 33)
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - 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 given 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

Place of Signature: Mumbai
Date: 7th May, 2019.

ANNEXURE A TO THE AUDITOR'S REPORT

The annexure referred to in Independent Auditors' Report to the member of Metropolitan Stock Exchange of India Limited ('Company') on the standalone financial statement for the year ended 31st March 2019, we report that;

(i) Fixed Assets

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) As per the explanation and information given to us, the Company has a regular program of physical verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the informations and explanations given to us, there is no Immovable Property in the books of accounts of the Company. Accordingly, reporting under paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The nature of business of the company does not require to have any physical inventory. Accordingly, reporting under paragraph 3(ii) of the Order is not applicable to the company.
- (iii) The Company, during the year, has not granted any Secured or unsecured loan to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Accordingly, reporting under paragraph 3 (iii) (a), (b) and (c) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanation given to us, the company has not accepted any deposits which are covered under the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder. Accordingly, reporting under paragraph 3 (v) of the order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act for the business activities carried out by the Company. Accordingly, reporting under paragraph 3(vi) of the order is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of Statutory Dues:
 - a) The Company has generally been regular in depositing its undisputed statutory dues (with respect to amounts deducted / accrued in the books of account) including provident fund, employees state insurance, income-tax, goods and services tax, cess and other material statutory dues (where applicable) to the appropriate authorities. There were no material undisputed dues payable, outstanding as on 31st March, 2019 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, the following dues of Income Tax has not been deposited by the Company on account of dispute;

Name of the Statute	Nature of Dues	Amount (in Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Demand under section 156	9,21,38,040 (excl. interest)	AY 2012 - 13	CIT Appeal

 Refer note 33 of the financial statement
- (viii) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not defaulted in the repayment of loans or borrowings to banks. Company has not availed any loan or borrowing from financial institutions or government and also did not have any debentures outstanding during the year.

- (ix) The Company didn't raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, reporting under paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanation given to us, and based on audit procedures performed by us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to us, the managerial remuneration has paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, reporting under paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, the transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under paragraph 3(xiv) of the Order is not applicable.
- (xv) As per the information and explanations given by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him during the year and hence the provisions of Section 192 of the Act is not applicable to the company.
- (xvi) As per the information and explanations given by the management, company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under paragraph 3 (xvi) 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

Place of Signature: Mumbai
Date: 7th May, 2019.

ANNEXURE B TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting, of Metropolitan Stock Exchange of India Limited ('Company'), 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 over financial reporting of Metropolitan Stock Exchange of India Limited ('the Company') as of 31st March, 2019, 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India (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 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 Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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

Place of Signature: Mumbai
Date: 7th May, 2019.

BALANCE SHEET AS AT – MARCH 31, 2019

(₹ in Lakh)

Particulars	Note	As at March 31, 2019		As at March 31, 2018	
I ASSETS					
1 Non-Current Assets					
(a) Property, plant and equipment	3	439		869	
(b) Intangible assets	4	3,741		4,786	
(c) Intangible assets under development	4	92		178	
(d) Financial assets					
i. Investments					
a. Investment in subsidiaries	5	28,314		28,315	
ii. Other financial assets	6	4,226		3,678	
(e) Income tax assets (net)	7	567		1,085	
(f) Deferred tax assets (net)	8	186		186	
(g) Other non-current assets	9	4,018	41,583	3,809	42,906
2 Current Assets					
(a) Financial assets					
i. Investments	10	667		1,798	
ii. Trade receivables	11	60		111	
iii. Cash and cash equivalents	12	136		70	
iv. Bank balance other than (iii) above	13	-		5	
v. Other financial assets	14	42		55	
(b) Income tax assets (net)	15	993		410	
(c) Other current assets	16	304	2,202	857	3,306
Total Assets			43,785		46,212
II EQUITY AND LIABILITIES					
3 Equity					
(a) Equity Share capital	17	48,052		47,774	
(b) Other equity	18	(12,341)		(7,841)	
Total Equity			35,712		39,933
Liabilities					
4 Non-Current Liabilities					
(a) Financial liabilities					
i. Other financial liabilities	19	2,816		3,536	
(b) Provisions	20	11		14	
			2,827		3,550
5 Current Liabilities					
(a) Financial liabilities					
i. Borrowing	21	2,415		-	
ii. Trade payables					
a. Total outstanding dues of micro enterprises and small enterprises		-		-	
b. Total outstanding dues to creditors other than micro enterprises and small enterprises	22	963		809	
iii. Other financial liabilities	23	1,487		1,559	
(b) Other current liabilities	24	366		345	
(c) Provisions	25	15	5,246	16	2,729
Total Equity and Liabilities			43,785		46,212

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

2-53

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

 Dinesh Kumar Mehrotra
 Chairman
 DIN : 00142711

 Balu Nair
 Interim Chief Executive Officer
 DIN : 07027100

 Mumbai
 Dated : May 07, 2019

 Kunal Sanghavi
 Chief Financial Officer

 Yashwant Kakade
 Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

Particulars	Note	For the Year 2018-19	For the Year 2017-18
1 Income			
(a) Revenue from operations	26	583	849
(b) Other income	27	712	510
Total Income		1,295	1,359
2 Expenses			
(a) Operating expenses	28	965	1,334
(b) Employee benefits expense	29	1,572	1,730
(c) Finance costs	30	110	-
(d) Advertisement and business promotion expenses	31	194	804
(e) Depreciation and amortisation expense	3 & 4	1,334	1,456
(f) Other expenses	32	1,855	1,598
Total Expenses		6,030	6,922
3 Loss before exceptional item & tax		(4,735)	(5,563)
4 Exceptional items		-	-
5 Loss before tax		(4,735)	(5,563)
6 Tax expense			
Less : Current tax		-	-
Less : Earlier year tax		8	-
Less : Deferred tax		-	-
7 Loss for the year		(4,743)	(5,563)
8 Other comprehensive income			
1) Items that will not reclassified to profit or (loss) (net of tax)	18	(8)	17
Total other Comprehensive Income for the year, net of tax		(8)	17
Total Comprehensive Income for the year		(4,751)	(5,547)
9 Earnings per equity share of face value of Re.1 each			
Basic (in Rs.)		(0.10)	(0.15)
Diluted (in Rs.)		(0.10)	(0.15)

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

2-53

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 07, 2019

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

Dinesh Kumar Mehrotra

Chairman

DIN : 00142711

Kunal Sanghavi

Chief Financial Officer

Balu Nair

Interim Chief Executive Officer

DIN : 07027100

Yashwant Kakade

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH '19

(₹ in Lakh)

A. Equity Share Capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares at the beginning of the year	4,78,23,68,284	47,824	2,46,45,33,914	24,645
Add:-Shares issued during the year	2,78,48,749	278	2,31,78,34,370	23,178
Equity shares at the end of the year	4,81,02,17,033	48,102	4,78,23,68,284	47,824

B. Other Equity

(₹ in Lakh)

Particulars	Reserves & surplus			Non Refundable Interest Free Deposits Against Warrants	Warrant application money pending allotment	Other comprehensive income Remeasurement of employees benefit	Total
	Securities premium	Retained earnings	Capital Reserve				
As at 1 April 2017	35,157	(41,570)	-	0	34	(5)	(6,384)
Add : Addition on share issued	4,771	-	-	-	-	-	4,771
Less : Share Issue Expenses	(649)	-	-	-	-	-	(649)
Allotment during the year	-	-	-	-	(34)	-	(34)
Addition	-	-	-	-	-	17	17
Profit for the year	-	(5,563)	-	-	-	-	(5,563)
As at 31 March 2018	39,279	(47,133)	-	0	0	12	(7,842)
Add : Addition on share issued	278	-	-	-	-	-	278
Less : Share Issue Expenses	(26)	-	-	-	-	-	(26)
Allotment during the year	-	-	-	(0)	(0)	-	(0)
Addition	-	-	0	-	-	(8)	(8)
Forfeited during the year	-	-	-	-	(0)	-	(0)
Profit for the year	-	(4,743)	-	-	-	-	(4,743)
As at 31 March 2019	39,531	(51,876)	0	0	(0)	4	(12,341)

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

2-53

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 07, 2019

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

Dinesh Kumar Mehrotra

Chairman

DIN : 00142711

Kunal Sanghavi

Chief Financial Officer

Balu Nair

Interim Chief Executive Officer

DIN : 07027100

Yashwant Kakade

Company Secretary

STATEMENT OF CASH FLOWS THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

Particulars	For the Year 2018-19		For the Year 2017-18	
A. Cash flow from Operating Activities				
Net Profit / (Loss) before tax as per Statement of Profit and Loss		(4,735)		(5,563)
Adjustments for				
Depreciation/amortisation	1,334		1,456	
Net fair value gain/loss on financial assets measured at FVTPL	30		(45)	
Interest income	(279)		(307)	
Finance cost	110		-	
Fixed assets written off	372			
Impairment loss on financial assets	31		16	
Impairment loss on other assets	15			
Profit on sale of investments (net)	(100)		(140)	
Remeasurement of employee benefit	(8)		17	
Depletion in value of investments	1	1,505	0	997
Operating profit/ (loss) before working capital changes		(3,230)		(4,566)
Adjustments for				
Decrease/ (increase) in trade receivable	20		(47)	
Decrease/ (increase) in financial and other assets	261		(817)	
Current and non current assets		281		(864)
Increase / (decrease) in trade payables	154		263	
Increase / (decrease) in financial and other liabilities	(771)		(2,785)	
Increase / (decrease) in provision	(3)		(30)	
Current and non current liabilities		(621)		(2,552)
Cash generated from/(used in) operations		(3,570)		(7,982)
Less: (Taxes paid) / refund received		(8)		173
Net cash generated from/(used in) operating activities		(3,578)		(7,809)
B. Cash flow from Investing Activities				
Purchase of fixed assets (including capital work in progress and intangible assets)		(147)		(749)
Sale of fixed assets (net)		3		0
Purchase of current investments		(2,826)		(13,376)
Sale of current investments		4,028		12,026
Fixed deposit placed with banks		(4,003)		(25,037)
Fixed deposit matured		3,476		27,142
Investment in subsidiary company		-		(20,157)
Interest received (net of accrued interest)		279		365
Net cash generated from/(used in) Investing Activities		809		(19,786)
C. Cash flow from financing activities				
Finance cost		(110)		-
Share application money received/ (refunded)		(0)		(34)
Short term borrowings		2,415		-
Proceeds from issuance of shares (Net)		278		23,178
Security premium collected(net of expenses)		252		4,122
Net cash generated from financing activities		2,834		27,266
Net Increase in cash and cash equivalents		66		(329)
Cash and cash equivalents at beginning of the Year		70		399
Cash and cash equivalents at end of the year		136		70
Component of cash and bank Balance (Refer Note 12 & 13)				
In current account				
Owned		114		43
Earmarked		21		24
Cash on hand		1		2
Stamp on hand		0		1
		136		70

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

2-53

Notes to Cash Flow Statement:

- 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.

 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

Dinesh Kumar Mehrotra
 Chairman
 DIN : 00142711

Balu Nair
 Interim Chief Executive Officer
 DIN : 07027100

 Place : Mumbai
 Dated : May 07, 2019

Kunal Sanghavi
 Chief Financial Officer

Yashwant Kakade
 Chief Financial Officer

Significant Accounting Policies forming part of the financial statement for the year ended 31st March, 2019

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/HO/MRD/DSA/OW/P/2018/25483/1 dated September 14, 2018 renewed the recognition granted to the Stock Exchange for a period of one year commencing on the 16th day of September 2018 and ending on 15th day of September 2019.

The Standalone Financial Statement were authorised for issue by the Company's Board of Directors on May 7, 2019.

2 Significant Accounting Policies

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

2.1 Basis of preparation of financial statements

The standalone financial statements have been prepared and presented under the historical-cost convention on accrual basis, except as disclosed in the accounting policies below. The company has prepared these financials to comply in all material respect with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, as amended, relevant provisions of the Companies Act 2013 including rules made thereunder, 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.

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 treated as current when it is:

- Expected to be settled in normal operating cycle.
- 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 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.

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

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

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

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

The disclosure of significant accounting reporting requirements relating to revenue from contracts with customers are provided in Note 49.

2.5 Income Taxes

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

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted at the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

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

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

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

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

2.6 Operating Lease

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

2.7 Property, plant and equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

Depreciation on property, plant and equipment is provided on straight line method over the useful lives as specified in Part 'C' of Schedule 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	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.

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.

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

2.13 Employee benefits

Short Term Obligation

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

Other Long-Term employees benefit obligations

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

Post-employment obligations

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

The Company operates following post-employment schemes:

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

Defined Benefit Plans - Gratuity Obligation

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

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

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

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

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

Defined Contribution Plans - Provident Fund

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

2.14 Earnings per share

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

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

2.15 Cash & Cash Equivalents

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

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

2.16 Key Accounting Estimates and Judgment

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

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

Critical accounting estimates and assumptions

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

Income taxes

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

Minimum Alternate Tax

Minimum Alternate Tax ("MAT") paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as 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 Accounting standards issued but not yet effective

(i) Ind AS 116 'Leases':

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on 30th March 2019 notifying the Ind AS 116 'Leases'. This new standard will be applicable for period beginning on 1st April 2019.

Ind AS 116, 'Leases' covers the recognition of leases and related disclosure in the financial statements, and will replace Ind AS 17 'Leases'. In the financial statement of lessees, the new standard requires recognition of all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities in the balance sheet, while lease payments should be split in interest expense and reduction of lease liabilities. The right-of-use assets are to be depreciated in accordance with Ind AS 16 "Property, Plant and Equipment" over the shorter of each contract's term and the assets useful life. The standard consequently implies a significant change in lessees' accounting for operating leases. It would require further evaluation of each contract to determine whether all lease contracts in the Company currently not defined as financial lease, would qualify as leases under new standard.

Management reviewed the features of the amended accounting standard. The Company will apply this amendment w.e.f. from accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no material impact on accounts.

(ii) Other Amendments:

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on 30th March 2019 notifying the following amendments which are applicable for period beginning on 1st April 2019:

- Amendments to Ind AS 12 & Ind AS 101: Uncertainty over income tax treatments
- Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

Amendments to Ind AS 12 & Ind AS 101: Uncertainty over income tax treatments - The principles of uncertain tax treatments is included in the scope of Ind AS 12 "Income taxes". In essence, it assumes that taxation authorities will examine all uncertain tax treatments and will have full knowledge of all related information when doing so. Hence, a tax liability should be recognized when it is probable that the tax authority will refuse the tax treatment.

Management reviewed the features of the new interpretation, notably in terms of tax risks included in the scope of the interpretation or not. The Company will apply this amendment w.e.f. from accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 19: Employee Benefits - Plan Amendment, Curtailment or Settlement - The amendments are relating to changes in determining the past service cost and current service cost on plan amendment, curtailment or settlement and about consideration of effect of asset ceiling. The Company will apply this amendment w.e.f. from accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

There are no other standard, changes in standards and interpretations that are not in force that the Company expects to have a material impact arising from its application in its financial statements.

Significant Accounting Policies and notes to the standalone financial statements for the year ended March 31, 2019. (Rupees in lakhs, except share and per share data, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Office Equipments	Computer Hardware	Furniture & Fixtures	Vehicles	Leasehold Improvements	Total
Gross Carrying amount as at 01.04.2017	194	3,533	51	24	149	3,951
Addition	18	289	-	15	-	322
Disposals/Write off	31	2	-	-	-	33
Gross Carrying amount as at 31.03.2018	181	3,820	51	39	149	4,240
Addition	4	8	0	-	17	29
Disposals/Write off	-	22	-	13	-	34
Gross Carrying amount as at 31.03.2019	185	3,806	51	26	166	4,235
Accumulated Depreciation as at 01.04.2017	141	2,535	19	11	99	2,805
Depreciation charges during the year	40	522	5	3	29	599
Disposals/Write off	31	2	-	-	-	33
Accumulated Depreciation as at 31.03.2018	150	3,055	24	14	128	3,371
Depreciation charges during the year	12	419	7	8	7	453
Disposals/Write off	-	18	-	10	-	28
Accumulated Depreciation as at 31.03.2019	162	3,456	31	12	135	3,796
Net Carrying amount as at 31.03.2019	23	350	20	14	31	439
Net Carrying amount as at 31.03.2018	31	765	27	25	21	869

4 Intangible Assets and Intangible Assets under development

Rupees in lakhs

Particulars	Computer Software**	Intangible asset under development	Total
Gross Carrying amount as at 01.04.2017	10,800	189	10,989
Addition	437	417	854
Disposals/write off	-	427	427
Gross Carrying amount as at 31.03.2018	11,237	179	11,416
Addition	205	95	300
Disposals/write off	446	182	628
Gross Carrying amount as at 31.03.2019	10,996	92	11,088
Accumulated Depreciation as at 01.04.2017	5,595	-	5,595
Depreciation charges during the year	857	-	857
Disposals/write off	-	-	-
Accumulated Depreciation as at 31.03.2018	6,452	-	6,452
Depreciation charges during the year	880	-	880
Disposals/write off	77	-	77
Accumulated Depreciation as at 31.03.2019	7,255	-	7,255
Net Carrying amount as at 31.03.2019	3,741	92	3,833
Net Carrying amount as at 31.03.2018	4,785	179	4,964

(Other than internally generated)

** In certain cases the company has only usage right and not the title or ownership, net carrying amount of Rs. 3,237 Lakhs (PY 3,985 lakh)

5 Non Current Investment

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Investment in Equity Instrument				
Unquoted (at cost)				
Subsidiary Companies				
28,31,20,991 Equity Shares (PY 2017-18 - 28,31,20,991) of Metropolitan Clearing Corporation India Limited of Rs.10 each fully paid-up.	28,312		28,312	
50,000 Equity Shares (PY 2017-18 - 50,000) of MCX-SX KYC Registration Agency Ltd. of Rs.10 each fully paid-up.	5		5	
	28,317		28,317	
Less :- Provision for diminution in the value of Investments	3	28,314	2	28,315
Total		28,314		28,315
Aggregate amount of un-quoted investments		28,314		28,315
Aggregate amount of impairment in value of investments		3		2

6 Other Financial Assets

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Non Current Bank Balance				
Deposit with banks (with Original Maturity more than 12 months)				
Earmarked				
Towards members deposit		3,854		3,375
Towards investor service fund		126		96
Towards defaulter committee fund		23		-
Others				
Security Deposits		223		207
Total		4,226		3,678

7 Income Tax Assets

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Advance income tax (net)		567		1,085
Total		567		1,085

8 Deferred Tax Assets (Net)

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
MAT credit entitlements*		186		186
Total		186		186

* The management expects the company to pay normal tax and benefit associated with MAT credit will flow to the company within permissible time limit stipulated under income tax act, 1961 to the extent MAT asset recognised.

Also refer note 47

9 Other Non-Current Assets

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good)				
Tax recoverable, statutory deposits and dues from government		4,000		3,793
Prepaid expenses		18		16
Total		4,018		3,809

10 Current Investments

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Units	Rupees	Units	Rupees
In Mutual Funds (Quoted)*				
Investments in mutual funds at FVTPL				
Reliance Liquidity Fund - Growth	2,706.527	124	-	-
Reliance Liquid Fund - Growth Plan - Growth Option	2,247.987	102	-	-
HDFC Liquid Fund - Dir - Growth	531.679	20	56.440	2
HDFC Floating Rate Income - ST -WP - Direct (G)		-	17.620	0
ICICI Prudential Money Market Fund - Direct Growth		-	41,707.940	100
HDFC High Interest Fund - STP -Dir - Growth		-	7,69,398.270	274
SBI Magnum Gilt Fund - Long Term - DP -Growth		-	13,10,879.540	511
SBI Magnum Low Duration Fund Direct Growth	1,044.966	25		-
ICICI Prudential Liquid - Growth	37,041.496	102		-
ICICI Prudential Saving Fund - DP Growth		-	3,37,074.210	911
Aditya Birla Sun Life Liquid Fund - Growth	81,600.777	244		-
Invesco India Liquid Fund - Growth	1,956.134	50		-
Total		667		1,798
Aggregate market value of quoted investments		667		1,798
Aggregate amount of un-quoted investments		-		-

*Rs. 431 Lakh (PY Rs. 1,649 lakh/-) are towards making payments of the deposits of members.

11 Trade Receivables

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Current				
Unsecured, considered good		48		111
Receivables which have significant increase in credit risk		12		-
Credit impaired	58		27	
Less : Allowance for credit impaired debts (expected credit loss allowance) (Refer note 41)	58	-	27	-
Total		60		111

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 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

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Balance at the beginning of the year		27		11
Impairment loss allowance on trade receivables		31		16
Balance at the end of the year		58		27

12 Cash and Cash Equivalent

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Balance with banks				
- In current accounts				
Owned	114		43	
Earmarked				
Towards investor service fund	9		4	
Towards arbitration	11		5	
Towards defaulter committee fund	1		15	
Stamps in hand	1		2	
Cash on hand	0		1	
Total		136		70

13 Other Bank Balance		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Other Bank Balances in Fixed Deposits Earmarked					
Towards investor service fund		-		5	
Total		-		5	

14 Other Financial Assets		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Loan to Metropolitan Stock Exchange ESOP Trust	11		11		
Less :- Provision for Doubtful Loan	11	-	6	5	
Interest accrued on Fixed Deposits		39		40	
Owned	35		37		
Earmarked	4		3		
Unbilled receivable (Refer note 49)		3		10	
Total		42		55	

15 Income Tax Assets (Net) - Current		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Advance Income Tax (Net of Provision)		993		410	
Total		993		410	

16 Other Current Assets		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
(Unsecured, considered good, unless otherwise stated)					
Tax recoverable, statutory deposits and dues from government		-		288	
Advances to vendors		266		331	
Advances to employees		2		9	
Capital advances		2		-	
Prepaid expenses		34		227	
Other advances	15		7		
Less :- Provision for doubtful advance	15	-	5	2	
Total		304		857	

17 Equity Share Capital		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	No of Shares	No of Shares	No of Shares	No of Shares	
Authorised : 5,50,00,00,000 (PY 5,50,00,00,000) Equity Shares of Re.1/- each		55,000		55,000	
Issued : 54,65,617,858 (PY 4,78,45,74,846) Equity Shares of Re.1/- each #		54,656		47,846	
Subscribed and Paid-up 4,81,02,17,033 (PY 4,78,23,68,284) Equity Shares of Re.1/- each	48,102		47,824		
Less :- Amount recoverable from Metropolitan Stock Exchange ESOP Trust (Refer Note 18.7) 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		47,774	
Total		48,052		47,774	

Vide Board meeting dated May 7, 2019, the Board has approved withdrawal of the unsubscribed portion of the Rights issues of 2018 totalling to 655,400,825 number of Shares of Rs. 1 each.

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.

Reconciliation of the shares outstanding at the beginning and at the end of year.

		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	No of Shares	Rupees	No of Shares	Rupees	
Equity shares					
At the beginning of the Year	47,824	47,824	24,645	24,645	
Issued during the Year*	278	278	23,178	23,178	
Outstanding at the end of the Year	48,102	48,102	47,824	47,824	

*Notes

- Company during previous year issued 1,59,71,87,011 equity shares on right issue basis in the ratio of 1:1 at premium of Rs.0.30 per share and further issued 72,06,47,359 equity shares at par out of the unsubscribed portion of the right issue.
- Company during the year issued 2,77,99,475 equity shares on right issue basis in the ratio of 1:7 at premium of Re.1 per share. (Also refer note 37)

Details of shareholders holding more than 5% shares in the company

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	6.94%

18 Other Equity

Rupees in lakhs

Particulars	Reserves & surplus			Non Refundable Interest Free deposits against Warrants	Warrant application money pending allotment	Other comprehensive income Remeasurement of employees benefit	Total
	Securities premium	Retained earnings	Capital Reserve				
As at 1 April 2017	35,157	(41,570)	-	0	34	(5)	(6,383)
Add : Addition on share issued	4,771	-	-	-	-	-	4,771
Less : Share Issue Expenses (Note 18.8)	(649)	-	-	-	-	-	(649)
Application money received	-	-	-	-	-	-	-
Allotment during the year	-	-	-	-	(34)	-	(34)
Addition	-	-	-	-	-	17	17
Loss for the year	-	(5,563)	-	-	-	-	(5,563)
As at 31 March 2018	39,279	(47,133)	-	0	0	12	(7,841)
Add : Addition on share issued	278	-	-	-	-	-	278
Less : Share Issue Expenses (Note 18.8)	(26)	-	-	-	-	-	(26)
Allotment during the year	-	-	-	(0)	(0)	-	(0)
Addition	-	-	0	-	-	(8)	(8)
Forfeited during the year	-	-	-	-	(0)	-	(0)
Loss for the year	-	(4,743)	-	-	-	-	(4,743)
As at 31 March 2019	39,531	(51,876)	0	-	-	4	(12,341)

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 amount forfeited on 25,445 warrants against which Rs. 0.12 lakh has been collected.

18.4 Non Refundable Interest Free Deposits Against Warrants

During the financial year 2015-16, MCX exercised conversion of 1,83,87,894 warrants into Equity shares and transferred 15,72,95,165 warrants to buyers which were exercised into Equity Shares, out of same a applicant holding 15,000 warrants could not exercise the option until last year. Upon exercise of option in the current year said warrants has been converted into equity shares.

18.5 Warrant application money pending allotment

The Board at its Meeting held on September 24, 2016 allotted 16,83,15,185 equity shares (having face value of Re.1 per share) at a price of Re. 1 per share against payment of Rs.1,683 lakh received by MSE and 68,62,589 warrants (having face value of Re.1 per warrant) at Re.1 per warrant (50% of the amount paid on application and remaining 50% of the amount payable on conversion) with paid up value of Re.0.50 per warrant against payment of Rs. 0.29 lakh received by MSE.

The Warrants issued shall be converted into equity shares on payment of the balance amount of Re.0.50 and receipt of the application for conversion form the warrant holder within one month of the expiry of 12 months period from the date of allotment of the warrants. The issued warrants shall be eligible for conversion on and after September 24, 2017. During the year company issued 33,625 shares by conversion of same number of warrants on receipt of balance Rs. 0.50 per warrant and forfeited Rs. 0.12 lakh being Rs. 0.50 per warrant on 25,445 warrants for non receipt of balance amount.

18.6 Shares reserved for issue under options

"The Convertible share warrant holders have the option to convert their share warrant into Nil (PY 15,000) equity shares of Re.1 each."

18.7 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 Rs. 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. 10.22 Lakhs (Previous Year Rs. 10.22 Lakhs) has been added to short term loans and advances in note no.14. The balance of such loan as at March 31, 2019 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.

18.8 Share Issue Expenses

In accordance with Section 52 of the Companies Act, 2013, during the year the company has utilised securities premium towards share issue expenses.

19 Other Financial Liabilities

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Amount received from members and applicants towards :				
- Deposits		2,816		3,536
Total		2,816		3,536

20 Provisions - Non Current

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Provision for leave encashment		11		14
Total		11		14

21 Borrowings		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Secured Working Capital facility from bank (The above loan is secured against charge on Fixed Deposits of subsidiary company Metropolitan Clearing Corporation of India Limited)		2,415		-	
Total		2,415		-	

22 Trade Payables		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Total outstanding dues of micro enterprises and small enterprises		-		-	
Total outstanding dues to creditors other than micro enterprises and small enterprises		963		809	
Total		963		809	

23 Other Current Financial Liabilities		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Deposits from members		1,487		1,559	
Share application money refundable		0		-	
Total		1,487		1,559	

24 Other Current Liabilities		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Unearned income (Refer note 49)		36		32	
Sundry Creditors for Capital Expenditure		-		-	
Investor Service fund #[Including interest earned of Rs. 7 lakh (PY 7 lakh)]		141		107	
SEBI Regulatory Fees		11		50	
TDS Payable		21		48	
Other Liabilities including Statutory Liabilities		75		57	
Lease Equalisation		82		51	
Total		366		345	

#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. 141 lakh (PY 107 lakh) as at March, 31, 2019 represents the Listing Fees Contribution, net of expenses and interest earned thereon.

25 Provisions - Current		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Provision for gratuity		13		13	
Provision for leave encashment		2		3	
Total		15		16	

26 Revenue From Operations		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Revenue from operations					
Sale of services -					
Transaction fees		62		216	
Other operating revenue -					
Membership admission fees		-		3	
Processing fees		77		238	
Listing fees		173		104	
Vsat connectivity income		1		7	
Other connectivity charges		104		127	
Data feed charges		45		43	
Examination fees		13		8	
Membership surrender fee		94		73	
Other revenue from operations		14		30	
Total		583		849	

27 Other Income		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Interest on bank deposits		278		307	
Interest income others		16		37	
Profit on sale of current investments (net)		100		96	
Fair valuation of mutual fund		-		45	
Profit on sale of assets		-		0	
Operating lease income for asset usage		313		-	
Miscellaneous income		5		26	
Total		712		510	

28 Operating Expenses		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Clearing and settlement charges		9		23	
Technology cost		568		660	
SEBI regulatory charges		25		60	
Internet connectivity charges		1		2	
Direct communication expenses		147		154	
POP / NPN charges		129		233	
Co-Location charges		86		202	
Total		965		1,334	

29 Employee Benefits Expense		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Salaries, allowances and bonus		1,475		1,616	
Contribution to provident fund and other funds		76		86	
Staff welfare and other amenities		21		28	
Total		1,572		1,730	

30 Finance Costs		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Interest expenses		110		-	
Total		110		-	

31 Advertisement and Business Promotion Expenses		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Advertisement		172		624	
Business promotion expenses		8		104	
Sponsorships and seminar		14		76	
Total		194		804	

32 Other Expenses		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Rent		388		505	
Repairs and maintenance - others		87		243	
Insurance		24		23	
Travelling and conveyance		23		43	
Communication expenses		14		40	
Legal and professional charges		441		179	
Electricity expenses		128		129	
Membership and subscription fees		26		26	
Directors sitting fees		63		36	
Payment to auditors :					
- Audit Fees	15		18		
(Incl. tax audit, ICFR report)					
- Other matters (Certification etc.)	15		18		
		30		36	
Depletion in value of investments		1		0	
Assets written off		372		-	
Exchange rate fluctuation (net)		1		1	
ROC fees		0		0	
Provision for doubtful loan and advances		15		-	
Expected credit loss		31		28	
Bank charges		6		0	
Rates & taxes		7		16	
Printing & stationery		10		36	
Contribution to investor service fund		30		19	
CENVAT credit written off		33		129	
Fair valuation of mutual fund (loss)		30		-	
Miscellaneous expenses		94		109	
Total		1,855		1,598	

33 Contingent Liability

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

- IL&FS has filed a suit before the Bombay High Court against MSE (295 of 2014) long with a Notice of Motion for interim relief for violating the IL&FS contractual rights and entitlement under the share purchase agreement dated August 20, 2009. Various reliefs have been prayed by IL&FS from MCX and MSE, including monetary claim of Rs. 84.21 Lakhs (jointly and severally from MCX and MSE) along with an interest at 12% p. a. from the date of filing the suit till payment and realization thereof. The company has been legally advised that the plaintiff has remote chances of getting the relief.
- The Income Tax Department has raised tax demand of Rs.921.38 lakh for the assessment year 2012 - 13. The Company, has filed an appeal against the above order and a refund of Rs. 683.05 Lakhs has been received after the end of reporting date i.e. 31 March 2019. The company has been advised that the demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.
- Claims not acknowledged as debt - Rs. 17.70 Lakh (PY Nil)

(ii) Other money for which the company is contingently liable

- 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 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 financial statements including penalty and charges if any cannot be commented upon.

34 Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs 51.10 Lakhs as on 31st March, 2019. (PY Rs. 36.87 Lakhs).

35 Going Concern

The company continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses during the current year and business volumes is further reduced. However, the company is working on a detailed plan for turn around and is confident of getting the required funds from its subsidiary company in the coming period, increase the volume and make profits in future years and hence prepared the accounts on going concern basis. The following needs to be noted in this regard:

Pursuant to amendment of SECC Regulations, our subsidiary Metropolitan Clearing Corporation of India Ltd. (MCCIL) has initiated capital reductions amounting to Rs. 17,000 Lakhs. The Board and Shareholders of MCCIL has already approved the capital reduction. Upon receipt of approval from NCLT and SEBI, the capital reduction will be affected and MSEI will receive proportionate (95.85%) refund of the capital reduced. Currently company has also availed OD facility against FD's of subsidiary MCCIL pursuant to the approval of SEBI.

The company has recently received SEBI approval for three products namely 1. Weekly options on USD-INR 2. Options on EUR-INR, GBP-INR, JPY-INR 3. Options and futures on Cross currency i.e. EUR-USD, GBP-USD, USD-JPY. On these products, company foresees better business.

Pursuant to the order passed by the Hon'ble Competition Appellate Tribunal (COMPAT) dismissing the appeal of National Stock Exchange(NSE) against the order of Competition Commission of India levying penalty for abusing its dominance in the market, the Company has filed an application for compensation under Section 53N of the Competition Act, 2002 before the Hon'ble COMPAT for recovery of an amount of Rs.85,699 Lakhs along with interest pedente lite in future at the rate of 18% till realization of the claim, from NSE in respect of losses and damages suffered on account of the unfair pricing practices under the Competition Act, 2002. At present 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 in Civil Appeal no 8974 of 2014.

The Company has unutilized service tax credit of Rs. 4,000 Lakhs as at March 31, 2019 (previous year Rs. 4,081 Lakhs) and MAT Credit of Rs.186 lakh (Previous year Rs.186 lakh). As mentioned above, the Company expects improved revenue earnings in the future years and hence is of the view that the unutilized service tax credit and MAT credit will be fully utilized in future years and the same is considered as good for recovery.

Similarly, since the company is confident of improving its business and making profits in future years, no impairment testing is carried out with regard to its tangible and intangible assets.

36 In some earlier years, the Company could not charge transaction fee in its Currency Derivatives Segment as its dominant competitor, National Stock Exchange of India Ltd. (NSE), was not charging the same. On the complaint of the Company, the Competition Commission of India (CCI) passed an order dated June 23, 2011 directing NSE to cease and desist from carrying on its unfair pricing policy and further levied a penalty of Rs. 5,550 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 abusing its dominant position as it had indulged 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 on August 05, 2014. The Hon'ble Supreme Court granted NSE only a limited interim stay on the recovery of the penalty amount of Rs. 5,550 Lakhs (@ 5% of the average turnover).

At the hearing on February 12, 2018, the counsels were heard and an interim stay was granted to the proceedings of damages during the pendency of the present appeal filed by NSE in Supreme Court. The appeal was then listed on April 13, 2018.

At the hearing on April 13, 2018 upon hearing our counsels, the court passed the order to post the matter on Thursday, 19th July, 2018 for final hearing. The next date of hearing in the matter at Supreme Court is July 23, 2019. Interim orders on the penalty amount to be continued.

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. 85,699 Lakhs. under Section 53N (1) of the Competition Act, 2002 before the COMPAT (now NCLAT). Thereafter the matter had been listed on various dates for hearing. However, due to paucity of time, the matter could not be taken up for hearing.

In the circumstances, the Hon'ble Tribunal adjourned the case for sine die with liberty to the parties to mention the matter after the decision of the Hon'ble Supreme Court.

37 Issue of Shares

The Board at its meeting held on June 23, 2018 & July 26, 2018 had offered its eligible shareholders on Rights Basis 68,32,00,300 equity shares at a price of Re. 2/- each (including a premium of Re. 1 per share) aggregating to Rs. 136.64 lakhs in the ratio of 1:7 shares. The rights issue opened on August 10, 2018 and closed on September 08, 2018. Out of the subscription received, the Board vide circular resolution dated October 1, 2018 allotted 2,77,99,475 Equity Shares (having face value of Re. 1 per share) at a price of Rs.2 per share (including the premium of Re.1 per share) utilizing share application amounting to Rs. 555.99 Lakhs. The company has also received a sum of Rs. 0.04 Lakhs against which no shares could be allotted due to requisite information, the same has been disclosed as other current liability.

Further, Company issued 49,274 equity shares by converting non refundable interest free deposit/warrant application money amounting to Rs. 0.49 Lakhs.

38 Earnings per share ('EPS')

(Amount in Rs. Except for number of Shares)

Particulars	Apr-18 to Mar-19	Apr-17 to Mar-18
Profit/(Loss) after tax as per statement of profit and loss attributable to equity share holders (Rs. Lakh)	(4,743)	(5,563)
Weighted average number of equity shares outstanding during the year for basic EPS	4,79,62,67,122	3,67,44,78,072
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	4,80,12,44,793	3,67,94,55,743
Basic earnings per share of face value Re. 1 each	(0.10)	(0.15)
Diluted earnings per share of face value Re. 1 each	(0.10)	(0.15)

39 Disclosure under Indian Accounting Standard 19 (IndAs 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	2018-19	2017-18
Employer's Contribution to Provident Fund	57	59

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, 2019 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, 2019.

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

Particulars	Gratuity	
	2018-19 (Funded)	2017-18 (Funded)
Defined Benefit Obligation at the beginning of the year	100	98.60
Current Service cost	16	23
Interest Cost	8	7
Liability transfer in	-	-
Liability transfer out	-	-
Actuarial (gain) / loss	6	(18)
Benefits paid	(14)	(11)
Defined Benefit obligation at the end of the year	115	100

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

Particulars	Gratuity	
	2018-19	2017-18
Fair Value of Plan Assets at the beginning of the year	87	73.93
Expected Return On Plan Assets	7	5
Contribution during the year	24	20
Transfer From Other Company	-	-
Transfer To Other Company	-	-
Benefit Paid From The Fund	(14)	(11)
Actuarial Gains/(Losses) On Plan Assets	(2)	(1)
Fair Value of Plan Assets at the end of the year	102	87

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

Particulars	Gratuity	
	2018-19	2017-18
Present value of Benefit Obligation at the end of the Project	(115)	(100)
Fair Value of Plan Asset at the end of the Period	102	87
Funded Status (Surplus / (Deficit))	(13)	(13)
Net Liability/(Asset) recognized in Balance Sheet (Current)	(13)	(13)

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

Particulars	Gratuity	
	2018-19 (Funded)	2017-18 (Funded)
Current service cost	16	23
Interest Cost	1	2
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Net expenses	17	25

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

Particulars	Gratuity	
	2018-19	2017-18
Actuarial (Gains) / Losses on obligation for the period	6	(18)
Return on plan assets, excluding interest income	2	1
Change in asset Ceiling	-	-
Net (income) / expense for the period recognized in OCI	8	(17)

VI Expected payout from the fund / employer

Particulars	Fund		Employer	
	2018-19	2017-18	2018-19	2017-18
Projected benefits payable in Future Years from Date of reporting				
1st Following year	12	22	-	-
2nd Following year	8	6	-	-
3rd Following year	8	6	-	-
4th Following year	9	6	-	-
5th Following year	9	7	-	-
6th - 10th Following years	53	38	-	-
11th year and above	151	124	-	-

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	
	2018-19	2017-18
Projected benefit obligation on Current Assumption	115	100
Effect of +1% change in Rate of discounting	(9)	(7)
Effect of -1% change in Rate of discounting	10	8
Effect of +2% change in Rate of Salary Increase	21	16
Effect of -2% change in Rate of Salary Increase	(16)	(13)
Effect of +5% change in Rate of Employee Turnover	1	1
Effect of -5% change in Rate of Employee Turnover	(3)	(3)

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

VIII Principal actuarial assumptions at the Balance sheet date:

Particulars	Gratuity As at	
	31-Mar-19	31-Mar-18
Mortality Table(LIC)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Rate of employee turnover	For service 4 yrs. & below 19% pa & 7% pa thereafter	For service 4 yrs. & below 19% pa & 7% pa thereafter
Discount rate (per annum)	7.64%	7.78%
Expected Return on Plan Asset	7.64%	7.78%
Rate of escalation in salary (per annum)	6.50%	6.50%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

The company has taken a Gratuity Policy with Life Insurance Corporation of India, the funds of which are managed by Life Insurance Corporation of India. Therefore the composition of investments is not ascertainable

40 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company while presenting the consolidated financial statements has disclosed the segment information to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".

41 Ind AS 24 - Related party Disclosures
a) Names of related parties and nature of relationship:
(i) Subsidiary

- Metropolitan Clearing Corporation Of India Limited (MCCIL)
- MCX-SX KYC Registration Agency Limited(MCX-SX KYC)

(ii) Key Management Personnel (KMP)

- Mr. Udai Kumar (MD & CEO) upto January 21, 2019
- Mr. Abhijit Chakraborty (COO) upto April 01, 2018
- Mr. Chetan Utture (CFO) upto October 13, 2017
- Mr. Kunal Sanghavi (CFO) w.e.f. February 12, 2018
- Mr. Rathindra Das (Company Secretary) upto January 5, 2018
- Mr. Yashwant Kakade (Company Secretary) w.e.f. November 2, 2019

(iii) Others

- Metropolitan Stock Exchange ESOP Trust
- Metropolitan Stock Exchange Investor Protection Fund Trust (erstwhile MCX Stock Exchange Investor Protection Fund Currency Derivative Segment Trust) (IPF trust)

b) Details of transactions with related parties

Nature of Transaction	MCX-SX KYC Registration Agency Limited (Subsidiary)	Metropolitan Clearing Corporation Of India Ltd (Subsidiary)	MCX SX IPF CDS Trust (Others)#	Metropolitan Stock Exchange ESOP Trust (Others)
Clearing and settlement charges	- (-)	9 (23)	- (-)	- (-)
Rent income	- (-)	179 (62)	- (-)	- (-)
Shared service cost recovered / (Reversed)	- (-)	362 (743)	- (53)	- (-)
Shares allotted to ESOP Trust	- (-)	- (-)	- (-)	- (-)
Advance Shared service cost recovered	- (-)	- (-)	- (-)	-
Trade Receivable	0 (-)	18 (63)	- (-)	0 (0)
Investments in equity shares	- (-)	- (20,157)	- (-)	- (-)
Closing Balance of Investments in equity shares	5 (5)	28,312 (28,312)	- (-)	- (-)
Contribution towards core settlement guarantee fund (CSGF)	- (-)	- (-)	- (-)	- (-)
Closing Balance of Loan to ESOP Trust	- (-)	- (-)	- (-)	60 (60)
Closing Balance	0 (-)	18 (1,954)	- (-)	0 (0)

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

c) Transactions with KMP:

Nature of transactions	Amount
Salary & allowances*:	
Mr.Udai Kumar	64 (84)
Mr.Abhijit Chakraborty	- (46)
Mr.Chetan Utture	- (15)
Mr. Kunal Sanghavi	41 (5)
Mr.Yashwant Kakade	5 (-)
Mr.Rathindra Das	- (18)
Advances :	
Mr.Udai Kumar	- (9)
Closing Balance	0 (6)

*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 bracket represent previous year's amounts.
- The transactions with the related parties are disclosed only till the relation exists.
- Transaction charges collected by Metropolitan Clearing Corporation Of India Limited on behalf of the company and paid to the company have not been considered for the aforesaid disclosure.

42 Details of dues to micro, small and medium enterprises

The company has not received information for its vendors / service providers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at the year end, together with interest payable (if any), under this Act has not been made.

43 Operating lease

The Company has entered into operating lease agreements for its office premises.

- The minimum lease rentals on operating leases recognized in the statement of Profit & Loss and the future minimum lease payments under operating leases are as follows:

Particulars	As at	
	31-Mar-19	31-Mar-18
Future minimum lease payments		
Not later than one year	534	525
Later than one year and not later than five years	727	1,248
Later than five years	-	-

- b) Lease payments recognised in the statement of Profit & Loss is Rs. 567.60 Lakhs (Previous year Rs. 566.20 Lakhs).
 c) Sub-lease payment received and recognised in the statement of Profit & Loss is Rs. 179.26 Lakhs (Previous Year Rs. 61.69 Lakhs).

44 Fair value Measurement

Financial Instruments by category

Particulars	31/03/2019			31/03/2018		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	-	28,314	-	-	28,315
Mutual Funds	667	-	-	1,798	-	-
Trade receivables	-	-	60	-	-	111
Cash and cash equivalents	-	-	136	-	-	70
Bank balances other than cash and cash equivalents	-	-	-	-	-	5
Deposits	-	-	4,226	-	-	3,678
Other financial assets	-	-	42	-	-	55
Total financial assets	667	-	32,779	1,798	-	32,235
Financial liabilities						
Borrowings	-	-	2,415	-	-	-
Trade payables	-	-	963	-	-	809
Other financial liabilities	-	-	4,303	-	-	5,095
Total financial liabilities	-	-	7,681	-	-	5,904

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, 2019	As at March 31, 2018
Financial assets		
At Fair value through profit & loss		
Level 1		
Mutual fund Investments	667	1,798
	667	1,798

Recognised fair value measurements

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

"Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices of instruments"

45 Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the Company shall have a minimum net worth of Rs. 10,000 Lakhs at all times. However, during the current year the minimum net worth is reduced below Rs. 10,000 Lakhs. SEBI vide letter dated September 14, 2018 has granted renewal to the exchange and asked to ensure the network of Rs. 10,000 Lakhs within six month from the date of amendment of aforesaid regulations. As at March 31, 2019 the net worth of the Exchange is Rs 7,397 Lakhs and asked SEBI for extension to comply with the above requirement vide letter dated March 14, 2019. Exchange has initiated capital reduction process in its subsidiary namely MCCIL, which is pending with Hon'ble NCLT, Mumbai. The Exchange expect to receive requisite approval in due course and will able to comply with the net worth requirement mentioned aforesaid.

46 Financials Risk Management

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk), regulatory risk and clearing & settlement risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

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. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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 provides the stock exchange services to its listed customers and registered members (who have provide the collaterals and other securities for trading done on its platform), hence the Company operates with large number of customers portfolio and its revenue is not concentrated on small number of customers. All trade receivables are reviewed and assessed for default on a periodic basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2019.

Other Financial Assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in debt mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Finance Department.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. 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 is also taking steps to improve liquidity going forward by focusing on new initiatives taken recently.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 and March 31, 2018.

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2019				
Liabilities				
Borrowings	2,415	2,415	-	2,415
Trade payables	963	963	-	963
Other financial liabilities	4,303	1,487	2,816	4,303
Assets				
Trade Receivables	60	60	-	60
Investment	28,981	667	28,314	28,981
Cash and Cash equivalents	136	136	-	136
Bank balances other than cash and cash equivalents	-	-	-	-
Deposits	4,226	-	4,226	4,226
Other financial assets	42	42	-	42
As at March 31, 2018				
Liabilities				
Trade payables	809	809	-	809
Other financial liabilities	5,095	1,559	3,536	5,095
Assets				
Trade Receivables	111	111	-	111
Investment	30,113	1,798	28,315	30,113
Cash and Cash equivalents	70	70	-	70
Bank balances other than cash and cash equivalents	5	5	-	5
Deposits	3,678	-	3,678	3,678
Other financial assets	55	55	-	55

Market risk

The Company's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances, liquidity and similar factors, as a significant portion of our revenue depends, either directly or indirectly, on trading, listing, clearing and settlement transaction-based fees.

The Company's financial condition and results of operations are also dependent upon the success of our clearing, settlement and other issuer services, which, in turn, are directly dependent on the liquidity and financial strength of our customers, namely financial intermediaries such as brokers, and their respective clients.

Regulatory risk

The Company requires a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of its components. For example, the Company have licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange and trading in government securities. Some of these approvals are required to be renewed from time to time. The Company's operations are subject to continued review and the governing regulations may change. The Company's regulatory team constantly monitors the compliance with these rules and regulations.

There have been several changes to the form and manner in which recognised stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the Group may have to contribute more of funds to the Settlement Guarantee Fund which could materially and adversely affect the Group's financial ability. The Group's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

Clearing and settlement risk

Parties to a settlement may default on their obligations for reason beyond the control of the Company. The clearing and settlement operations are conducted through a wholly owned subsidiary Metropolitan Clearing Corporation of India Limited (MCCIL). MCCIL guarantees the settlement of trade executed on Company's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

47 Taxes
a) Income Tax Expenses

The major components of income tax expenses for the year ended March 31, 2019

Profit or loss section

Particulars	2018-19	2017-18
Current tax expense	-	-
Tax expense of earlier years	8	-
Deferred tax	-	-
Total income tax expense recognised in profit or loss	8	-

Other comprehensive income section

Particulars	2018-19	2017-18
Re-measurements of the defined benefit plans;	-	-
Total income tax expense recognised in Other comprehensive income	-	-

b) Reconciliation of effective tax rate

Particulars	2018-19	2017-18
a) Income before income tax	(4,735)	(5,563)
b) Enacted tax rate in India	26.000%	26.000%
c) Expected tax expenses (a*b)	-	-
d) Other than temporary differences		
Investment income	-	-
Expenses disallowed / (allowed)	-	-
Total	-	-
e) Temporary difference	11,689	10,266
Temporary difference on which deferred tax assets not recognised	(11,689)	(10,266)
Total	-	-
f) Net adjustments (d+e)	-	-
g) Current tax expense of earlier years	8	-
h) Tax expenses recognised in Profit or Loss (c+f+g)	8	-

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

48 Expenditure in foreign currency

Particulars	2018-19	2017-18
Membership	-	-
Repair, Maintenance & Sponsorship	35	34

49 Revenue from contract with customer
a The revenue from contracts with customers to the amounts disclosed as total revenue is as under

Particulars	2018-19	2017-18
Revenue from contract with customer	790	819
Revenue from other sources	14	30
Total	804	849

b The disaggregation of revenue from contracts with customers is as under :
i Geographical Location

Particulars	2018 - 19		2017 - 18	
	India	Foreign	India	Foreign
Total Revenue	781	23	826	23

ii At point in time / Over time

Particulars	2018 - 19			2017 - 18		
	At point in time	Over Time	Total	At point in time	Over Time	Total
Total Revenue	277	527	804	567	282	849

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

Particulars	2018-19	2017-18
Opening Balance of Contract Asset	10	22
Previous year - Contract Asset - reclassified to trade receivable on invoicing	10	22
Current year - Contract asset	8	10
Closing Balance of Contract Assets	8	10

ii Contract Liability

Particulars	2018-19	2017-18
Opening Balance of Contract Liability	32	167
Previous year - Contract Liability - Revenue recognized during the year	15	140
Current year - Contract Liability Carried forward	19	4
Closing Balance of Contract Liability	36	32

- 50 Securities and Exchange Board of India's (SEBI) letter dated December 26, 2013 requires the Company to transfer 25% of its profit of every year to the Settlement Guarantee Fund (SGF) of the recognised clearing corporation(s) which clears and settle trades executed on that exchange in accordance with clause 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2012. The company has in earlier year allocated its existing contribution to SGF of Metropolitan Clearing Corporation Of India Ltd. (Formerly known as MCX-SX Clearing Corporation Ltd) to different segments as against the amount transferable under regulation 33, as permissible in terms of SEBI circular no. CIR/MRD/DMNRP/25/2014 dated August 27, 2014. The company has informed the same to SEBI vide its letter dated November 28, 2014. In Current year the company has not contributed towards the Core Settlement Guarantee Fund in absence of profit.
- 51 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.
- 52 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.
- 53 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 07, 2019

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

Dinesh Kumar Mehrotra
Chairman
DIN :

Kunal Sanghavi
Chief Financial Officer

Balu Nair
Interim Chief Executive Officer

Yashwant Kakade
Company Secretary

INDEPENDENT AUDITOR'S REPORT - CONSOLIDATED

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of Metropolitan Stock Exchange of India Limited ('Holding Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Change in Equity, the Consolidated Statement of Cash Flows 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 "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements prepared in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS'), gives the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2019, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

2. Basis for Qualified Opinion

The Holding Company continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses during the current year, business volumes are further reduced and there is no clarity on increase in revenue in future. However, as advised, the Holding Company is working on a detailed plan for turn around and is confident of getting the required funds from its subsidiary company in the coming period, increase the volume and make profits in future years and hence prepared the accounts on going concern basis. In spite of continuous losses, the Holding Company has not carried out the detailed impairment testing to ascertain carrying value of fixed assets having net book value of Rs.4180 Lakhs. The management of the Holding Company has also considered the GST Credit available amounting to Rs.4000 Lakhs and MAT Credit Entitlement amounting to Rs.186 Lakhs as recoverable, basis the same. We are unable to comment on the non-impairment and recoverability of the same and the adjustments, if any, that will be arising out of the same.

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 Responsibilities 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 statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

3. Emphasis of matter

We draw attention to Note 45 of consolidated financial statement, which describes that in accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the Holding Company shall have a minimum net worth of Rs. 10,000 Lakhs, at all times. As at March 31, 2019 the net worth of the Holding Company is Rs 7,397 Lakhs and the Holding Company has asked SEBI for extension to comply with the above requirement vide letter dated March 14, 2019. Our opinion is not modified in respect of this 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 period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Identification of Onerous Contract

As per Ind AS 37 "Provision, contingent liabilities and contingent assets", an onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Holding Company has an unavoidable long-term contract with one of the service providers which constitutes approx. 80% of the Technology Cost of Holding Company (refer note 29) for the year ended 31st March 2019.

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 31.03.2019.

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 Holding Company's Annual report but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

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 of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance 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 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 of the assets of the Group 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 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 preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Group's financial reporting process.

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 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 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 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 and its subsidiaries companies has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditor's 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.

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 auditor's 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. The forensic audit of the Holding Company, with respect to the whistle blower complaints, has been completed. As explained, the final report for the same is submitted to the Securities Exchange and Board of India (SEBI).
- b. We did not audit the financial statements of a subsidiary; whose financial statement reflects total asset of Rs. 44,075 Lakhs as at 31st March '19, total revenue

of Rs. 2,548 Lakhs and net cash outflows amounting to Rs. 61 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The aforesaid financial statement has been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of the sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

9. Report on Other Legal and Regulatory Requirements

a. As required by Section 143(3) of the Act, based on our audit we report that:

- i. We have sought and obtained, except for the matters described in the Basis for Qualified Opinion paragraph, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements.
- ii. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.
- iv. Except for the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- vi. On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2019 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 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- vii. The qualification relating to the maintenance of accounts and other matters connected herewith are as stated in the Basis for Qualified Opinion paragraph above.
- viii. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India.
- ix. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements discloses the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Holding Company has entered into various contracts including long term contracts with a company towards software license and maintenance agreements etc. The continuance of these contract shall depend on the future running of the business including raising required resources for the same. Hence, the chances of termination of these contracts and the impact of the same on the financial statements including penalty and charges if any cannot be commented upon.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
- b. 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 given 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

Place of Signature: Mumbai
Date: 7th May, 2019.

ANNEXURE A TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting, of Metropolitan Stock Exchange of India Limited ('Company'), 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 over financial reporting of Metropolitan Stock Exchange of India Limited ('the Company') and its subsidiary companies, which are companies incorporated in India, as of 31st March, 2019, in conjunction with our audit of the consolidated 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 and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India (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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting of the Company and its subsidiary companies, which are companies incorporate in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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

Place of Signature: Mumbai
Date: 7th May, 2019.

BALANCE SHEET AS AT – MARCH 31, 2019

(₹ in Lakh)

Particulars	Note	As at March 31, 2019		As at March 31, 2018	
I ASSETS					
1 Non-Current Assets					
(a) Property, plant and equipment	3	441		872	
(b) Intangible assets	4	3,838		4,788	
(c) Intangible assets under development	4	154		179	
(d) Financial assets					
i. Other financial assets	5	5,611		25,355	
(e) Income tax assets (net)	6	959		1,351	
(f) Deferred tax assets (net)	7	186		187	
(g) Other non-current assets	8	4,018	15,207	3,810	36,542
2 Current Assets					
(a) Financial assets					
i. Investments	9	4,088		4,170	
ii. Trade receivables	10	134		47	
iii. Cash and cash equivalents	11	152		150	
iv. Bank balance other than (iii) above	12	37,809		13,794	
v. Other financial assets	13	47		55	
(b) Income tax assets (net)	14	1,755		1,037	
(c) Other current assets	15	339	44,324	870	20,123
Total Assets			59,531		56,665
II EQUITY AND LIABILITIES					
3 Equity					
(a) Equity Share capital	16	48,052		47,774	
(b) Other equity	17	(10,937)		(7,093)	
Total Equity			37,116		40,681
4 Non Controlling Interest					
			1,286		1,257
5 Core Settlement Guarantee Fund					
			1,041		1041
Liabilities					
6 Non-Current Liabilities					
(a) Financial liabilities					
i. Other financial liabilities	19	10,776		6,974	
(b) Provisions	20	31		27	
(c) Deferred Tax Liability	26	1		-	
			10,808		7,001
7 Current Liabilities					
(a) Financial liabilities					
i. Borrowing	21	2,415			
ii. Trade payables					
a. Total outstanding dues of micro enterprises and small enterprises		-		-	
b. Total outstanding dues to creditors other than micro enterprises and small enterprises	22	948		816	
iii. Other financial liabilities	23	5,405		5,447	
(b) Other current liabilities		24	489		399
(c) Provisions	25	24	9,280	23	6,685
Total Equity and Liabilities			59,531		56,665

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

2-57

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

 Dinesh Kumar Mehrotra
 Chairman
 DIN : 00142711

 Balu Nair
 Interim Chief Executive Officer
 DIN : 07027100

 Mumbai
 Dated : May 07, 2019

 Kunal Sanghavi
 Chief Financial Officer

 Yashwant Kakade
 Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

Particulars	Note	For the Year 2018-19	For the Year 2017-18
1 Income			
(a) Revenue from operations	26	804	849
(b) Other income	27	2,716	1,979
Total Revenue		3,520	2,828
2 Expenditure			
(a) Operating expenses	28	1,602	2,080
(b) Employee benefits expense	29	1,882	1,995
(c) Finance costs	30	111	-
(d) Advertisement and business promotion expenses	31	194	804
(e) Depreciation and amortisation expense	3 & 4	1,338	1,457
(f) Other expenses	32	2,238	1,968
Total Expenses		7,365	8,304
3 Loss before tax		(3,845)	(5,476)
4 Exceptional items	28		
5 Loss before tax		(3,845)	(5,476)
6 Tax expense			
Less : Current tax		203	-
Less : Earlier year tax		8	-
Less : Deferred tax		3	(1)
7 Loss for the year		(4,059)	(5,475)
8 Minority Interest		28	4
9 Other comprehensive income			
1) Items that will not reclassified to profit or (loss)(net of tax)		(10)	18
2) Income tax relating to item will not reclassified to profit or (loss)		1	-
Total other Comprehensive Income for the year, net of tax		(9)	18
Total Comprehensive Income for the year		(4,096)	(5,461)
10 Earnings per equity share of face value of Re.1 each			
Basic (in Rs.)		(0.08)	(0.15)
Diluted (in Rs.)		(0.08)	(0.15)

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

2-57

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 07, 2019

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

 Dinesh Kumar Mehrotra
 Chairman
 DIN : 00142711
 Kunal Sanghavi
 Chief Financial Officer

 Balu Nair
 Interim Chief Executive Officer
 DIN : 07027100
 Yashwant Kakade
 Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH '19
A. Equity Share Capital

(₹ in Lakh)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares at the beginning of the year	4,78,23,68,284	47,824	2,46,45,33,914	24,645
Add:-Shares issued during the year	2,78,48,749	278	2,31,78,34,370	23,178
Equity shares at the end of the year	4,81,02,17,033	48,102	4,78,23,68,284	47,824

B. Other Equity

(₹ in Lakh)

Particulars	Reserves & surplus			Non Refundable Interest Free Deposits Against Warrants	Warrant application money pending allotment	Other comprehensive income Remeasurement of employees benefit	Total
	Securities premium account	Retained earnings	Capital Reserve				
As at 1 April 2017	35,157	(40,965)	-	0	34	(8)	(5,782)
Add : Addition on share issued	4,771	-	-	-	-	-	4,771
Less : Share Issue Expenses	(649)	-	-	-	-	-	(649)
Allotment during the year	-	-	-	-	(34)	-	(34)
Addition	-	-	-	-	-	17	17
Minority Interest Reallocation	-	62	-	-	-	-	62
Profit for the year	-	(5,478)	-	-	-	-	(5,478)
As at 31 March 2018	39,279	(46,381)	-	0	0	9	(7,093)
Add : Addition on share issued	278	-	-	-	-	-	278
Less : Share Issue Expenses	(26)	-	-	-	-	-	(26)
Allotment during the year	-	-	-	(0)	(0)	-	(0)
Addition	-	-	0	-	-	(10)	(10)
Minority Interest Reallocation	-	(28)	-	-	-	-	(28)
Profit for the year	-	(4,059)	-	-	-	-	(4,059)
As at 31 March 2019	39,531	(50,468)	0	0	0	(1)	(10,937)

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

2-57

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 07, 2019

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

 Dinesh Kumar Mehrotra
 Chairman
 DIN : 00142711
 Kunal Sanghavi
 Chief Financial Officer

 Balu Nair
 Interim Chief Executive Officer
 DIN : 07027100
 Yashwant Kakade
 Company Secretary

STATEMENT OF CASH FLOWS THE YEAR ENDED MARCH 31, 2019

(₹ in Lakh)

Particulars	For the Year 2018-19		For the Year 2017-18	
A. Cash flow from Operating Activities				
Net Profit / (Loss) before tax as per Statement of Profit and Loss		(3,845)		(5,476)
Adjustments for				
Depreciation/Amortisation	1,338		1,457	
Net fair value gain/loss on financial assets measured at fair value through profit and loss	(112)		(94)	
Dividend from investments	(41)		(91)	
Interest income	(2,414)		(1,583)	
Finance Cost	111		-	
Fixed assets written off	372			
Impairment loss on financial assets	31		16	
Impairment loss on other assets	15		-	
Profit on sale of investments (net)	(100)		(96)	
Remeasurement of employee benefit	(10)		17	
		(810)		(373)
Operating profit/ (loss) before working capital changes		(4,655)		(5,850)
Adjustments for				
Decrease/ (increase) in trade receivable	(117)		(3)	
Decrease/ (increase) in financial & other assets	(26)		(278)	
Total Increase / (decrease) in Current and non current assets		(143)		(281)
Increase / (decrease) in trade payables	132		264	
Increase / (decrease) in financial & other liabilities	3,850		(1,632)	
Increase / (decrease) in provision	6		(29)	
Total Increase / (decrease) in Current and non current Liabilities		3,988		(1,396)
Cash generated from/(used in) operations		(810)		(7,527)
Less: (Taxes paid) / refund received		(211)		(17)
Net cash generated from/(used in) operating activities		(1,021)		(7,543)
B. Cash flow from investing activities				
Purchase of fixed assets (including capital work in progress and intangible assets)		(309)		(753)
Sale of fixed assets (net)		3		0
Purchase of current investments		(1,03,074)		(14,328)
Sale of current investments		1,03,369		12,075
Fixed deposit placed with banks		(43,182)		(46,464)
Fixed deposit matured		38,927		27,142
Dividend from investment		41		91
Interest received (net of accrued interest)		2,414		2,204
Net cash generated from/(used in) Investing Activities		(1,811)		(20,033)
C. Cash flow from financing activities				
Finance cost		(110)		-
Share application money received/ (refunded)		(0)		(34)
Short term borrowings		2,415		-
Proceeds from issuance of shares (Net)		278		23,178
Security premium collected (Net of Expenses)		252		4,122
Net Cash Generated from Financing Activities		2,834		27,267
Net Increase in Cash and Cash Equivalents		2		(310)
Cash and Cash Equivalents at Beginning of the Year		150		460
Cash and Cash Equivalents at End of the Year		152		150
Component of cash & bank balance (refer note 11)				
In current account				
Owned		130		123
Earmarked		21		24
Cash on hand		0		1
Stamps in hand		1		2
		152		150

Significant Accounting Policies and Explanatory Information forming part of the financial statements 2-57

- 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.

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

 Dinesh Kumar Mehrotra
 Chairman
 DIN : 00142711

 Balu Nair
 Interim Chief Executive Officer
 DIN : 07027100

 Mumbai
 Dated : May 07, 2019

 Kunal Sanghavi
 Chief Financial Officer

 Yashwant Kakade
 Company Secretary

Significant Accounting Policies forming part of the financial statement for the year ended 31st March, 2019

1 Corporate Information

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

The Consolidated financial statement relates to parents and its subsidiary companies namely Metropolitan Clearing Corporation of India Ltd (MCCIL) and MCX-SX KYC Registration Agency Limited (MCX-SX KYC) (collectively referred to as 'the Group' or 'Company')

The Consolidated Financial Statements were authorized for issue by the Parent Company's Board of Directors on May 7, 2019.

2 Significant Accounting Policies

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

2.1 Basis of preparation of financial statements

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

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

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

Basis of Consolidation

The Company consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries ("the Group"). Control exists when the Parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Profit or Loss from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- a) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- b) potential voting rights held by the Company, other vote holders or other parties;
- c) rights arising from other contractual arrangements; and
- d) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests are disclosed separately. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company. When the Group 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, 2019	% of Voting Power As at March 31, 2018
Subsidiary Company - Direct			
Metropolitan Clearing Corporation India Limited	India	95.85	95.85
MCX-SX KYC Registration Agency Limited	India	100	100

2.2 Operating Cycle

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

2.3 Foreign currency translation and transactions

i) Functional and presentation currency

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in Indian Rupees (INR), which is the Group functional and presentation currency.

ii) Transactions and Balances

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

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

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

2.4 Revenue recognition

Revenue from contract with customers is recognised in the Statement of Profit and Loss through following steps:

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

Revenue mainly comprises :

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

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

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

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

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

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

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

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

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

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

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

The disclosure of significant accounting reporting requirements relating to revenue from contracts with customers are provided in Notes 49.

2.5 Income Taxes

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

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted at the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

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

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

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

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

2.6 Operating Lease

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

2.7 Property, plant and equipment

Property, plant and equipment are measured at cost of acquisition net of recoverable taxes less accumulated depreciation and impairment loss, if any. Cost includes expenses that are 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	8
4	Computer Hardware	
	(i) Computer Servers	6
	(ii) Networking Equipment's	6
	(iii) Desktop/Laptop etc.	3

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

The Group provides pro-rata depreciation from the day the asset is ready to use and for any asset sold, till the date of sale.

Depreciation methods, useful lives and residual values are reviewed at each reporting date. With the effect of any changes in estimate accounted for on a prospective basis.

2.8 Intangible assets and Amortization

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

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

Intangible assets under development

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

2.9 Impairment of non-financial assets

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

2.10 Provisions, contingent liabilities and contingent assets

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

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

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

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

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

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

2.11 Fair Value Measurement

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

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

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

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

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

2.12 Financial instrument

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

(a) Financial Assets:

Initial recognition and measurement:

The company measures its financial assets at fair value. In this context, quoted investments are fair valued adopting the techniques defined in

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

Subsequent measurement:

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

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

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

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

i. Financial assets measured at amortized cost:

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

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

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

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

ii. Financial assets measured at FVTOCI:

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

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

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

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

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

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

iii. Financial assets measured at FVTPL:

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

Equity Investments (in subsidiaries, associates and joint venture)

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

De-recognition

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

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

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

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

Impairment of financial assets

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

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

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

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

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the

instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognizing impairment loss allowance based on 12-months ECL.

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

(b) Financial Liabilities:

Initial recognition and measurement

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

Subsequent measurement

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

De-recognition

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

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

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

2.13 Employee benefits

Short Term Obligation

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

Other Long-Term employees benefit obligations

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

Post-employment obligations

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

The Company operates following post-employment schemes:

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

Defined Benefit Plans - Gratuity Obligation

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

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

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

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

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

Defined Contribution Plans - Provident Fund

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

2.14 Earnings per share

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

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

2.15 Cash & Cash Equivalents

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

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

2.16 Key Accounting Estimates and Judgment

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

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

Critical accounting estimates and assumptions

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

Income taxes

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

Minimum Alternate Tax

Minimum Alternate Tax ("MAT") paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as 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 Accounting standards issued but not yet effective

(i) Ind AS 116 'Leases':

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on 30th March 2019 notifying the Ind AS 116 'Leases'. This new standard will be applicable for period beginning on 1st April 2019.

Ind AS 116, 'Leases' covers the recognition of leases and related disclosure in the financial statements, and will replace Ind AS 17 'Leases'. In the financial statement of lessees, the new standard requires recognition of all contracts that qualify under its definition of a lease as right-of-use assets and lease liabilities in the balance sheet, while lease payments should be split in interest expense and reduction of lease liabilities. The right-of-use assets are to be depreciated in accordance with Ind AS 16 "Property, Plant and Equipment" over the shorter of each contract's term and the assets useful life. The standard consequently implies a significant change in lessees' accounting for operating leases. It would require further evaluation of each contract to determine whether all lease contracts in the Company currently not defined as financial lease, would qualify as leases under new standard.

Management reviewed the features of the amended accounting standard. The Company will apply this amendment w.e.f. from accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no material impact on accounts.

(ii) Other Amendments:

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on 30th March 2019 notifying the following amendments which are applicable for period beginning on 1st April 2019:

- Amendments to Ind AS 12 & Ind AS 101: Uncertainty over income tax treatments
- Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

Amendments to Ind AS 12 & Ind AS 101: Uncertainty over income tax treatments - The principles of uncertain tax treatments is included in the scope of Ind AS 12 "Income taxes". In essence, it assumes that taxation authorities will examine all uncertain tax treatments and will have full knowledge of all related information when doing so. Hence, a tax liability should be recognized when it is probable that the tax authority will refuse the tax treatment.

Management reviewed the features of the new interpretation, notably in terms of tax risks included in the scope of the interpretation or not. The Company will apply this amendment w.e.f. from accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

Amendments to Ind AS 19: Employee Benefits - Plan Amendment, Curtailment or Settlement - The amendments are relating to changes in determining the past service cost and current service cost on plan amendment, curtailment or settlement and about consideration of effect of asset ceiling. The Company will apply this amendment w.e.f. from accounting period commencing on or after April 1, 2019. However, the implementation of the amendment in the standard has no impact on accounts.

There are no other standard, changes in standards and interpretations that are not in force that the Company expects to have a material impact arising from its application in its financial statements.

2.18 Core Settlement Guarantee Funds

As per SEBI regulation every recognised clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognised stock exchange. The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognised Stock Exchange to guarantee the settlement of trades executed in the respective segment of the Stock Exchange. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Metropolitan Clearing Corporation of India Limited (MCCIL), Stock Exchanges and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments is credited to the respective contributor's funds and adjusted towards incremental requirement of Minimum Required Corpus (MRC) as per SEBI Penalties and fines levied by the Company are transferred to Core SGF as Other Contributions.

Significant Accounting Policies and notes to the Consolidated financial statements for the year ended March 31, 2019. (Rupees in lakhs, except share and per share data, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Office Equipments	Computer Hardware	Furniture & Fixtures	Vehicles	Leasehold Improvements	Total
Gross Carrying amount as at 01.04.2017	197	3,569	51	24	149	3,990
Addition	19	291	-	15	-	325
Disposals/Write off	31	3	-	-	-	34
Gross Carrying amount as at 31.03.2018	185	3,857	51	39	149	4,281
Addition	4	9	0	-	17	29
Disposals/Write off	-	22	-	13	-	34
Gross Carrying amount as at 31.03.2019	189	3,844	51	26	166	4,276
Accumulated Depreciation as at 01.04.2017	143	2,570	19	11	99	2,842
Depreciation charges during the year	41	523	5	3	29	601
Disposals/Write off	31	3	-	-	-	34
Accumulated Depreciation as at 31.03.2018	152	3,090	24	14	128	3,409
Depreciation charges during the year	12	419	7	8	7	454
Disposals/Write off	-	18	-	10	-	28
Accumulated Depreciation as at 31.03.2019	164	3,491	31	12	135	3,834
Net Carrying amount as at 31.03.2019	24	353	20	14	31	441
Net Carrying amount as at 31.03.2018	32	767	27	25	21	872

4 Intangible Assets and Intangible Assets under development

Rupees in lakhs

Particulars	Computer Software**	Intangible asset under development	Total
Gross Carrying amount as at 01.04.2017	10,802	189	10,990
Addition	439	417	856
Disposals/write off	-	427	427
Gross Carrying amount as at 31.03.2018	11,241	179	11,419
Addition	304	157	461
Disposals/write off	446	182	628
Gross Carrying amount as at 31.03.2019	11,098	154	11,252
Accumulated Depreciation as at 01.04.2017	5,596	-	5,596
Depreciation charges during the year	857	-	857
Disposals/write off	-	-	-
Accumulated Depreciation as at 31.03.2018	6,453	-	6,453
Depreciation charges during the year	885	-	885
Disposals/write off	77	-	77
Accumulated Depreciation as at 31.03.2019	7,261	-	7,261
Net Carrying amount as at 31.03.2019	3,838	154	3,991
Net Carrying amount as at 31.03.2018	4,788	179	4,966

(Other than internally generated)

** In certain cases the company has only usage right and not the title or ownership, net carrying amount of Rs. 3,237 Lakhs (PY 3,985 lakh)

5 Other Financial Assets

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Non Current Bank Balance				
Deposit with banks (with Maturity more than 12 months)		770		21,662
Earmarked		-		-
Towards members deposit		3,854		3,375
Towards investor service fund		126		96
Towards defaulter committee fund		23		-
Towards overdraft facility		600		-
Others		-		-
Sundry deposits		238		222
Total		5,611		25,355

6 Income Tax Assets		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Advance income tax (net)		959		1,351	
Total		959		1,351	

7 Deferred Tax Assets (Net)		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
MAT credit entitlements*		186		186	
Expenses disallowed		-		1	
Depreciations		-		(0)	
Total		186		187	

* The management expects the company to pay normal tax and benefit associated with MAT credit will flow to the company within permissible time limit stipulated under income tax act, 1961 to the extent MAT asset recognised.
Also refer note 47

8 Other Non-Current Assets		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
(Unsecured, considered good)					
Tax recoverable, statutory deposits and dues from government		4,000		3,793	
Prepaid expenses		18		17	
Total		4,018		3,810	

9 Current Investments		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Units	Rupees	Units	Rupees	
In Mutual Funds (Quoted) *					
Investments in mutual funds at FVTPL					
Reliance Liquidity Fund - Growth	2,706.527	124	-	-	
Reliance Liquid Fund - Growth Plan - Growth Option	2,247.987	102	-	-	
HDFC Liquid Fund - Dir - Growth	531.679	20	56.440	2	
HDFC Floating Rate Income - ST -WP - Direct (G)	-	-	17.620	0	
ICICI Prudential Money Market Fund - Direct Growth	-	-	41,707.940	100	
HDFC High Interest Fund - STP -Dir - Growth	-	-	7,69,398.270	274	
SBI Magnum Gilt Fund - Long Term - DP -Growth	-	-	13,10,879.540	511	
SBI Magnum Low Duration Fund Direct Growth	1,044.966	25	-	-	
ICICI Prudential Liquid - Growth	37,041.496	102	-	-	
ICICI Prudential Saving Fund - DP Growth	-	-	3,37,074.210	911	
Aditya Birla Sun Life Liquid Fund - Growth	81,600.777	244	-	-	
Invesco India Liquid Fund - Growth	1,956.134	50	-	-	
Aditya Birla Sun Life Liquid Fund - Dir - Growth	36,100.860	108	-	-	
Axis Liquid Fund - Direct Plan - Daily Dividend	10.900	0	-	-	
Axis Liquid Fund - Direct Growth	24,250.540	503	24,251	467	
BOI AXA Liquid Fund - Direct Plan - Daily Dividend	18,206.990	183	19,418	195	
BOI AXA Liquid Fund - Direct Plan - Growth	23,337.770	503	23,338	468	
DHFL Pramerica Insta Cash Plus Fund - Direct Plan - Daily Dividend	-	-	36,769	37	
SBI Premier Liquid Fund - Direct Plan -Daily Dividend	24,055.820	241	8,984	90	
Sundaram Money Fund - Direct Plan - Daily Dividend	82,75,936.200	836	14,86,092	150	
Sundaram Money Fund - Direct Plan - Growth	12,75,463.260	503	12,75,463	467	
ICICI Prudential Liquid -Direct Plan - Daily Dividend	33,007.520	33	31,229	31	
Mirae Asset Cash Management Fund - Daily Dividend	838.910	9	-	-	
Mirae Asset Cash Management Fund - Direct Plan - Growth	25,486.400	502	25,486	467	
Total		4,088		4,170	
Aggregate market value of quoted investments		667		4,170	

* Rs. 431 Lakh (PY Rs. 1,649 lakh/-) are towards making payments of the deposits of members.

10 Trade Receivables		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Current					
Unsecured, considered good	-	122	-	47	
Receivables which have significant increase in credit risk	-	12	-	-	
Credit impaired	58	-	27	-	
Less :- Allowance for credit impaired debts (expected credit loss allowance)	58	-	27	-	
Total		134		47	

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

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Balance at the beginning of the year		27		11
Impairment loss allowance on trade receivables		31		16
Balance at the end of the year		58		27

11 Cash and Cash Equivalent

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Balance with banks				
- In current accounts				
Owned	130		123	
Earmarked				
Towards investor service fund	9		4	
Towards arbitration	11		5	
Towards defaulter committee fund	1		15	
- Fixed Deposit with banks having maturity less than 3 months	-		-	
Stamps in hand	1		2	
Cash on hand	0		1	
Total		152		150

12 Other Bank Balance

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Other Bank Balances in Fixed Deposits				
Owned		33,805		13,789
Earmarked				
Towards Overdraft Facility		4,004		-
Towards investor service fund		-		5
Total		37,809		13,794

13 Other Financial Assets

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Loan to Metropolitan Stock Exchange ESOP Trust	11		11	
Less :- Provision for Doubtful Loan	11	-	6	5
Interest accrued on Fixed Deposits		39		40
Owned	35		37	
Earmarked	4		3	
Unbilled receivable (Refer note 49)		8		10
Total		47		55

14 Income Tax Assets (Net) - Current

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Advance Income Tax (Net of Provision)		1,755		1,037
Total		1,755		1,037

15 Other Current Assets

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
(Unsecured, considered good, unless otherwise stated)				
Tax recoverable, statutory deposits and dues from government		-		288
Advances to vendors		281		331
Advances to employees		2		9
Capital advances		2		-
Prepaid expenses		54		240
Sundry deposits		-		-
Other advances	15	-	7	-
Less :- Provision for doubtful advance	15	-	5	2
Total		339		870

16 Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of Shares	No of Shares	No of Shares	No of Shares
Authorised : 5,50,00,00,000 (PY 5,50,00,00,000) Equity Shares of Re.1/- each		55,000		55,000
Issued : 5,465,617,858 (PY 4,78,45,74,846) Equity Shares of Re.1/- each #		54,656		47,846
Subscribed and Paid-up 4,81,02,17,033 (PY 4,78,23,68,284) Equity Shares of Re.1/- each	48,102		47,824	-
Less :- Amount recoverable from Metropolitan Stock Exchange ESOP Trust (Refer Note 18.7) 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		47,774
Total		48,052		47,774

Vide Board meeting dated May 7, 2019, the Board has approved withdrawal of the unsubscribed portion of the Rights issues of 2018 totalling to 655,400,825 number of Shares of Rs. 1 each.

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.

Reconciliation of the shares outstanding at the beginning and at the end of year.

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	No of Shares	Rupees
Equity shares				
At the beginning of the Year		47,824	24,645	24,645
Issued during the Year*		278	23,178	23,178
Outstanding at the end of the Year	-	48,102	47,824	47,824

***Notes**

- Company during the previous year issued 1,59,71,87,011 equity shares on right issue basis in the ratio of 1:1 at premium @ Rs.0.30 and further issued 72,06,47,359 equity shares at par out of the unsubscribed portion of the right issue.
- Company during the year issued 2,77,99,475 equity shares on right issue basis in the ratio of 1:7 at premium of Re.1 per share. (also refer note 38)

Details of shareholders holding more than 5% shares in the company

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	6.94%

17. Other Equity

Rupees in lakhs

Particulars	Reserves & surplus			Non Refundable Interest Free deposits against Warrants	Warrant application money pending allotment	Other comprehensive income Remeasurement of employees benefit	Total
	Securities premium	Retained earnings	Capital Reserve				
As at 1 April 2017	35,157	(40,965)	-	0	34	(8)	(5,782)
Add : Addition on share issued	4,771	-	-	-	-	-	4,771
Less : Share Issue Expenses	(649)	-	-	-	-	-	(649)
Application money received	-	-	-	-	-	-	-
Allotment during the year	-	-	-	-	(34)	-	(34)
Addition	-	-	-	-	-	17	17
Minority Interest Reallocation	-	62	-	-	-	-	62
Profit for the year	-	(5,478)	-	-	-	-	(5,478)
As at 31 March 2018	39,279	(46,381)	-	0	0	9	(7,093)
Add : Addition on share issued	278	-	-	-	-	-	278
Less : Share Issue Expenses	(26)	-	-	-	-	-	(26)
Application money received	-	-	-	-	-	-	-
Allotment during the year	-	-	-	(0)	(0)	-	(0)
Addition	-	-	0	-	-	(10)	(10)
Minority Interest Reallocation	-	(28)	-	-	(0)	-	(28)
Profit for the year	-	(4,059)	-	-	-	-	(4,059)
As at 31 March 2019	39,531	(50,468)	0	0	(0)	(1)	(10,937)

17.1 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.

17.2 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.

17.3 Capital Reserve

Capital Reserve represents amount forfeited on 25,445 warrants against which Rs. 0.12 lakh has been collected.

17.4 Non Refundable Interest Free Deposits Against Warrants

During the financial year 2015-16, MCX exercised conversion of 1,83,87,894 warrants into Equity shares and transferred 15,72,95,165 warrants to buyers which were exercised into Equity Shares, out of same a applicant holding 15,000 warrants could not exercise the option until last year. Upon exercise of option in the current year said warrants has been converted into equity shares.

17.5 Warrant application money pending allotment

The Board at its Meeting held on September 24, 2016 allotted 16,83,15,185 equity shares (having face value of Re. 1 per share) at a price of Re. 1 per share against payment of Rs.1,683 lakh received by MSE and 68,62,589 warrants (having face value of Re.1 per warrant) at Re.1 per warrant (50% of the amount paid on application and remaining 50% of the amount payable on conversion) with paid up value of Re.0.50 per warrant against payment of Rs. 0.29 lakh received by MSEI.

The Warrants issued shall be converted into equity shares on payment of the balance amount of Re.0.50 and receipt of the application for conversion from the warrant holder within one month of the expiry of 12 months period from the date of allotment of the warrants. The issued warrants shall be eligible for conversion on and after September 24, 2017. During the year company issued 33,625 shares by conversion of same no of warrants on receipt of balance Rs. 0.50 per warrant and forfeited Rs. 0.12 lakh being Rs. 0.50 per warrant on 25,445 warrants for non receipt of balance amount

17.6 Shares reserved for issue under options

The Convertible share warrant holders have the option to convert their share warrant into Nil (PY 15,000) equity shares of Re.1 each.

17.7 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 Rs. 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. 10.22 Lakhs (Previous Year Rs. 10.22 Lakhs) has been added to short term loans and advances in note no.14. The balance of such loan as at March 31, 2019 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.

17.8 Share Issue Expenses

In accordance with Section 52 of the Companies Act, 2013, during the year the company has utilised securities premium account towards share issue expenses.

18 Core Settlement Guarantee Fund

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Core Settlement Guarantee Fund As per Last Balance Sheet		1,041		1,041
Add : Contribution/ Interest Accrued during the year		-		-
Total		1,041		1,041

19 Other Financial Liabilities

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Amount received from members and applicants towards :				
- Deposits		2,816		3,536
- Settlement Banks Deposits		959		959
Core Settlement Guarantee Fund:				
-For clearing trades of MSE		2,779		
-For clearing trades of ICEX		4,182		2,439
- Other Deposits		40		40
Total		10,776		6,974

20 Provisions - Non Current

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Provision for gratuity		-		-
Provision for leave encashment		31		27
Total		31		27

21 Borrowings

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Secured				
Working Capital facility from bank (The above loan is secured against charge on Fixed Deposits made with the banks)		2,415		-
Total		2,415		-

22 Trade Payables

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Total outstanding dues of micro enterprises and small enterprises		-		-
Total outstanding dues to creditors other than micro enterprises and small enterprises		948		816
Total		948		816

23 Other Current Financial Liabilities

Rupees in lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Deposits from members		4,748		5,447
Share application money refundable		0		-
Members Margin and Deposits - Commodity Segment		657		-
Total		5,405		5,447

24 Other Current Liabilities		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Unearned income (Refer note 49)		36		32	
Investor Service fund # [Including interest earned of Rs. 7 lakh (PY 7 lakh)]		141		107	
SEBI Regulatory Fees		11		50	
TDS Payable		43		64	
Other Liabilities including Statutory Liabilities		177		95	
Lease Equalisation		82		51	
Total		489		399	

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. 141 lakh (PY 107 lakh) as at March, 31, 2019 represents the Listing Fees Contribution, net of expenses and interest earned thereon.

25 Provisions - Current		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Provision for gratuity		20		18	
Provision for leave encashment		4		5	
Total		24		23	

26 Deferred Tax Liability		Rupees in lakhs			
Particulars	As at March 31, 2019		As at March 31, 2018		
	Rupees	Rupees	Rupees	Rupees	
Deferred Tax Credit / (Charge)		1		-	
Total		1		-	

27 Revenue From Operations		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Revenue from operations					
Sale of services -					
Transaction fees		62		216	
Clearing and settlement fees		200		-	
Other operating revenue -					
Membership admission fees		-		3	
Processing fees		77		238	
Listing fees		173		104	
Annual subscription fees		5		1	
Income related to commodity segment		16		-	
Vsat connectivity income		1		7	
Other connectivity charges		104		127	
Data feed charges		45		43	
Examination fees		13		7	
Membership surrender fee		94		73	
Other revenue from operations		14		30	
Total		804		849	

28 Other Income		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Interest on bank deposits		2,413		1,583	
Dividend from non trade current investments		41		91	
Interest income others		16		83	
Profit on sale of current investments (Net)		100		96	
Fair valuation of mutual fund		141		94	
Profit on sale of assets		-		0	
Operating lease income for asset usage		-		0	
Miscellaneous income		5		32	
Total		2,716		1,979	

29 Operating Expenses		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Clearing and Settlement Charges		-		-	
Technology cost		1,214		1,429	
SEBI regulatory charges		25		60	
Internet connectivity charges		1		2	
Direct communication expenses		147		154	
POP / NPN Charges		129		233	
Co-Location charges		86		202	
Total		1,602		2,080	

30 Employee Benefits Expense		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Salaries, allowances and bonus		1,763		1,868	
Contribution to provident fund and other funds		89		96	
Staff welfare and other amenities		30		31	
Total		1,882		1,995	

31 Finance Costs		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Interest expenses		111		-	
Total		111		-	

32 Advertisement and business promotion expenses		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Advertisement		172		624	
Business promotion expenses		8		104	
Sponsorships and seminar		14		76	
Total		194		804	

33 Other Expenses		Rupees in lakhs			
Particulars	2018-19		2017-18		
	Rupees	Rupees	Rupees	Rupees	
Rent		568		566	
Repairs and maintenance - others		87		243	
Insurance		41		37	
Travelling and conveyance		23		42	
Communication expenses		14		40	
Legal and professional charges		466		191	
Electricity expenses		128		129	
Shared Service Cost		-		-	
Membership and subscription fees		26		26	
Directors sitting fees		83		53	
Payment to Auditors :					
- Audit fees	18		20		
- Other matters (Certification)	23	40	32	51	
- Reimbursement	-		-		
Depletion in Value of Investments		-		-	
Loss on Sale of Fixed Asset (net)		-		-	
Assets written off		372			
Exchange rate fluctuation (net)		1		1	
ROC fees		0		151	
Provision for doubtful loan and advances		15		-	
Expected credit loss		31		28	
Bank charges		7		1	
Rates & taxes including stamp duty		7		66	
Printing & stationery		10		36	
Contribution to investor service fund		30		19	
CENVAT credit written off		33		129	
Fair valuation of deposit		30		-	
Operating expenses - commodity segment		18		-	
Miscellaneous expenses		208		159	
Total		2,238		1,968	

34 Contingent Liability

(i) Claim against the Group not acknowledged as debts :

- IL&FS has filed a suit before the Bombay High Court against MSEI (295 of 2014) long with a Notice of Motion for interim relief for violating the IL&FS contractual rights and entitlement under the share purchase agreement dated August 20, 2009. Various reliefs have been prayed by IL&FS from MCX and MSEI, including monetary claim of Rs. 84.21 Lakhs (jointly and severally from MCX and MSEI) along with an interest at 12% p. a. from the date of filing the suit till payment and realization thereof. The Company has been legally advised that the plaintiff has remote chances of getting the relief.
- The Income Tax Department has raised tax demand of Rs.921.38 lakh for the assessment year 2012 - 13. The Company, has filed an appeal against the above order and a refund of Rs. 683.05 Lakhs has been received after the end of reporting date i.e. 31 March 2019. The company has been advised that the demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.
- Claims not acknowledged as debt - Rs. 17.70 Lakh (PY Nil)
- Income Tax Matter - Rs. 0.10 Lakh (PY Nil)

(ii) Other money for which the Group is contingently liable

- 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 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 financial statements including penalty and charges if any cannot be commented upon.

35 Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 51.10 Lakhs as on 31st March, 2019. (PY Rs. 89.77 Lakhs).

36 Going Concern

The Parent Company continues to prepare its Financial Statements on going concern basis even though it has continued to incur significant losses during the current year and business volumes is further reduced. However, the Company is working on a detailed plan for turn around and is confident of getting the required funds from its subsidiary company in the coming period, increase the volume and make profits in future years and hence prepared the accounts on going concern basis. The following needs to be noted in this regard:

Pursuant to amendment of SECC Regulations, our subsidiary Metropolitan Clearing Corporation of India Ltd. (MCCIL) has initiated capital reductions amounting to Rs. 17,000 Lakhs. The Board and Shareholders of MCCIL has already approved the capital reduction. Upon receipt of approval from NCLT and SEBI, the capital reduction will be affected and MSEI will receive proportionate (95.85%) refund of the capital reduced. Currently Company has also availed OD facility against FD's of subsidiary MCCIL pursuant to the approval of SEBI. The Company has recently received SEBI approval for three products namely 1. Weekly options on USD-INR 2. Options on EUR-INR, GBP-INR, JPY-INR 3. Options and futures on Cross currency i.e. EUR-USD, GBP-USD, USD-JPY. On these products, company foresees better business.

Pursuant to the order passed by the Hon'ble Competition Appellate Tribunal (COMPAT) dismissing the appeal of National Stock Exchange(NSE) against the order of Competition Commission of India levying penalty for abusing its dominance in the market, the Company has filed an application for compensation under Section 53N of the Competition Act, 2002 before the Hon'ble COMPAT for recovery of an amount of Rs.85,699 Lakhs along with interest pedente lite in future at the rate of 18% till realization of the claim, from NSE in respect of losses and damages suffered on account of the unfair pricing practices under the Competition Act, 2002. At present 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 in Civil Appeal no 8974 of 2014.

The Company has unutilized service tax credit of Rs. 4,000 Lakhs as at March 31, 2019 (previous year Rs. 4,081 Lakhs) and MAT Credit of Rs.186 lakh (Previous year Rs.186 lakh). As mentioned above, the Company expects improved revenue earnings in the future years and hence is of the view that the unutilized service tax credit and MAT credit will be fully utilized in future years and the same is considered as good for recovery.

Similarly, since the company is confident of improving its business and making profits in future years, no impairment testing is carried out with regard to its tangible and intangible assets.

37 In some earlier years, the Company could not charge transaction fee in its Currency Derivatives Segment as its dominant competitor, National Stock Exchange of India Ltd. (NSE), was not charging the same. On the complaint of the Company, the Competition Commission of India (CCI) passed an order dated June 23, 2011 directing NSE to cease and desist from carrying on its unfair pricing policy and further levied a penalty of Rs. 5550 Lakhs on NSE. NSE had appealed against the said order before the Hon'ble Competition Appellate Tribunal (COMPAT), which vide its order dated August 5, 2014 upheld the order passed by the Hon'ble CCI and found NSE guilty of abusing its dominant position as it had indulged 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 on August 05, 2014. The Hon'ble Supreme Court granted NSE only a limited interim stay on the recovery of the penalty amount of Rs. 5,550 Lakhs (@ 5% of the average turnover).

At the hearing on February 12, 2018, the counsels were heard and an interim stay was granted to the proceedings of damages during the pendency of the present appeal filed by NSE in Supreme Court. The appeal was then listed on April 13, 2018.

At the hearing on April 13, 2018 upon hearing our counsels, the court passed the order to post the matter on Thursday, 19th July, 2018 for final hearing. The next date of hearing in the matter at Supreme Court is July 23, 2019. Interim orders on the penalty amount to be continued.

"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. 85,699 Lakhs. under Section 53N (1) of the Competition Act, 2002 before the COMPAT (now NCLAT). Thereafter the matter had been listed on various dates for hearing. However, due to paucity of time, the matter could not be taken up for hearing. "

In the circumstances, the Hon'ble Tribunal adjourned the case for sine die with liberty to the parties to mention the matter after the decision of the Hon'ble Supreme Court.

38 Issue of Shares

a The Board of MSEI at its meeting held on June 23, 2018 & July 26, 2018 had offered its eligible shareholders on Rights Basis 68,32,00,300 equity shares at a price of Re. 2/- each (including a premium of Re.1 per share) aggregating to Rs. 136.64 lakhs in the ratio of 1:7 shares. The rights issue opened on August 10, 2018 and closed on September 08, 2018. Out of the subscription received, the Board vide circular resolution dated October 1, 2018 allotted 2,77,99,475 Equity Shares (having face value of Re. 1 per share) at a price of Rs.2 per share (including the premium of Re.1 per share) utilizing share application amounting to Rs. 555.99 Lakhs. The company has also received a sum of Rs. 0.04 Lakhs against which no shares could be allotted due to requisite information, the same has been disclosed as other current liability.

Further, the Company issued 49,274 equity shares by converting non refundable interest free deposit/warrant application money amounting to Rs. 0.49 Lakhs.

39 Earnings per share ('EPS')

(Amount in Rs. Except for number of Shares)

Particulars	Apr-18 to Mar-19	Apr-17 to Mar-18
Profit/(Loss) after tax as per statement of profit and loss attributable to equity share holders	(4,059)	(5,475)
Weighted average number of equity shares outstanding during the year for basic EPS	4,79,62,67,122	3,67,44,78,072
Add-Shares Issued to ESOP Trust	49,77,671	49,77,671
Add- Shares on conversion of warrants	-	0
Weighted average number of equity shares outstanding during the year for diluted EPS	4,80,12,44,793	3,67,94,55,743
Basic earnings per share of face value Re. 1 each	(0.08)	(0.15)
Diluted earnings per share of face value Re. 1 each	(0.08)	(0.15)

40 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	2018-19	2017-18
Employer's Contribution to Provident Fund	70	68

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, 2019 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, 2019.

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

Particulars	Gratuity	
	2018-19 (Funded)	2017-18 (Funded)
Defined Benefit Obligation at the beginning of the year	126	122
Current Service cost	20	27
Interest Cost	10	9
Liability transfer in	-	-
Liability transfer out	-	-
Actuarial (gain) / loss	8	(19)
Benefits paid	(14)	(12)
Defined Benefit obligation at the end of the year	150	126

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

Particulars	Gratuity	
	2018-19	2017-18
Fair Value of Plan Assets at the beginning of the year	108	92
Expected Return On Plan Assets	8	7
Contribution during the year	30	23
Transfer From Other Company	-	-
Transfer To Other Company	-	-
Benefit Paid From The Fund	(14)	(12)
Actuarial Gains/(Losses) On Plan Assets	(3)	(2)
Fair Value of Plan Assets at the end of the year	130	108

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

Particulars	Gratuity	
	2018-19	2017-18
Present value of Benefit Obligation at the end of the Project	(150)	(126)
Fair Value of Plan Asset at the end of the Period	130	108
Funded Status (Surplus / (Deficit))	(20)	(18)
Net Liability/(Asset) recognized in Balance Sheet	(20)	(18)

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

Particulars	Gratuity	
	2018-19 (Funded)	2017-18 (Funded)
Current service cost	20	27
Interest Cost	1	2
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Net expenses	22	29

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

Particulars	Gratuity	
	2018-19	2017-18
Actuarial (Gains) / Losses on obligation for the period	8	(19)
Return on plan assets, excluding interest income	3	2
Change in asset Ceiling	-	-
Net (income) / expense for the period recognized in OCI	10	(18)

VI Expected payout from the fund / employer

Particulars	Fund		Employer	
	2018-19	2017-18	2018-19	2017-18
Projected benefits payable in Future Years from Date of reporting				
1st Following year	13	23	-	-
2nd Following year	8	7	-	-
3rd Following year	9	8	-	-
4th Following year	10	8	-	-
5th Following year	10	8	-	-
6th - 10th Following years	59	47	-	-
11th year and above	270	186	-	-

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	
	2018-19	2017-18
Projected benefit obligation on Current Assumption	135	126
Effect of +1% change in Rate of discounting	(11)	(9)
Effect of -1% change in Rate of discounting	13	11
Effect of +2% change in Rate of Salary Increase	22	19
Effect of -2% change in Rate of Salary Increase	(17)	(15)
Effect of +5% change in Rate of Employee Turnover	1	1
Effect of -5% change in Rate of Employee Turnover	(3)	(3)

These plans typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

VIII Principal actuarial assumptions at the Balance sheet date:

Particulars	Gratuity As at	
	31-Mar-19	31-Mar-18
Mortality Table(LIC)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Rate of employee turnover	For service 4 yrs. & below 19% pa & 7% pa thereafter	For service 4 yrs. & below 19% pa & 7% pa thereafter
Discount rate (per annum)	7.64%	7.78%
Expected Return on Plan Asset	7.64%	7.78%
Rate of escalation in salary (per annum)	6.50%	6.50%

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company's policy for Plan Assets Management.

The Group 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

41 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company while presenting the consolidated financial statements has disclosed the segment information to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".

Primary Segment Business segments being Trading & Clearing

Particulars	Trading Services		Clearing Services		Unallocable		Total	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
REVENUE:								
External Revenue	583	849	221	1	-	-	804	849
Inter-segment Revenue	-	-	9	23	-	-	9	23
Total Revenue	583	849	230	24	-	-	813	872
SEGMENT RESULT :								
Loss Before Interest & Tax	(4,989)	(6,049)	(1,427)	(1,381)	253	288	(6,163)	(7,141)
Less : Interest Expense	-	-	-	-	(110)	-	(110)	-
Add : Interest Income	-	-	-	-	2,429	1,666	2,429	1,666
Loss After Interest	(4,989)	(6,049)	(1,427)	(1,381)	2,572	1,954	(3,845)	(5,475)
Less: Tax Expense	-	-	-	-	-	-	214	-
Less : Minority Interest	-	-	-	-	-	-	28	4
Total Other Comprehensive income							-10	-
Loss for the Year	(4,989)	(6,049)	(1,427)	(1,381)	2,572	1,954	(4,097)	(5,479)
OTHER INFORMATION								
Segment Assets	9,183	10,840	13,763	595	36,583	45,231	59,530	56,666
Segment Liabilities	7,911	6,124	9,219	4,955	2,958	2,608	20,089	13,687
Segment Capital Expenditure	147	757	162	4	-	-	309	761
Depreciation / Amortisation	1,334	1,456	5	2	-	-	1,338	1,457

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.

42 Ind AS 24 - Related party Disclosures

a) Names of related parties and nature of relationship:

(i) Key Management Personnel (KMP)

MSEI

- Mr. Udai Kumar (MD & CEO) upto January 21, 2019
- Mr. Abhijit Chakraborty (COO) upto April 01, 2018
- Mr. Chetan Utture (CFO) upto October 13, 2017
- Mr. Kunal Sanghavi (CFO) w.e.f. February 12, 2018
- Mr. Rathindra Das (Company Secretary) upto January 5, 2018
- Mr. Yashwant Kakade (Company Secretary) w.e.f. November 2, 2019

MCCIL

- Mr. Balu Nair (MD & CEO)

Mr. Krishana Wagle (CFO)
Ms. Avni Patel (Company Secretary)

(ii) Others

Metropolitan Stock Exchange ESOP Trust
Metropolitan Stock Exchange Investor Protection Fund Trust (erstwhile MCX Stock Exchange Investor Protection Fund Currency Derivative Segment Trust (IPF Trust)

b) Transactions with KMP:

Particulars	
Salary & allowances*:	
Mr. Udai Kumar	64 (84)
Mr. Abhijit Chakraborty	- (46)
Mr. Chetan Utture	- (15)
Mr. Kunal Sanghavi	41 (5)
Mr. Yashwant Kakade	5 (-)
Mr. Rathindra Das	- (18)
Mr. Balu Nair	55 (52)
Mr. Krishana Wagle	25 (18)
Ms. Avni Patel	17 (14)
Advances :	
Mr. Udai Kumar	- (9)
Closing Balance	0 (6)

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

- (i) Related party relationship is as identified by the Company and relied upon by the auditors.
(ii) There are no amounts written off or written back in the year in respect of debts due from or to related parties.
(iii) Figures in bracket represent previous year's amounts.
(iv) The transactions with the related parties are disclosed only till the relation exists.

43 Operating lease

The Company has entered into operating lease agreements for its office premises.

- a) The minimum lease rentals on operating leases recognized in the statement of Profit & Loss and the future minimum lease payments under operating leases are as follows:

Particulars	As at	
	31-Mar-19	31-Mar-18
Future minimum lease payments		
Not later than one year	534	525
Later than one year and not later than five years	727	1,248
Later than five years	-	-

- b) Lease payments recognised in the statement of Profit & Loss is Rs. 567.60 Lakhs (Previous year Rs. 566.20 Lakhs).
c) Sub-lease payment received and recognised in the statement of Profit & Loss is Rs. 179.26 Lakhs (Previous Year Rs. 61.69 Lakhs).

44 Fair value Measurement

Financial Instruments by category

Particulars	31/03/2019			31/03/2018		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Investments						
Equity Instruments	-	-	(0)	-	-	-
Mutual Funds	4,088	-	-	4,170	-	-
Trade receivables	-	-	134	-	-	47
Cash and Cash equivalents	-	-	152	-	-	150
Bank balances other than cash and cash equivalents	-	-	37,809	-	-	13,794
Deposits	-	-	5,611	-	-	25,355
Other financial assets	-	-	47	-	-	55
Total financial assets	4,088	-	43,753	4,170	-	39,402
Financial liabilities						
Borrowings	-	-	2,415	-	-	-
Trade payables	-	-	948	-	-	816
Other financial liabilities	-	-	16,181	-	-	12,421
Total financial liabilities	-	-	19,544	-	-	13,237

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, 2019	As at March 31, 2018
Financial assets		
At Fair value through profit & loss		
Level 1		
Mutual fund Investments	4,088	4,170
	4,088	4,170

Recognised fair value measurements

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

"Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices of instruments"

45 Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Compliance with externally imposed capital requirements:

In accordance with regulation 14 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the parent Company and its Subsidiary i.e. Metropolitan Clearing Corporation of India Limited (MCCIL) shall have a minimum net worth of Rs. 10,000 Lakhs and Rs. 10,000 lakhs respectively, at all times. However, during the current year, the minimum networth of Exchange is reduced below Rs. 10,000 Lakhs. SEBI vide letter dated September 14, 2018 has granted renewal to the exchange and asked to ensure the net worth of Rs. 10,000 Lakhs within six month from the date of amendment of aforesaid regulations. As at March 31, 2019 the net worth of the Exchange is Rs 7,397 Lakhs and asked SEBI for extension to comply with the above requirement vide letter dated March 14, 2019. Exchange has initiated capital reduction process in its subsidiary namely MCCIL, which is pending with Hon'ble NCLT, Mumbai. The Exchange expect to receive requisite approval in due course and will able to comply with the networth requirement mentioned aforesaid.

46 Financials Risk Management

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including foreign currency and interest rate risk), regulatory risk and clearing & settlement risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

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. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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 provides the stock exchange services to its listed customers and registered members (who have provide the collaterals and other securities for trading done on its platform), hence the Company operates with large number of customers portfolio and its revenue is not concentrated on small number of customers. All trade receivables are reviewed and assessed for default on a periodic basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2019.

Other Financial Assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments in debt mutual funds. The Company has diversified portfolio of investment with various number of counter-parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company's Finance Department.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. 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 is also taking steps to improve liquidity going forward by focusing on new initiatives taken recently.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 and March 31, 2018

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at March 31, 2019				
Liabilities				
Borrowings	2,415	2,415	-	2,415
Trade payables	948	948	-	948
Other financial liabilities	16,181	5,405	10,776	16,181
Assets				
Trade Receivables	134	134	-	134
Investment	4,088	4,088	(0)	4,088
Cash and Cash equivalents	152	152	-	152
Bank balances other than cash and cash equivalents	37,809	37,809	-	37,809
Deposits	5,611	-	5,611	5,611
Other financial assets	47	47	-	47
As at March 31, 2018				
Liabilities				
Trade payables	816	816	-	816
Other financial liabilities	12,421	5,447	6,974	12,421
Assets				
Trade Receivables	47	47	-	47
Investment	4,170	4,170	-	4,170
Cash and Cash equivalents	150	150	-	150
Bank balances other than cash and cash equivalents	13,794	13,794	-	13,794
Deposits	25,355	-	25,355	25,355
Other financial assets	55	55	-	55

Market risk

The Company's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of financial assets traded, the number of listed securities, the number of new listings and subsequent issuances, liquidity and similar factors, as a significant portion of our revenue depends, either directly or indirectly, on trading, listing, clearing and settlement transaction-based fees.

The Company's financial condition and results of operations are also dependent upon the success of our clearing, settlement and other issuer services, which, in turn, are directly dependent on the liquidity and financial strength of our customers, namely financial intermediaries such as brokers, and their respective clients.

Regulatory risk

The Company requires a number of regulatory approvals, licenses, registrations and permissions to operate our business, including at a corporate level as well as at the level of each of its components. For example, the Company has licenses from SEBI in relation to, among others, introducing derivatives contracts on various indices of the exchange, introduction of futures and options contracts on various indices of the exchange and trading in government securities. Some of these approvals are required to be renewed from time to time. The Company's operations are subject to continued review and the governing regulations may change. The Company's regulatory team constantly monitors the compliance with these rules and regulations.

There have been several changes to the form and manner in which recognised stock exchanges must make contributions to a Settlement Guarantee Fund and Core Settlement Guarantee Fund in the last few years. Should SEBI in the future vary the required contribution amounts to the Settlement Guarantee Fund, the Group may have to contribute more of funds to the Settlement Guarantee Fund which could materially and adversely affect the Group's financial ability. The Group's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Company. The clearing and settlement operations are conducted through a wholly owned subsidiary Metropolitan Clearing Corporation Of India Limited (MCCI). MCCI guarantees the settlement of trade executed on Company's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

47 Taxes

a) Income Tax Expenses

The major components of income tax expenses for the year ended March 31, 2019

Profit or loss section

Particulars	2018-19	2017-18
Current tax expense	203	-
Current tax expense of earlier years	8	-
Deferred tax	(1)	-
Total income tax expense recognised in profit or loss	213	(1)

Other comprehensive income section

Particulars	2018-19	2017-18
Remeasurements of the defined benefit plans;	(1)	0
Total income tax expense recognised in Other comprehensive income	(1)	0

b) Reconciliation of effective tax rate

Particulars	2018-19	2017-18
a) Income before income tax	(3,845)	(5,476)
b) Enacted tax rate in India	26.000%	26.000%
c) Expected tax expenses (a*b)	203	-
d) Other than temporary differences		
Investment income	-	-
Expenses disallowed / (allowed)	-	-
Total	-	-
e) Temporary difference	11,689	10,265
Temporary difference on which deferred tax assets not recognised	(11,689)	(10,266)
Total	-	-
f) Net adjustments (d+e)	-	-
g) Current tax expense of earlier years	8	(1)
h) Tax expenses recognised in Profit or Loss (c+f+g)	214	(1)

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

48 Expenditure in foreign currency

Particulars	2018-19	2017-18
Membership	-	-
Repair, Maintenance & Sponsorship	35	34

49 Revenue from contract with customer

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

Particulars	2018-19	2017-18
Revenue from contract with customer	790	819
Revenue from other sources	14	30
Total	804	849

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

i Geographical Location

Particulars	2018 - 19		2017 - 18	
	India	Foreign	India	Foreign
Total Revenue	781	23	826	23

ii At point in time / Over time

Particulars	2018 - 19			2017 - 18		
	At point in time	Over Time	Total	At point in time	Over Time	Total
Total Revenue	261	322	583	567	282	849

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

i Contract Assets

Particulars	2018-19	2017-18
Opening Balance of Contract Asset	10	22
Previous year - Contract Asset - reclassified to trade receivable on invoicing	10	22
Current year - Contract asset	3	10
Closing Balance of Contract Assets	3	10

ii Contract Liability

Particulars	2018-19	2017-18
Opening Balance of Contract Liability	32	167
Previous year - Contract Liability - Revenue recognized during the year	15	140
Current year - Contract Liability Carried forward	19	4
Closing Balance of Contract Liability	36	32

50 Core Settlement Guarantee Fund (Core SGF)
(A) For MSE Segments:

Securities & Exchange Board of India (SEBI) had issued norms related to the computation and contribution to the Core Settlement Guarantee Fund (Core SGF) as part of the SEBI Circular CIR/CMD/DRMNP/25/2014 dated August 27, 2014. Based on said guidelines Clearing Corporation and Stock Exchange are required to contribute at least 50% and 25% of the Minimum Required Corpus (MRC) of the Core SGF whereas up to 25% of the Core SGF contribution can be collected from Clearing Members.

Minimum Required Corpus (MRC) of Core SGF

Segment (a)	MRC (b)	Contribution required from MCCIL (Minimum) (c)=50%*b	Contribution required from MSE (Minimum) (d)=25%*b	Contribution required from Clearing Members (Maximum) (e)=25%*b
CDS	4,165	2,083	1,041	1,041
ECM	0	0	0	0
EDS	0	0	0	0
DMS	0	0	0	0
Total	4,165	2,083	1,041	1,041

Corpus of Core SGF as on March 31, 2019

Segment (a)	Total Corpus (b)=(c)+(d)+(e)+(f)+(g)	MCCIL Cash (c)	MSE Cash (d)	Clearing Members		Penalties Cash (g)
				Cash (e)	Non-Cash (f)	
CDS	5,007	3,053	1,433	33	-	488
ECM	35	35	-	-	-	0
EDS	38	35	-	-	-	3
DMS	35	35	-	-	-	-
Total	5,114	3,157	1,433	33	-	491

Corpus of Core SGF as on March 31, 2018

Segment (a)	Total Corpus (b)=(c)+(d)+(e)+(f)+(g)	MCCIL Cash (c)	MSE Cash (d)	Clearing Members		Penalties Cash (g)
				Cash (e)	Non-Cash (f)	
CDS	4,674	2,854	1,337	31	-	453
ECM	32	32	-	-	-	0
EDS	35	32	-	-	-	3
DMS	32	32	-	-	-	-
Total	4,774	2,950	1,337	31	-	456

Note:

- Contribution made by the MCCIL to the Core SGF Corpus is funded through its Equity.
- Further, in accordance with the directions received from the SEBI, MCCIL had contributed an amount of INR 25 lakh each in Equity Derivative Segment, Equity Cash Market Segment and Debt Market Segment as the minimum corpus of Core SGF with effect from February 2, 2015.
- Corpus of Core SGF includes contribution made by the contributors, penalties levied and income earned on the corpus.
- Clearing Member contribution have not been sought in view of the adequacy of Core SGF Corpus after taking into consideration the contributions (including the interest income) made by the MCCIL and the MSE. The amount reflecting under Core SGF Corpus of Clearing Member pertains to income earned on Clearing Member contributions.

(B) For ICEX Segment:

Securities & Exchange Board of India (SEBI) had issued norms related to Core SGF and standardised stress testing for credit risk for commodity derivatives vide circular SEBI/ HO/ CDMRD/ DRMP/ CIR/ P/ 2018/ 111 dated July 11, 2018. Based on said guidelines Clearing Corporation and Stock Exchange are required to contribute at least 50% and 25% of the Minimum Required Corpus (MRC) of the Core SGF whereas up to 25% of the Core SGF contribution can be collected from Clearing Members.

Minimum Required Corpus (MRC) of Core SGF

Segment (a)	MRC (b)	Contribution required from MCCIL (Minimum) (c)=50%*b	Contribution required from ICEX (Minimum) (d)=25%*b	Contribution required from Clearing Members (Maximum) (e)=25%*b
Commodity Derivative Segment	1,000	500	250	250
Total	1,000	500	250	250

Corpus of Core SGF as on March 31, 2019

Segment (a)	Total Corpus (b)=(c)+(d)+(e)+(f)+(g)	MCCIL Cash (c)	ICEX Cash (d)	Clearing Members		Penalties Cash (g)
				Cash (e)	Non-Cash (f)	
Commodity Derivative Segment	4,182	520	3,659	-	-	3
Total	4,182	520	3,659	-	-	3

Note:

- Corpus of Core SGF for commodity segment includes contribution made by the contributors, penalties levied and income earned on the corpus.
- Clearing Member contribution have not been sought in view of the adequacy of Core SGF Corpus after taking into consideration the contributions (including the interest income) made by the MCCIL and the ICEX.
- SEBI vide its letter SEBI/HO/CDMRD/DEA/OW/P/2018/27063/1&2, dated September, 27 2018, had instructed Exchange/ Clearing Corporation to strengthen and build up the resources available for SGF to at least INR 1,000 Lakhs over a period of three years. The shortfall to be made up by the Exchange/ CC by earmarking INR 500 Lakhs per quarter towards a separate fund for the purpose of augmenting SGF and the fund shall have separate earmarked investments in a separate account.
ICEX and MCCIL vide its joint letter dated October 05, 2018 had informed SEBI that ICEX would build up SGF to at least INR 100 Crores over a period of three years by earmarking INR 500 Lakhs per quarter, starting from quarter ending December 31 2018 towards a separate fund for the purpose of augment SGF and the fund shall have earmarked investments in a separate account.

51 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, 2019

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
A	Parent								
	Metropolitan Stock Exchange of India Ltd.	19%	7,379	-124%	(5,065)	-85%	(8)	-124%	(5,073)
B	Indian Subsidiaries								
i	Metropolitan Clearing Corporation of India Ltd.	78%	31,018	25%	1,007	-15%	(1)	25%	1,005
ii	MCX-SX KYC Registration Agency Ltd.	0%	2	0%	(0)	0%	-	0%	(0)
iii	Non-controlling Interest in all Subsidiaries	3%	1,286	-1%	(28)	0%	-	-1%	(28)
	Total	100%	39,685	-100%	(4,087)	-100%	(9)	-100%	(4,096)

Year Ended March 31, 2018

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
A	Parent								
	Metropolitan Stock Exchange of India Ltd.	27%	11,554	-102%	(5,587)	97%	17	-102%	(5,570)
B	Indian Subsidiaries								
i	Metropolitan Clearing Corporation of India Ltd.	70%	30,381	2%	112	3%	1	2%	112
ii	MCX-SX KYC Registration Agency Ltd.	0%	3	0%	(0)	0%	-	0%	(0)
iii	Non-controlling Interest in all Subsidiaries	3%	1,257	0%	(4)	0%	-	0%	(4)
	Total	100%	43,195	-100%	(5,479)	100%	18	-100%	(5,461)

- 52 SEBI in its order dated March 19, 2014 stated that 63 moons technologies limited (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 technologies limited (Formerly known as Financial Technologies (India) Limited) and entities through whom 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 technologies limited (Formerly known as Financial Technologies (India) Limited) regarding divestment of their stake in the Company; in reply to these letters 63 moons technologies limited (Formerly known as Financial Technologies (India) Limited) informed us that they are in search of the suitable buyer to acquire their stake in the Company.
- 53 Subsidiary Company has received approval from SEBI vide letter No SEBI/HO/CDMRD/DEA/OW/P/2018/27063/1, dated September 27, 2018, for clearing & settling the trades carried on the platform of Indian Commodity Exchange Limited (ICEX). Accordingly, with effect from October 01, 2018, MCCIL has started clearing & settlement activities in Commodity Derivative Segment of ICEX. In terms of clause 3.2 of the Clearing and Settlement Agreement dated July 11, 2018 entered between ICEX and MCCIL, ICEX is required to transfer various deposits/funds, including SGF funds, security and margin deposits of Clearing Members to Subsidiary Company. All the balances/ funds were migrated successfully.
- 54 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.
- 55 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.
- 56 **Corporate Social responsibility**
The subsidiary has achieved the Net Profit criteria as specified u/s. 135 of the Companies Act 2013, provisions of Corporate Social Responsibility (CSR) would be applicable to subsidiary from the next Financial Year 2019-20.
- 57 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

Dinesh Kumar Mehrotra
Chairman
DIN :

Balu Nair
Interim Chief Executive Officer

Mumbai
Dated : May 07, 2019

Kunal Sanghavi
Chief Financial Officer

Yashwant Kakade
Company Secretary

INVESTOR AWARENESS PROGRAMMES



IAP event held at Goa on 22nd February 2019



IAP event held at Asansole on 8th March 2019



IAP event held at Indore on 23rd March 2019



IAP event held at Mumbai on 27th March 2019





METROPOLITAN STOCK EXCHANGE

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