MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED

TRANSCRIPT OF THE 13th ANNUAL GENERAL MEETING
HELD ON FRIDAY, AUGUST 27, 2021
4.00 P.M. (IST) to 4.28 P.M. (IST)

Directors Present:

Mr. Ved Jain	: Public Interest Director/Chairman of the Board
Dr. Brinda Jagirdar	: Public Interest Director
Mr. Nagesh Pinge	: Public Interest Director
Mr. Rajesh Doshi	: Public Interest Director
Mr. Chengalath Jayaram	: Shareholder Director
Mr. Narendra Kumar Ahlawat	: MD & CEO

Members Present:

Mr. Satyajeet Bolar	: Member (Authorised Representative of MCX and Nominee of MCX)
Mr. Rishi Nathany	: Member (Nominee of MCX)
Mr. Shivanshu Mehta	: Member (Nominee of MCX)
Ms. Neetu Juneja	: Member (Nominee of MCX)
Mr. Sanjay Golecha	: Member (Nominee of MCX)
Mr. D. G. Praveen	: Member (Nominee of MCX)

Auditors Present:

Ms. Princy Maurya	: Representative of MSKA & Associates, Statutory Auditor
Ms. Neha Lahoty	: Representative – Rathi & Associates, Secretarial Auditor

Key Managerial Personnel Present:

Mr. Mandar Kulkarni	: Company Secretary
Mr. Rajesh Agrawal	: Chief Financial Officer

WELCOME ADDRESS BY COMPANY SECRETARY:

Good evening all, I, Mandar Kulkarni, Company Secretary, on behalf of Multi Commodity Exchange Clearing Corporation Limited, welcome all of you to the Thirteenth Annual General Meeting of the Company.

Pursuant to Article 111 of Article of Association of the Company, I request Mr. Ved Kumar Jain, being the Chairman of the Board, to take the Chair and proceed with the meeting as the quorum is present.

WELCOME ADDRESS BY CHAIRMAN

Thank you Mr. Mandar. Good afternoon friends, I welcome you all to this Thirteenth Annual General Meeting of the Company as scheduled. The time is 4.00 pm and as the requisite quorum is present, (pursuant to Section 103, five members personally are present….) now I call the meeting to order. All efforts feasible under the circumstances have indeed been made by the Company to enable members to participate and vote

on the items of business being considered in the meeting. I request all the Directors on the Board of MCXCCL to introduce themselves first. I will start with myself.

Mr. Ved Jain, Public Interest Director
I am Ved Jain joining this meeting from my residence at New Delhi. May I request all other Directors to introduce themselves one by one.

Mr. Rajesh Doshi, Public Interest Director
I am Rajesh Doshi attending this meeting from my residence in Walkeshwar, Mumbai. I am the Public Interest Director.

Mr. Nagesh Pinge, Public Interest Director
This is Nagesh Pinge taking this Annual General meeting of MCXCCL from my residence in Vile Parle, Mumbai and I am the Public Interest Director.

Dr. Brinda Jagirdar, Public Interest Director
I am Brinda Jagirdar. I am attending this meeting from my residence in Mumbai and I am the Public Interest Director.

Mr. Chengalath Jayaram, Shareholder Director
This is Jayaram. I am joining this meeting from my residence in Kochi.

Mr. Narendra Ahlawat, Managing Director
I am Narendra Ahlawat. I am attending this meeting from my residence in Powai, Mumbai and I am the MD & CEO.

Mr. Rajesh Agrawal, Chief Financial Officer
I am Rajesh Agrawal, attending this meeting from Kandivili, from my residence. I am the CFO of the Company.

Company Secretary
Good afternoon, Mandar Kulkarni, attending this meeting from Goregaon, Mumbai, Company Secretary of MCXCCL. Thank You.

Chairman
May I request other shareholders also to record their attendance one by one.

Mr. Rishi Nathany, Shareholder holding share jointly with MCX
Good afternoon, this is Rishi Nathany. I am attending this meeting from my residence in Mumbai.

Mr. Sanjay Golecha, Shareholder holding share jointly with MCX
Good afternoon, I am Sanjay Golecha. I am attending this meeting from my residence in Borivili, Mumbai.

Mr. Shivanshu Mehta, Shareholder holding share jointly with MCX
Good afternoon, this is Shivanshu Mehta I am attending this meeting from my residence in Lokhandwala, Mumbai

Mr. D.G. Praveen, Shareholder holding share jointly with MCX
Good afternoon, this is Praveen DG. I am attending from my residence in Hyderabad.

Ms. Neetu Juneja, Shareholder holding share jointly with MCX
Good afternoon, I am Neetu Juneja. I am attending this meeting from my residence in Santacruz, Mumbai

Mr. Satyajeet Bolar, Authorised Representative of MCX and shareholder holding share jointly with MCX
Good afternoon, I am Satyajeet Bolar joining this meeting from Mumbai.

Chairman
May I request the Auditors to record their presence.

Ms. Neha Lahoty, Representative of Rathi & Associates, Secretarial Auditor
My name is Neha Lahoty. I am the Secretarial Auditor. I am attending in this meeting from my residence in Mumbai.

Ms. Princy Maurya, Representative of MSKA & Associates, Statutory Auditor
This is Princy Maurya, I am attending this meeting from my residence in Mumbai and I am part of Statutory Auditor.

Chairman

In accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chairman of the Audit Committee, Mr. Nagesh Pinge and the Chairperson of the Nomination & Remuneration Committee, Madam Brinda Jagirdar both are also present to answer the queries of the shareholders. The representatives of the Statutory Auditors & Secretarial Auditors are also present to answer the shareholder queries, if any.

The relevant / required registers under the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the Auditor's Report and Secretarial Audit Report shall remain open for inspection by the shareholders during the continuance of this meeting. The Notice of Annual General Meeting dated July 23, 2021 along with the Annual Financial Statements and the Report of the Directors along with their Annexures have been circulated and with your permission, I would like to take them as read. With the consent of the shareholders, the Notice of Annual General Meeting dated July 23, 2021 along with the Annual Financial Statements and the Report of the Directors along with their Annexures were taken as read.

Before we take up the business in the Notice, I would like to give a brief overview of the Company's performance.

Chairman

Dear shareholders, my colleagues on the Board, Ladies and Gentlemen,

I welcome you all to this 13th Annual General Meeting of the Multi Commodity Exchange Clearing Corporation Limited. We are holding this AGM on a virtual platform for the second time in row, as we continue to face the extra-ordinary situation arising due to the Covid-19 pandemic.

At the outset, let me apprise you about the unprecedented economic scenario amidst which MCXCCL operated during the year 2020-21. The pandemic Covid-19 created one of the worst recessions in the global economy in almost all countries. The pandemic has left its disastrous impact in our country too as India's GDP contracted by about 7.3% during the year, as per estimates by the Central Statistical Organization.

Despite the challenge thrown up by the pandemic and the associated lockdowns, I am happy to inform you that your Company was able to provide uninterrupted clearing services even during the lockdown. This amply proved the robustness of your Company's processes and underscored the solid Business Continuity measures of the organization. Even amidst the restrictions in place, the Company was able to clear and settle the trades in innovative products, such as index based futures contracts on MCX iCOMDEX Bullion Index or BULLDEX and Base Metal Index or METLDEX.

I am also happy to report that in spite of the disruptions caused by the pandemic in the overall economic activity, the financial performance of your company has not been affected. On the contrary there has been improvement so far annual financial results are concerned. For the year ended March 31, 2021, MCXCCL's total income stood at Rs.86.97 crore vis-à-vis Rs. 71.57 crore in the Financial Year 2019-20 which is almost 20% more than that of last year. Profit after tax was Rs. 37.30 crore for the Financial Year ended March 31, 2021 as compared to Rs. 27.92 crore for the Financial Year ended March 31, 2020. This jump is more than roughly which I believe is almost 40 % and shows that the revenue has increased.

The operational performance of your company in this Financial Year 2020-21 has been equally noteworthy. MCXCCL cleared and settled future trades of about Rs. 80.25 lakh crore and option trades of about Rs 2.4 lakh crore during the year ended March 31, 2021. These trades resulted into the Mark to Market and premium settlement of more than Rs. 23,000 crores. The challenge from Covid-19 and lockdowns notwithstanding, the adverse impact on the volumes of futures trades cleared by your Company was milder than apprehended. Aggregate futures trades cleared by MCXCCL during 2020-21 was just about 4.4% lower than that of in 2019-20.

A number of new product launches by MCX led MCXCCL to enter into new and unchartered territories of providing clearing and settlement services for these products during the year. Your Company's robust delivery and settlement systems ensured successful deliveries across all commodity segments during the year 2020-21. Besides clearing services were also provided in new products like options in Goods contract on Gold Mini - 100 gram bar and Rubber Futures contract launched during the year 2020-21.

MCXCCL facilitated delivery of about 140 tons of Silver, the highest in 12 years, through August and September 2020 expiry contracts, while the delivery of Base Metals exceeded 1 lakh tons by September 2020. On March 30 2021, MCXCCL witnessed a record 6-year high single day delivery of 2,035 kilograms of Gold valued at Rs. 887.40 crore. In addition, cotton stocks in the MCXCCL accredited warehouses touched a record high of 2,16,600 bales in March 2021 with active use by hedgers, particularly exporters, for their price risk management.

Following the announcement of detailed guidelines on 'MCX Good Delivery Norms for BIS Standard Gold/Silver', two Indian refiners were empaneled into the MCX and MCXCCL delivery process under these norms. This was our initiative at introducing Indian standards in commodity derivatives trading and bringing in local stakeholders of the value chain into the clearing corporation's delivery mechanism. Your Company subsequently, for the first time, facilitated delivery of 190 kilograms of locally refined 100 grams gold bars for the month of April 2021 expiry Gold Mini contract. In the Financial Year 2020-21, 28,164 Gold Petals and 838 tons of Rubber were delivered.

Further, to align the delivery process and products with the requirements of physical markets stakeholders, during the year 2020-21, the primary delivery centre of the Aluminium Futures contract was changed to ex-warehouse Raipur district in the state of Chhattisgarh, while retaining Thane district in the state of Maharashtra as the additional delivery centre. Raipur warehouses received highest deposit of 5421.15 tons of Aluminum. Subsequently, in the current financial year, delivery centres in few more locations for other Base Metals have also been opened and more are in the offing. Availability of multiple delivery centres can

help to strengthen the linkage between the physical and derivatives markets for any commodity and also expand the footprint of the derivatives market across the country.

I am proud to say that our technology and operational processes have ensured that we were able to handle large volumes of physical delivery and financial settlement, including in new products like index futures, in a very efficient manner. It is possibly such efficiency and robustness of business processes that generate the confidence of our stakeholders.

In the year ahead, we look forward to new opportunities to take your Company to the next level of growth. During the year 2020-21, following the regulatory approvals, MCX had introduced products in new categories such as Options in Goods and Futures in Commodity Indices, whose clearing and settlement were efficiently handled by MCXCCL. We now look forward to exploring opportunities to clearing and settling more products in these new categories, as and when these are launched by MCX. Your Company also looks forward to regulatory reforms that can lead to opening of new opportunities, such as launch of new products on MCX or expansion of eligible participants, like foreign investors, in the commodity derivatives market, all of which will provide opportunities for growth of MCXCCL.

The Hon'ble Finance Minister, in the Union Budget 2021-22, announced that the Warehousing Development and Regulatory Authority will be strengthened to set up a commodity market ecosystem arrangement including vaulting, assaying, logistics etc., in addition to warehousing. This will help in developing the commodity market ecosystem and warehouse receipt-based financing, in turn encouraging participation in commodities derivatives by the market participants. Your Company looks forward to using such opportunities to facilitate entry of new participants into the commodity derivatives market.

While I have narrated some of the opportunities we are looking forward to in the days ahead, we are also cognizant of some possible challenges that we need to overcome, especially the unknown risks that may arise from the spread of the Covid-19 pandemic. Emergence and rapid spread of new variants of the virus, slow pace of vaccination, etc. are some of the risks that may arise in future. Nevertheless, MCX and MCXCCL have so far taken this challenge in their strides and I am confident that we shall be able to overcome the challenge in the future too. Our cutting edge technology, combined with our superior human resources will continue to be the key enablers and facilitators for ensuring business continuity, leading us to scale greater heights in the days ahead.

I take this opportunity to convey on behalf of MCXCCL, our sincere thanks to all our stakeholders, which include our Regulator SEBI, our members, their constituents, Chairman of MCX- Shri Saurabh Chandraji, all its Board Members, MD & CEO- Mr. P.S. Reddy, management of MCX and last but not the least you all the shareholders, for their continuous support and guidance from time to time. I take this opportunity and also to convey my sincere thanks to all my colleagues on the Board, MD & CEO- Mr. Narendra Kumar Ahlawat and all my employees and the management which have really been working hard despite the lockdown and clearing operation has remain unaffected all along. With the continued support of our stakeholders, I am sure that MCXCCL shall be able to reap the opportunities and meet all the challenges in the future as well.

Thank you all for being here at this AGM.

Now I request Mr. Mandar Kulkarni, Company Secretary to read the Auditors Report

Company Secretary

Thank you Sir. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors viz. MSKA & Associates as well as Secretarial Auditors viz. Rathi & Associates in their respective reports

for FY 2020-21. The Auditor's report and the Secretarial Auditor's Report have been circulated as a part of the Annual Report to the shareholders. With the permission of the members, I would like to take Auditor's report as well as Secretarial Auditor's Report as read.

Chairman

Can we have your consent please? You can unmute yourself.

With the consent of the shareholders, the Auditor's report as well as Secretarial Auditor's Report were taken as read.

So now I invite queries from the shareholders, if any. Any question/queries about what I have shared.This is the right time to ask question to management as what we are doing and how we are doing.

So, in absence on any queries, I move to the next agenda.

Notice item no. 1 is here. Now I take up Resolution w.r.t. receiving, considering and adopting the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the reports of the Board of Directors and Auditors thereon as an Ordinary Resolution.

"**RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the reports of the Board of Directors and Auditors thereon be and are hereby approved and adopted."

May I request any one of the Shareholders to propose this resolution.

Mr. Rishi Nathany, Shareholder holding share jointly with MCX
Yes, I propose.

Chairman
May I request another shareholder to please second this resolution.

Mr. Sanjay Golecha, Shareholder holding share jointly with MCX
I second it

Chairman
Resolution for adoption of Annual Accounts has been proposed and seconded.

Now I invite the comments thereon. As there are no comments/no question, now I put the resolution to vote by show of hand. All those who are in favour may show their hand and say 'Yes'. Those who are against the resolution, may say 'No'.

Mr. Rishi Nathany - Yes
Mr. Shivanshu Mehta - Yes
Ms. Neetu Juneja - Yes
Mr. Sanjay Golecha - Yes
Mr. Satyajeet Bolar - Yes
Mr. D.G. Praveen - Yes

Chairman
All are in favour, hence I declare that the resolution is approved unanimously.

Notice item no. two

I now I take up the Resolution w.r.t. reappointment of Mr. Chengalath Jayaram as Director, as an Ordinary Resolution.

The resolution is:

"**RESOLVED THAT** Mr. Chengalath Jayaram (DIN:00012214) who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation, subject to approval of SEBI."

May I request one of the shareholders to propose the resolution.

Mr. Shivanshu Mehta, Shareholder holding share jointly with MCX
I propose.

Chairman
May I request another shareholder to second the resolution.

Ms. Neetu Juneja, Shareholder holding share jointly with MCX
I second.

Chairman
I now put the Resolution to vote by show of hand. May I request those who are in favour may show their hand and say 'Yes'. Those who are against the resolution, may say 'No'.
Mr. Rishi Nathany - Yes
Mr. Shivanshu Mehta - Yes
Ms. Neetu Juneja - Yes
Mr. Sanjay Golecha - Yes
Mr. Satyajeet Bolar - Yes
Mr. D.G. Praveen - Yes

Chairman
All are in favour, hence I declare that the resolution is approved unanimously.

Notice item no. three

"Now I put Resolution no. 3 to approve appointment of Mr. Narendra Kumar Ahlawat (DIN: 07629724) as the Managing Director and Chief Executive Officer (MD & CEO) of the Company and approve the remuneration payable to him, as a Special Resolution"

The resolution has been circulated as a part of the Notice of Annual General Meeting dated July 23, 2021. With your permission, I would like to take the said resolution as read. With the consent of the shareholders, the resolution was taken as read.

May I request one of the shareholders to propose the resolution.

Mr. Rishi Nathani, Shareholder holding share jointly with MCX
I propose.

Chairman
May I request another shareholder to second the resolution.

Mr. Shivanshu Mehta, Shareholder holding share jointly with MCX
I second.

Chairman
I now put the Resolution to vote by show of hand. May I request those who are in favour may show their hand and say 'Yes'. Those who are against the resolution, may say 'No'.

Mr. Rishi Nathany - Yes
Mr. Shivanshu Mehta - Yes
Ms. Neetu Juneja - Yes
Mr. Sanjay Golecha - Yes
Mr. Satyajeet Bolar - Yes
Mr. D.G. Praveen - Yes

Chairman
All are in favour, hence I declare that the resolution is approved unanimously.

May I request any other items that members may like to discuss. Is there any point/ other issue on which members may like to ask any question.

Since there is no other issue raised, I thank you all for your continued support to the Company and for approving all the businesses covered in the notice dated July 23, 2021 and look forward to your continued support in future as well. I hereby declare the meeting as concluded. The outcome of the meeting, proceeding & recorded transcript of meeting will be placed on the website of the Company https://www.mcxccl.com/ .

Thank you all.

Company Secretary

I would like to thank members and all the directors for attending the meeting and also thank Chairman Sir for presiding over this meeting.

Thank you all for attending this AGM.