MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED (MCXCCL)

TRANSCRIPT OF THE SIXTEENTH ANNUAL GENERAL MEETING
HELD ON THURSDAY, SEPTEMBER 12, 2024
4.02 P.M. (IST) TO 4.17 P.M. (IST)

Members Present:

Ms. Manisha Thakur	: Member (Authorised Representative of Multi Commodity Exchange of India Limited (MCX))
Mr. Chandresh Shah	: Member (Joint Holder with MCX)
Mr. D. G. Praveen	: Member (Joint Holder with MCX)
Mr. Shivanshu Mehta	: Member (Joint Holder with MCX)
Mr. Rishi Nathany	: Member (Joint Holder with MCX)
Ms. Rashmi Nihalani	: Member (Joint Holder with MCX)
Mr. Manoj Kumar Jain	: Member (Joint Holder with MCX)

Directors Present:

Mr. Prafulla Chhajed	: Public Interest Director/Chairperson of the Board
Mr. Srinivas Petluri	: Public Interest Director
Ms. Kemisha Soni	: Public Interest Director
Mr. Ganesh Kumar	: Public Interest Director
Mr. Mohan Shenoi	: Non-Independent Director
Mr. Manoj Kumar Jain	: Non-Independent Director
Mr. Narendra Kumar Ahlawat	: Managing Director & Chief Executive Officer

Auditors Present:

Mr. Prateek Khandelwal	: Representative – MSKA & Associates, Statutory Auditor
Mr. Swapnil Hasabnis	: Representative – Mayekar & Associates, Secretarial Auditor
Ms. Shivali Shah	: Representative– Aneja Associates, Internal Auditor

Key Managerial Personnel Present:

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

WELCOME ADDRESS BY COMPANY SECRETARY:

Good Evening, dear Shareholders and Board Members, I, Mandar Kulkarni, Company Secretary, on behalf of Multi Commodity Exchange Clearing Corporation Limited, welcome all of you to the Sixteenth Annual General Meeting of the Company.

Pursuant to Article 111 of the Article of Association of the Company, I request Mr. Prafulla Chhajed, being Chairperson of the Board, to take the Chair and proceed with the Meeting as the quorum is present.

WELCOME ADDRESS BY CHAIRPERSON

Thank you. A very good evening to all respected Shareholders and my Board Members, I welcome you all to this Sixteenth Annual General Meeting of the Company as scheduled. The time is 4.00 P.M. and as the requisite quorum is present, I now call the Meeting to the order. All efforts feasible under the circumstances have been made by the Company to enable members to participate and vote on the items of business being considered in this Meeting. I now request all my fellow Directors to introduce themselves.

Mr. Srinivas Petluri, Public Interest Director
I am Srinivas, speaking from Guntur from my native place and I am able to see you all and I am able to hear you all.

Mr. Ganesh Kumar, Public Interest Director
Good Afternoon everybody, I am Ganesh Kumar, I am attending this Meeting from my residence in Mumbai. I am able to see and hear everybody and I meet all other protocols, thank you.

Ms. Kemisha Soni, Public Interest Director
I am Kemisha Soni, Public Interest Director in MCXCCL and I have joined this Meeting from my residence in Indore and I can see and hear all of you very well.

Mr. Mohan Shenoi, Non-Independent Director
Good Evening, This is Mohan Shenoi here, I am participating in this AGM from my residence at Lower Parel, Mumbai. I can see and hear everyone clearly and I am alone in this room, thank you.

Mr. Manoj Kumar Jain Non-Independent Director
Good Evening everyone, this is Manoj Jain, I am attending this Meeting from the MCX office in Mumbai. Along with me we have other management colleagues, both from MCX and MCXCCL. I can hear and see everyone clearly, thank you.

Mr. Narendra Kumar Ahlawat, Managing Director & CEO
Good Evening everyone, I am Narendra Ahlawat. I am attending this Meeting from MCXCCL registered office. I am the MD and CEO, and along with me, are other colleagues and also shareholders. Thank you.

Chairperson

Thank you everybody. In accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chairperson of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are also present to answer the queries, if any, of the Shareholders. The representatives of the Statutory Auditors, Internal Auditors and Secretarial Auditors are also present to answer the Shareholders 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 26, 2024 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.

Thank you.

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

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

I welcome you all to this sixteenth Annual General Meeting of Multi Commodity Exchange Clearing Corporation Limited (MCXCCL). It is for the first time that I am having this privilege of Chairing the AGM and sharing the performance of your Company as Chairperson of the Company.

Let me first share with you the performance of the Company in the Financial Year 2023-24. I am happy and proud to inform you that it was a record performance by MCXCCL in the Financial Year 2023-24. For the year ended March 31, 2024, MCXCCL's total income stood at Rs.168.84 Crore, highest ever, vis-à-vis Rs. 118.13 Crore achieved in the Financial Year 2022-23, which is almost 42.93% more than that of last financial year.

The profit after tax rose to Rs. 32.59 Crore vis-à-vis Rs. 24 Crore achieved in the preceding Financial Year 2022-23, which is almost 35.79 % more than that of last financial year.

During the year, MCXCCL successfully made a critical system transition from its earlier system built by a vendor viz. 63 moons to new system built by a vendor viz. TCS. This involved transition of its Clearing & Settlement, Collateral and Risk Management systems to a new platform built by TCS. This entire project was termed as "Commodity Derivatives Platform (CDP) project". This project was implemented on October 16, 2023, after completion of requisite milestones, regulatory approvals and independent third-party audit.

Now coming back to performance in Financial Year 2023-24, MCXCCL cleared and settled Futures trades of about Rs. 49.88 Lakh Crore and Options trades of about Rs. 361.26 Lakh Crore during the financial year. Options turnover was 315% higher over the previous year. These trades resulted into the Mark to Market, premium and devolvement settlement of Rs 24,723 Crore.

During the year, MCX introduced new products for which clearing and settlement services were provided by your Company. MCX introduced Steel Rebar contracts which were cleared by your Company.

Your Company's robust delivery and settlement systems ensured successful deliveries across all commodity segments during the Financial Year 2023-24. The value of commodities delivered in the Financial Year 2023-24 was about Rs. 11,188 Crore.

During Financial Year 2022-23, SEBI granted permission to Foreign Portfolio Investors ('FPIs') to trade in commodity derivatives. This policy change allows foreign investors to participate in exchange-traded derivatives without having exposure to physical commodities. From April 2023, FPIs have started participating on the MCX platform and their trades are being cleared by MCXCCL. Your Company has successfully cleared an aggregate turnover exceeding Rs. 4.65 Lakh Crore of FPIs trades.

Looking ahead, your Company shall continue to explore new opportunities for growth by clearing an expanding products basket and facilitating the clearing of trades by new participants, especially institutional participants. On the products front, MCX has applied to SEBI for approval for Gold Monthly Options contracts, which your Company is ready to clear and settle when launched. Similarly, Futures and Options on new commodities and other innovative products, including derivatives on indices, are the opportunities that the Company is looking forward to.

I take this opportunity to convey on behalf of the Company and myself, sincere thanks to all our stakeholders-our Regulators - SEBI, MCA, our Auditors, our Members & their constituents, past & present Board members, MCX Board as well as the management and Shareholders, for their continuous support and guidance from time to time. I also take this opportunity to convey my sincere thanks to the entire staff of MCXCCL.

I am sure that with the continued support of all our stakeholders and the dedication and devotion of all the directors, management and staff of MCXCCL, your Company will continue to grow higher and higher and achieve new milestones in its business and meet all the challenges in the future.

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 in the reports issued by the Statutory Auditors viz. MSKA & Associates and Secretarial Auditors viz. Mayekar & Associates for FY 2023-24. The Statutory Auditor's report as well as Secretarial Auditor's Report have been circulated as a part of the Annual Report. With your permission, I would like to take Statutory Auditor's report and Secretarial Auditor's Report as read.

Chairperson

Now, I would like to invite queries from the Shareholders, if any.

Ms. Manisha Thakur - Member (Authorised Representative of MCX): There are no queries from MCX.

Chairperson

Thank you. As confirmed, there are no queries, we can proceed further.

Now I take up the AGM Notice, item no.one i.e. the resolution with respect to receiving, considering and adopting the Audited Financial Statements of the Company for the Financial Year ended March 31, 2024 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, 2024 together with the reports of the Board of Directors and Auditors thereon be and are hereby approved and adopted."

I request the Shareholders to propose and second this resolution.

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

Mr. Chandresh Shah, Shareholder holding share jointly with MCX
I second it.

Chairperson

Thank you.

I now put the resolution to vote by show of hand. All those who are in favour may show their hand and say 'Yes'.

Ms. Manisha Thakur - Yes
Mr. Chandresh Shah - Yes
Mr. D G Praveen - Yes

Mr. Shivanshu Mehta - Yes
Mr. Rishi Nathany - Yes
Ms. Rashmi Nihalani - Yes
Mr. Manoj Jain - Yes

Chairperson

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

AGM Notice, item no. two

I now take up the resolution w.r.t. appoint a Director in place of Mr. Mohan Shenoi (DIN: 01603606), who retires by rotation and being eligible, offers himself for re-appointment, subject to approval of Securities and Exchange Board of India, as an **Ordinary Resolution;**

*"***RESOLVED THAT** Mr. Mohan Shenoi (DIN: 01603606) 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."

I request the Shareholders to propose and second this resolution.

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

Ms. Rishi Nathany, Shareholder holding share jointly with MCX
I second it.

Chairperson

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'.

Ms. Manisha Thakur - Yes
Mr. Chandresh Shah - Yes
Mr. D G Praveen - Yes
Mr. Shivanshu Mehta - Yes
Mr. Rishi Nathany - Yes
Ms. Rashmi Nihalani - Yes
Mr. Manoj Jain - Yes

Chairperson

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

Friends, since there is not any other business, I now invite Shareholders queries. Since there are no queries, I thank you all for your continued support to the Company and for approving all the businesses covered in the Notice dated July 26, 2024 and look forward to your 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/.

Once again thank you very much to all our Shareholders and my distinguished Board Members. May I now handover proceeding back to the Company Secretary for Meeting closure formalities.

Company Secretary

Thank you, Sir. I thank the Shareholders as well as the Board of Directors for attending the Meeting and the Chairperson for presiding over the Meeting. Thank you.