MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED

TRANSCRIPT OF THE 14th ANNUAL GENERAL MEETING
HELD ON MONDAY, SEPTEMBER 12, 2022
4.00 P.M. (IST) to 4.22 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. P.S. Reddy	: Shareholder Director
Mr. Narendra Kumar Ahlawat	: MD & CEO

Members Present:

Mr. Ajay Puri	: Member (Authorised Representative of MCX)
Mr. Satyajeet Bolar	: Member (Nominee of MCX)
Mr. Shivanshu Mehta	: Member (Nominee of MCX)
Ms. Rashmi Nihalani	: Member (Nominee of MCX)
Mr. Manoj Jain	: Member (Nominee of MCX)

Auditors Present:

Mr. Prateek Khandelwal	: Representative – MSKA & Associates, Statutory Auditor
Mr. Omkar Dindorkar	: Representative – MMJB & Associates LLP, Secretarial Auditor

Key Managerial Personnel Present:

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

WELCOME ADDRESS BY COMPANY SECRETARY:

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

Pursuant to Article 111 of the 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 requisite quorum is present.

WELCOME ADDRESS BY CHAIRMAN

Good evening, I welcome you all to this Fourteenth Annual General Meeting of the Company as scheduled. The time is 4.00 pm and as the Company Secretary has confirmed the requisite quorum is present, (pursuant to Section 103, five members are personally present as required for the quorum….) so now I call the meeting to the order. Dear shareholders, all efforts feasible under the circumstances indeed have 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 my Directors on the Board of MCXCCL to introduce themselves.

Dr. Brinda Jagirdar, Public Interest Director
Good evening, I am Brinda Jagirdar. I am joining this meeting from my residence in Mumbai. I am alone in the room, I can see and hear everyone clearly, thank you.

Mr. Chengalath Jayaram, Shareholder Director
Good evening, this is Jayaram. I am joining this meeting from my residence in Bandra, Mumbai. I confirm that I can hear and see everybody clearly and that I am alone in this room.

Mr. Nagesh Pinge, Public Interest Director
This is Nagesh Pinge, attending the fourteenth Annual General meeting from my residence in Vile Parle, Mumbai. This is to confirm I have received the agenda well in time and also that I am alone in my room and I can communicate with all of you properly, so thank very much.

Mr. Rajesh Doshi, Public Interest Director
I am Rajesh Doshi, attending this meeting from my residence in Mumbai. I received the agenda, I can hear and see everyone very clearly and I am alone in my room.

Mr. P.S. Reddy, Shareholder Director
Sir, I am P. S. Reddy, attending from Exchange Square office. Along with me, Mr. Narendra Kumar Ahlawat and other company officials are there. Thank you sir.

Mr. Narendra Kumar Ahlawat, Managing Director
I am Narendra Ahlawat. I am attending this meeting from 5th floor, Board Room, Exchange Square and I have received the agenda in time and I can see and hear everyone, Thank you.

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, Dr. Brinda Jagirdar are also present to answer the queries of the shareholders. The representatives of the Statutory Auditors & Secretarial Auditors are also present to answer the queries, if any shareholders have.

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 29, 2022 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.

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

Chairman

All my dear shareholders, my colleagues on the Board, Ladies and Gentlemen

I once again welcome you all to this 14th Annual General Meeting of Multi Commodity Exchange Clearing Corporation Limited. We are holding this AGM on a virtual platform for the third time in a row continuously. As you all know in the year 2020 and 2021, we could not hold this meeting physically because of COVID and in 2022, also we are still holding this meeting through virtual platform.

Despite facing a challenging environment during Financial Year 2021-2022, as you all know, due to COVID and consequently economic slowdown, your Company continues to make its best effort to sustain its performance.

For the year ended March 31, 2022, MCXCCL's total income stood at Rs.76.94 crore vis-à-vis Rs.86.97 crore rupees in the preceding Financial Year 2020-21, which is almost 12% less than what was in 2020-21 and this decline was mainly on account of the low volume, low turnover due to higher margin which were imposed as you all know because of the fluctuation in the crude prices and also overall decline in the interest rate consequent to the treasury income has also gone down because of bank rate on Fixed Deposits going down. Profit after tax accordingly is at Rs. 26.26 crore for the Financial Year ended March 31, 2022 as compared to Rs. 37.30 crore in the preceding Financial Year ended March 31, 2021.

Now coming to the business which we conducted, MCXCCL cleared and settled future trades of about Rs. 67.54 lakh crore and option trade of about Rs. 20.28 lakh crore during the Financial Year ended March 31, 2022. These trades resulted into the Mark to Market and premium settlement of Rs 16,208 crore. Value of commodities delivered in the Financial Year 2021-22 was Rs. 9,013 crore.

During this year, MCX introduced new product viz. MCX iCOMEX Energy index (ENRGDEX), for which clearing and settlement services were provided by your Company. Your Company's robust delivery and settlement systems ensured successful deliveries across all commodity segments during the Financial Year 2021-22.

In order to develop standardization in the domestic physical commodity market and to bring stakeholder of the commodity value chain into the Exchange's delivery mechanism, your Company prescribed detailed guidelines on the 'MCX Good Delivery Norms for BIS-Standard Gold/Silver' to facilitate the entry of local refiners into the Exchange's delivery process. As per the specified guideline, four qualified Indian refiners have been empaneled for the delivery for gold so far. These refiners facilitated successful delivery of 1,011 kg of Indian refined gold through the MCX Gold Mini Futures contracts in FY 2021-22, which was about 22.5 percent of the total gold delivered through this contract during the year.

Similarly, to make the Exchange's Base Metal derivative contracts more relevant to the physical market players, the Exchange empaneled two domestic refined Lead producer facilities as eligible deliverable brands of Lead during the year. The metal supplied by these Indian manufacturers, meeting the requisite specifications and standards, are accepted as MCX Good Delivery Lead with a purity of 99.98% and above. These domestic Lead producers contributed for delivery of 968 metric tonnes of the metal in their first delivery cycle, in April 2022.

MCX is in the process of empaneling more local producers across several more commodities, especially in metals, which, your Company believes that it will help in standardising and modernising commodity's value chain in India. Further, it is expected to promote the development of a nationwide organized trade and significantly contribute to the national goal of achieving 'Atmanirbhar Bharat'.

In order to protect client funds against any possible misuse, your Company undertook system changes such as monitoring Margin utilization against collaterals at client level and pledge / re-pledge mechanism for securities and commodities.

Dear shareholders, further to strengthen the linkage between the physical and derivatives markets of Base Metals, your Company facilitated the opening of several additional delivery centres during the year. Additional delivery centres were opened at Chennai, Kolkata and National Capital Region (NCR) of Delhi for Aluminum and Copper; Kolkata for Lead, NCR and Kolkata for Nickel. The opening of new delivery centres is also expected to enhance the footprint of the Base Metals derivatives market across the country.

Looking ahead, your Company shall continue to explore new opportunities for growth by expanding the products basket, facilitating entry of new participants and developing partnership in existing and new areas. Launch of innovative products and introduction of derivatives in additional commodities and indices are examples of such opportunities under consideration.

Dear shareholders, the approval granted by SEBI for participation of Foreign Portfolio Investors commonly called as FPIs in the Indian commodity derivatives market, is a big development and a huge growth driver for your Company. It is expected that the participation of this important category of institutional participants can enhance the depth in India's commodity derivatives market and also inject much-needed liquidity in the far-month contracts.

Now your Company looks 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 reform 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.

Warehousing Development and Regulatory Authority has also issued Notification to move Metal storage also under its regulatory purview. This will help in developing the commodity market ecosystem and warehouse receipt-based financing.

Dear shareholders, I take this opportunity to place my sincere thanks to all my stakeholders, SEBI, our members, their constituents, MCX Board Members, its chairman, MD & CEO, MCX management. My sincere thanks to all my shareholders of MCXCCL for their continued support. I also take this opportunity to place my sincere thanks to all my colleagues on the Board - Mr. C. Jayaram, Mr. Reddy, Dr. Brinda Jagirdar, Mr. Nagesh Pinge, Mr. Rajesh Doshi and Mr. Narendra Kumar Ahlawat for their continued support and guidance in discharging our duties as PIDs/ Nominee Directors of MCX. As promoter directors, they have been very big guiding force in navigating MCXCCL as an efficient clearing corporation. My sincere thanks to all my employees in MCXCCL for their continued support and dedication the way have been working, I am quite confident we will not only be able to meet all the challenges but we will be able to give results which will be much better as compared to what we have been doing in the past.

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 have been no qualifications, reservations or adverse remarks made by the Statutory Auditors viz., MSKA & Associates as well as Secretarial Auditors - MMJB and Associates LLP in their respective reports for FY 2021-22. The Auditor's report and the Secretarial Auditor's Report have been

circulated as a part of the Annual Report. With your permission, I would like to take the Auditor's report as well as Secretarial Auditor's Report as read.

Chairman

Thank you Mr. Mandar Kulkarni. Now, I would like to invite queries from the shareholders, if any. Any shareholder having queries/clarification, I am available, the auditors' representative are available, Chairperson of Nomination and Remuneration Committee and Chairman of Audit Committee, all are present. If you have any queries, please feel free, our MD & CEO – Mr. Narendra Ahlawat is also there to answer your queries.

So, if there are no queries, I can move to the next item.

AGM Notice, item no. one

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, 2022 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, 2022 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. Satyajeet Bolar, Shareholder holding share jointly with MCX
Yes, I propose.

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

Mr. Shivanshu Mehta, 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.

Mr. Shivanshu Mehta
No comments please

Chairman
I now 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. Ajay Puri - Yes
Mr. Shivanshu Mehta - Yes
Ms. Rashmi Nihalani - Yes
Mr. Satyajeet Bolar - Yes
Mr. Manoj Jain - Yes

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

AGM Notice, item no. two

To appoint a Director in place of Mr. P.S. Reddy (DIN: 01064530), who retires by rotation and being eligible, offers himself for re-appointment, subject to approval of SEBI.

The resolution is:

"**RESOLVED THAT** Mr. P.S. Reddy (DIN:01064530) 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."

Chairman
Who will be the proposer?

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

Chairman
May I request another shareholder to second the resolution.

Mr. Manoj Jain, Shareholder holding share jointly with MCX
I second it.

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. Ajay Puri - Yes
Mr. Shivanshu Mehta - Yes
Ms. Rashmi Nihalani - Yes
Mr. Satyajeet Bolar - Yes
Mr. Manoj Jain - Yes

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

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 29, 2022 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/

Thank you all.

Company Secretary
I thank Board of Directors as well as shareholders for attending this meeting and also Chairman for presiding over this meeting. Thank you all.