MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED

TRANSCRIPT OF THE 12th ANNUAL GENERAL MEETING
HELD ON THURSDAY, AUGUST 27, 2020
3.00 P.M. (IST) to 3.25 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. P.S. Reddy	: Shareholder Director
Mr. Chengalath Jayaram	: Shareholder Director
Mr. Narendra Kumar Ahlawat	: MD & CEO

Members Present:

Mr. Ajay Puri	: Authorised Representative of MCX, Member
Mr. Rishi Nathany	: Member
Mr. Shivanshu Mehta	: Member
Ms. Neetu Juneja	: Member
Mr. Sanjay Golecha	: Member
Mr. Satyajeet Bolar	: Member
Mr. D.G. Praveen	: Member

Auditors Present:

Mr. Prateek Khandelwal	: 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:
Dear Shareholders, Good Afternoon, I, Mandar Kulkarni, Company Secretary, on behalf of Multi Commodity Exchange Clearing Corporation Limited, welcome all of you to the Twelfth Annual General Meeting of the Company.

Pursuant to Article 113 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. May I request all my shareholders to record their presence one by one so that I can be sure that the quorum is present. All the shareholders may one by one record their presence.

Mr. Rishi Nathany, Shareholder holding share jointly with MCX
Good afternoon, I am Rishi Nathany joining the meeting from my residence.

Mr. Ajay Puri, Authorised Representative of MCX
Good afternoon, I am Ajay Puri joining the meeting from my residence in Delhi

Ms. Neetu Juneja, Shareholder holding share jointly with MCX
Hello, I am Neetu Juneja joining the meeting from Mumbai

Mr. Satyajeet Bolar, Shareholder holding share jointly with MCX
Good afternoon, I am Satyajeet Bolar joining the meeting from Mumbai

Mr. Shivanshu Mehta, Shareholder holding share jointly with MCX
Good afternoon, I am Shivanshu Mehta from MCX joining the meeting from Mumbai

Mr. Sanjay Golecha, Shareholder holding share jointly with MCX
Good afternoon, I am Sanjay Golecha joining the meeting from Mumbai.

Mr. D.G. Praveen, Shareholder holding share jointly with MCX
Good afternoon, This is Praveen from MCX joining from Mumbai

Chairman
All are there now? Quorum is complete?

Company Secretary
All are present sir, Quorum is there.

Chairman
So the Time is 3.00 p.m. The quorum is complete so I will start the proceeding and call the meeting to order. My all colleagues are attending this meeting. May I request all my colleagues if they can also record their presence one by one.

Mr. Chengalath Jayaram, Shareholder Director
Good Afternoon! This is Jayaram. I am joining this meeting from my residence in Bandra, Mumbai.

Dr. Brinda Jagirdar, Public Interest Director
I am Brinda Jagirdar, joining the meeting from my residence Mumbai.

Mr. Nagesh Pinge, Public Interest Director
This is Nagesh Pinge attending this General meeting from my residence in Vile Parle.

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

Mr. P.S. Reddy, Shareholder Director
I am P. S. Reddy attending the meeting from my residence in Thane.

Mr. Narendra Ahlawat, Managing Director
I am Narendra Ahlawat, I am joining the meeting from my residence in Powai, Mumbai.

Company Secretary
Mandar Kulkarni here, Company Secretary MCXCCL, joining this meeting from my residence in Goregaon, Mumbai. Thank You.

Mr. Rajesh Agrawal, Chief Financial Officer
Rajesh Agrawal, CFO joining the meeting from my residence.

Chairman
Auditors, please record your presence.

Mr. Prateek Khandelwal, Representative of MSKA & Associates, Statutory Auditor
My name is Prateek Khandelwal. I am joining this meeting from my home in Madhya Pradesh, Ujjain

Ms. Neha Lahoty, Representative of Rathi & Associates, Secretarial Auditor
My name is Neha Lahoty. I am a Practicing Company Secretary. I am the Secretarial Auditor for MCXCCL. I am participating in this meeting from Mumbai.

Chairman
I am Ved Jain, Chairman and PID of MCXCCL. In accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligation 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 shareholder queries, if any.

May I request the Company Secretary to complete the statutory agenda first.

Company Secretary
Thank you sir.

The relevant required Registers under the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as well as the Auditor's Report and Secretarial Audit Report are open for inspection by the shareholders during this Meeting. The Notice of Annual General Meeting dated July 25, 2020 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.

I would now request Chairman Sir to kindly brief the Members on the Company's performance.

Chairman
Dear shareholders, my colleagues on the Board, ladies and gentlemen,

I welcome you all to this 12th Annual General Meeting of Multi Commodity Exchange Clearing Corporation Limited. As you all know we are holding this AGM on a virtual platform for the first time, as we face the unprecedented situation arising due to the Covid-19 pandemic. I will deal with issue of the Pandemic at the fag end of my speech.

Let me just appraise you about the performance of the Company during the Financial Year 2019-20. This year FY 2019-20 has been a year of as much achievement for your company as it has been of promise for the future. As you are aware, your Company commenced operations from September 03, 2018 and the last year 2018-19 was half year, not full year and this year 2019-20 is the full year of operations of the Company. The operational and financial results of your company have been highly promising in this FY 2019-20. For the year ended March 31, 2020, MCXCCL's total income stood at Rs.71.57 crore vis-à-vis Rs. 38.75 crore in the Financial Year 2018-19. Profit after tax was Rs.27.92 crore for this Financial Year ended March 31, 2020 as compared to Rs.9.43 crore for the Financial Year ended March 31, 2019.

The operational performance of your company in this Financial Year 2019-20 has been equally noteworthy. MCXCCL cleared and settled future trades of about Rs. 84 lakh crore and option trades of about Rs 3 lakh crore during the year ended March 31, 2020. These trades resulted into the Mark to Market and premium settlement of more than Rs. 16,000 crores. Significantly, about 31,000 option contracts devolved into underlying futures contracts of the respective commodities of which Crude Oil options registered maximum devolvement at about 23,000 contracts.

During the Financial Year 2019-20, the settlement mode of all Base Metal contracts traded on MCX were converted into compulsory delivery mode. As a result, your company started handling the warehousing and delivery of a new commodity segment that is Base Metals, which it could achieve in a smooth and efficient manner. During the year, your company facilitated the delivery of about 74,196 metric tonnes of Base Metals. Overall, the total value of commodities settled during the year through delivery was Rs. 6640 crores.

I am proud to say that our technology and processes have ensured that we were able to handle such huge volumes of physical delivery and financial settlement in a very efficient manner. It is possibly such efficiency and robustness of our processes that generate the confidence of our stakeholders.

While we rejoice in our achievements, we also look up to them as stepping stones for unveiling a promising future, that's a year 2020-21 onwards. A slew of new opportunities makes us excited to take your Company to the next level of growth. SEBI has permitted stock exchanges to launch 'Option in Goods' in their commodity derivatives segment, in addition to existing 'Options on commodity futures'. A new Option contract on gold mini (i.e. 100 gram) bar has subsequently, been launched on MCX. Similarly, MCX has started offering futures contracts on the MCX iCOMDEX Bullion index and is expected to launch futures on the MCX iCOMDEX Base Metal Index also. Such expansion of the product basket for clearing and settlement is a growth opportunity that we are looking forward to.

Apart from products, we are also looking at expansion of participants in the commodity derivatives market. In February 2020, an Asset Management Company launched India's first mutual fund scheme which includes exchange-traded commodity derivatives. Of late, two more Asset Management Companies have started participating in the commodity derivatives market and other Asset Management Company is also expected to launch schemes including commodity derivatives in the near future. Such institutional participation in commodity trading and clearing remains one of the most promising opportunities for your Company.

Another category of new participants that we hope we would soon start engaging with are the Eligible Foreign Entities which are called commonly EFEs. Entry of these EFEs has become a possibility now after the European Securities and Markets Authority or ESMA granted recognition to your Company as a third country Central Counterparty in December 2019. As a result of this recognition, European participants can now apply lower risk weightage towards their exposures to MCXCCL, which will help eligible entities among the European importers of Indian commodities to hedge on MCX and settle on MCXCCL in a cost effective manner.

What I have narrated so far are only some of the opportunities we are looking forward to in the days ahead. Alongside these opportunities, there are also challenges that we need to overcome, including the unknown risks that may arise from the spread of the Covid-19 pandemic. As we are aware, this pandemic for last 5 months has been a cause of economic slowdown not only in India but all over the world however MCX and MCXCCL have continued to operate during this lockdown also and able to generate good business. As I see today, despite the Covid-19 pandemic, the Exchange and Clearing Corporation operations are almost back to normalcy hence business opportunity wise there is no threat to MCXCCL. As I said last year and I will reiterate this time also that technology will be continue to be a key enabler and facilitator for achievement of major goals of your company. In this regard, MCXCCL is continuously working for

adoption of state of the art latest technology which is fast, secure, cost effective and transparent. This will ensure that we will be able to deliver more efficiently and we will be able to generate confidence of our all stakeholders. I take this opportunity to place on behalf of MCXCCL, our sincere thanks to all our stakeholders which include Clearing Members, Trading Members etc. Our special thanks to SEBI for its continuous proactive support and guidance, our sincere thanks to all the Board Members and the entire Board of MCX, the entire management of MCX and our shareholder which happens to be a sole shareholder which you are representing here, for their continuous support and guidance from time to time.

Ladies and gentlemen, with your continued support in the future, as in the past I am sure, your company would be able to fructify all the opportunities and shall be able to meet all the challenges that I have spoken about. With this, thank you all for being here at this AGM.

Company Secretary
Thank you Chairman Sir. I proceed with the Auditors report with your permission. Considering that the Auditors' Report as well as the Secretarial Auditors' Report have been circulated as a part of the Annual Report and in the absence of any qualifications, with your permission, I would like to take the Auditors' report as well as Secretarial Auditors' Report as read.

Chairman
With permission of all the shareholders present here, it can be taken as read.

Company Secretary
Thank you sir. I request Chairman Sir to invite queries of the shareholders.

Chairman
My request to all my dear shareholders who are present at this AGM to raise any queries about the functioning, working, financials of the Company. The Chairman of Audit Committee Mr. Nagesh Pinge, the Chairperson of Nomination and Remuneration Committee, Dr. Brinda Jagirdar and Myself, Chairman of MCXCCL and all other directors are present. So any queries, any issues that shareholder would like to raise.

Company Secretary
Sir, I request now if you can take up the first agenda.

Chairman
Since there are no queries, I go to agenda items. Now I take up the resolution with respect to receiving, considering and adopting the Audited Balance sheet for the year ended 31st March, 2020, the Statement of Profit and Loss Account and Cash flow statement for the year ended on that date along with the notes and reports of Board of Directors and the Auditors thereon as an **Ordinary Resolution.**

The proposed resolution is:
"RESOLVED THAT the Audited Balance Sheet of the Company as at March 31, 2020, Statement of the Profit & Loss Account, the Cash Flow Statement for the year ended on that date along with the notes, Report 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. Unmute yourself please and say that Yes I propose.

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

Chairman
May I request another shareholder to please second this resolution

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

Chairman
Resolution for adoption of Annual Accounts has been proposed and seconded. I now put the Resolution to vote. Are there any comments? All those who are in favour may say 'Yes'. Those who are against the resolution may say 'No'.

Mr. Ajay Puri - Yes
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.

Agenda number two is regarding reappointment of a Director in place of Mr. P.S. Reddy who retires by rotation and being eligible, offers himself for re-appointment, subject to approval of SEBI

The proposed resolution is:

"RESOLVED THAT Mr. Padala Subbi Reddy (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."

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. May I request those who are in favour, say 'Yes'. Those who are against the resolution may say 'No'.

Mr. Ajay Puri - Yes
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 approved unanimously.

May I Request any other items that members may like to discuss.

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 25, 2020 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.

Thank You all.

Company Secretary
I thank members and directors for attending the AGM and also thank Chairman Sir for presiding over this meeting.

Thank You all for attending this AGM.