

MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED

(A Wholly owned subsidiary of Multi Commodity Exchange of India Limited)

Sixteenth Annual Report
Financial Year Ended March 31, 2024
(Financial Year 2023-24)

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Corporate Information

Board of Directors:
(As on July 26, 2024)

Mr. Prafulla Kumar Chhajed (DIN: 03544734)	Chairperson, Public Interest Director
Ms. Kemisha Soni (DIN: 06805708)	Public Interest Director
Mr. Srinivas Petluri (DIN: 02836590)	Public Interest Director
Mr. Ganesh Kumar (DIN: 07635860)	Public Interest Director
Mr. Mohan Shenoi (DIN: 01603606)	Non-Independent Director
Mr. Manoj Kumar Jain (DIN: 09694205)	Non-Independent Director
Mr. Narendra Kumar Ahlawat (DIN: 07629724)	Managing Director and Chief Executive Officer

Key Managerial Personnel:
(As on July 26, 2024)

Mr. Soundararajan Venkatadas	Chief Operating Officer
Mr. Ramalingam M.	Chief Regulatory officer and Compliance Officer. Head -Membership & Default, Inspection & Investor Grievance
Mr. Anilkumar Varma	Chief Technology Officer
Mr. Mihir Malode	Chief Information Security Officer
Mr. Rajesh Agrawal	Chief Financial Officer, Head – Procurement, HR & Administration
Mr. Mandar Kulkarni	Company Secretary
Mr. Himanshu Raja	Chief Risk Officer
Mr. Arnav Datta	Head – Warehousing Operations, Spot and Delivery
Mr. Praveen Kotian	Head- Legal

Statutory Auditors:

MSKA & Associates, Chartered Accountants
602, 6th Floor, Raheja Titanium, Western Express Highway, Geetanjali Railway Colony, Ram Nagar, Goregaon East, Mumbai-400063, Maharashtra, India

Registered Office:

Exchange Square, CTS 255, Suren Road, Chakala, Andheri (East), Mumbai- 400 093, Maharashtra, India
Tel: +91-22-6864 6000/5095 6000, Fax: +91-22-5095 6000

Website: https://www.mcxccl.com/

Registrar & Transfer Agent:

KFin Technologies Limited
(Formerly known as KFin Technologies Private Limited)
CIN L72400TG2017PLC117649
Selenium Building, Tower - B, Plot No. 31 & 32, Financial District,
Nanakramguda Serilingampally,
Hyderabad- 500032, Rangareddi, Telangana, India.
Tel : 1-800-309-4001
Email : einward.ris@kfintech.com
Website : https://www.kfintech.com
https://ris.kfintech.com/

Directors' Report

Dear Shareholders,

The Board of Directors are pleased to present the **Sixteenth Annual Report** on the business and operations of **Multi Commodity Exchange Clearing Corporation Limited** (**hereinafter referred to as the 'Company/Your Company/MCXCCL/Clearing Corporation**') along with the Audited Financial Statements and Auditors' reports thereon for the Financial Year (**hereinafter referred to as 'FY'**) ended March 31, 2024 (**hereinafter referred to as 'year under review'**).

1. **Financial Results:**

(₹ in lakh except earnings per share)

Particulars	**For FY ended March 31, 2024**	**For FY ended March 31, 2023**
Total Income	16,884	11,813
Total Expenses	13,602	9,403
Profit before Tax	**3,282**	**2,410**
Tax Expenses	23	8
Profit after Tax	**3,259**	**2,402**
Other comprehensive Income	(17)	(2)
Total comprehensive Income	**3,242**	**2,400**
Number of Shares	23,99,85,000	23,99,85,000
Earnings Per Share		
Basic	**1.36**	**1.00**
Diluted	**1.36**	**1.00**

2. **Review of Operations and State of Affairs of the Company:**

MCXCCL commenced its operations from September 03, 2018 to provide, *inter alia*, clearing and settlement services along with all associated and related functions, including collateral management and risk management functions for all trades in securities executed on Multi Commodity Exchange of India Limited (**hereinafter referred to as 'MCX'**) platform. It conducts clearing and settlement of commodity futures and options contracts and guarantees financial settlement of all the transactions duly executed on the trading platform of MCX to its Clearing Members. Since the

commencement of its operations, MCXCCL has successfully completed settlement of all the trades submitted for clearing without any event of Member default.

During FY 2023-24, MCXCCL cleared and settled future trades of ₹ 49,87,56,350.81 lakh and option trades (notional value of strike + premium) of ₹ 2,26,67,91,615.80 lakh. These trades resulted into the Mark to Market (**hereinafter referred to as 'MTM'**) & premium settlement of ₹ 21,41,394.59 lakh. The highest monthly MTM & premium settlement was ₹ 2,21,769.46 lakh recorded in the month of May 2023. A total of 3,11,063 option contracts devolved into underlying futures contracts of the respective commodity wherein Natural Gas options registered maximum devolvement at 1,42,731 contracts.

During FY 2023-24, the total value of commodities settled through physical delivery was ₹ 11,18,793.47 lakh and the highest monthly delivery settlement was ₹ 2,62,153.08 lakh recorded in the month of February 2024. Deliveries were recorded in Aluminium Mini, Aluminium, Copper, Cottoncandy, Gold, Gold Guinea, Gold Mini, Gold Petal, Lead, Lead Mini, Mentha Oil, Silver, Silver Mini, Silver Micro, Zinc & Zinc Mini contracts.

3. Financial Highlights

MCXCCL's Total Income during the year under review stood at ₹ 16,884 lakh as compared to ₹ 11,813 lakh for the financial year ended March 31, 2023. The Total Expenses including Administration and other Expenses during the year under review stood at ₹ 13,602 lakh compared to ₹ 9,403 lakh for the financial year ended March 31, 2023. The Profit before tax stood at ₹ 3,282 lakh as compared to ₹ 2,410 lakh for the financial year ended March 31, 2023. Further, Profit after tax was ₹ 3,259 lakh for the year under review as compared to ₹ 2,402 lakh for the financial year ended March 31, 2023.

The net worth of the Company as of March 31, 2024, was ₹ 48,817 lakh, computed as per the provisions of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (**hereinafter referred to as 'SECC Regulations, 2018'**). For further details, please refer 'Management Discussion and Analysis Report' forming part of this Annual Report.

4. Regulatory Developments:

Securities and Exchange Board of India (hereinafter referred to as 'SEBI') had issued various circulars/notifications during the year under review to regulate the commodity derivatives market. Some of the important regulatory developments, inter alia, include the following:

a. SEBI, vide circular dated April 20, 2023 has advised MIIs to issue a Master Circular consolidating all guidelines issued and applicable as on March 31 of every year, segregated subject-wise. SEBI has advised to issue first Master Circular incorporating all the guidelines applicable as on March 31, 2023 to be issued on or before June 30, 2023 and subsequently to issue the Master Circular on or before April 30 of each year

to ensure that all market participants, including investors, find all applicable provisions on a specific subject at one place.

MCXCCL issued the first Consolidated Master Circular for guidelines issued and applicable as on March 31, 2023 on June 30, 2023 and subsequently, for the guidelines issued and applicable as on March 31, 2024 on April 30, 2024.

b. SEBI vide circular dated April 25, 2023 directed the Stock Brokers (SBs)/Clearing Members (CMs) to implement the following measures:

   i. No new Bank Guarantees (BGs) to be created by the SBs/CMs out of clients' funds beginning May 01, 2023.
   ii. Winding down of existing BGs created by the SBs/CMs out of clients' funds by September 30, 2023.

   SEBI has informed that the laid down provisions shall not be applicable for proprietary funds of SBs/CMs in any segment and SB's proprietary funds deposited with CM in the capacity of a client. SEBI has also issued guidelines to be followed by Clearing Corporations for monitoring and reporting implementation of the SEBI Circular.

c. SEBI vide circular dated May 05, 2023 directed MIIs to devise a comprehensive testing framework to manage the IT systems/applications of MIIs throughout their lifecycle.

   Comprehensive framework for testing IT systems and applications has been devised by MCXCCL.

d. SEBI vide circular dated May 23, 2023 decided that the Clearing Corporations in Commodity Derivatives Segment may now align their core Settlement Guarantee Fund (SGF) in terms of SEBI circulars dated August 27, 2014 as well as July 11, 2018 and excess contribution, if any, may be returned to the contributing stakeholders on a pro-rata basis, after taking due approval from SEBI.

e. SEBI vide circular dated June 08, 2023 issued a framework for "Upstreaming of clients' funds by SBs/CMs to Clearing Corporations (CCs) effective from July 01, 2023.

   SEBI vide circular dated June 30, 2023 extended the timelines for implementing certain provisions of the circular dated June 08, 2023 on "Upstreaming of clients' funds by SBs/CMs to CCs" till September 01, 2023.

f. SEBI vide circular dated July 31, 2023 established a common Online Dispute Resolution Portal ("ODR Portal") for online conciliation and arbitration of disputes arising in the Indian Securities Market.

   SEBI vide circular dated December 20, 2023 amended certain provisions of the aforementioned SEBI circular. As per the circular, the nature of complaints which shall be resolved through the ODR Mechanism includes any claims / complaints / disputes raised by investors/ clients against Warehouse Service Providers/ Vault Service Providers and between or amongst Warehouse Service Providers / Vault Service Providers and depositors / ginners.

SEBI vide circular dated August 04, 2023 issued a Corrigendum cum Amendment to Circular dated July 31, 2023 on ODR in the Indian Securities Market wherein SEBI included Commodities Clearing Corporations in the list of securities market intermediaries / regulated entities against whom investors may invoke the ODR process.

g. SEBI vide circular dated August 24, 2023 partially modified SEBI Circular dated May 20, 2022 relating to Cyber Security and Cyber Resilience Framework by modifying the content of the declaration to be submitted along with the Cyber Audit Reports submitted by the MIIs to SEBI as per the defined periodicity.

   SEBI also directed the MIIs whose systems have been identified as Critical Information Infrastructure (CII) by National Critical Information Infrastructure Protection Centre (NCIIPC) to send regular updates/ closure status of the vulnerabilities found in their respective "protected systems" to NCIIPC.

h. SEBI vide circular dated August 29, 2023 issued guidelines for MIIs for strengthening the existing cyber security and cyber resilience framework considering the interconnectedness and interdependency of the MIIs to carry out their functions and with a view that the cyber risk of any given MII is no longer limited to the MII's owned or controlled systems, networks and assets.

   SEBI listed the practices to be followed by the MIIs and advised the MIIs to devise standard operating procedure (SOP) to implement the advisories issued by CERT-In, NCIIPC or any other government agency in their IT environment.

i. SEBI vide circular dated October 07, 2023 extended the relaxation from sending physical copies of financial statements (including Board's report, Auditor's report or other documents required to be attached therewith) to the shareholders, for the AGMs conducted till September 30, 2024.

j. SEBI vide circular dated December 12, 2023 revised the framework for Upstreaming of clients' funds by SBs/CMs to CCs issued vide SEBI circular dated June 08, 2023 and June 30, 2023.

   SEBI revised the guideline pertaining to settlement of payment request to clients which will now be made by the brokers on or before the next day instead of the same day.

   SEBI clarified that existing FDRs (created out of clients' funds and having tenor of more than one-year) created prior to June 30, 2023 shall be allowed to be grandfathered till maturity. Such FDRs at the time of renewal shall meet the conditions specified under para upstreaming via FDRs created out of clients' funds.

   To improve the operational efficiency and reduce the transaction costs, SEBI has advised the CCs to build a mechanism for the utilization of surplus unutilized collateral lying with them in cash form, toward fund pay-in requirements across segments.

k. SEBI vide circular dated December 19, 2023 directed the Financial Market Infrastructures (FMIs) to disclose the self-assessment carried out by it on the website as per the provided periodicity.

SEBI defined periodicity to disclose the quantitative self-assessment on quarterly basis and qualitative self- assessment on an annual basis on the website.

SEBI also included requirement of annual monitoring of the PFMIs by the Regulatory Oversight Committee (ROC) of the FMI and specified the timeline for reporting the same to the Governing Board and SEBI by the ROC.

SEBI vide letter dated April 19, 2024 revised the timelines for disclosure of quantitative and qualitative self-assessment by the FMIs and the timeline for annual reporting by the ROC to the Governing Board and SEBI.

l. SEBI vide circular dated December 28, 2023 modified its Master circular dated May 17, 2023 for streamlining the process of settlement and ensuring ease of doing business for various stakeholders viz. stock brokers and banks ensuring error free settlement. SEBI directed that the running account of clients may be settled on Friday and/or Saturday.

m. SEBI vide circular dated January 12, 2024 made certain changes in reporting made by the members to the Stock Exchanges and modified SEBI Master Circular for Stock Brokers dated May 17, 2023.

SEBI discontinued the reporting requirement related to submission of data by the stock broker to the Stock Exchanges on weekly basis for monitoring clients' funds lying with the stock broker and accordingly the reconciliation method to be followed by the Stock Exchanges for generating the alerts.

SEBI modified the mechanism for monitoring of clients' funds ('G' principle) lying with the stock brokers.

5. Membership/Clearing Members

The Clearing Corporation had 217 Members including 10 Professional Clearing members as on March 31, 2024.

6. Risk Management and Risk Management Policy

Risk management being an important function for a Clearing Corporation, MCXCCL has a well-defined Risk Management Framework and Risk Management Policy in place. This works at various levels across the enterprise to form a strategic defense cover for the Company. The Company has constituted a Risk Management Committee which periodically monitors and reviews the Risk Management plan and the implementation of SEBI norms on Risk Management and recommends to the Board any modifications to the Risk Management Policy.

For further details, please refer to 'Management Discussion and Analysis Report' forming part of this Annual Report.

7. **Core SGF:**

SEBI vide circular bearing no. SEBI/HO/CDMRD/DRMP/CIR/2018/111 dated July 11, 2018, issued norms related to computation of Core SGF requirement and standardized stress testing for credit risk in commodity derivatives.

Accordingly, the Core SGF as on March 31, 2024 was ₹ 78,056 lakh of which ₹ 14,485 lakh was contributed by MCX, ₹ 43,451 lakh was contributed by MCXCCL (including contribution on behalf of the members) and ₹ 20,120 lakh was penalties, interests and other accruals to Core SGF.

For further details, please refer to the section titled 'Risk Management' appearing in the 'Management Discussion & Analysis Report' forming part of this Annual Report.

8. **Warehousing**

Storage of goods and their proper upkeep being a key element in delivery settlement through the Clearing Corporation, MCXCCL has made necessary warehousing/ vault arrangements with Warehouse Service Providers (**hereinafter referred to as 'WSPs**'), Vault Service Providers (**hereinafter referred to as 'VSPs**') and Assayers to cater to the storage and assaying requirements of various Members and their respective constituents/ depositors who are willing to give delivery.

For further details on Warehousing, please refer section titled 'Warehousing' appearing in the 'Management Discussion and Analysis Report' forming part of this Annual Report.

9. **Opportunities**

Your Company is committed to explore all opportunities for unlocking the full potential of the Indian commodity derivatives market. Detailed discussion on opportunities and threats to your Company is provided in the 'Management Discussion and Analysis report' forming part of this Annual report.

10. **Management Discussion & Analysis Report**

Management Discussion and Analysis Report, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**hereinafter referred to as 'Listing Regulations, 2015'**), forms part of this Annual Report.

11. **Alteration to Memorandum of Association and Articles of Association:**

Your Company has not made any alterations to the Memorandum of Association or Articles of Association during the year under review.

12. **Transfer to reserves, if any:**

An amount of ₹ -16,868 lakh is proposed to be retained in the statement of Profit and Loss account under the heading 'Reserves and Surplus' under 'Other Equity'.

Your Directors do not propose to transfer any amount to the General Reserve for the year under review.

For further details on the reserves of the Company, kindly refer to note 14 of notes to Accounts of the financial statements.

13. **Dividend**:

With the view to conserve its resources, the Board is not recommending any dividend for the year under review.

14. **Change in the nature of business**:

There has been no change in the nature of business during the year under review.

15. **Share Capital:**

As on March 31, 2024, the Authorised Share Capital of your Company stood at ₹ 30,000 lakh and the issued, subscribed and paid-up Share Capital of your Company stood at ₹ 23,998.50 lakh divided into 23,99,85,000 equity shares of ₹ 10/- each.

There has been no change in the Share Capital of your Company during the year under review.

For further details on the Share Capital, kindly refer to note 13 of notes to Accounts of the financial statements.

16. **Events having major bearing on the Company's affairs after the end of the financial year:**

There were no major events having bearing on the Company's affairs after the end of the Financial Year.

17. **Material changes and commitments, if any, 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 to which the financial statements relate to and the date of the report.

18. **Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future:**

There have been no significant and material orders passed during the year under review by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

19. **Details of Subsidiaries, Joint Ventures or Associate Companies:**

As on March 31, 2024, MCXCCL does not have any Subsidiaries, Joint Ventures or Associate Companies.

Further during the year under review, no Company has become or has ceased to be a Subsidiary, Joint Venture or Associate Company of MCXCCL.

20. **Annual Return:**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2024 is available on the Company's website and may be accessed at the web link https://www.mcxccl.com/disclosures/other-disclosures.

21. **Contracts or arrangements with related parties:**

Your Company has formulated the policy on materiality of related party transactions and dealing with related party transactions. The same is uploaded on website and may be accessed at the following web link.

https://www.mcxccl.com/docs/librariesprovider2/disclosures/other-disclosures/policy-on-related-party-transactions7fe21b4857fb64e3bdfdff00007acb35.pdf?sfvrsn=bb197f9e_2

All related party transactions under Section 188 of the Companies Act, 2013 entered during the financial year were at arm's length basis and in the ordinary course of business.

Omnibus approval is obtained for the related party transactions which were of the repetitive nature, entered in the ordinary course of business and were at arm's length. Further, all the related party transactions entered by your Company in FY 2023-24 were reviewed on a quarterly basis by the Audit Committee and the Board in accordance with the Companies Act, 2013 & Listing Regulations, 2015.

Pursuant to Section 134(3) (h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of material contracts or arrangements with related parties to be reported under Section 188(1) of the Companies Act, 2013 are appended in Form AOC–2 as **Annexure I** to this Report. All Related Party Transactions as required under Indian Accounting Standards (Ind AS) 24 – Related Party Disclosures are reported in Note 33 of Notes to Accounts of the Financial Statements.

22. **Environmental Responsibility:**

Given the nature of its operations, the Company has a very low impact on the environment. Notwithstanding this, MCXCCL is committed to minimise its adverse environmental effects through efficient use of natural resources, including electricity, which is critical to the Clearing Corporation's technology-driven business.

23. **Corporate Social Responsibility:**

MCXCCL is focused on creating a positive social and environmental impact by leveraging its resources and expertise.

During the year under review, the Company has spent ₹ 57.50 lakh on Corporate Social Responsibility (**hereinafter referred to as 'CSR'**) Activities.

A brief outline of CSR policy of the Company and the CSR initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure II** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR policy of the Company formulated in accordance with the Companies Act, 2013 (as amended from time to time) can be accessed at the website of the Company at the following web link:

https://www.mcxccl.com/docs/librariesprovider2/disclosures/other-disclosures/corporate-social-responsibility-policy.pdf?sfvrsn=3197f9e_2

24. **Ethics and Governance Policies**

Your Company adheres to the highest ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Accordingly, it has adopted various codes and policies to carry out its obligations ethically. Some of these codes/policies framed and implemented are Code of Conduct for MCXCCL, Code of Conduct for the Governing Board, Directors, Committee Members and Key Management Personnel at MCXCCL as prescribed under SECC Regulations, 2018, Whistle Blower Policy/Vigil Mechanism, Policy on Related Party Transactions, Risk Management Policy, Nomination and Remuneration Policy, Policy for appointment of Independent External Persons on Committees of the Board, Board Diversity Policy, Dividend Distribution Policy, Environmental, Social and Governance Policy etc. Some of these policies can be accessed at https://www.mcxccl.com/disclosures/other-disclosures.

25. Whistle Blower Policy/Vigil Mechanism

MCXCCL believes in conducting the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. Pursuant to Section 177(9) of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Listing Regulations, 2015, the Board of Directors implemented a vigil mechanism through the adoption of Whistle Blower Policy and the said policy was revised in terms of the provisions of Companies Act, 2013 and Listing Regulations, 2015. For further details, please refer to the report on Corporate Governance which forms part of this Annual Report. The Whistle Blower policy can be accessed at the following web link:

https://www.mcxccl.com/docs/librariesprovider2/disclosures/other-disclosures/whistle-blower-policy-v-5-0.pdf?sfvrsn=e15d4d9e_2

26. Corporate Governance

MCXCCL is committed towards good corporate governance aligned with the best corporate practices. Pursuant to Regulation 33 of SECC Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies shall *mutatis mutandis* apply to a recognised Clearing Corporation.

Accordingly, a detailed report on Corporate Governance for the year under review demonstrating MCXCCL's accountability to its stakeholders and the certificate from a Practicing Company Secretary regarding compliance with Corporate Governance norms form part of this Annual Report. The report on Corporate Governance also contains the disclosures required under the Companies Act, 2013.

27. Board of Directors

MCXCCL being a recognised Clearing Corporation under the Securities Contracts (Regulation) Act, 1956, is *inter alia,* regulated by SEBI. In accordance with SECC Regulations, 2018, "Public Interest Director" (**hereinafter referred to as 'PID'**) means an Independent Director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of SEBI, conflict with his/her role. Accordingly, PIDs are considered as Independent Directors for adhering to compliance with the provisions under the Listing Regulations, 2015 and Companies Act, 2013.

As on March 31, 2024, the Board comprised of 7 (Seven) Directors of which 4 (Four) were PIDs including 1 (One) woman Independent Director, 2 (Two) were Non-Independent Directors and 1 (One) MD & CEO.

As mandated, all the PIDs of your Company have been duly registered with the databank for Independent Directors maintained by the Indian Institute of Corporate Affairs.

All the Directors as on March 31, 2024, have confirmed that they are 'Fit and Proper' in terms of the SECC Regulations, 2018. Your Company has also obtained affirmation of adherence to the Code of Conduct under Part B, Schedule II of SECC Regulations, 2018 from the respective Directors as on March 31, 2024, as applicable.

In the opinion of the Board, all the aforesaid PIDs possess integrity, expertise and experience (including the proficiency) which will bring tremendous value to the Board and to the Company.

(a) Changes in the composition of the Board during the year under review:

During the year under review, the following changes took place in the composition of the Board of Directors of the Company:

i. Three PIDs, viz., Mr. Ved Kumar Jain (DIN: 00485623), Dr. Brinda Jagirdar (DIN: 06979864) and Mr. Nagesh Pinge (DIN: 00062900) retired from the Board of MCXCCL on December 04, 2023 due to completion of their second term as PID.

ii. Pursuant to SEBI approval, Mr. Prafulla Chhajed (DIN: 03544734), Ms. Kemisha Soni (DIN: 06805708) and Mr. Srinivas Petluri (DIN: 02836590) were appointed as PIDs on the Board of MCXCCL with effect from December 11, 2023.

iii. Pursuant to SEBI approval, Mr. Manoj Kumar Jain (DIN: 09694205) was appointed as a Non-Independent Director (**hereinafter referred to as 'NID**') on the Board of MCXCCL, effective from January 18, 2024. The said appointment was approved by the Shareholders at the Extra Ordinary General Meeting (**hereinafter referred to as 'EGM'**) of the Company held on September 29, 2023.

iv. Pursuant to SEBI approval, Mr. Prafulla Chhajed (DIN: 03544734) was appointed as the Chairperson of the Board of MCXCCL with effect from January 23, 2024.

v. Mr. Rajesh Doshi (DIN: 00059903), PID retired from the Board of MCXCCL on February 21, 2024 due to completion of his second term as PID.

vi. Pursuant to SEBI approval, Mr. Ganesh Kumar (DIN: 07635860), was appointed as PID on the Board of MCXCCL with effect from February 22, 2024.

(b) Director liable to retire by rotation:

In accordance with the provisions of Companies Act, 2013, Mr. Mohan Shenoi (DIN: 01603606), NID, is liable to retire by rotation at the ensuing AGM, being longest in office and being eligible, he is seeking re-appointment. The Board recommends his re-appointment.

(c) Declaration by the PIDs / Independent Directors:

Your Company has received the necessary declarations from each of the PIDs that he/she meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations, 2015.

(d) Number of Meetings of the Board:

The Board of Directors duly met 14 (Fourteen) times during the year under review. For further details, please refer to the report on Corporate Governance forming part of this Annual Report.

(e) Performance Evaluation of the Board and the evaluation criteria:

In terms of the Policy for Performance Evaluation/Review, the performance evaluation of all the Directors, Board as a whole, its committees were conducted based on the criteria and the framework prescribed therein. In addition to aforesaid, your Company also conducted performance evaluation of Chairperson of the Board and Independent External Persons. The performance evaluation process and criteria for the same are set out in **Annexure III** to this Report. The policy for Performance Evaluation/ Review can be accessed at the following web link https://www.mcxccl.com/docs/librariesprovider2/disclosures/other-disclosures/policy-for-performance-evaluation9fe01b4857fb64e3bdfdff00007acb35.pdf?sfvrsn=3f1b7f9e_2

(f) Committees of the Board:

As on March 31, 2024, your Company has the following Committees pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 2015 read with relevant rules framed therein:

(i) Audit Committee:

The composition of the Audit Committee is covered under the Corporate Governance Report.

During the year under review, there were no instances, where the Board did not accept any recommendations of the Audit Committee.

(ii) Nomination and Remuneration Committee:

The composition of the Nomination and Remuneration Committee is covered under the Corporate Governance Report.

(iii) Corporate Social Responsibility Committee:

The composition of the CSR Committee is as set out in **Annexure II**.

(iv) Risk Management Committee:

The composition of the Risk Management Committee is covered under the Corporate Governance Report.

(g) Directors' Responsibility Statement:

In pursuance of Section 134 (3) (c) and Section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

(i) in the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards read with the requirement set out under Schedule III to the Act, had been followed and there were no material departures from the same;

(ii) 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 and of the profit and loss of the Company for that period;

(iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the Directors had prepared the annual accounts on a going concern basis;

(v) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(h) Disclosure on compliance with Secretarial Standards:

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and such systems are adequate and operating effectively.

28. **Key Management Personnel (hereinafter referred to as 'KMP'):**

The following changes took place in the KMPs during the year under review:

(i) Mr. Ramalingam M. was appointed as Chief Regulatory Officer and Compliance Officer with effect from June 14, 2023.

(ii) Mr. Mihir Malode was appointed as Chief Information Security Officer with effect from September 05, 2023.

(iii) Mr. Himanshu Raja, who was designated as Assistant Vice President - Spot and Delivery was appointed as Chief Risk Officer with effect from August 28, 2023.

(iv) Mr. Ramalingam M., who was designated as Chief Regulatory Officer and Compliance Officer was re-designated as Chief Regulatory Officer and Compliance Officer, Head -Membership & Default, Inspection & Investor Grievance with effect from August 28, 2023.

(v) Mr. Arnav Datta, who was designated as Head - Warehousing Operations was re-designated as Head – Warehousing Operations, Spot and Delivery with effect from August 28, 2023.

(vi) Mr. Rajesh Agrawal, who was designated as Chief Financial Officer was re-designated as Chief Financial Officer, Head – Procurement, HR & Administration with effect from August 28, 2023.

(vii) Mr. Mandar Kulkarni, who was designated as Company Secretary, Head – Corporate Legal, HR & Administration was re-designated as Company Secretary with effect from August 28, 2023.

(viii) Mr. Praveen Kotian, who was designated as Head-Membership, Legal Compliance & Default was re-designated as Head- Legal with effect from August 28, 2023.

(ix) Mr. Gitesh Shah resigned as Head- Clearing and Settlement and Collateral with effect from January 31, 2024.

In view of the aforesaid, following is the list of KMPs as on March 31, 2024 in terms of SECC Regulations, 2018;

Name of the KMP	Designation
Mr. Narendra Kumar Ahlawat	Managing Director & Chief Executive Officer
Mr. Soundararajan Venkatadas	Chief Operating Officer
Mr. Ramalingam M.	Chief Regulatory officer and Compliance Officer. Head -Membership & Default, Inspection & Investor Grievance.
Mr. Anilkumar Varma	Chief Technology Officer
Mr. Arnav Datta	Head – Warehousing Operations, Spot and Delivery
Mr. Rajesh Agrawal	Chief Financial Officer and Head – Procurement, HR & Administration
Mr. Himanshu Raja	Chief Risk Officer
Mr. Mandar Kulkarni	Company Secretary
Mr. Mihir Malode	Chief Information Security Officer
Mr. Praveen Kotian	Head - Legal

29. **Resources committed towards strengthening regulatory functions and towards ensuring Compliance with applicable regulatory requirements:**

SEBI from time to time has issued various regulations and guidelines applicable to the Company. Your Company ensures compliance 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.

Your Company's regulatory departments for the period April 01, 2023 to May 18, 2023 comprised of Risk Management, Member Registration, Compliance, Inspection (Member as well as Warehouse), Enforcement (post inspection activity), Default, Investor Protection, Investor Services, Spot & Delivery, Clearing & Settlement, Warehousing Operations, Collateral and Legal Compliance.

For the period from May 19, 2023 to August 27, 2023, the Regulatory departments of your Company comprised of Risk Management, Member Registration, Compliance, Inspection (Both Inspection of Member as well as Warehouse), Enforcement (Post Inspection activity), Default, Investor Protection, Investor Services and Legal Compliance.

Thereafter, pursuant to SECC (Amendment) Regulations, 2023, MCXCCL Departments were reclassified into following three verticals, effective from August 28, 2023, viz.,

Vertical 1: Critical Operations	**Vertical 2: Regulatory Departments etc.**	**Vertical 3: Other Functions**
Clearing & Settlement	Compliance	Finance & Accounts
Collaterals	Risk Management	Legal
Spot & Delivery	Membership & Default	Human Resources & Admin
Warehousing Operations	Inspection	
Technology	Investor Grievances	
	Secretarial and Compliance	

The above-mentioned Regulatory departments take care of various critical aspects of regulatory compliances. Departments handling these functions are adequately staffed and headed by senior officials of the Company, who in turn report to the Managing Director & CEO, Risk Management Committee, Regulatory Oversight Committee and Board of Directors, whenever required.

The PIDs in their separate meeting held on April 10, 2023 and October 27, 2023 reviewed the functioning of the regulatory departments including the adequacy of resources dedicated to regulatory functions.

Your Company ensures to make disclosures of various mandatory regulatory requirements along with reporting of the same to various regulatory authorities, if deemed necessary, in addition to informing the same to the Board of Directors and Committee Members.

For the financial year ending on March 31, 2024, your Company incurred expenses like salaries, warehouse insurance, travel expenses, legal expenses, advocate fees, professional charges, subscription charges, license fees and technology expenses amounting to ₹ 4059.85 lakh, as per activity-based accounting methodology towards

strengthening regulatory functions and towards ensuring compliance with regulatory requirements.

30. **Auditors:**

(a) Re-appointment of Statutory Auditors:

MSKA & Associates, Chartered Accountants (Firm Registration No.105047W) were appointed as Statutory Auditors by the shareholders at their Fifteenth AGM held on September 22, 2023, for the second consecutive term of five years, from the conclusion of Fifteenth Annual General Meeting to the conclusion of the Twentieth Annual General Meeting of the Company.

(b) Auditors' Report:

The report issued by the Statutory Auditors, MSKA & Associates on the Financial Statements of the Company for the financial year ended March 31, 2024, forms part of this Annual report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

MSKA & Associates, Chartered Accountants (Firm Registration Number: 105047W) have given their written consent and eligibility to act as the Statutory Auditors of your Company and have confirmed that the said appointment would be in conformity with the provisions of Section 139 and Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

(c) Details in respect of Frauds Reported by the Auditors under sub section (12) of Section 143 other than those reportable to the Central Government

No fraud has been reported by the Auditors to the Audit Committee or the Board during the year under review.

31. **Secretarial Audit:**

Mayekar & Associates, Practicing Company Secretaries were appointed as the Secretarial Auditor by the Board to conduct the secretarial audit of the Company for the year under review. In accordance with Section 204(1) of the Companies Act, 2013 and Regulation 24A(1) of the Listing Regulations, 2015, the Secretarial Audit Report for the financial year ended March 31, 2024 is annexed as **Annexure IV** to this Report.

The Secretarial Audit does not contain any qualification, reservation or adverse remark.

32. **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 Companies Act, 2013, are not applicable for the business activities carried out by the Company during the year under review.

33. **Deposits:**

The Company did not invite any deposits from the public during the year under review and accordingly, no amount of principal or interest related thereto was outstanding as on March 31, 2024.

34. **Particulars of Loans, Guarantees or Investments:**

The Company has not given any loans, guarantees or provided any security or made any investments in any body corporate under the provisions of Section 186 of the Companies Act, 2013 during the year under review.

35. **Internal Controls and their adequacy:**

The Board of Directors confirms that it has laid down a set of standards, processes and structure which enables to implement Internal Financial controls across the organisation with reference to Financial Statements and that such controls are adequate and are operating effectively.

During the year under review, no material or serious observation(s) have been observed in relation to such controls. For further details on internal controls and its adequacy, please refer 'Management Discussion and Analysis Report' forming part of this Annual Report.

36. **Human Resource Development:**

The Clearing Corporation believes in strategic alignment of Human Resources to its business priorities to achieve end objectives. As on March 31, 2024, your Company had 101 employees. Your Company continues to attract, retain and nurture talented workforce in its endeavour to be an employer of choice.

Cultural integration being the integral part of management philosophy, your Company has ensured to keep the employees informed regarding the important activities during the year. The primary focus was to design the approach in such a way that it ensures employees are committed to their organizational goals, objectives and values that encouraged contributing to organizational success, as well engaged employees are happier, both at work and in their lives.

For further details on human resource development, please refer 'Management Discussion and Analysis' Report forming part of this Annual Report.

37. **Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

(a) Your Company continues to have in place an Anti-Sexual Harassment Policy and has complied with the provisions relating to the constitution of Internal Complaints Committee under the "The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

(b) No complaints were received during the year under review in relation thereto.

For further details, please refer to the report on Corporate Governance which forms part of this Annual Report.

38. **Statement on remuneration of employees of the Company:**

Your Company has a well-defined Nomination and Remuneration Policy for Directors, KMPs and other employees, formulated in terms of the provisions of SECC Regulations, 2018, Companies Act, 2013 and Listing Regulations, 2015. The said policy forms part of the report as **Annexure V** and can be accessed at the following web link:
https://www.mcxccl.com/docs/librariesprovider2/disclosures/other-disclosures/nomination-and-remuneration-policy4de01b4857fb64e3bdfdff00007acb35.pdf?sfvrsn=ed1b7f9e_2

In accordance with Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 27(6) of SECC Regulations, 2018, the ratio of the remuneration of each Director to the median employee's remuneration, ratio of compensation paid to each KMP vis-a-vis median of compensation paid to all employees and other details forms part of this report as **Annexure VI**.

Further, in accordance with Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 27(5) of SECC Regulations, 2018, a statement containing particulars of employees as stipulated therein also forms part of this Report as **Annexure VII**.

39. **General:**

- There is no proceeding initiated / pending under the Insolvency and Bankruptcy Code, 2016.

- There was no instance of one-time settlement with any Bank or Financial Institution.

40. **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The disclosures to be made under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are explained as under:

A. **Conservation of Energy:**

Your Company is not energy intensive. However, it takes various measures to reduce energy consumption by using energy-efficient computer systems and equipment. As an ongoing process, your Company evaluates new technologies and techniques to make its infrastructure more energy efficient.

(i) Steps taken or impact on Conservation of Energy**:**

Your Company has in-row cooling system for servers in the Data Centre. This cools only the equipment and not the external environment, thereby ensuring that no energy is wasted in running compressors excessively to maintain the desired temperature levels of external environment. Additionally, your Company has Variable Refrigerant Volume (VRV) air-conditioning system for the entire building, which works on invertor compressor, resulting in energy saving. Moreover, the refrigerant R410A used in the system is also environment friendly.

Your Company has UV resistant film on facade glass windows to reduce the heat entering the building. This reduces the air-conditioning load. The glass windows also reduce electricity consumption due to lesser requirement of lighting during the day.

Your Company has installed Motion/Occupancy Sensors in low footfall area for controlling lights and reducing energy consumption.

Your Company maintains an adequate capacitor bank for non-linear electrical loads like air-conditioning plant, pumps and motors, thereby reducing the drawing of extra energy and improving the power factor.

Your Company uses low energy consuming electrical equipment with modern efficient devices such as LED lights, IP based cameras etc.

Your company has adopted BEE guidelines for Airconditioning temperature at 24 degrees in work areas.

Your company has strict Power monitoring schedule for air conditioners and lighting to ensure no wastage of electricity.

Also, energy audit, heat load calculations and power factor corrections are carried out at regular intervals. MCXCCL has installed password-based printers, which do not print the document unless password is entered on the printer thereby reducing the paper consumption resulting in environmental protection.

(ii) Steps taken by your Company for utilising alternate sources of energy:

The Company has not utilised any alternate source of energy during the year under review.

(iii) Capital investment on energy conservation equipment:

Your company has invested in procurement of Energy Efficient Desktops, Laptops and Graphics walls during FY 2023-24.

B. **Research and Development and Technology Absorption, Adaptation and Innovation:**

As the Clearing Corporation has entered into an agreement with MCX to share resources including technology, the following initiatives were undertaken during the year under review together with MCX:

(i) The efforts made towards technology absorption

Adherence to ISO Standards

Your Company is recertified for ISO 9001:2015 (Quality Management) and ISO/IEC 27001:2022 (Information Security Management). Additionally, your Company is certified for ISO 22301:2019 (Business Continuity Management System) which confirms your Company's commitment for providing a seamless experience and ability of responding to and recovering from any type of disruption or disaster.

Cyber Security framework

Special emphasis was laid by your Company on continuous improvement in its cyber security framework and information security management systems. There is a focused approach in cyber security management through people, processes and advanced technologies. Highest priority and continuous support was given by the senior management to all matters of cyber security and risk management. It is the constant endeavour of your Company to comply with the expectations of the Regulators and guidelines laid down by the national agencies tasked with information security and cyber defense of critical infrastructure. There is a dedicated Security Operations Centre (**hereinafter referred to as 'SOC'**) staffed with industry experts who are armed with the latest threat intelligence to protect our critical infrastructure. The SOC provides 24x7x365 vigilance against cyber threats, proactive response against incidents and provides vital inputs on improvement of your Company's security architecture and design. Your Company follows global security standards like ISO 27001:2022 Information Security Management & aligns with National Institute of Standards and Technology (NIST) Cyber Security Framework.

At your Company, a defense-in-depth strategy to ensure multiple security measures is implemented at different layers within the system/network with well-defined Cyber Security and Cyber Resilience Policy along with Cyber Crisis Management Plan (CCMP) which can help mitigate the impact of this threat. Your Company is continuously monitoring, evaluating and implementing various security solutions for early identification, detection, quick protection, response and recovery from all such cyber-attacks.

Your Company is highly committed to the protection of assets by deploying security measures for Work from Home and also has implemented a long-term strategy to deal with the challenges of teleworking. Security measures have been implemented for on premise and on-cloud infrastructure to protect against

cyber-attacks. All staff and members are provided with regular information security awareness sessions and training on cyber-vigilance and cyber security practices to avoid human targeted attacks. The Company has also been classified as a national CII custodian, through notifications from the Ministry of Finance and NCIIPC. Your Company has taken measures to meet expectations of the agency, keeping in mind the additional due diligence and controls for safeguard of the CII.

Switchover/switchback between Primary & Disaster Recovery (DR) site while conducting un-announced live trading from DR site:

Your Company ensured smooth running of an unannounced live Trading Operations from DR site for two consecutive days, in compliance with regulatory norms, twice in FY 2023-24.

Your Company has strengthened the Business Continuity Plan (BCP) and DR Policy and framework considering the latest SEBI Guidelines for BCP-DR of MIIs issued in March 2021, with an objective to put in place measures to restore operations of critical systems within stipulated Recovery Time Objective, streamlining communication protocols, identifying broad scenarios of disaster, escalation hierarchy among others.

Upgradation of information technology systems:

Your Company has migrated to a new technology platform for collateral, risk management, delivery, clearing and settlement. This led to a more advanced, efficient system adaptable to market dynamics with faster products, high-performance trading experience, achieving higher scale with new peak treading volumes. The new platform has helped your Company to scale the business to support all time high trading volumes in a short time and launching the new products.

Your Company has allocated substantial resources towards upgrading information technology systems with an overarching goal of achieving higher capacity, lower latency, improving market efficiency & transparency, enhancing user access and providing flexibility for future business growth and market needs.

Your Company upgraded the Data Centre infrastructure with latest technology cooling system reducing the power consumption thus helping in reducing the carbon footprint.

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution

During FY 2023-24, your Company continued to invest in IT systems and use IT as an enabler to provide a competitive advantage. Your Company's robust technology infrastructure continues to provide uninterrupted services, reliability, credibility and mitigation of risk of single point of failure.

Your Company has an in-house software development team, which undertook several initiatives in FY 2023-24 to enhance, develop and roll out various ancillary and peripheral systems as required by the organisation.

(iii) The Clearing Corporation has not directly imported any technology during the last three financial years.

(iv) The Clearing Corporation has not incurred any expenditure on Research and Development during the year under review.

C. **Foreign exchange earnings and Outgo**:

MCXCCL is engaged in the business of clearing and settlement of trades and aspires to gain opportunities as and when available for rendering its services internationally, subject to the regulatory framework. During FY 2023-24, the Clearing Corporation has not earned any foreign exchange and has incurred an expense of USD 37,000 (INR 30,67,055/-).

41. **Acknowledgements:**

Your Directors place on record their sincere gratitude to the Government of India, Ministry of Finance, Ministry of Corporate Affairs, SEBI, Reserve Bank of India, Stakeholders viz. MCX, Financial Institutions, Bankers, Stakeholders and Business Associates for their continued support and faith in the Company. Your Directors also wish to place on record their appreciation for the contribution made by employees at all levels.

For and on behalf of the Board of Directors of
Multi Commodity Exchange Clearing Corporation Limited

Prafulla Chhajed
Chairperson
DIN: 03544734

Place: Mumbai
Date: July 26, 2024

Annexure I

Form - 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)

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr. No.	Particulars	Reference
(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/ arrangements/ transactions	Not Applicable
(c)	Duration of the contracts/ arrangements/ transactions	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
(e)	Justification for entering into such contracts or arrangements or transactions	Not Applicable
(f)	Date of approval by the Board	Not Applicable
(g)	Amount paid as advances, if any	Not Applicable
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

Sr. No.	Particulars	Remark
(a)	Name(s) of the related party and nature of relationship	Refer Notes
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts/ arrangements/ transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any	Nil

Notes:

1. During FY 2023-24, the following transactions were entered into with Multi Commodity Exchange of India Limited (**hereinafter referred to as 'MCX'**), holding and promoter Company:

   - MCX paid Clearing and Settlement fees of ₹ 6,996 lakh. MCX received Rent of ₹ 251 lakh, received IT and other Infrastructure charges amounting to ₹ 9,852 lakh in accordance with the Clearing & Settlement Agreement, Leave & License Agreement and Resource Sharing Agreement respectively. MCX paid 50% sharing of status report-processing charges as per circular of ₹ 6 lakh to MCXCCL. MCX received reimbursement of expenses of ₹ 15 lakh which were paid on behalf of the Company. MCX paid reimbursement expense of ₹ 1 lakh to MCXCCL. MCXCCL paid Regulatory Fees, Transactions charges, Fines & penalties and other collections amounting to ₹ 1,35,349 lakh on behalf of MCX.

   - Further pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and Regulation 23 of Listing Regulations, 2015, approval of the Audit Committee, Board and shareholders is not applicable for the related party transactions, entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

2. During FY 2023-24, your Company paid an aggregate amount of ₹ 796 lakh (including Company's contribution to Provident Fund) to the following existing and erstwhile Key Management Personnel (**hereinafter referred to as 'KMPs'**) towards salaries, perquisites and reimbursement of expenses to perform such duties, obligations and responsibilities as per their respective roles:

   - Mr. Narendra Kumar Ahlawat - MD & CEO,
   - Mr. Soundararajan Venkatadas – Chief Operating Officer,
   - Mr. Arnav Datta – Head Warehousing Operations, Spot and Delivery,
   - Mr. Anilkumar Varma - Chief Technology Officer,
   - Mr. Ramalingam M. -Chief Regulatory officer and Compliance Officer. Head - Membership & Default, Inspection & Investor Grievance,
   - Mr. Gitesh Shah - Head - Clearing & Settlement and Collateral (up to January 31, 2024),
   - Mr. Rajesh Agrawal - Chief Financial Officer, Head – Procurement, HR & Administration,
   - Mr. Praveen Kotian – Head- Legal,
   - Mr. Mandar Kulkarni- Company Secretary,
   - Mr. Mihir Malode- Chief Information Security Officer (w.e.f. September 05, 2023)
   - Mr. Himanshu Raja - Chief Risk Officer,
   - Mr. Pankaj Goel - Compliance Officer (upto March 23, 2023),
   - Mr. Ulhas Ranade- AVP Warehousing Operation (upto February 20, 2023)

   The terms and conditions of appointment of the KMPs are *inter alia*, governed by the Nomination and Remuneration Policy of the Company. The NRC/Board at its meetings have approved the identification/appointment of the aforesaid KMPs.

3. As the sitting fees paid to Non-Executive Directors are within the limits as prescribed under Section 197(5) of the Companies Act, 2013 and Regulation 17(6)(b) of the Listing Regulations, 2015, the requirement of obtaining approval of the shareholders in the general meeting shall not apply to payment of sitting fees. During FY 2023-24, the sitting fees including reimbursement of expenses amounting to ₹ 155 lakh were paid to such Non-Executive Directors.

4. For further details on Related Party Transactions, please refer to the section titled 'Contracts or arrangements with related parties' appearing in the 'Directors Report' forming part of this Annual Report.

For and on behalf of the Board of Directors of
Multi Commodity Exchange Clearing Corporation Limited

Prafulla Chhajed
Chairperson
DIN: 03544734

Place: Mumbai
Date: July 26, 2024

Annexure II

Annual Report on Corporate Social Responsibility (hereinafter referred to as 'CSR') Activities

1. Brief outline on CSR policy of the Company:

Mission: In its endeavour to create economic, social and environmental capital, MCXCCL is focused on creating a positive social and environmental impact by leveraging its resources and expertise.

The Company shall undertake and execute the CSR activities (CSR projects/programs) in the areas listed under Schedule VII of the Companies Act, 2013 which are as under:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

- protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

- measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

- training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

- contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government,

- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

- rural development projects;

- slum area development;

- disaster management, including relief, rehabilitation and reconstruction activities.

2. The Composition of the CSR Committee as on March 31, 2024:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Mr. Srinivas Petluri	Chairperson, PID, Non –Executive Director	2	1*
2	Mr. Prafulla Chhajed	Member, PID, Non – Executive Director	2	1*
3	Mr. Ganesh Kumar	Member, PID, Non – Executive Director	2	1*

*The first CSR Committee Meeting in FY 2023-24 was held on September 25, 2023 which was attended by the erstwhile members (PIDs) of the Committee, viz., Dr. Brinda Jagirdar, Mr. Nagesh Pinge and Mr. Rajesh Doshi. Pursuant to the retirement of erstwhile members/PIDs and appointment of new PIDs, the CSR Committee was reconstituted by the Board on January 04, 2024 and again on February 20, 2024. Accordingly, the existing Members of the Committee attended only one Committee Meeting held after the second reconstitution on February 20, 2024.

3. Web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

   The composition of the CSR Committee has been uploaded on the website of the Company at the following web link:
   https://www.mcxccl.com/about-us/committees-of-the-board

   The CSR Policy has been uploaded on the website the Company at the following web link:
   https://www.mcxccl.com/docs/librariesprovider2/disclosures/other-disclosures/corporate-social-responsibility-policy.pdf?sfvrsn=3197f9e_2

   CSR Projects web link: Not Applicable

   The Company has not initiated any CSR projects as the CSR spend involves an outflow of ₹ 57.50 lakh which is quite small. The Company does not have the capacity to undertake projects which requires active monitoring, so the Company has contributed an amount of Rs. 57.50 Lakhs in PM CARES Fund, being the entire amount mandated to be spent for CSR activities in FY 2023-24.

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable.

   Impact assessment of CSR projects is not applicable to your Company for the Financial Year under review.

5. (a) Average net profit of the Company as per Section 135(5) of the Companies Act, 2013**: ₹ 2,874.27 lakh**

   (b) Two percent of average net profit of the Company as per section 135(5): **₹ 57.50 lakh**

   (c) Surplus arising out of the CSR projects or Programmes or activities of the previous financial years: **Nil**

   (d) Amount required to be set off for the financial year, if any: **Nil**

   (e) Total CSR obligation for the financial year ((b)+(c)-(d)): **₹ 57.50 lakh**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **Nil**

   (b) Amount spent in Administrative Overheads: **Nil**

   (c) Amount spent on Impact Assessment, if applicable: **Nil**

   (d) Total amount spent for the Financial Year ((a)+(b)+(c))**: Nil**

(e) CSR amount spent or unspent for the financial year**:**

(₹ in lakh)

Total Amount Spent for the Financial Year.	**Amount Unspent**				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).**		
	Amount.	**Date of transfer.**	**Name of the Fund**	**Amount.**	**Date of transfer.**
57.50 lakh*	**Nil**	**-**	**Not Applicable**	**Nil**	**-**

**Amount of ₹ 57.50 lakh is contributed towards PM CARES Fund, being the entire amount mandated to be spent for CSR activities in FY 2023-24.*

(f) Excess amount for set off, if any: **Nil**

(₹ in lakh)

Sr. No.	**Particular**	**Amount**
(i)	Two percent of average net profit of the Company as per section 135(5)	57.50
(ii)	Total amount spent for the Financial Year	57.50
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or Programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent CSR amount for the preceding three financial years: **Nil**

(₹ in lakh)

Sr. No.	**Preceding Financial Year(s)**	**Amount transferred to Unspent CSR Account under section 135 (6)**	**Balance Amount in Unspent CSR Account under section 135 (6)**	**Amount spent in the Financial Year**	**Amount transferred to a fund as specified under Schedule VII as per second proviso to section 135(5), if any.**			**Amount remaining to be spent in succeeding financial years.**	**Deficiency, if any**
					Name of the Fund	**Amount**	**Date of transfer**		
1	2022-23	Nil	Nil	-	-	Nil	-	-	-
2	2021-22	Nil	Nil	-	-	Nil	-	-	-
3	2020-21	Nil	Nil	-	-	Nil	-	-	-
	TOTAL	Nil	Nil	-	-	Nil	-	-	-

8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year:

◯ Yes ● No

If Yes, enter the number of Capital assets created/ acquired | Nil |

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	**Short particulars of the property or asset(s) [including complete address and location of the property]**	**Pincode of the property or asset(s)**	**Date of creation**	**Amount of CSR amount spent**	**Details of entity/ Authority/ beneficiary of the registered owner**		
					CSR Registration Number, if applicable	Name	Registered address
Nil							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable. The Company has spent the entire amount of two per cent of the average net profit of the last three financial years i.e. ₹ 57.50 lakh towards PM CARES Fund, being the entire amount mandated to be spent for CSR activities in FY 2023-24 and thus there is no unutilised or unspent amount which is mandated for contribution for CSR activities.

For and on behalf of the Board of Directors of
Multi Commodity Exchange Clearing Corporation Limited

Narendra Kumar Ahlawat
Managing Director & CEO
DIN: 07629724

Place: Mumbai
Date: July 26, 2024

Srinivas Petluri
Chairperson of the CSR Committee
DIN: 02836590

Place: Mumbai
Date: July 26, 2024

Annexure III

Performance Evaluation of the Board and the evaluation criteria

In accordance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations, 2015), the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulation, 2018) read with SEBI circular ref. no. SEBI/HO/MRD/DOP2DSA2/ CIR/P/2019/26 dated February 5, 2019, your Company has formulated the criteria for performance evaluation of all the Directors, the Board, Chairman and its Committees.

The policy has been framed with an objective to ensure individual Directors of the Company and the Board as a whole, works efficiently and effectively in achieving their functions, in the interest of the Company and for the benefit of its stakeholders. Accordingly, the policy provides guidance on evaluation of the performance of:

(i) Company
(ii) Individual Directors
(iii) Independent External Persons
(iv) Board as a whole
(v) Chairperson of the Board
(vi) Various Committees of the Board

In accordance with the policy, the forms for performance evaluation of the Board, its Committees, Chairperson, individual directors and Independent External Persons have been designed to include the criteria as prescribed therein and the same is presented hereinafter. The said forms were circulated to all the Directors of the Company for *inter alia* for evaluating the performance as mentioned aforesaid. The Public Interest Directors (PID) Committee evaluated the performance of Non independent Directors, Chairperson of the Board, the Board as a whole and the Board evaluated the performance of its Committees and Public Interest Directors, excluding the Director being evaluated.

Mechanism for performance evaluation:

The mechanism for the performance evaluation/review are covered in the policy in following two parts:

1. **Part- A (Internal Evaluation):**

   It covers the internal mechanism for annual evaluation of the Company, all the Individual Directors, Independent External Persons, Board as a whole, Chairperson of the Board and the Board Committees at the end of every financial year.

2. **Part – B (External Evaluation):**

   It covers the mechanism for external evaluation of the:

   - Company
   - Public Interest Directors

- Independent External Persons
- Statutory Committees

PART – A (INTERNAL EVALUATION):

As per the criteria for performance evaluation/ review mentioned in this Policy, primarily the directors shall individually:

i. assess the performance of every Director on the Board;
ii. assess the performance of the Chairperson of the Board
iii. assess the performance of the Board as a whole
iv. assess the performance of the Board Committees (done by the Chairperson of the respective Committee)

The performance of IEPs shall be evaluated by the members of the relevant Committees.

Also, an annual internal evaluation of the performance of the Company will be conducted in such a manner as may be specified by the SEBI.

Once the assessment of performance of every Director and Independent External Persons (IEP) is completed by all the Individual Directors and relevant Committee Members respectively, the Board based on the criteria for performance evaluation prescribed in annexure(s) to this policy, shall carry-out the evaluation/review of performance of the Company, Independent Directors, Independent External Persons and the Committees of the Board, annually at the end of every financial year.

The Independent Directors of the Company at their separate meeting shall carry out the evaluation/review of performance of all the Non-Independent Directors of the Company, Board as a whole and Chairperson of the Company (taking into account the views of Executive and Non-Executive Directors of the Company).

Further Action(s):

Once the performance evaluation/ review is carried out by Public Interest Directors Committee and Board, as required, the Board or PID Committee in its meeting, in accordance with the SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/79 dated May 10, 2018 relating to the Disclosures on Board Evaluation shall mention the following:

i. Observations of board evaluation carried out for the year.
ii. Previous year's observations and actions taken.
iii. Proposed actions based on current year observation.

PART – B (EXTERNAL EVALUATION):

A. External Evaluation (Annually) (Voluntary)

Performance Evaluation of the PID may be carried out by a Management or Human Resources Consulting Firm on an annual basis.

Once the annual evaluation by the Management or Human Resources Consulting Firm is completed, the evaluation report shall be submitted to the NRC. NRC shall after analysing the said report shall place the same before the Board along with its comments, if any, for noting.

B. External Evaluation (PID/IEP whose term is due to expire and seeking extension of term of appointment)

As per Regulation 24 (3) of SECC Regulations, 2018 and the circular dated February 05, 2019 of SEBI issued thereunder, the PID whose term is due to expire and seeking extension for a further term as specified in SECC Regulations, 2018 shall be subject to the performance review in the manner as specified in the above mentioned circular.

In accordance with aforementioned circular, the PID whose term is due to expire and seeking extension for another term shall be subject to the Performance Evaluation/ review by an external 'Management or Human Resources Consulting Firm' as per the criteria laid down for the performance review of the individual directors which shall specifically include the following:

1. The PID shall fulfil the Independence criteria as specified under section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. While evaluating conflict of interest of a PID, the Board shall also take into consideration provisions of Clause 2(c) of Part A of Schedule II of SECC Regulations, 2018 under the head 'Public Interest Director'; and conflict of interest, if any, of any PIDs shall be disclosed to SEBI by the board with their comments/ views.

3. The PID shall ensure that he/she is not Trading Member/Clearing Member/Associate/Agents of any recognized stock exchange/ clearing corporation.

   The term of existing PIDs serving in the Company for more than three years, can be extended, subject to his / her performance review and a maximum tenure of 6 years as PID in the Company. However, the term of existing PIDs, who has already served for six years or more in the Company, shall not be eligible for further extension in the Company.

   A person may be nominated as PID for maximum of three terms across recognised stock exchanges/ Clearing Corporation/ depositories, subject to maximum age limit of seventy-five years.

4. The attendance details of PID in the meetings of various mandatory committees and of the governing board of the Company along-with specific reasons for seeking extension of his / her term as a PID including facts such as whether the concerned PID, during the term served, had identified any important issues concerning any matter which may involve conflict of interest, or have significant impact on functioning of the Company, or issues which may not be in the interest of securities market as a whole, and whether the PID had reported the same to SEBI or took effective steps to address the same.

Once the evaluation by the Management or a Human Resources Consulting Firm (External) is done, the results of the review/evaluation shall be submitted to the NRC, which shall after analysing the results of the internal and external evaluation/ review mechanism, consider and recommend, if deemed fit, to the Board, the name of the PID along with a new candidate(s) to be considered for the appointment as the PID on the governing Board.

The Governing Board after receiving the recommendations from the NRC, shall in-turn consider the same and recommend the names to SEBI, four (4) months prior to expiry of term of the respective PID whose term is due to expire and extendable by another term of three years.

Note: In terms of clause 7(e)(ii) of the SEBI circular ref. no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, the criteria applicable for performance review of PIDs, shall also be applicable to the IEPs, whose term is due to expire and seeking extension of term of appointment.

C. External Evaluation of the Company and Statutory Committees

Pursuant to the provisions of Regulation 33(6) of SECC Regulations, 2018, the performance of the Company and performance of the Statutory Committees shall be subjected to external evaluation.

Accordingly, the Company shall appoint an independent external agency to evaluate its performance and the performance of its statutory committees within such periodicity and in such a manner as may be specified by the SEBI.

For and on behalf of the Board of Directors of
Multi Commodity Exchange Clearing Corporation Limited

Prafulla Chhajed
Chairperson
DIN: 03544734

Place: Mumbai
Date: July 26, 2024

Annexure IV

Anil V. Mayekar
Ketki M. Save
Jatin P. Patil
Sagar P. Mehendale

MAYEKAR & ASSOCIATES

605 - Jai Kirti Apartment, 76 Turel Pakhadi Road, Malad (west), Liberty Garden Rd. No. 2, Mumbai 64. Tel: +91-022-35670702 Email: office@csmayekar.com

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2024

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

To,
The Members,
MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED
(CIN - U74999MH2008PLC185349)
Exchange Square, CTS 255, Suren Road,
Andheri (East), Mumbai-400093

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED (CIN - U74999MH2008PLC185349)** (hereinafter called "the company"). Secretarial Audit was conducted 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 covering the financial year ended on **31st March, 2024** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, 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 through electronic mode for the financial year ended on **31st March, 2024** 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 thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings *(Not Applicable to the Company during the Audit Period)*;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 *(Not Applicable to the Company during audit period)*

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 *(Not Applicable to the Company during audit period)*

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 *(Not Applicable to the Company during audit period)*

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015; *(Not Applicable to the Company during audit period)*

(f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not Applicable to the Company during audit period)* and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(Not Applicable to the Company during audit period)*;

{i) The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

We have also examined compliance with the applicable clauses of the following:

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

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 ('Listing Regulation') to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations, 2018').

(iii) Compliances as per the SEBI Letter no. SEBI/HO/MRD2/MRD2_DDAP/P/OW/2022/24624/1 dated 15th June, 2022.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned.

We further report that –

The Board of Directors of the Company is duly constituted. 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 was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance for meetings as per the prescribed timelines and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

All decisions at Board Meetings & Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committees of the Board, as the case may be.

We further report that there are reasonable systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and the Company is in the process of strengthening the same.

We further report that during the year under review**,**

None of the following events has taken place-
I. Public/Rights/Preferential Issue of Shares/Debentures etc.
II. Redemption/buy-back of securities
III. Major decision taken by the members in pursuance to section 180 of the Companies Act, 2013.
IV. Merger/Amalgamation/Reconstruction,etc.
V. Foreign Technical Collaborations.

We further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards.

For Mayekar & Associates
Company Secretaries
Firm U.I.N - P2005MH007400

Jatin Prabhakar Patil
Partner
FCS – 7282 COP – 7954
Date: July 26, 2024
Place: Mumbai

U.D.I.N – F007282F000869814
P.R Certificate No. – 4385/2023
Date: August 01, 2024

Note: This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

Annexure A

To,
The Members,
MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED
(CIN - U74999MH2008PLC185349)
Exchange Square, CTS 255, Suren Road,
Andheri (East), Mumbai-400093

The Management along with the Board of Directors are responsible for ensuring that the Company complies with the provisions of all applicable laws and maintains the required statutory records and documents in the prescribed manner.

1) Management's responsibility

The Management along with the Board of Directors are responsible for ensuring that the Company complies with the provisions of all applicable laws and maintains the required statutory records and documents in the prescribed manner.

2) Auditor's responsibility

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("**CSAS**") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS.

3) Basis for Opinion

i. 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 basis to ensure that correct facts are reflected in the Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

ii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

iii. Wherever required, we have obtained a Management Representation about the compliance of laws, rules and regulations and happening of events, etc.

iv. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mayekar & Associates
Company Secretaries
Firm U.I.N - P2005MH007400

Jatin Prabhakar Patil
Partner
FCS – 7282 COP – 7954
Date: July 26, 2024
Place: Mumbai

U.D.I.N – F007282F000869814
P.R Certificate No. – 4385/2023
Date: August 01, 2024

Annexure V

NOMINATION AND REMUNERATION POLICY

Multi Commodity Exchange Clearing Corporation Limited (hereinafter referred to as the "Company/ Clearing Corporation") has adopted this Policy (the "Policy") on Nomination and Remuneration of Directors, Key Managerial Personnel ("KMPs") and Other Employees pursuant to the provisions of Section 178(4) the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the "Listing Regulations, 2015] and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ["SECC Regulations, 2018"], as may be amended from time to time.

Objectives/Purposes of the Policy:

The Policy has been framed keeping in view the following objectives/purposes:

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully and to ensure long term sustainability of managerial persons and create competitive advantage;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration payable to Directors and Key Managerial Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals and aligns with the long term interests of the company and its shareholders.

Definitions:

'Act' means the Companies Act 2013 and includes the Rules framed thereunder, as may be amended from time to time.

'Board' means the Board of Directors of the Company.

'Committee' means the Nomination and Remuneration Committee of the Company as constituted/ reconstituted by the Board of Directors of the Company, in accordance with the Act and provisions of Listing Regulations, 2015 and SECC Regulations, 2018.

'Core and Critical Functions' shall include but not limited to:

a) Vertical 1: Critical operations

   i. Clearing and Settlement;
   ii. Collaterals;
   iii. Spot and Delivery;
   iv. Warehousing Operations;
   v. Technology;

b) Vertical 2: Regulatory, compliance, Risk Management and investor grievance

i. Risk management;
ii. Membership & Default;
iii. Compliance;
iv. Secretarial
v. Inspection;
vi. Investor Grievances.

c) Vertical 3: Other functions including business development

i. Finance & Accounts;
ii. Human Resources & Admin;
iii. Legal.

'Directors' means Directors of the Company.

'Fixed Remuneration' includes fixed wages, contribution to Provident fund and allowances/ benefits.

'Key Managerial Personnel' (the "KMP") as defined under section 2(51) of the Act means:

(i) the Chief Executive Officer or the Managing Director or Manager;
(ii) the Company Secretary;
(iii) Whole-time Director;
(iv) the Chief Financial Officer;
(v) such other officer, not more than one level below the directors who is in whole time employment, designated as key managerial personnel by the Board; and
(vi) any other person as may be prescribed

Further, as defined in Regulation 2 (1) (j) of the SECC Regulations, 2018, KMP includes:

(i) any person appointed as the managing director or executive director; or
(ii) a person serving as the head of a department or vertical and directly reporting to the managing director or to the directors on the governing board of the Company; or
(iii) a person serving as the head of a core function as specified under Part–C of Schedule–II of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018; or
(iv) a person who stands higher in hierarchy to the head of any department(s) handling core function(s) in the Company; or
(v) reporting officials of key management personnel; or
(vi) any person defined as a "key managerial personnel" under the Companies Act, 2013; or
(vii) any other person who is a key decision-making authority at the level of the Company or its direct or indirect material subsidiaries, as identified by the managing director or its Nomination and Remuneration Committee.

Note: KMPs include the Senior Management Personnel of the Clearing Corporation. (as defined in the Listing Regulations, 2015).

'**Non-Independent Director**' means a director elected or nominated by the shareholders who are neither trading members nor clearing members, as the case may be, or their associates and agents.

'Public Interest Director' means an Independent Director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the SEBI, is in conflict with his role.

'Remuneration' means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

'**Regulatory Department'** means a department of a Company which is entrusted with regulatory powers and duties and includes such department as may be specified by the SEBI;

'SEBI' means the Securities and Exchange Board of India.

Words and expressions used and not defined in this Policy, but defined in the Companies Act or any rules framed thereunder or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Listing Regulations, 2015 or the Indian Accounting Standards shall have the meanings assigned to them in these acts/regulations/Rules/Standards.

GENERAL PRINCIPLES ON APPOINTMENT/RE-APPOINTMENT AND REMOVAL/ RETIREMENT OF DIRECTORS AND KMPs:

I. APPOINTMENT:

- **Criteria and qualifications:**

  The Committee shall identify and ascertain the integrity, qualification, expertise and relevant experience of the person for appointment as Director in terms of the Board Diversity Policy of the Company and recommend to the Board his / her appointment. A person to be appointed as director or KMP should possess adequate qualification, expertise and relevant experience for the position he / she is considered.

  Additionally, while determining the qualifications and positive attributes for appointment of a person as a director, the Committee shall also consider the criteria and qualifications/disqualifications prescribed under provisions of the Act, Listing Regulations,

  2015 and SECC Regulations, 2018. Further, the Committee shall also take into consideration any other criteria for appointment, as may be set out in the Company's internal policies.

The Independence of a director shall be determined based on the criteria defined from time to time in the Act, the Listing Regulations, 2015 and SECC Regulations 2018 and the circulars issued thereunder.

- **Manner of appointment/re-appointment and tenure:**

The appointment/re-appointment and tenure of the Directors of the Company shall be as approved by SEBI and be further governed by the provisions of the Act, the Listing Regulations, 2015, and the SECC Regulations 2018 as well as the Articles of Association of the Company.

The Committee at the time of determining whether to recommend a Director for re-appointment shall also consider the Director's past attendance, participation and contributions to the activities in the meetings of the Board and the Committees where the Director is a member/Chairperson and the results of the Internal Evaluation and External Evaluation, as applicable.

Any selection, appointment/ re-appointment and tenure of a KMP of the Company shall be governed by the provisions of the Act, the Listing Regulations, 2015, the SECC Regulations, 2018 and other applicable laws from time to time.

Further, the tenure of KMPs in a regulatory department would be generally till he/ she ceases to be the employee of the Company or as may be decided by the Committee/Board. However, the same shall be reviewed every 3 years unless any other tenure is specifically decided by the Committee. The term of the KMP may or may not be extended by the Committee, if required.

II. REMOVAL/RETIREMENT:

Owing to disqualifications for any reasons mentioned in the Act or rules made thereunder or under any other Act, Rules and Regulations as may be applicable and subject to the prevailing HR Policy of the Company, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director/KMP, subject to the provisions and compliance of the said Act, rules and regulations.

Directors and KMPs shall retire/cease to hold office as per the applicable provisions of the Companies Act, 2013, Listing Regulation, 2015, SECC Regulation, 2018 and the prevailing policy of the Company or in terms of which such appointment was made.

The Board will have the discretion to extend the term of a KMP, even after his/her attaining the age of superannuation, for the benefit of the Company.

III. REMUNERATION OF DIRECTORS INCLUDING MANAGING DIRECTOR AND KMPs:

I. Remuneration of Managing Director (MD) / Chief Executive Officer (CEO):

The remuneration payable to managerial personnel shall be in accordance with the provisions of Section 197 read with Schedule V of the Companies Act 2013 and the Rules made thereunder. The remuneration payable to them, shall upon recommendation by the Nomination and Remuneration Committee, be approved by the Board of Directors, which shall be subject to the approval of SEBI and shareholders of the Company and other approvals as may be required.

At the time of seeking prior approval of SEBI for the appointment of the MD&CEO, the Clearing Corporation shall also seek prior approval for his/her compensation from SEBI. Any change in the terms and conditions of the compensation of MD&CEO will also require prior approval of SEBI.

The Committee will determine the remuneration of MD/CEO and recommend the same to the Board for its approval, taking into consideration the following factors:

a) Role and responsibilities of the MD/CEO
b) Financial condition / health of the Clearing Corporation
c) Comparability to the industry standards
d) Revenues, net profit of the Clearing Corporation
   - average levels of compensation payable to employees in similar ranks,
   - periodic review
e) Ensure that the variable component of the remuneration of MD/CEO shall be within a range of 25% to 50% of total pay.
   - 50% of the variable component of the remuneration is paid only after the audited annual accounts for the year are approved by the Board of Directors and also subject to such payment being approved by the Board; and
   - the balance 50% of the variable pay will be paid on a deferred basis after a minimum period of three years.

   The payment of the entire variable component is subject to the provisions of 'malus' and/or 'clawback' provisions, as defined hereinafter.
f) No incentives are provided for excessive risks in the short term.

g) 'Value Add' perceived by the Committee and Board based on the relevant experience of the candidate.

ESOPs and other equity linked instruments in the clearing corporation shall not be offered or provided as a part of the compensation to Managing Director/CEO.

SEBI vide circular no. SEBI/HO/MRD1/DTCS/CIR/P/2021/590 dated July 05, 2021 has mandated for Financial Disincentives to be paid by MD in case of any downtime or unavailability of services beyond specified pre-defined time therein. Accordingly, such financial disincentives as specified in the said SEBI circular shall apply to MD. Further, any subsequent applicable circular(s) issued by SEBI and/or any other regulatory/statutory authority regarding financial disincentives shall also be applicable to MD.

II. Remuneration of Non-Executive Directors:

Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof, as approved by the Board, from time to time, within the permissible limit prescribed under the Companies Act, 2013, Listing Regulations. 2015, SECC Regulations, 2018and other regulatory guidelines, as amended from time to time.

Any change in sitting fees will be recommended by the Committee and approved by the Board, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees.

The Board considers the following factors while approving the change in the sitting fees to the Board/Committee members:

(a)Contribution expected from Directors considering size and complexity of organization;
(b) Comparison with the peers/ Industry benchmarking;
(c) Regulatory guidelines as applicable etc.

The Non-Executive Directors are also entitled to reimbursement of expenses for participation in the meetings of the Board and the Committees thereof.

The Company does not pay any commission on profit to the Non-Executive Directors. Independent directors shall not be entitled to any stock option.

III. Remuneration of other KMPs:

The Committee shall recommend the remuneration of other KMPs to the Board for its approval, taking into consideration the following factors:

a) Relevance and importance of the function to the Organization.
b) Value added from time to time / their contribution to the Organization growth.
c) Financial condition / health of the Clearing Corporation.

d) Comparability to the industry standards
e) Revenues, net profit of the Clearing Corporation
   - average levels of compensation payable to employees in similar ranks
   - periodic review.
f) Ensure that the variable component of the remuneration of other KMPs is basis the Performance rating as per the matrix adopted by the Company which shall be within a range of 25% to 50% of total pay.
   - 50% of the variable component of the remuneration is paid only after the audited annual accounts for the year are approved by the Board of Directors and also subject to such payment being approved by the Board; and
   - the balance 50% of the variable pay will be paid on a deferred basis after a minimum period of three years.

   The payment of the entire variable component is subject to the provisions of 'malus' and/or 'clawback' provisions, as defined hereinafter.

g) No incentives are provided for excessive risks in the short term.
h) 'Value Add' perceived by the Committee and Board based on the relevant experience of the candidate.

ESOPs and other equity linked instruments in the Clearing Corporation shall not be offered or provided as a part of the compensation to the key management personnel.

Any financial disincentive specified by SEBI and/or any other regulatory/statutory authority shall be applicable to KMPs.

Any change in the remuneration of the KMPs shall be recommended by the Committee to the Board for its approval.

Malus and Clawback Provisions:

A malus arrangement permits the Clearing Corporation to prevent vesting of all or part of the amount of a deferred variable component.

A clawback is a contractual agreement between the employee and the Clearing Corporation in which the employee agrees to return previously paid or vested variable component to the Clearing Corporation under certain circumstances.

The aforesaid clauses shall be triggered under the following circumstances:
a) Fraud;
b) Impersonation;
c) Gross negligence which have caused or may cause significant financial loss or reputational harm to the Company;
d) Misfeasance;
e) Any act amounting to criminal breach of trust;
f) Conviction for an offence involving moral turpitude;
g) Breach of confidentiality in trade secret;
h) Ethical misconduct;
i) Fraudulent financial reporting;
j) Overstating or misstating financial indicators or of the performance criteria either at the Company level or individual level with a view to get increased variable pay;
k) Non-compliance or insubordination in adhering to regulatory/policy guidelines and
l) Such other circumstances as the Committee and/or Board may decide.

General parameters to consider increase in the remuneration:

The salary increment budget would be ascertained by the Committee / Board every year, based on following parameters:
1. Current year's Company/Holding Company performance;
2. Employee appraisal rating scale provided by Group HR;
3. Consumer Price Index.

IV. REMUNERATION OF OTHER EMPLOYEES OF THE COMPANY:

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

ESOPs and other equity linked instruments in the Clearing Corporation shall not be offered or provided as a part of the compensation to the employees.

Note: *In the event of any conflict between the provisions of this Policy and of the SECC Regulations, 2018, the Companies Act, 2013 and rules made thereunder and the Listing Regulations, 2015, the provisions of the SECC* Regulations*, 2018, the Companies Act, 2013 and rules made thereunder and the Listing Regulations, 2015 shall prevail over this Policy.*

V. POLICY REVIEW:

This Policy shall be reviewed by the Nomination and Remuneration Committee as and when required or at least once in 2 years and changes made therein, if any, shall be approved by the Board.

Annexure VI

Disclosure pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 27 (6) of SECC Regulations, 2018

Sr. No	Requirements	Disclosure
I	The ratio of the remuneration/compensation of each Director and KMP to the median remuneration of the employees of the Company for the financial year 2023-24.*	• MD & CEO – 14.40X • Chief Financial Officer and Head –HR, Admin and Procurement – 5.51X • Company Secretary- 4.28X • Chief Operating Officer – 11.27X • Chief Technology Officer – 7.06X • Head - Warehousing Operations, Delivery & Spot – 4.61X • Head Legal – 3.00X • Chief Risk Officer – 4.32X • Chief Information Security Officer – Not applicable# • Chief Regulatory Officer – Not Applicable# • Head - Clearing and Settlement & Collateral – Not applicable#
II	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	MD & CEO – No change Chief Financial Officer – 20% Company Secretary – 20%
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year increased by 0.81%.
IV	The number of permanent employees on the rolls of Company	There were 101## employees as on March 31, 2024.
V	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	Not Applicable

Sr. No	Requirements	Disclosure
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes. The Remuneration is as per the Remuneration policy of the Company

Notes:

* Remuneration is paid only to the Executive Director. Only the sitting fees are paid to PIDs and one Shareholder Director.

\# Since the KMP was employed for part of the year, the ratio of their remuneration is not comparable.

\## The employee count includes 80 confirmed employees and 21 others who are probationers and trainees

For and on behalf of the Board of Directors of
Multi Commodity Exchange Clearing Corporation Limited

Prafulla Chhajed
Chairperson
DIN: 03544734

Place: Mumbai
Date: July 26, 2024

Annexure VII

Statement pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and 27(5) of SECC Regulations, 2018

Sr. No.	Name of the Employee	Age	Qualification	Designation/ Role / Nature of Duties	Total Remuneration (In ₹)	Approx. Experience (in Years)	Joining Date	Last Employment
A.	**Employed throughout the financial year**							
1	Mr. Narendra Kumar Ahlawat	62	Chartered Financial Analyst, Post -Graduation Diploma in Rural Management, Bachelor of Veterinary science & Animal Husbandry	MD & CEO	1,56,07,324/-	38	1-Apr-18*	Chief Regulatory Officer- Multi Commodity Exchange of India Ltd.
2	Mr. Soundararajan Venkatadas	56	Master's degree in Commerce, Bachelor's degree in Commerce	Chief Operating Officer	1,22,10,297/-	33	5-Dec-19	Chief General Manager, India International Exchange Limited
3	Mr. Anilkumar Ramdhani Varma	44	Masters of Technology in data Sciences, Post Graduation Diploma in Data Science, Executive Management (IIM Lucknow), Bachelor of Computer Engineering and Bachelor of Technology Computer Systems	Chief Technology Officer	76,55,813/-	22	10-Nov-21	Chief Technology Architect, National Securities Depository Limited
4	Mr. Rajesh Agrawal	55	Chartered Accountant, Bachelor's degree in Commerce	Chief Financial Officer & Head – HR, Admin and Procurement	59,73,198/-	28	26-Jun-19	Senior Manager, Finance & Accounts, Multi Commodity Exchange of India Ltd

Sr. No.	Name of the Employee	Age	Qualification	Designation/ Role / Nature of Duties	Total Remuneration (In ₹)	Approx. Experience (in Years)	Joining Date	Last Employment
5	Mr. M Ramalingam	57	Masters in Finance Management Bachelor's degree in Science (Mathematics)	Chief Regulatory officer and Compliance Officer. Head - Membership & Default, Inspection & Investor Grievance	52,55,698/-	34	14-Jun-24	Multi Commodity Exchange of India Limited. -Consultant
6	Mr. Arnav Kumar Datta	45	PGDBM (Marketing) from Indian Business Academy, Bangalore, M.Sc.–Agri.-Plant Breeding and Genetics from Gujarat Agriculture University, Anand, Gujarat	Head – Warehousing Operations, Spot and Delivery	50,00,004/-	20	20-Feb-23	Vice President (Operations & Business Development), CDSL Commodity Repository Limited
7	Mr. Rajeev Srivastava	47	Master's degree in commerce, Post Graduation Diploma in Management	Assistant Vice President - Collaterals	49,51,716/-	24	1-Sep-18	Senior Manager – Collaterals, Multi Commodity Exchange of India Ltd.
8	Mr. Himanshu Bhupendra Raja	44	Master in Management Studies, Bachelor of Commerce	Chief Risk Officer	46,77,871/-	19	1-Sep-18	Senior Manager, Clearing & Settlement & Delivery, Multi Commodity Exchange of India Ltd
9	Mr. Mandar Kulkarni	46	Company Secretary, Master of Legislative Laws, Post-Graduation Diploma in Business Management and Bachelor of Commerce	Company Secretary	46,38,541 /-	19	15-Nov-19	Company Secretary, IL&FS Securities Services Limited

Sr. No.	Name of the Employee	Age	Qualification	Designation/ Role / Nature of Duties	Total Remuneration (In ₹)	Approx. Experience (in Years)	Joining Date	Last Employment
10	Mr. Manikandan P	56	Bachelor's degree in Science,	Senior Manager – Clearing & Settlement	39,24,693/-	35	1-Sep-18	Manager – Clearing & Settlement, Multi Commodity Exchange of India Ltd.
11	Mr. Praveen Kotian	57	Bachelor's degree in law, Bachelor's degree in Arts	Head- Legal	32,54,479/-	32	1-Sep-18	Assistant Vice President- Legal Compliance, Multi Commodity Exchange of India Ltd.
B.	**Employed for the part of financial year**							
1	Mr. Gitesh Shah	47	Chartered Accountant, bachelor's degree in commerce	Head- Clearing and Settlement & Collateral	1,12,10,544/-	24	1-Sep-18	Assistant Vice President- Clearing & Settlement, Multi Commodity Exchange of India Ltd.
2	Mr. Mihir Sunil Malode	41	Bachelor's degree in engineering (Electronics)	Chief Information Security Officer	31,75,000/-	16	05-Sep - 23	Deputy General Manager - Mahindra & Mahindra Financial Services Ltd.

*Mr. Narendra Kumar Ahlawat was appointed as MD & CEO of MCXCCL for the period of 3 years w.e.f. April 01, 2018. Further, in view of completion of tenure of Mr. Ahlawat as MD & CEO, the fresh appointment process of MD & CEO was initiated in compliance with SECC Regulations, 2018. After the receipt of SEBI approval for the appointment of Mr. Ahlawat as MD & CEO, he assumed the office as MD & CEO w.e.f. April 01, 2021, for further period of 5 years.

Notes:

1. Total Remuneration includes salary, variable pay, deferred variable pay, perquisites etc. excluding gratuity paid during FY 2023-24. The said remuneration details are of the KMPs and 2 Non-KMPs as on March 31, 2024. In terms of the provisions of SECC Regulations, 2018, 50% of the variable pay to KMP is to be paid on deferred basis after three years. The paid variable pay for FY 2022-23 was paid during the year under review and the same is included in the aforesaid remuneration. Deferred Variable Pay of FY 2019-2020 is included in the aforesaid remuneration.

2. All the employees mentioned above are in permanent employment of the Company, governed by Nomination and Remuneration Policy, employment terms & HR Manual.

3. None of the above employees is a relative of any Director of the Company within the meaning of relative under the Companies Act, 2013.

4. None of the employees is drawing salary in excess of that drawn by Managing Director / Whole Time Director.

5. As of March 31, 2024, none of the above employees by himself or along with his spouse and dependent Children, held 2% or more of the equity shares of the Company as referred to in sub-clause(iii) of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. No employee is holding any equity share of the Company.
6. As of March 31, 2024, none of the employees of the Company is posted and working in a country outside India.

For and on behalf of the Board of Directors of
Multi Commodity Exchange Clearing Corporation Limited

Prafulla Chhajed
Chairperson
DIN: 03544734
Place: Mumbai
Date: July 26, 2024

Management Discussion and Analysis Report

ECONOMIC OVERVIEW

Global Economic Outlook

The global economy has by and large been resilient throughout 2023 and into 2024, despite facing numerous challenges. Efforts to control inflation have been effective and market watchers are optimistic about a stable economic scenario across the globe. Major economies have successfully navigated a period of rapid interest rate increases, avoiding potential recessionary effects. Efforts to control global inflation have been effective without causing economic instability. Commentators and market experts are optimistic about a 'soft landing' scenario for most major economies, managing inflation without disrupting economic stability. According to the International Monetary Fund (IMF), global growth is projected to remain stable at around 3.2 percent for calendar year (CY) 2024 and CY 2025, with declining inflation. The market is optimistic about central banks possibly relaxing their tight monetary policies due to softening of inflationary pressures. This shift in sentiments has resulted in better financial conditions and greater capital flows into many emerging market economies, according to the IMF.

Indian Economic Outlook

India's official sources predict strong economic growth for the Financial Year (FY) 2024-25, following robust growth in FY 2023-24. The National Statistical Office (NSO) reported an impressive 8.2 percent increase in Gross Domestic Product (GDP) for FY 2023-24, while the Reserve Bank of India’s Monetary Policy Committee has projected a 7.2 percent growth for FY 2024-25. This positive outlook is due to strong domestic demand, which has consistently pushed growth rates above 7 percent over the past three years.

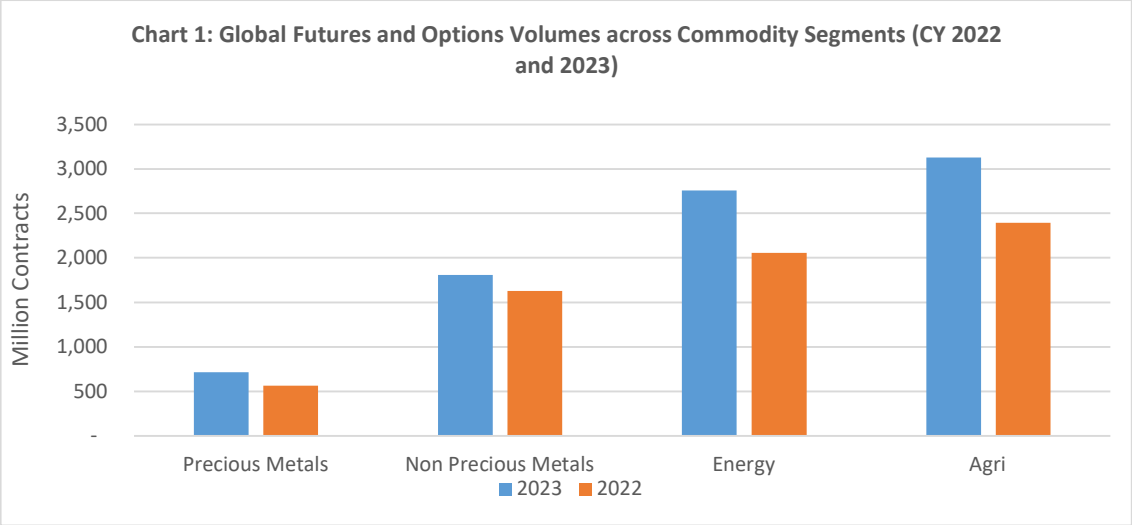
India's recent economic performance has made it one among the fastest-growing major economies, reaching a GDP of USD 3.5 trillion. Continuous reforms and policy initiatives aimed at boosting domestic demand, particularly through investments in infrastructure and manufacturing have led to these positive outcomes and projections. Despite challenges such as volatile food prices, potential disruptions from geopolitical tensions, unstable global financial markets and climate shocks, the outlook for domestic economic activity remains strong. Confidence in this outlook is further reinforced by manageable inflation levels, political stability and stable monetary policy.

INDUSTRY STRUCTURE AND DEVELOPMENT

Global Commodity Derivatives Markets

According to the Futures Industry Association (FIA), the global commodity derivatives market saw an increase in trading volumes across all segments in CY 2023. Energy led the positive trend, followed by agri-commodities, precious metals and non-precious metals. The aggregate volumes in these segments increased by about 26.6 percent year-on-year, reaching 8.4 billion contracts in CY 2023, according to the FIA. Trading volumes in the Energy segment increased by 34.2 percent, while volumes in agri-commodities, precious metals and non-precious metals increased by 30.6 percent, 27.1 percent, and 11 percent respectively. These trends in global commodity derivatives volumes are illustrated in Chart 1.

Chart 1: Global Futures and Options Volumes across Commodity Segments (CY 2023 and 2022)



Source: FIA

Indian Commodity Derivative Markets

In FY 2023-24, the Indian commodity derivatives markets experienced increasing trends in trading and clearing activities. The trading/ clearing value of commodity derivatives increased by approximately 86.9 percent to touch ₹ 280.63 lakh crore and the volume of contracts increased by about 102.8 percent to around 52.49 crore contracts between the two years as shown in **Table 1** and **Table 2**.

Table 1: Volumes of Commodity Derivatives traded/ cleared in Indian Commodity derivatives market (lakh Contracts)

	Futures			Options			Total		
	FY'23	FY'24	Change (%)	FY'23	FY'24	Change (%)	FY'23	FY'24	Change (%)
Agri Commodities	55	51	-8%	0.69	0.0028	-100%	56	51	-9%
Base Metal	67	50	-25%	0.03	0.26	688%	67	50	-25%
Bullion	865	747	-14%	27	109	297%	892	856	-4%
Energy	355	557	57%	1,219	3,736	207%	1,573	4,293	173%
Total	1,341	1,404	5%	1,247	3,845	208%	2,588	5,249	103%

Note: Includes commodity index futures also
Source: SEBI Bulletin April 2024

Table 2: Turnover of Commodity Derivatives market in India (₹ in crore)

	Futures			Options (notional)			Total		
	FY'23	FY'24	Change (%)	FY'23	FY'24	Change (%)	FY'23	FY'24	Change (%)
Agri Commodities	2,27,470	2,10,743	-7%	1,989	10	-100%	2,29,460	2,10,753	-8%
Base Metal	9,51,804	4,81,315	-49%	587	4,694	700%	9,52,392	4,86,010	-49%
Bullion	28,42,571	31,19,396	10%	5,67,984	23,26,635	310%	34,10,555	54,46,031	60%
Energy	22,29,617	13,87,647	-38%	81,91,585	2,05,32,888	151%	1,04,21,202	2,19,20,534	110%
Total	62,51,462	51,99,101	-17%	87,62,146	2,28,64,227	161%	1,50,13,608	2,80,63,328	87%

Note: Includes commodity index futures also
Source: SEBI Bulletin April 2024

The sharp increase in trading and clearing activities in Options was characterised by a significant increase in the Energy segment, which increased by 151 percent in value (notional) and 207 percent in volume terms. Consequently, trading/ clearing in Energy commodities dominated the Options segment with about 89.8 percent share in value (notional) terms, followed by precious metals with about 10.2 percent share in total Commodity Options traded and cleared in the country.

COMPANY PERFORMANCE

Your Company's operational performance is significantly influenced by the trading activity on MCX, whose trades are cleared and settled by MCXCCL. In FY 2023-24, your Company maintained its position as the leading commodities clearing corporation in India, commanding about 95.93% of the total value of commodity Futures and 99.14% of commodity Options centrally cleared.

During FY 2023-24, the average daily turnover in Futures (including Index Futures) cleared on MCXCCL decreased by approximately 16.5%, dropping to ₹ 19,636 crore from ₹ 23,514 crore in the previous year. Conversely, the Average Daily Notional Turnover in the Options segment saw a substantial increase, rising to ₹ 89,244 crore from ₹ 33,998 crore in the prior year. Notably, on January 12, 2024, your Company cleared the highest-ever daily trade of ₹ 2.67 lakh crore, a record subsequently broken on May 15, 2024, which witnessed a turnover of ₹ 3.77 lakh crore.

The surge in Options turnover was accompanied by a corresponding increase in the volumes of trades cleared. Specifically, the volumes for Options cleared by your Company in Energy, Bullion and Base Metals rose by 208 percent, 374 percent and 698 percent respectively. Overall, the combined Options volumes cleared in these three segments grew from 4.83 lakh contracts in FY 2022-23 to 15.01 lakh contracts in FY 2023-24, marking an approximate 211% year-on-year increase.

Trends in volume and turnover in Futures and Options across various commodity segments traded on MCX and Settled on MCXCCL are provided in Table 3 and Table 4.

Table 3: Average Daily Turnover of commodity derivatives cleared on MCXCCL (₹ in crore)

	Futures			Options		
	FY'23	FY'24	Change (%)	FY'23	FY'24	Change (%)
Agri	82	21.87	-73%	-	-	-
Base Metal	3,696	1,883.82	-49%	2	18.41	821%
Bullion	10,972	12,201.28	11%	2122	9,100.03	329%
Energy	8,676	5,420.50	-38%	31874	79,775.35	150%
Index	88	31.60	-64%	-	-	-
Total	23,514	19,559.07		33,998	88,893.79	

Table 4: Average Daily Volume of commodity derivatives cleared on MCXCCL (no. of contracts)

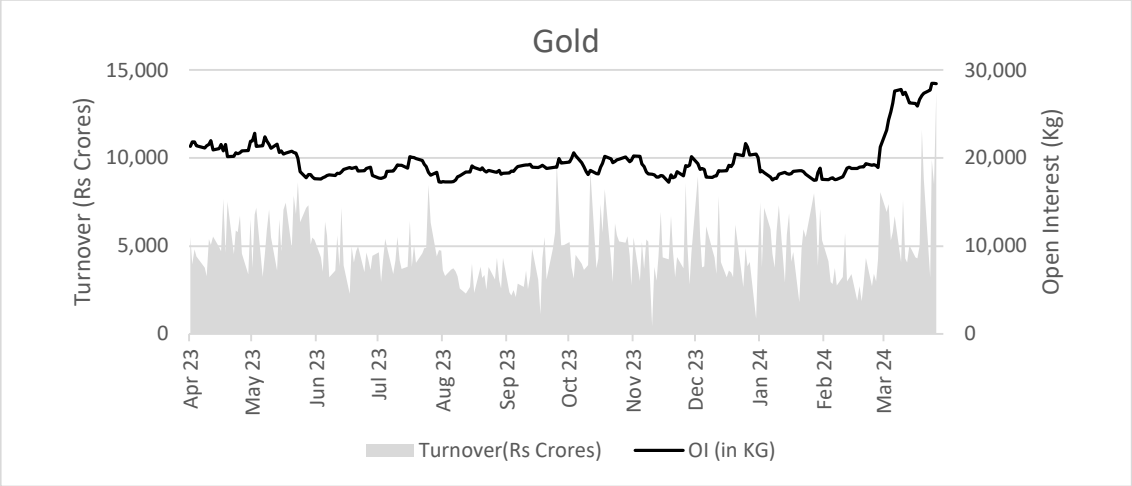
	Futures			Options		
	FY'23	FY'24	Change (%)	FY'23	FY'24	Change (%)
Agri	999	324	-68%	-	-	
Base Metal	25,757	19,374	-25%	13	103	692%
Bullion	3,35,224	2,92,538	-13%	8988	42,430	372%
Energy	1,38,064	2,18,033	58%	474179	14,53,193	206%
Index	1,210	393	-68%	-	-	
Total	5,01,254	5,30,662		4,83,180	14,95,726	

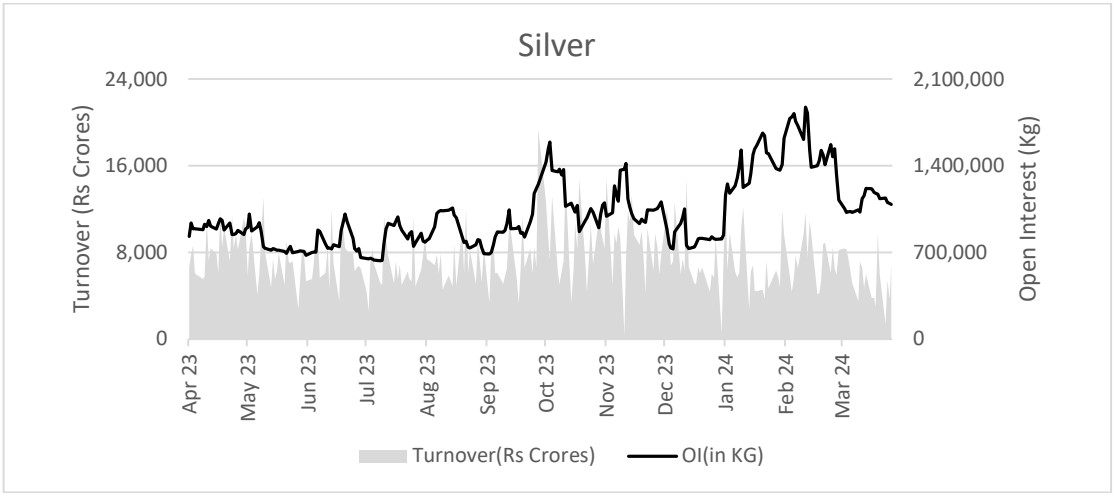
PRODUCT WISE PERFORMANCE

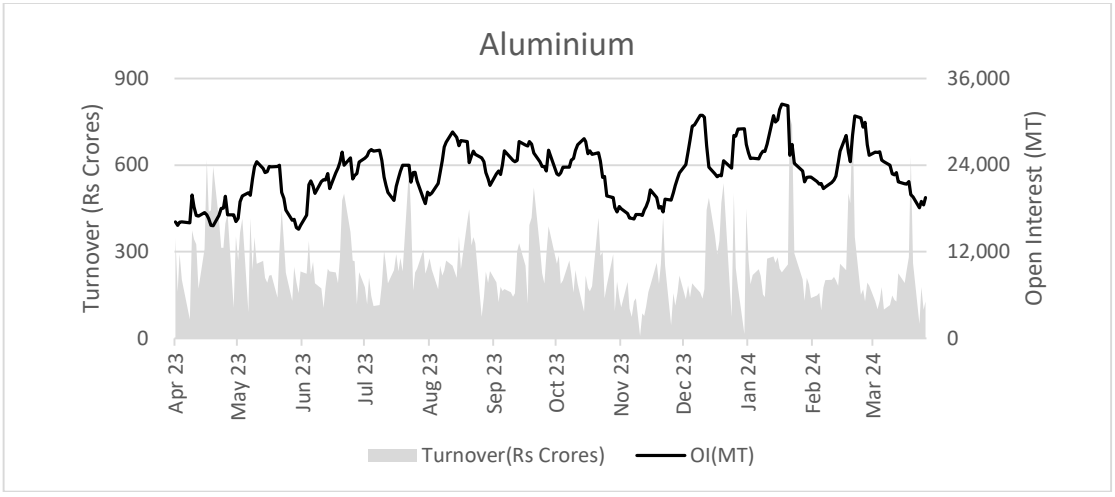
Product-wise Open Interest and Turnover of derivatives of different commodities and indices cleared and settled by your Company during FY 2023-24 are displayed in the charts below:

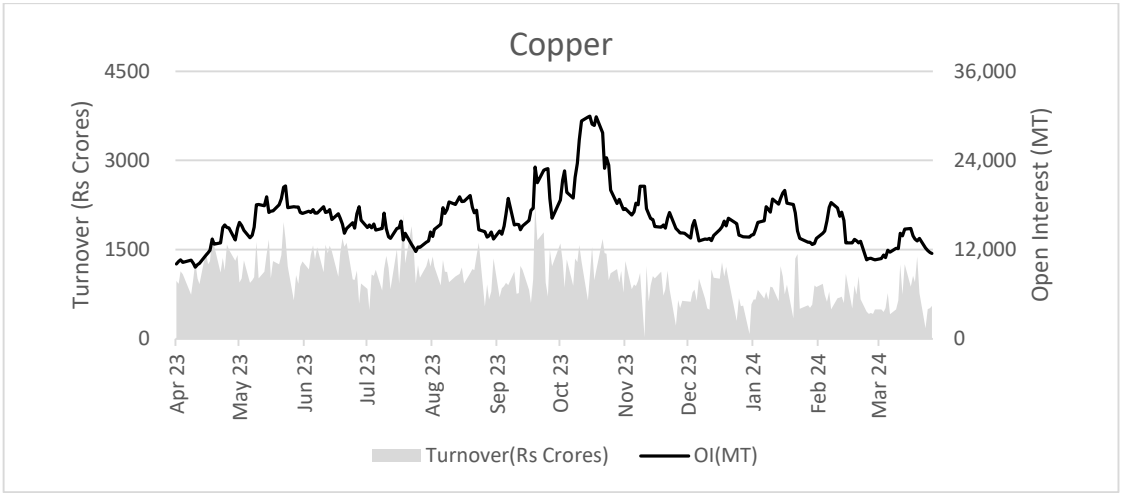
Daily Turnover and Open Interest of Commodity Futures, Options and Index Futures Contracts Cleared on MCXCCL in FY 2023-24 (All variants of each commodity combined)

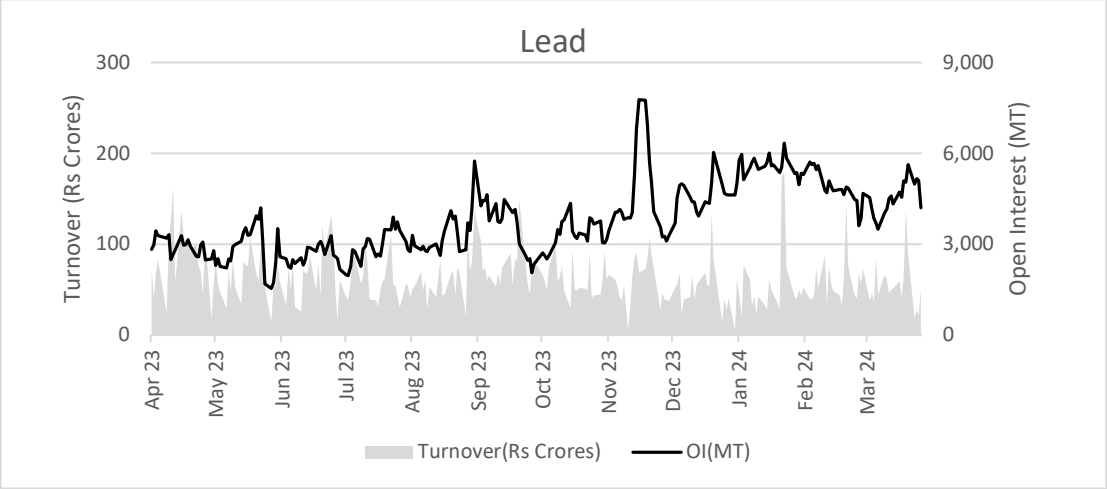
Commodity Futures:

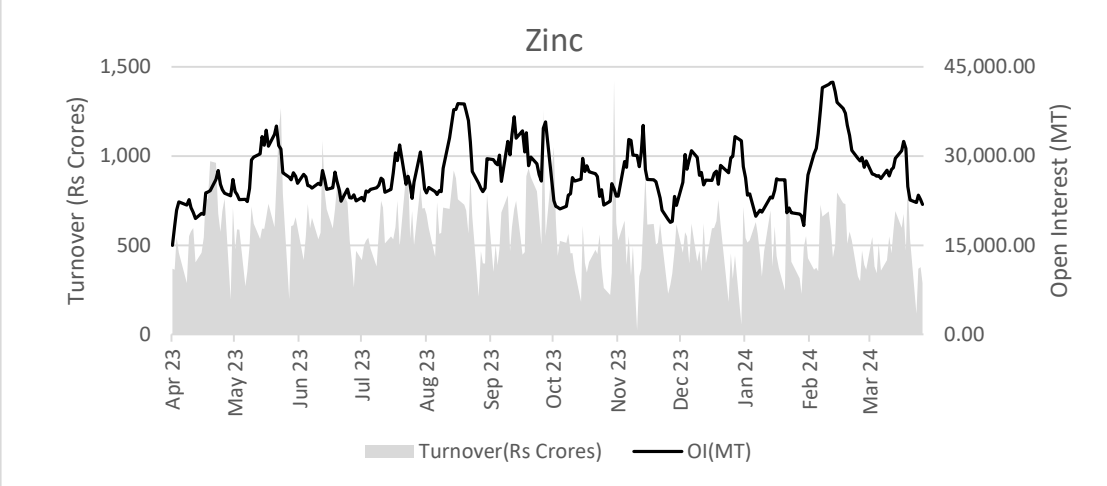


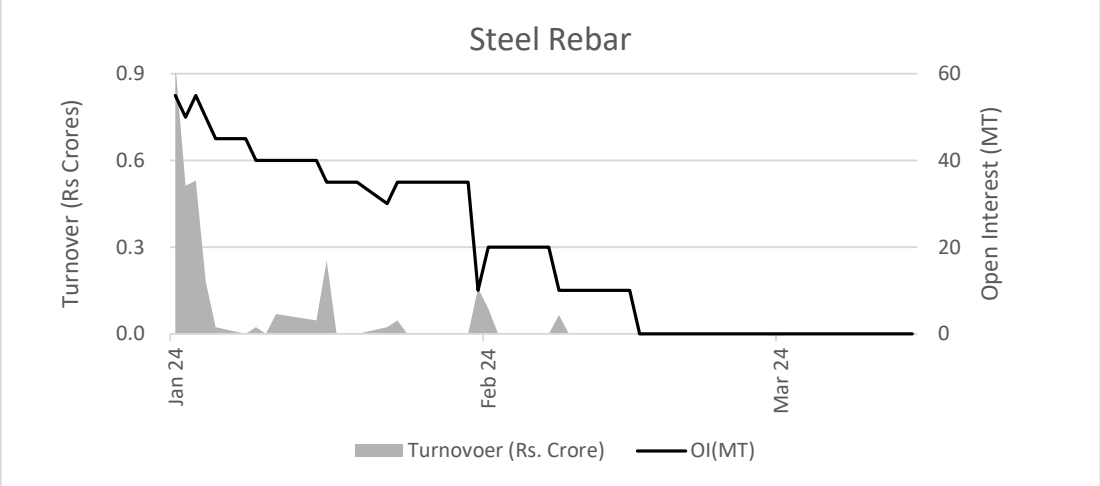

Silver
24,000
16,000
8,000
0
Turnover (Rs Crores)
2,100,000
1,400,000
700,000
0
Open Interest (Kg)
Apr 23
May 23
Jun 23
Jul 23
Aug 23
Sep 23
Oct 23
Nov 23
Dec 23
Jan 24
Feb 24
Mar 24
Turnover(Rs Crores)
OI(in KG)


Aluminium
900
600
300
0
Turnover (Rs Crores)
36,000
24,000
12,000
0
Open Interest (MT)
Apr 23
May 23
Jun 23
Jul 23
Aug 23
Sep 23
Oct 23
Nov 23
Dec 23
Jan 24
Feb 24
Mar 24
Turnover(Rs Crores)
OI(MT)

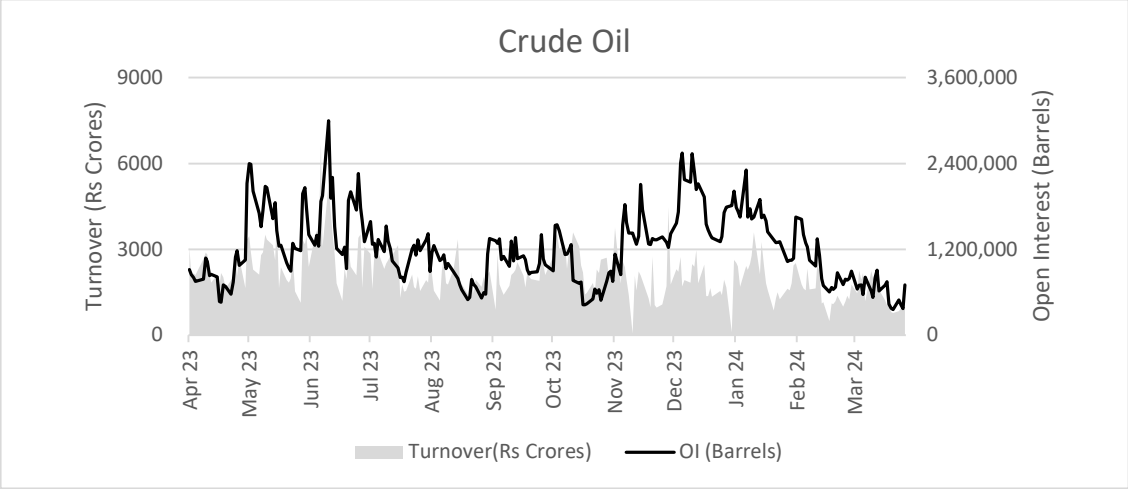

Copper
4500
3000
1500
0
Turnover (Rs Crores)
36,000
24,000
12,000
0
Open Interest (MT)
Apr 23
May 23
Jun 23
Jul 23
Aug 23
Sep 23
Oct 23
Nov 23
Dec 23
Jan 24
Feb 24
Mar 24
Turnover(Rs Crores)
OI(MT)

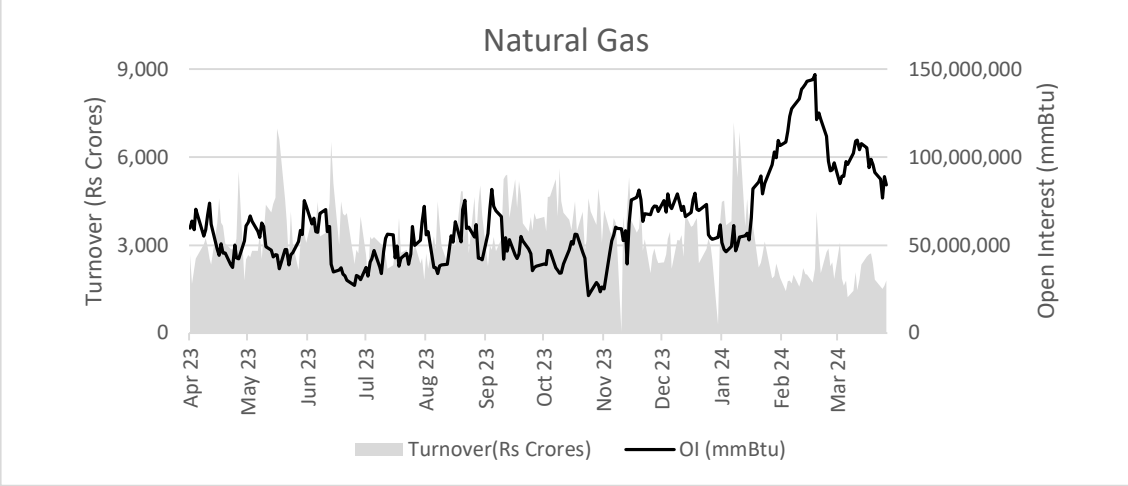


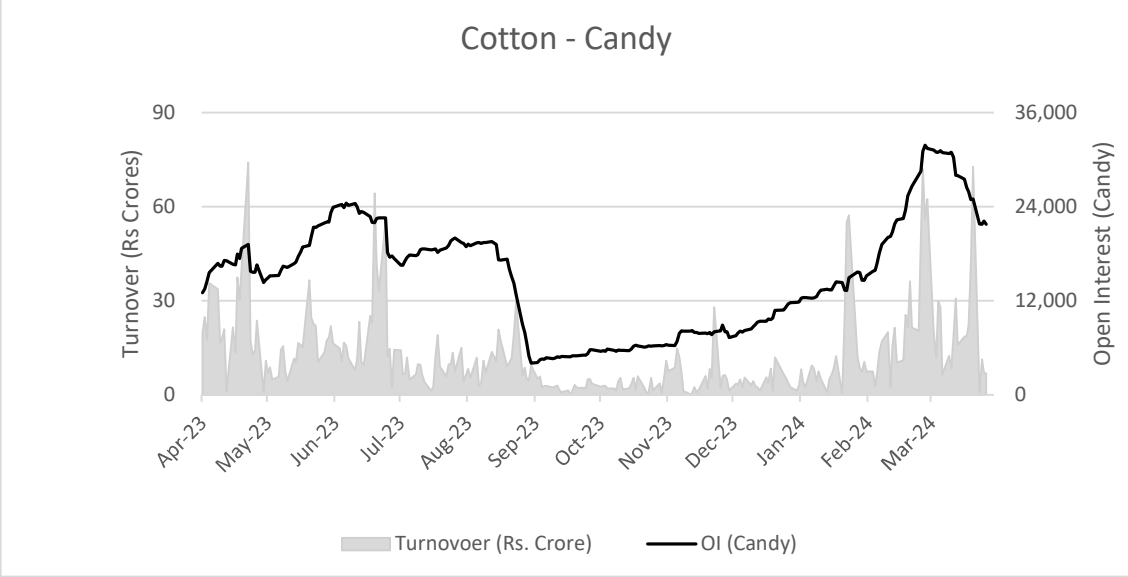


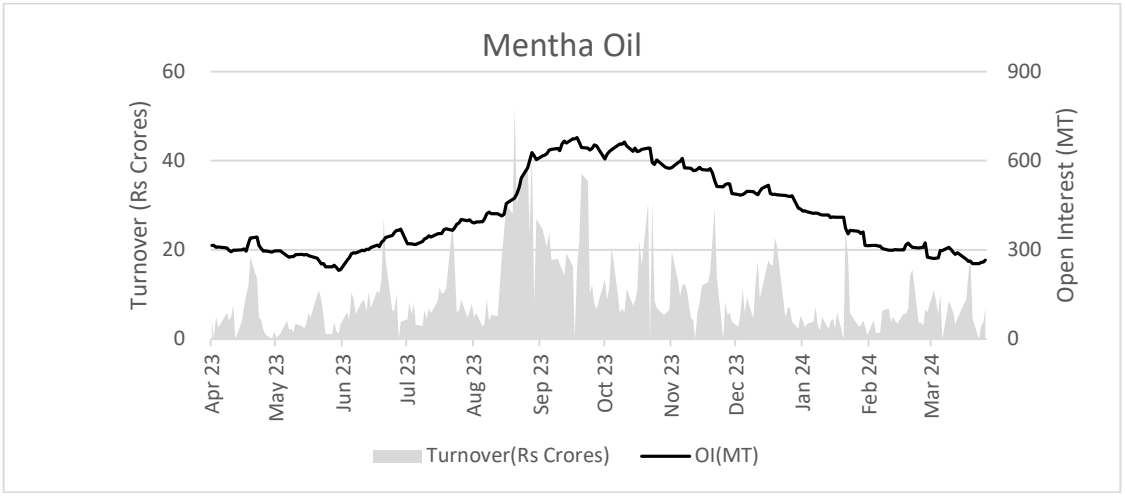


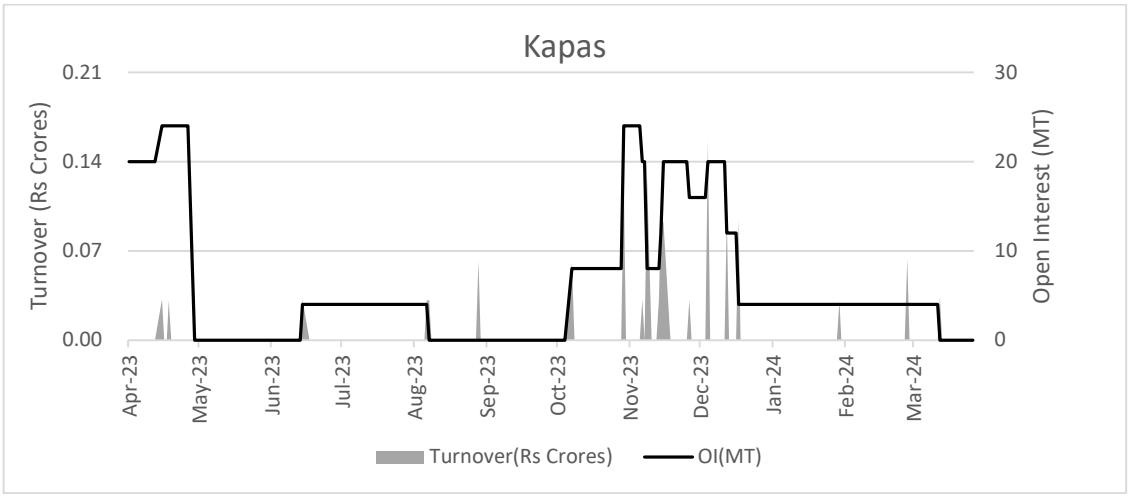
Steel Rebar Futures was launched on 15 Jan 2024.


Crude Oil
9000
6000
3000
0
Turnover (Rs Crores)
3,600,000
2,400,000
1,200,000
0
Open Interest (Barrels)
Apr 23
May 23
Jun 23
Jul 23
Aug 23
Sep 23
Oct 23
Nov 23
Dec 23
Jan 24
Feb 24
Mar 24
Turnover(Rs Crores)
OI (Barrels)

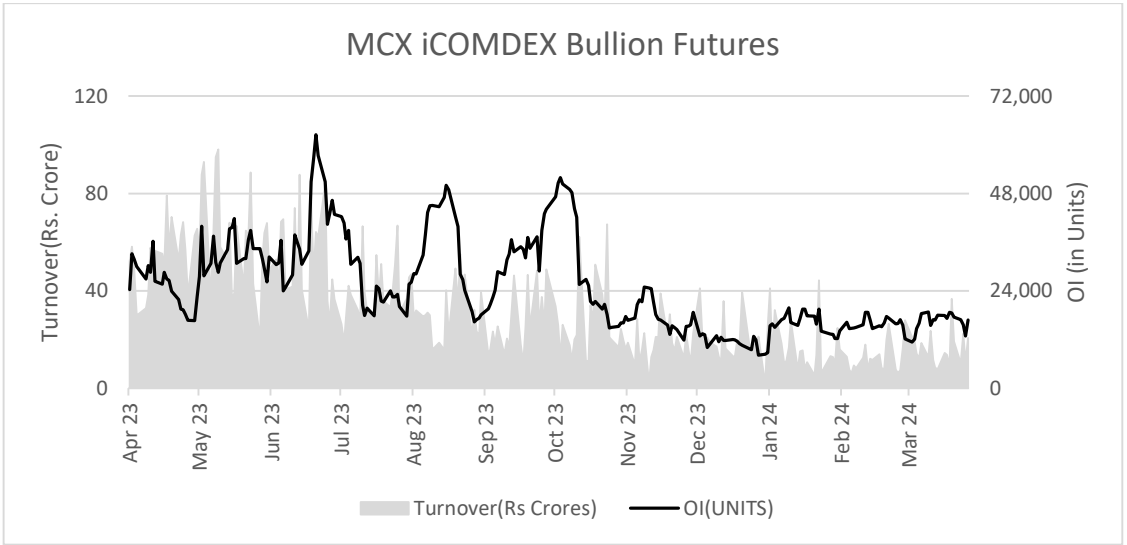

Natural Gas
9,000
6,000
3,000
0
Turnover (Rs Crores)
150,000,000
100,000,000
50,000,000
0
Open Interest (mmBtu)
Apr 23
May 23
Jun 23
Jul 23
Aug 23
Sep 23
Oct 23
Nov 23
Dec 23
Jan 24
Feb 24
Mar 24
Turnover(Rs Crores)
OI (mmBtu)


Cotton - Candy
90
60
30
0
Turnover (Rs Crores)
36,000
24,000
12,000
0
Open Interest (Candy)
Apr-23
May-23
Jun-23
Jul-23
Aug-23
Sep-23
Oct-23
Nov-23
Dec-23
Jan-24
Feb-24
Mar-24
Turnovoer (Rs. Crore)
OI (Candy)

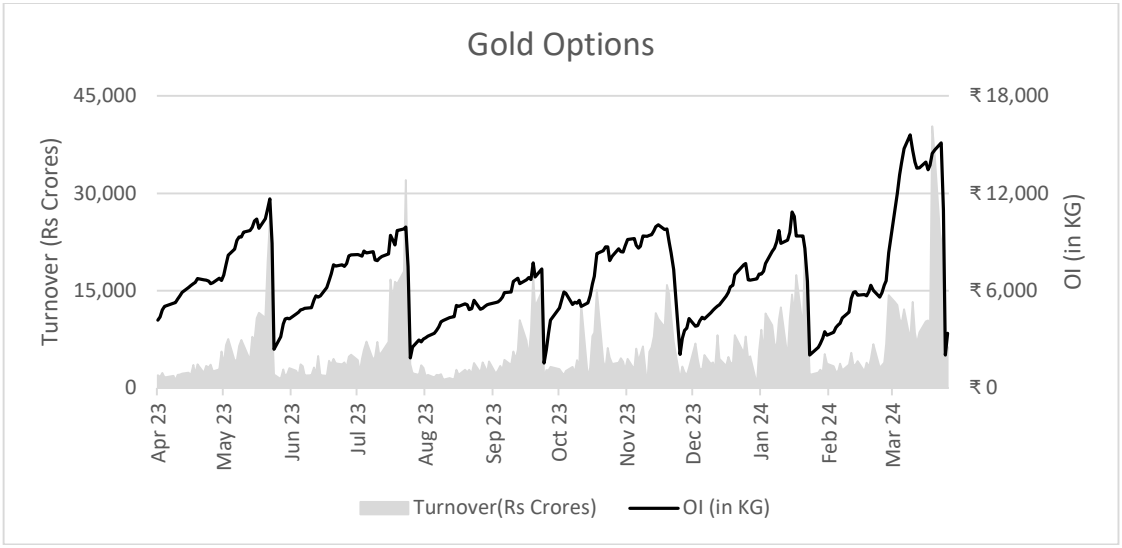


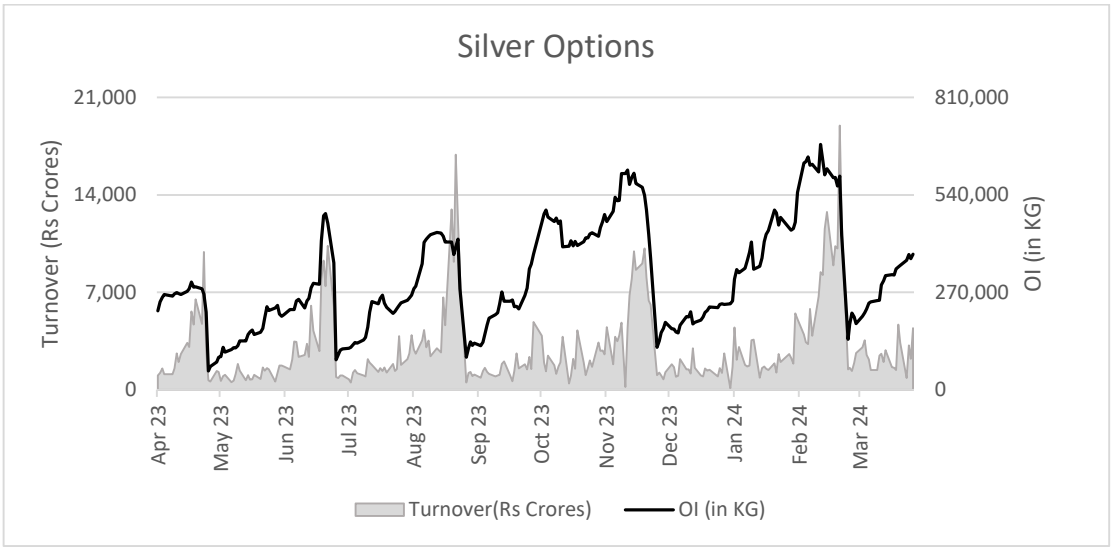


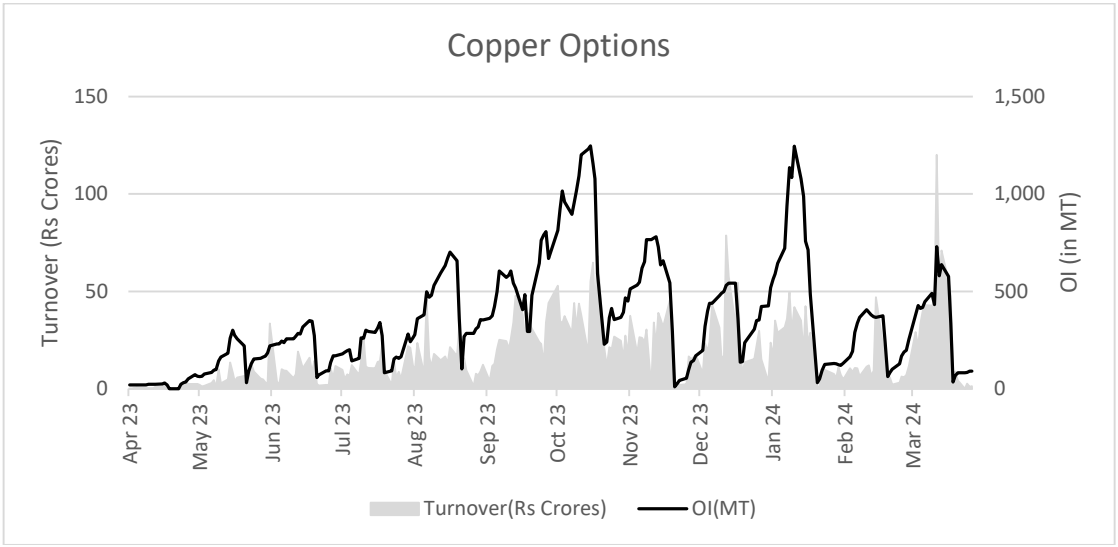
Index Futures:

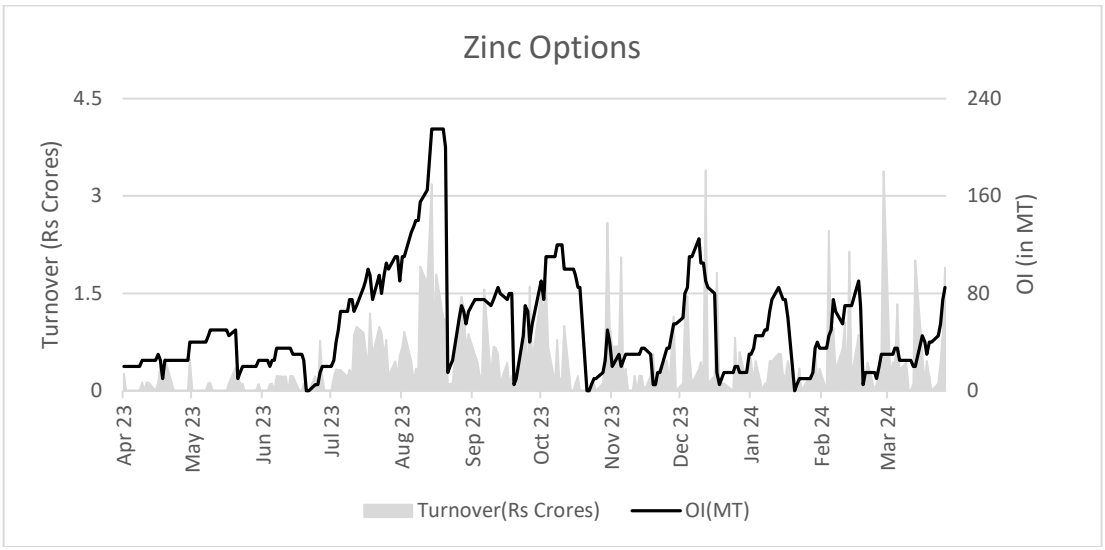


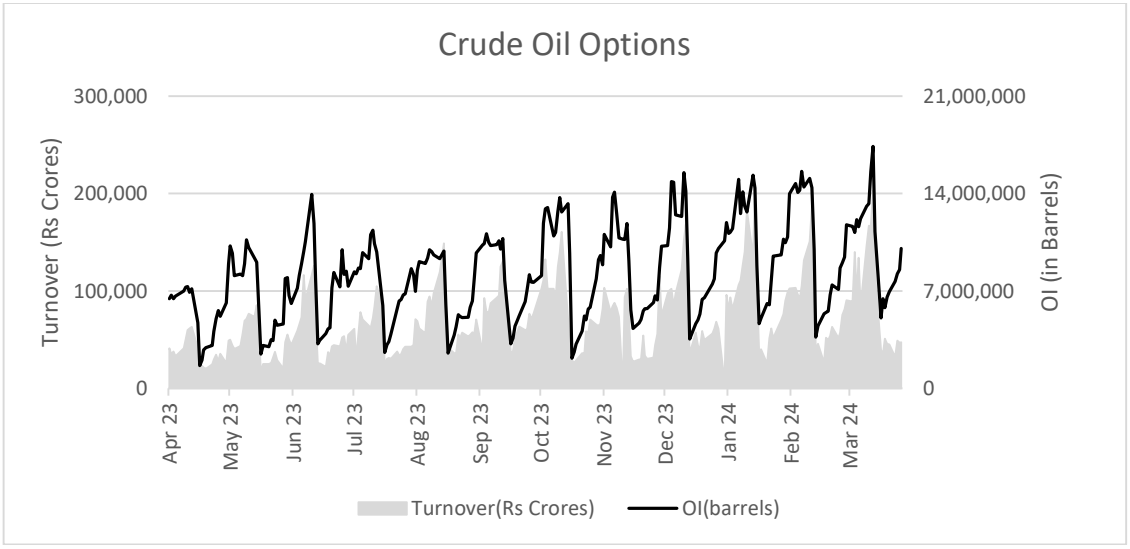
Options:

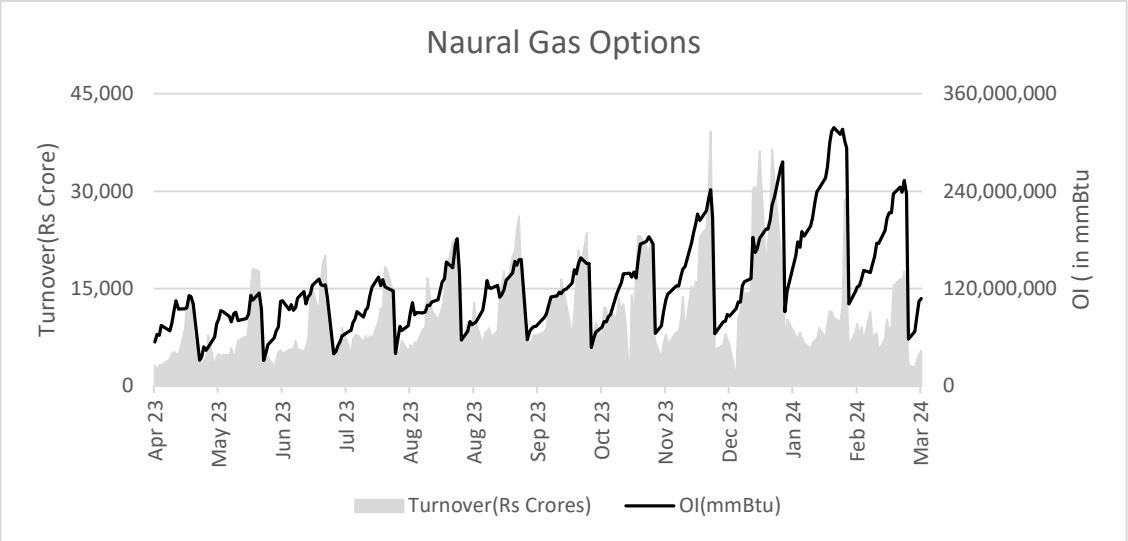

Gold Options
45,000
30,000
15,000
0
Turnover (Rs Crores)
₹ 18,000
₹ 12,000
₹ 6,000
₹ 0
OI (in KG)
Apr 23
May 23
Jun 23
Jul 23
Aug 23
Sep 23
Oct 23
Nov 23
Dec 23
Jan 24
Feb 24
Mar 24
Turnover(Rs Crores)
OI (in KG)


Silver Options
21,000
14,000
7,000
0
Turnover (Rs Crores)
810,000
540,000
270,000
0
OI (in KG)
Apr 23
May 23
Jun 23
Jul 23
Aug 23
Sep 23
Oct 23
Nov 23
Dec 23
Jan 24
Feb 24
Mar 24
Turnover(Rs Crores)
OI (in KG)


Copper Options
150
100
50
0
1,500
1,000
500
0
Turnover (Rs Crores)
OI (in MT)
Apr 23
May 23
Jun 23
Jul 23
Aug 23
Sep 23
Oct 23
Nov 23
Dec 23
Jan 24
Feb 24
Mar 24
Turnover(Rs Crores)
OI(MT)


Zinc Options
4.5
3
1.5
0
240
160
80
0
Turnover (Rs Crores)
OI (in MT)
Apr 23
May 23
Jun 23
Jul 23
Aug 23
Sep 23
Oct 23
Nov 23
Dec 23
Jan 24
Feb 24
Mar 24
Turnover(Rs Crores)
OI(MT)


Crude Oil Options
300,000
200,000
100,000
0
21,000,000
14,000,000
7,000,000
0
Turnover (Rs Crores)
OI (in Barrels)
Apr 23
May 23
Jun 23
Jul 23
Aug 23
Sep 23
Oct 23
Nov 23
Dec 23
Jan 24
Feb 24
Mar 24
Turnover(Rs Crores)
OI(barrels)



OPPORTUNITIES AND THREATS

A. Opportunities

Given the slew of reforms being witnessed in the commodity derivatives market, your Company sees a number of opportunities coming its way. A number of these opportunities are arising from positive policy action directed at the growth and development of the commodity derivatives market. Some of the opportunities for your Company are listed below:

- **Surge in market participation**

The growing awareness of commodity derivatives and the improved access to market platforms are expected to boost participation in MCX. Foreign Portfolio Investors (FPIs) have been allowed to trade in exchange-traded commodity derivatives and the Average Daily Turnover clocked by FPIs was around ₹ 1925 crore during FY 2023-24, reaching a record high of ₹ 17,015 crore on July 11, 2024. Your company directly benefits from the increasing market participation at MCX as it clears all the transactions on its platform.

- **Introduction of new products and modification of existing products**

Following market demand and regulatory approvals, MCX launched many new products during the year FY 2023-24, which were cleared by your Company. Apart from clearing Steel Rebar Futures, the company also cleared new Options contracts, viz. Crude Oil Mini Options contracts with Crude Oil Mini (10 barrels) Futures as underlying, as well as Natural Gas Mini Options contract with Natural Gas Mini (250 mmbtu) Futures as underlying, during the year.

In May 2024, MCX modified the Cotton Candy Futures contract (effective from November 2024 contract expiry and onwards), reducing the Trading and Delivery unit (to 12 candy) and Tick Size (to ₹ 10), apart from changing the location of Additional Delivery Centres. An increase in MCX products bucket is directly beneficial to growth of your Company.

B. Threats

- **Technology platform**

During the year FY 2023-24, your Company migrated its technology platform to a new Commodity Derivatives Platform (CDP) developed by a new vendor. As the platform is a new platform and getting stabilised, it could face issues therein that may impact certain MCXCCL functions.

- **External factors affecting trades on MCX**

Domestic or international factors affecting commodity price movements or causing disruptions in the global benchmark marketplaces could lead to reduced trading interest, impacting trading volumes at MCX. These factors could affect your Company's revenues. Likewise, government or regulatory interventions, such as suspensions in trading in some contracts, could also disrupt commodity derivatives trading and affect the company's profitability.

- **Cybersecurity Threats**

Cybersecurity threat is increasingly becoming critical with new threats that seek to exploit any vulnerability in the systems of Exchanges and Clearing Corporations. In view of such threats, your Company is continuously monitoring, evaluating and implementing various security solutions for early identification, detection, quick protection, response and recovery from all such cyber-attacks. Your Company, being a Market Infrastructure Institution (MII), provides online clearing platform and accordingly, cybersecurity is of paramount importance for ensuring trust among the market participants, regulators and stakeholders.

Constant enhancement in the Cyber Security Framework and Information Security Management System has been your Company's top priority. A defense-in-depth strategy to ensure multiple security measures are implemented at different layers within the system/network with well-defined Cyber Security and Cyber Resilience Policy along with Cyber Crisis Management Plan (CCMP), can help mitigate the impact of this threat.

RISKS AND CONCERNS:

Some of the potential risks faced by our Company are discussed below:

Business risks:

The performance of commodity derivatives markets and by extension, MCXCCL's growth, are significantly influenced by domestic and global macro-economic conditions, particularly those that relate to economic growth, production, and consumption activities. Although India's economy remains resilient, global economic headwinds persist, with concerns about weak productivity, reduced globalization and geopolitical instability potentially diminishing global growth. These factors, including financial market disruptions can impact investor confidence and market demand for your Company's services.

MCX and MCXCCL face competitive pressures, especially as major Indian exchanges have entered the commodity derivatives segment. The introduction of similar products by competitors can lead to market fragmentation, erode profit margins and limit revenue growth.

Additionally, high employee attrition is another source of risk for your Company, as recruiting and training new employees incurs substantial time and monetary investments, while the departure of seasoned employees results in the loss of valuable skills and institutional knowledge.

Market risks:

Your company faces market risks in three main areas:

First, a looser monetary policy could reduce interest rates, reducing the company's treasury income from investments.

Second, the imposition or increase of statutory costs, such as new taxes or levies, could negatively impact trading volumes and profitability, directly affecting revenue streams for your Company.

Third, escalating expenses linked to improving and maintaining physical infrastructure and technological capabilities, especially commensurate with expanding operations, is a source of risk.

Risks from Technology:

Your Company has migrated to a new technology platform for collateral, risk management, delivery, clearing and settlement. This led to a more advanced, efficient system adaptable to market dynamics with faster products, high-performance trading experience, real-time margin check and instant alerts, achieving higher scale with new peak treading volumes. The new platform has helped your Company to scale the business to support all time high trading volumes in a short time and launching the new products.

Your Company is dependent for technology on third party vendors for services that are important to its business. As such, any interruption in or cessation of an important supply or service by any third party can have an adverse effect on its business and operations. Any failure to keep pace with industry standards in technology and respond to participant preferences can also have an adverse effect on the business and operations.

FINANCIAL PERFORMANCE AND RESULTS OF OPERATIONS

Your Company derives its revenues primarily by charging Clearing and Settlement Fees to MCX for whom it clears and settles trades and interest income from margin and own fund. Your Company operates in a single segment business.

Revenue:

During FY 2023-24, your Company's Total Income increased to ₹ 16,884 lakh from ₹ 11,813 lakh in FY 2022-23. The Operating Expenses increased to ₹ 13,602 lakh in FY 2023-24 from ₹ 9,403 lakh in FY 2022-23.

The Profit before exceptional items and tax for FY 2023-24 increased to ₹ 3,282 lakh from ₹ 2,410 lakh in the last financial year. During FY 2023-24, the Profit after Tax stood at ₹ 3,259 lakh as against ₹ 2,402 lakh in FY 2022-23.

Expenses:

Your Company's expenditure consists of employee benefit expenses, software support charges, computer technology and communication expenses, depreciation / amortization charges and other operating expenses which are as mentioned in the table below:

(₹ in lakh)

Particulars	FY 2023-24	FY 2022-23
Employee benefit expenses	2,299	1,720
Software support charges	8,709	5,594
Depreciation and amortization	367	330
Computer technology and communication expenses	1,238	914
Finance Costs	37	32
Other expenses	952	813
Total	**13,602**	**9,403**

Other expenses principally comprise of costs / charges pertaining to office and warehouse rent, legal and professional charges, ROC fees, advertisement, insurance, CSR expenses etc.

Profits, provision for tax and profit analysis:

The Profit before Tax for the year stood at ₹ 3,282 lakh (Previous Year: ₹ 2,410 lakh) and after provisions for tax of ₹ 11 lakh (Previous Year: ₹ 7 lakh), the Profit after Tax stood at ₹ 3,259 lakh (Previous Year: ₹ 2,402 lakh). The net profit margin stood at 19 percent in FY 2023-24 (Previous year: 20 percent).

Shareholders' funds - Share capital:

As at March 31, 2024, your Company's issued, subscribed and paid-up share capital stood at ₹ 23,999 lakh. For further details on the share capital, please refer to the Directors Report.

Secured loans:

Your Company had no secured loans in its books as at March 31, 2024 and as at March 31, 2023.

Current Assets:

As at March 31, 2024, total current assets stood at ₹ 1,02,550 lakh (Previous year: ₹ 1,28,583 lakh) which consisted of cash and cash equivalents of ₹ 17,935 lakh (Previous year: ₹ 18,068 lakh), Bank balances of ₹ 76,931 lakh (Previous year: ₹ 98,352 lakh) and other assets of ₹ 7,684 lakh (Previous year: ₹ 12,163 lakh).

Non-Current Assets:

As at March 31, 2024, your Company's total non-current assets stood at ₹ 83,363 lakh (Previous year: ₹ 15,862 lakh) which consisted of income tax assets (net) of ₹ 631 lakh (Previous year: ₹ 385 lakh) and other non-current assets include Bank deposits with maturity of more than 12 months at ₹ 78,581 lakh (Previous year: ₹ 14,323 lakh). Other non-current assets as at March 31, 2024, stood at ₹ 4,151 lakh (Previous Year: ₹ 1,155 lakh).

Current liabilities:

Total Current Liabilities stood at ₹ 1,00,354 lakh (Previous year: ₹ 72,538 lakh) which consisted of Current Lease Liability: ₹ 223 lakh (Previous Year: ₹ 207 lakh), trade payables of ₹ 627 lakh (Previous year: ₹ 168 lakh), provisions of ₹ 47 lakh (Previous Year: ₹ 46 lakh), other financial liabilities of ₹ 98,350 lakh (Previous Year: ₹ 70,606 lakh) and other current liabilities of ₹ 1,107 lakh (Previous Year: ₹ 1,511 lakh).

Non-Current Liabilities:

Total non-current liabilities stood at ₹ 372 lakh (Previous year: ₹ 536 lakh) which consisted of other Non-Current lease liability of ₹ 98 lakh (Previous year: ₹ 321 lakh), Non-Current financial liabilities of ₹ 221 lakh (Previous year: ₹ 167 lakh) and Employee benefit obligations of ₹ 53 lakh (Previous year: ₹ 48 lakh).

Details of Significant changes in key financial ratios (i.e. change of 25 percent or more as compared to the immediately previous financial year) in key financials ratio, along with detailed explanations thereof:

Sr. No.	Ratio	Financial year		% Change
		2023-24	2022-23	
1.	Interest Coverage Ratio (in times)*	15.30	10.44	46.55%
2.	Current Ratio (in times)**	1.02	1.77	-42.37%

* Increase in Interest Coverage Ratio is due to increase in profit for the year.
** Decrease in Current Ratio is due to decrease in current fixed deposits and bank balances.

Change in Return on Equity as compared to the immediately previous financial year along with detailed explanation thereof:

Sr. No.	Ratio	Financial year	
		2023-24	2022-23
1.	Return on Equity (%)	33.38	21.15

Note: Increase in return on equity is due to increase in profits & decrease in average equity for the year.

INITIATIVES

During FY 2023-24, your company implemented several initiatives to ensure sustained growth and development. Some of these are discussed below:

- **Empanelment of domestic brands**

Many domestic brands were brought within the Clearing Corporation's delivery mechanism by empanelling Indian manufacturers of Lead and Gold and these brands were accepted for Good Delivery against settlement of delivery-based commodity derivative contracts.

- **Efficient Delivery**

In response to market demand and to ensure efficient settlement by delivery, your Company operates several delivery centres covering a wide range of stakeholder groups in all delivery-based contracts. Healthy transactions of delivery pay-in/ pay-out are observed in all regions which reflects the industry's acceptance of the Clearing Corporation's delivery mechanism.

Table 3 provide a summary of the cumulative delivery of Bullion since inception. The gold products encompass Gold 1 kg, Gold Guinea, Gold Mini and Gold Petal, while the silver products include Silver 30 kg, Silver Mini and Silver Micro Futures contracts of MCX.

Table 3: Cumulative Delivery Details for Bullion# (Since Inception)			
Commodities	Start Year	Units*	Quantity
GOLD	2004	MT	70.7
GOLDGUINEA	2008	MT	2.1
GOLDM	2005	MT	67.8
GOLDPETAL	2011	MT	0.6
GOLD ALL		**MT**	**141.2**
SILVER	2004	MT	4735.8
SILVERM	2020	MT	185.3
SILVERMIC	2020	MT	135.8
SILVER ALL		**MT**	**5062**

#as on March 31, 2024
*MT is Metric Ton

Table 4 provides a summary of the delivery of Base Metals and Agri commodities since inception.

Table 4: Cumulative Delivery Details for Base metals and Agriculture Segment# (Since Inception)			
Commodities	Start Year	Units	Quantity
ALUMINIUM	2019	MT	1,39,644
COPPER	2019	MT	85,255
LEAD	2019	MT	48,789
NICKEL	2019	MT	11,409
ZINC	2019	MT	1,09,047
COTTON	2011	000' BALES	2,103
COTTONCNDY	2023	CANDY	31,680
MENTHAOIL	2005	MT	46,433
RUBBER	2005	MT	2,598

#as on March 31,2024

The Base Metal derivatives contracts have been witnessing significant deliveries since their conversion into compulsory delivery during the year 2019. Your Company has facilitated a cumulative delivery of 4,00,849 MT (for settlement, till April 2024) since then. Delivery for the FY 2023-24 for all Base Metals was 94,036 MT.

- **Expansion of Accredited Warehouses**

In response to growing demand, your Company has been expanding its infrastructure to include more accredited warehouses and vaults. These facilities are crucial for the secure storage and efficient delivery of physical commodities, ensuring that the commodities traded on MCX meet stringent quality and safety standards. During the year FY 2023-24, new warehouses were

accredited and additional delivery centres were opened in multiple locations to expand the footprint of commodity derivatives market across the country.

OUTLOOK

The efficient clearing and settlement services provided by your Company contributed to MCX becoming world's 3rd largest Exchange by the number of commodity Options traded in the CY 2023, improving from 5th position in CY 2022. In terms of the aggregate number of Commodity Futures and Options contracts traded, MCX was world's 7th largest Exchange in 2023, as per the FIA. Among individual commodity Options, MCX Crude Oil and MCX Natural Gas Options occupied the top positions in their respective categories, while MCX Silver Mini and MCX Gold Mini Options occupied the second and third positions respectively in their respective categories among global Exchange-traded Commodity Options contracts in CY 2023. The Company shall continue to provide such efficient services in the future too, enabling the creation of new records and milestones.

The Indian economy has shown remarkable resilience and impressive growth trends in FY 2023-24, which are likely to continue into FY 2024-25. According to IMF projections, India's economy is expected to maintain strong growth rates, with an anticipated expansion of 6.8 percent in CY 2024 and 6.5 percent in CY 2025. The robust economic growth prospects can directly contribute to a rise in demand for commodities as well as services for risk management, clearing services and physical delivery services, which are provided by a clearing corporation like MCXCCL.

Following regulatory enablements and reforms permitting new categories of participants to enter into the commodity derivatives market, your Company is making all efforts to offer its best services so as to encourage participation of these participants, especially to financial institutions trading on the MCX platform. MCX has enabled participation of Category I and II FPIs and allowed them Direct Market Access facility. Increasing participation of financial institutions – both domestic and foreign – is expected to lead to a surge in trading and clearing volumes as these institutions contribute to depth in the market and build liquidity in various commodity derivatives contracts. Besides, this growth can also bring greater outreach of the market as financial institutions like Mutual Funds enable participation of large numbers of retail investors.

As a result of these developments, the demand for an efficient clearing and settlement mechanism is anticipated to increase. This surge in demand presents an ever-widening opportunity for your Company, as it positions itself to provide the necessary clearing and settlement services to support the expanding commodity derivatives market.

The favourable developments, as described above, point to an immense potential for advancing the growth of commodity derivatives market, thereby contributing to expansion in your Company's business.

ROLE OF TECHNOLOGY

Technology is considered as the backbone of your Company's business and a strategic differentiator. Accordingly, your Company entered into an agreement with MCX to share resources including technology.

Pursuant to such agreement, MCX has deployed and maintained technology products and services for MCXCCL. MCX has deployed a scalable architecture capable of being adapted to innovations and new market solutions. A well-designed system along with a structured technology road map ensures reliability, scalability, security and functionality of the system for your Company.

As a part of your Company's commitment to clearing members and the partner ecosystem, your Company also undertook proactive audits to strengthen its core processes, cyber security posture and adherence to regulatory guidelines, as they came into effect. Your Company has taken necessary steps as per the advisories/alerts received from SEBI and/or various other government agencies like National Critical Information Infrastructure Protection Centre (NCIIPC)/ Computer Emergency Response Team- India (CERT-In)/ Cyber Swachhta Kendra (CSK), to secure the core platform against the security incidents happening worldwide. Due to timely implementation of preventive measures for the core platform, no adverse impact to any of the key stakeholders and also to the core platform has been recorded during FY 2023-24.

The robust technology deployed enables your Company to adopt market safeguards through real time risk monitoring by tracking of members' margin utilisations and Mark To Market (MTM) losses against their collaterals made available to your Company. The system automatically generates real time alert and takes pre-decided actions, which provides flexibility to clearing members to manage and control their risk.

MCXCCL is certified for globally recognised ISO standards i.e. ISO 27001:2022 (Information Security Management), ISO 22301:2019 (Business Continuity Management System) and ISO 9001:2015 (Quality Management).

Cyber Security:

Special emphasis has been laid by your Company on continuous improvement in its cyber security framework and information security management systems. There is a continuous improvement plan and topmost attention from the senior management to all matters of cyber security and risk management. It is the constant endeavour of your Company to comply and exceed regulator expectations as well as the guidelines laid out by national agencies tasked with information security and cyber defence of critical infrastructure. There is a dedicated Security Operations Centre (SOC) that has been implemented with industry experts that is armed with the latest threat intelligence to protect your Company's critical infrastructure. The SOC provides 24x7x365 vigilance against cyber threats, proactive response against incidents and provides vital inputs on improvement of your Company's security architecture and design.

Your Company is not just dedicated to protection of assets by deploying security measures for Work From Home but has implemented a long-term strategy to deal with the challenges of teleworking.

Your Company has also been classified as a national Critical Information Infrastructure (CII) custodian vide notifications from the Ministry of Finance & NCIIPC. Your Company has already taken measures to meet and exceed expectations of the agency, keeping in mind the additional due diligence and controls for safeguard of CII.

Increase in accessibility via web based application:

Your Company has continued to increase and enhance features on the web-based application to improve on user experience for seamless exchange of information for its members and clients. In addition to this, it has increased security access by introducing two factor authentication for web facing applications to prevent any unauthorised access to those applications.

Automation of switchover/switchback between Primary & Disaster Recovery (DR) sites:

Your Company has deployed automated and well-defined processes to the extent possible. This has reduced the switch-over from Primary site to DR Site, with reduced Recovery Time Objective (RTO). Your Company has implemented Near Site (NS) for synchronous data replication from Primary site to ensure near zero data loss and adhere to Recovery Point Objective (RPO), as prescribed by the regulator. Your Company is in compliance with regulatory norms for RPO and RTO.

Your Company, in compliance with regulatory norms, has conducted smooth and successful 2 days unannounced live trading twice in FY 2023-24, wherein all Risk Management and the Clearing & Settlement related operations were successfully carried out from the DR site and performance of the system during those live trading days from DR site remained similar to any regular trading day.

RISK MANAGEMENT

Your Company has applied market safeguards and risk management techniques to ensure that its members meet their financial obligations promptly and your Company is well protected from undesirable risks. Some of the risk management mechanisms your Company implements to safeguard itself are as listed below:

1. **Core Settlement Guarantee Fund (SGF):**

   To protect your Company against any default and in accordance with SEBI requirements, your Company carries out daily stress tests and maintains a Settlement Guarantee Fund. Accordingly, the Core SGF of your Company as on March 31, 2024, stood at ₹ 78,056 lakh.

2. **Minimum net worth requirements:**

   MCXCCL has necessitated all its members to have a certain minimum net worth. Members are required to confirm their net worth on a half-yearly basis, which enables the Company to monitor and ensure their financial strength.

3. **Margin Requirements**:

   Your Company has necessitated members to pay a security deposit at the time of registration, which serves as the initial deposit. Members are also required to provide a Minimum Liquid Net worth amount on which no exposure is provided and is adjusted from the initial deposit. Further, to mitigate risks associated with daily price movements in commodities, your Company imposes various margins, as prescribed by SEBI.

Members are required to place collateral deposits to avail margin limits. The initial margin requirement is computed using SPAN™, which is a portfolio-based margining system, to identify the overall risk in a portfolio of contracts for each client of a member. Further, your Company also levies other margins to safeguard members and the ecosystem against adverse market movements.

4. **Additional Measures:**

Your Company has also implemented additional risk mitigation measures as part of member monitoring:

(a) Margin Shortfall Block Amount (MSBA)

In the event of Clearing Member's margin utilisation breaching 100% of the margin limits on more than 2 occasions in past 30 days, the highest amount of margin shortage of the past 30 days is blocked as MSBA from the deposits of the clearing member, on which no margin benefit is given for next 30 days.

(b) Exposure Free Deposit for MTM Shortage (EFDMS)

Clearing Members who fail to meet their pay-in obligations (towards MTM, net premium payable and the exercise/ assignment value) by the scheduled date and time are required to provide applicable EFDMS for next 30 days.

In the event of shortages during the EFDMS period, additional cash EFDMS is also sought.

(c) Risk Reduction Mode (RRM)

The trading members/clearing members shall be mandatorily put in risk-reduction mode when 90% of the member's Liquid Assets (Total Collateral Less Minimum Liquid Net worth) available for adjustment against margins/deposits get utilised for margins/deposits. Additionally, your Company reserves the right to put a member into RRM below 90% also.

(d) Intraday Crystallised Loss

Intraday Crystallised loss (i.e. loss made on square-off positions) incurred by the members are added to the Margin Utilisation of the member along with SPAN and other margins and compared against the Margin Limit (eligible Collaterals).

(e) Pre-Expiry Margin on commodities under Alternate Risk Management Framework (ARMF)

Pre-expiry margin is levied on cash settled contracts wherein the underlying commodity is deemed susceptible to possibility of near zero and/or negative prices as identified by your Company under ARMF circular. In case of these

contracts, incremental pre-expiry margins shall be levied during the last five trading days prior to expiry date.

(f) Segregation and Monitoring of Collateral at Client Level

In order to strengthen the mechanism of protection of client collateral from (i) misappropriation/misuse by Trading Member (TM)/ Clearing Member (CM) and (ii) default of TM/CM and/or other clients, SEBI has issued framework for segregation and monitoring of collateral at client level, which includes:

(i) Daily reporting of segregated client level collateral
(ii) Uploading client level allocation of collateral
(iii) Monitoring of margins at client level
(iv) RRM at member level based upon excess utilisation at client level
(v) Default mechanism

This is implemented by your Company.

5. **ARMF:**

In recent past, extreme volatility has been observed in commodity prices globally, particularly in the case of Crude Oil, wherein the prices had unprecedentedly gone down to zero and subsequently, even negative. In such a scenario, margins equivalent to even 100% of the futures price would not have been sufficient to cover the steep upward or downward price variations in the futures market.

In order to enable risk management framework to handle such a scenario of Near Zero and Negative Prices, SEBI vide circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2020/176 dated September 21, 2020, has issued guidelines for ARMF applicable in case of Near Zero and Negative Prices. Your Company has formulated and adopted a policy for ARMF applicable in case of Near Zero and Negative Prices based on the SEBI guidelines. A circular informing the guidelines and applicable ARMF is issued on a monthly basis to market participants.

WAREHOUSING:

Your Company ensures that the members of MCX and their constituents are provided with warehousing arrangements and associated facilities like testing etc. Those willing to store goods and give delivery on the Exchange platform get these facilities for commodities traded on MCX in Bullion, Metals and Agricultural segments. To facilitate this, your Company verifies and accredits warehouses and vaults across various delivery centres. Your Company operates only with electronic receipts of goods stored in its accredited warehouses/ vaults on a highly efficient digital platform. In order to keep a check on compliance, correct the deficiencies and enhance market confidence, your Company has an elaborate warehouse and vault inspection activity in place.

Your Company has a wide network of warehouses/vaults for delivery of commodities traded on MCX platform. This provides confidence to members to trade on MCX. As on March 31, 2024, your Company has entered into agreement with five Warehouse Service Provider (WSPs) for facilitating physical deliveries in Agricultural Commodities and Base Metals. As on March

31, 2024, your Company is operating from 28 accredited warehouses of which 12 warehouses are registered with Warehousing Development and Regulatory Authority (WDRA). The remaining 16 warehouses for Metals do not require WDRA registration.

Further, your Company has entered into agreement with 4 Vault Service Providers for facilitating physical deliveries in Bullion. There are 25 accredited vaults of these agencies located at different delivery centres.

SEGMENT-WISE PERFORMANCE

Your Company currently undertakes clearing and settlement of commodity futures and options contracts, duly executed on the trading platform of MCX, in accordance with the clearing and settlement agreement entered with MCX. Further, the Company renders services only in the domestic market in India.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors of your Company has put in place various internal control systems to be followed by your Company to ensure that the internal control mechanisms are adequate and effective. The Board has also put in place state-of-the-art technology and has automated most of the key areas of operations and processes to minimise human intervention.

The design, implementation and maintenance of adequate internal financial controls are such that they operate effectively and ensure the accuracy and completeness of the accounting records and their presentation gives a true and fair view of the state of affairs of your Company and are free from material misstatements, whether due to error or fraud.

The operational processes are adequately documented with comprehensive and well defined Standard Operating Procedures (SOPs) which also include the financial controls in the form of maker and checker with separate individuals.

The Board has approved a scheme of financial sub-delegation to officials of your Company for incurring expenses. The Board with a view to ensure transparency, has also formulated various policies and has put in place appropriate internal controls for the procurement of services, materials, fixed assets, monitoring income streams, investments and financial accounting.

Internal control measures include adherence to systemic controls, information security controls as well as role based/ need based access controls. Further, the existing systems and controls are periodically reviewed for change management in the situations of introduction of new processes / change in processes, change in the systems, change in personnel handling the activities etc.

The Audit Committee of your Company, comprising majority of Public Interest Directors, periodically reviews and recommends the unaudited quarterly financial results and annual audited financial statements of your Company to the Board for its approval. Further, all related party transactions are placed before the Audit Committee and are reviewed by it after deliberations.

Your Company has appointed a firm of Chartered Accountants to conduct independent financial and operational internal audit in accordance with the scope as defined by the Audit Committee. The reports from the Internal Auditor are reviewed by the Audit Committee on a periodic basis and the Internal Auditor has been advised to issue flash reports, if required.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

Human Resource (HR) Department is a strategic business partner and focuses on the development and engagement of Human Capital for the Organisation. It is your Company's constant endeavour to provide an enabling culture at work to employees. As on March 31, 2024, the Clearing Corporation had 101 employees.

HR Department continues to undertake various staff welfare initiatives. Your Company constantly reviews work policies & practices in order to make the Clearing Corporation, the best place to work. Your Company has also rewarded employee's children for their exceptional efforts in passing 10th and 12th standard examination with flying colours. Your Company provides Crèche facility for female employees. Your Company also has tie- ups with diagnostic centres and hospitals for Health screening of employees. Structured 'Internal Job Posting' opportunities to deserving employees are considered for lateral & hierarchical career growth within the organization. Job rotation process provides a new learning exposure for the employees and development of these resources, strengthening the talent pipeline.

An objective appraisal system based on Key Result Areas (KRAs) is in place across all levels.

HR Department Continues to run online HR Portal called 'HR-Connect', for enhanced transparency in Employee Lifecycle Management and Performance Evaluation Systems enabling employees to receive timely feedback, chalk out personal development plan, identify training needs and decide on suitably rewarding deserving employees.

Strong Leadership Team

Your Company endeavours to emerge as a world-class institution through the direction provided by leadership from the Top Management team and the Board of Directors, whose guidance will be instrumental in the growth of your Company.

Disclosure of Accounting Treatment

In the preparation of financial statements, accounting treatment as prescribed in Accounting Standards has been followed.

MATERIAL DEVELOPMENTS AFTER THE BALANCE SHEET DATE:

The material developments after the Balance Sheet date have been elaborated in the Directors' Report at respective section.

CAUTIONARY STATEMENT:

In this annual report we have disclosed some future developments expected to take place soon so that investors can better understand the Company's future prospects and make informed decisions. This annual report and other written and oral statements that we make from time to time may contain such forward-looking statements that set out anticipated results based on Management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'proposes', 'intends', 'plans', 'believes' and words and terms of similar substance in connection with any discussion on future operations or financial performance.

We cannot guarantee that any forward-looking statement will be realised, although, we believe, we have been prudent in our plans and assumptions. Achievement of future results is subject to risks, uncertainties and inaccurate assumptions. Should 'known' or 'unknown' risks or uncertainties materialise, or should the underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

For and on behalf of the Board of Directors of
Multi Commodity Exchange Clearing Corporation Limited

Prafulla Chhajed
Chairperson
DIN: 03544734

Place: Mumbai
Date: July 26, 2024

Corporate Governance Report

Corporate Governance is about commitment to values, ethical business conduct and transparency. We, at Multi Commodity Exchange Clearing Corporation Limited (hereinafter referred to as **'the Company' or 'Your Company' or 'MCXCCL'**), have exhibited our commitment by making good governance an integral part of our business culture.

Your Company being a recognised Clearing Corporation under Securities Contracts (Regulation) Act, 1956 is required to *inter alia* comply with the Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as **'SECC Regulations, 2018'**). Pursuant to Regulation 33 of SECC Regulations, 2018, the disclosure requirements and Corporate Governance norms as specified under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as **'Listing Regulations, 2015')** for listed companies shall *mutatis mutandis* apply to a recognised Clearing Corporation. Accordingly, a detailed report on Corporate Governance for the financial year (hereinafter referred to as **'FY'**) ended March 31, 2024 (hereinafter referred to as **'year under review'**) demonstrating the Company's accountability to its stakeholders is set out hereunder:

1. Company's Philosophy:

Your Company, being identified as a Market Infrastructure Institution (hereinafter referred to as **'MII'**) by SEBI, believes in adopting the best practices in the area of Corporate Governance viz. Transparency, Integrity, Comprehensive Disclosures, Professionalism and Structured Accountability, the cornerstones of your Company's value system. Your Company's actions are governed by these values and principles, which are reinforced at all levels within the Company.

Your Company emphasises the need for transparency and accountability in all its transactions and the Board considers itself as a Trustee of its Stakeholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. These principles along with fair and transparent disclosures, guide your Company's Management to serve and protect long-term interests of all its stakeholders including shareholders, clients, employees, Members of the Clearing Corporation and the communities in which it operates. This philosophy of your Company has been further strengthened with the adoption of the Code of Conduct for MCXCCL and Code of Conduct for the Governing Board, Directors, Committee Members and Key Management Personnel at MCXCCL pursuant to the SECC Regulations 2018 of the Company.

2. Board of Directors:

The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors with a minimum of 1 (One) Woman Director, all being expert professionals having experience in diverse areas such as Management/ Administration, Technology, Finance & Accounts, Legal and Regulatory practice, Risk management, Capital/Commodity Market, Corporate Governance etc.

Your Company being a Clearing Corporation is, *inter alia*, regulated by SEBI. In accordance with SECC Regulations, 2018, "Public Interest Director" (hereinafter referred to as **'PID'**) means an Independent Director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of SEBI, is in conflict with his/her role. Accordingly, PIDs are considered as Independent Directors for adhering to the compliance with the regulations under the Listing Regulations, 2015 and provisions under Companies Act, 2013.

(a) Composition and category of the Board of Directors:

The Board of Directors as on March 31, 2024 consist of 7 (Seven) Directors out of which 4 (Four) Directors are PIDs including 1 (One) Woman Independent Director, 2 (Two) Directors are Non-Independent Directors (NID) and 1 (One) Director is Managing Director & Chief Executive Officer (MD & CEO). Except Mr. Narendra Kumar Ahlawat, MD & CEO, who is an Executive Director, other Directors including the Chairperson are Non - Executive Directors.

Mr. P. S. Reddy (DIN: 01064530) who was appointed as a Director of the Company liable to retire by rotation, did not seek re-appointment upon expiry of his term at Annual General Meeting held on September 22, 2023 and therefore, was not re-appointed a Non-Independent Director of the Company.

The tenure of Mr. Ved Kumar Jain (DIN: 00485623), Dr. Brinda Jagirdar (06979864) and Mr. Nagesh Pinge (DIN:00062900) as PID on the Board of MCXCCL ended on December 04, 2023, pursuant to completion of their second term as PIDs on the Board of MCXCCL.

SEBI vide its letter dated December 11, 2023 approved appointment of Mr. Prafulla Chhajed (DIN: 03544734), Mr. Srinivas Petluri (DIN: 02836590) and Ms. Kemisha Soni (DIN: 06805708) as Non-Executive PIDs on the Board of MCXCCL. Hence, all three PIDs were appointed on the Governing Board of MCXCCL with effect from December 11, 2023.

SEBI vide its letter dated January 18, 2024 approved appointment of Mr. Manoj Kumar Jain (DIN: 09694205) as a Non-Executive, NID on the Board of MCXCCL. Hence, Mr. Manoj Kumar Jain (DIN: 09694205) was appointed on the Governing Board of MCXCCL with effect from January 18, 2024.

The tenure of Mr. Rajesh Doshi (DIN: 00059903) as a PID on the Board of MCXCCL ended on February 21, 2024, pursuant to completion of his second term as PID on the Board of MCXCCL.

SEBI vide its letter dated February 06, 2024 approved appointment of Mr. Sundara Iyer Ganesh Kumar S. (Mr. Ganesh Kumar) (DIN: 07635860) as a Non-Executive PID on the Board of MCXCCL. Hence, Mr. Ganesh Kumar (DIN: 07635860) was appointed on the Governing Board of MCXCCL with effect from February 22, 2024.

The Board of MCXCCL at its Meeting held on January 04, 2024 elected Mr. Prafulla Chhajed, PID as the Chairperson of the Board of MCXCCL, subject to approval of SEBI. SEBI vide its letter dated January 23, 2024 approved the appointment of Mr. Prafulla Chhajed as Chairperson of the Governing Board of the Company.

Your Company confirms that in the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations, 2015 and are independent of the management.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations, 2015. The composition of the Board of Directors as on March 31, 2024, is as follows:

Sr. No.	Name of Director	Nature of Directorship
1	Mr. Prafulla Chhajed (DIN: 03544734)	Chairperson, Non- Executive, Independent, PID
2	Mr. Srinivas Petluri (DIN: 02836590)	Non- Executive, Independent, PID
3	Ms. Kemisha Soni (DIN: 06805708)	Non- Executive, Independent, PID
4	Mr. Ganesh Kumar (DIN: 07635860)	Non- Executive, Independent, PID
5	Mr. Mohan Shenoi (DIN: 01603606)	Non-Executive, NID
6	Mr. Manoj Kumar Jain (DIN: 09694205)	Non-Executive, NID
7	Mr. Narendra Kumar Ahlawat (DIN: 07629724)	Executive, Non-Independent, MD & CEO

(b) Attendance of Directors at the Board Meetings and the last Annual General Meeting (AGM):

The attendance of the Directors at the Board Meetings and the last AGM held during the year is given below:

Sr. No.	Name of Director	No. of Board Meetings Held	No. of Board Meetings Attended	Last AGM Attended
1	Mr. Ved Kumar Jain* (Upto December 04, 2023)	14	11	Yes
2	Dr. Brinda Jagirdar* (Upto December 04, 2023)	14	11	Yes
3	Mr. Nagesh Pinge* (Upto December 04, 2023)	14	11	Yes

Sr. No.	Name of Director	No. of Board Meetings Held	No. of Board Meetings Attended	Last AGM Attended
4	Mr. Prafulla Chhajed** (w.e.f December 11, 2023)	14	3	NA
5	Mr. Srinivas Petluri ** (w.e.f December 11, 2023)	14	3	NA
6	Ms. Kemisha Soni** (w.e.f December 11, 2023)	14	3	NA
7	Mr. Rajesh Doshi# (Upto February 21, 2024)	14	13	Yes
8	Mr. Ganesh Kumar## (w.e.f February 22, 2024)	14	1	NA
9	Mr. Mohan Shenoi	14	14	Yes
10	Mr. P.S. Reddy^ (Upto September 22, 2023)	14	3	No
11	Mr. Manoj Kumar Jain ^^ (w.e.f January 18, 2024)	14	2	Yes^^
12	Mr. Narendra Kumar Ahlawat	14	14	Yes

* Retired from the Board effective December 04, 2023. They were eligible to attend 11 Board Meeting till the date of their retirement and during FY 2023-24.

** Appointed on the Board effective December 11, 2023. They were eligible to attend 3 Board meetings during FY 2023-24.

Retired from the Board effective February 21, 2024. He was eligible to attend 13 Board Meetings till the date of his retirement and during FY 2023-24.

Appointed on the Board effective February 22, 2024. He was eligible to attend 1 Board meeting during FY 2023-24.

^ Ceased to be Director effective September 22, 2023. He was eligible to attend 4 Board meetings during FY 2023-24.

^^ Appointed on the Board effective January 18, 2024. He was eligible to attend 2 Board meetings during FY 2023-24. He attended AGM dated September 22, 2023 as a Shareholder.

Notes:

i. There are no inter-se relationships between the Board Members.

ii. Mr. Manoj Kumar Jain (Non-Executive, NID) hold one equity share jointly with MCX, No other Directors (whether Executive and/or Non-Executive Director) of the Company are holding any shares of the Company as on March 31, 2024.

(c) The number of other Directorships and Committee Memberships or position of Chairperson and names of listed entities where the person is Director and category of Directorship as on March 31, 2024 is as follows:

Name of the Director	Number of Directorships in other companies in which he/she is a Director (*)	Number of Committees of other companies in which Director is		Name of the listed entities where the person is a Director	Category of Directorship
		Member **	Chair person#		
Mr. Prafulla Chhajed	3	3	1	Allcargo Terminals Limited	Non-Executive Independent Director
				State Bank of India	Non-Executive Independent Director
Mr. Srinivas Petluri	1	1	0	Kallam Textiles Limited	Non-Executive Independent Director
Ms. Kemisha Soni	3	0	0	Poonawalla Fincorp Limited	Non-Executive Independent Director
Mr. Ganesh Kumar	1	2	0	IDFC First Bank Limited	Non-Executive Independent Director
Mr. Mohan Shenoi	1	1	0	Multi Commodity Exchange of India Limited	Non-Independent Non-Executive Director
Mr. Narendra Kumar Ahlawat	0	0	0	No Directorships in listed entities	Not applicable
Mr. Manoj Kumar Jain	1	1	0	No Directorships in listed entities	Not applicable

* Excludes Directorship(s) in Foreign Companies and partnerships in LLPs.
** Only Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies have been considered.
While calculating Memberships of a particular Director in the Committees, the Chairmanships of such Director are not considered in the said Committees.
\# For the purpose of calculating number of Chairpersonships in Audit Committee and Stakeholders Relationship Committee, only Listed Public Limited Companies have been considered.

The number of Directorships, Committee Membership(s)/ Chairpersonship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and Regulation 17A & 26(1) of Listing Regulations, 2015.

(d) Number of Board Meetings held and the dates on which such Meetings were held:

The Board of Directors met 14 (Fourteen) times during the year under review. The Board Meetings were held on the following dates:

Sr. No.	Meeting Date	Sr. No.	Meeting Date
i.	May 19, 2023	ii.	June 28, 2023
iii.	July 28, 2023	iv.	August 25, 2023
v.	September 27,2023	vi.	September 29, 2023
vii.	October 01, 2023	viii.	October 27, 2023
ix.	November 8, 2023	x.	November 25, 2023
xi.	December 4, 2023	xii.	January 4, 2024
xiii.	February 9, 2024	xiv.	March 28, 2024.

(e) Number of shares and convertible instruments held by Non-Executive Directors:

Mr. Manoj Kumar Jain, Non-Executive, NID hold one equity share jointly with MCX. No other Directors (whether Executive and/or Non-Executive Director) of the Company are holding any shares of the Company as on March 31, 2024.

(f) Familiarisation Programme for Directors:

Your Company conducts familiarisation programmes/training for the Directors. The Directors are made aware/updated regarding the business operations, nature of industry in which the Company operates, regulatory environment, functioning of various departments, Membership related information on admission & registration of Members, Warehousing Operations, Collaterals, Technology, Clearing and Settlement and the matters related thereto. Presentations are made at the Board/Committee Meetings on performance of the Company, Risk Management etc. Further, updates on relevant statutory/regulatory changes and important letters received from SEBI are circulated to the Directors at the Board Meetings.

The appointment letter issued to PIDs, *inter alia*, sets out the expectation of the Board from the Directors so appointed, their fiduciary duties and the accompanying liabilities. The PIDs are also apprised about their roles under various statutes. Further, all Directors at the time of their appointment, as well as on annual basis, affirm adherence to the Code of Conduct for the Governing Board, Directors, Committee Members and Key Management Personnel at MCXCCL, which, inter alia, sets out their role, responsibilities, etc.

The details of familiarisation programme for Directors have been posted on the website of the Company at https://www.mcxccl.com/docs/librariesprovider2/disclosures/other-disclosures/2023---24-familiarisation-program.pdf?sfvrsn=968e739e_2.

The Board has identified the following specific functional areas/ skill set with reference to its business and industry and the same are available with the Board:

Leadership	Extended leadership in significant enterprise, resulting in practical understanding of organizations, processes, strategic planning and risk management. Demonstrating strengths in developing talent, planning succession and driving change and long-term growth.
Finance & Accounts	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes or experience in actively supervising a principal financial officer or person performing similar functions.
Technology	A significant background in technology, tracking developments therein, anticipating the Technological trends and innovating and extending or creating Information technology Systems, managing cyber security, system failures, etc.
Risk Management	Background and experience in practical understanding of the risks relating to the business of the Company and managing potential risks in order to minimise the negative impact that it may have on an organisation.
Management/ Administration	Background in management or having specialisation in management skills like planning, organising, controlling, leading execution of projects or processes resulting in ability to use management expertise according to the needs of the businesses.
Legal & Regulatory practice and Corporate Governance	Developing good corporate governance practices, protecting the legitimate interests of the Company, its employees, stakeholders and the communities in which it operates, maintaining Board and management accountability and understanding the regulatory framework and ensuring compliance thereof in letter and spirit, risk assessment and its minimisation. Background in understanding the

	regulatory framework and the implications of the same in the capital and securities markets.
Capital/ Commodity Market	Understanding of the functioning of Capital/ Commodity Market and thereby assisting the management in smooth functioning of the operations of the Company, capability to drive changes, formulate and execute the strategies in the best interest of the Company and Capital/ Commodity market.

The area of expertise of the Board of Directors as on March 31, 2024 is as follows:

Sr. No.	Name of the Director	Areas of Expertise
1	Mr. Prafulla Chhajed (DIN: 03544734)	Leadership, Finance & Accounts, Legal & Regulatory practice and Corporate Governance, Capital/Commodity Market, Risk Management and Management/ Administration
2	Mr. Srinivas Petluri (DIN: 02836590)	Leadership, Finance & Accounts, Legal & Regulatory practice and Corporate Governance, Risk Management and Management/ Administration
3	Ms. Kemisha Soni (DIN: 06805708)	Leadership, Finance & Accounts, Legal & Regulatory practice and Corporate Governance, Capital/Commodity Market, and Management/ Administration
4	Mr. Ganesh Kumar (DIN: 07635860)	Leadership, Management/ Administration, Technology, Capital/Commodity Market, Legal & Regulatory practice and Corporate Governance, Risk Management
5	Mr. Mohan Shenoi (DIN: 01603606)	Leadership, Management/ Administration, Technology, Corporate Governance, Finance & Accounts, Capital/Commodity Market.
6	Mr. Manoj Kumar Jain (DIN: 09694205)	Leadership, Legal & Regulatory practice and Corporate Governance, Capital/Commodity Market, and Management/ Administration.
7	Mr. Narendra Kumar Ahlawat (DIN: 07629724)	Leadership, Finance & Accounts, Legal & Regulatory practice and Corporate Governance, Capital/Commodity Market, Risk Management and Management/ Administration.

Brief profile of the Directors as on March 31, 2024, is available at https://www.mcxccl.com/about-us/Overview.

(g) Independent Directors/PID:

The Company appoints PID on the Board in accordance with the provisions of the SECC Regulations, 2018 and the Companies Act, 2013. The PIDs have varied experience and expertise in their respective field / profession, which they bring to all the deliberations.

Every PID, at the first Meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his/her status as an PID, gives a declaration that he/she meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 as well as Regulation 16(1)(b) of the Listing Regulations, 2015 and that he/she is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair his/her ability to discharge his/her duties with an objective independent judgement and without any external influence.

The PIDs are complying with the provisions relating to limit of Directorships as required under Regulation 17(A) of the Listing Regulations, 2015. The Company issues a formal letter of appointment to all the PIDs and the terms and conditions of their appointment have been disclosed on the website of the Company.

The PIDs met 4 (Four) times during the financial year i.e. on April 10, 2023, July 05, 2023, October 27, 2023 and February 09, 2024. During their Meetings, the Independent Directors reviewed, *inter alia*, the following:

- Status of compliance with the SEBI letters/circulars.
- The functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions.
- The performance of non-independent Directors and the Board as a whole.
- The performance of the Chairperson of the Company, taking into account the views of the executive Directors and non-executive Directors.
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- Working of the other Committees where the Independent Directors are also Members.
- Issues, if any, involving conflict of interest for clearing corporation or having significant impact on the functioning of clearing corporation or may not be in the interest of securities market.

  In the opinion of the Board of Directors, the PIDs fulfil the conditions specified in the Companies Act, 2013 and Listing Regulations, 2015 and that they are independent of the management.

Further, no PID has resigned before the expiry of his/her respective tenure during the year under review.

(h) Compliance Reports for applicable laws:

The Board periodically reviews compliance reports pertaining to all laws applicable to the Company which are received from the heads of various departments from time to time.

(i) Code of Conduct:

Pursuant to amendment in SECC Regulations which came into effect on August 28, 2023, the Company has formulated and implemented a comprehensive Code of Conduct for the Company which is available on the website of the Company at:

https://www.mcxccl.com/docs/librariesprovider2/disclosures/code-of-conduct-for-mcxccl2de01b4857fb64e3bdfdff00007acb35.pdf?sfvrsn=8d1b7f9e_2.

Further, the Company has also formulated and implemented a comprehensive Code of Conduct for the Governing Board, Directors, Committee Members and Key Management Personnel at MCXCCL, which is also available on the website of the Company at:

https://www.mcxccl.com/docs/librariesprovider2/disclosures/code-of-conduct_drs_kmps_comm-members-v-4-0.pdf?sfvrsn=c7474e9e_2

The Board Members, Committee Members and the Key Managerial Personnel affirm compliance with the Code of Conduct at the time of their appointment and thereafter on an annual basis. Further, all the employees of the Company at the time of joining affirm compliance with the Code of Ethics of the Company.

The necessary declaration by the MD & CEO as required under Regulation 34(3) read with Schedule V (D) of Listing Regulations, 2015 regarding adherence of the Code of Conduct for the year under review forms part of this Annual Report.

(j) Details of Remuneration paid during the year under review and extent of Shareholding of the Directors of the Company as on March 31, 2024:

(i) Remuneration of the Executive Director during the year under review and his Shareholding as on March 31, 2024:

Mr. Narendra Kumar Ahlawat, MD & CEO, is the only Executive Director of the Company. Remuneration paid to Executive Director is as per the terms of agreement between the Company and Executive Director. The Board approves the terms of agreement at the time of appointment. The particulars of remuneration paid to the Executive Director during the year under review are as under:

Sr. No.	Particulars of Remuneration of Mr. Narendra Kumar Ahlawat, MD & CEO	Amount in ₹
(i)	Fixed Component	
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,24,60,616
	b. Value of perquisites u/s 17(2) of Income-tax Act, 1961	39,708
	c. Profits in lieu of salary under section 17(3) Income-tax Gross salary	Nil
(ii)	Variable Component Bonus/Incentive/Variable Pay	30,83,000
(iii)	Stock Options	Nil
(iv)	Sweat Equity	Nil
(v)	Commission - As % of profit	Nil
	- Others, specify	Nil
(vi)	Others Reimbursement of Expenses	24,000
	Total	**1,56,07,324**

Mr. Narendra Kumar Ahlawat, MD & CEO, does not hold any shares of the Company as on March 31, 2024.

In terms of the provisions of SECC Regulations, 2018, 50% of the variable pay to KMP is to be paid on deferred basis after three years. The variable pay for FY 2022-23 was paid during the year under review and the same is included in the aforesaid remuneration.

Mr. Narendra Kumar Ahlawat is not entitled to any severance allowance and his employment can be terminated in accordance with Company's policy and /or his employment contract, the notice period being three months.

(ii) Remuneration paid to the Non-Executive Directors for attending the Board and Committee Meetings during the year under review and their Shareholding as on March 31, 2024:

Name of the Director	Gross Sitting Fees (Amount in ₹)		Outstanding Stock Options (In Numbers)	Shareholding in the Company as on March 31, 2024 (In Numbers)
	Board Meetings	Committee Meetings		
Mr. Ved Kumar Jain (Upto December 4, 2023)	11,00,000	13,00,000	N.A.	Nil
Dr. Brinda Jagirdar (Upto December 4, 2023)	11,00,000	14,50,000	N.A.	Nil
Mr. Nagesh Pinge (Upto December 4, 2023)	11,00,000	14,00,000	N.A.	Nil
Mr. Rajesh Doshi (Upto February 21, 2024)	13,00,000	17,50,000	N.A.	Nil
Mr. P.S. Reddy* (Upto September 22, 2023)	Nil	Nil	N.A.	Nil
Mr. Mohan Shenoi	14,00,000	8,00,000	N.A	Nil
Mr. Prafulla Chhajed (w.e.f December 11, 2023)	3,00,000	5,00,000	N.A.	Nil
Mr. Srinivas Petluri (w.e.f December 11, 2023)	3,00,000	5,50,000	N.A.	Nil
Ms. Kemisha Soni (w.e.f December 11, 2023)	3,00,000	5,00,000	N.A.	Nil
Mr. Ganesh Kumar (w.e.f. February 22, 2024)	1,00,000	1,00,000	N.A.	Nil
Mr. Manoj Kumar Jain* (w.e.f. January 18, 2024)	Nil	Nil	N.A.	1**

* *Mr. P.S. Reddy and Mr. Manoj Kumar Jain waived off their sitting fees for attending the Meetings of the Company.*

** *Mr. Manoj Kumar Jain (Non-Executive, NID) hold one equity share jointly with MCX.*

There were no pecuniary relationships or transactions between the Non-Executive Directors and the Company during the year under review, except for the sitting fees paid to the Non-Executive Directors for attending the Meetings as a Member. Accordingly, no salary, bonuses, pension or any other benefits were paid to the Non-Executive Directors.

During the year under review, the Directors were entitled to sitting fee of ₹ 1,00,000/- per Meeting for attending the Meeting of the Board and ₹ 50,000/- per Meeting for attending the Meeting of the Committees of the Board. The sitting fees paid to the Non-Executive Directors including the Independent Directors are within the limits prescribed under the Companies Act, 2013.

Pursuant to the provisions of SECC Regulations, 2018, Independent External Persons (**hereinafter referred to as 'IEPs'**) are appointed on certain Statutory Committees of the Board. The IEPs were entitled to the same sitting fees as the Non-Executive Directors for attending the Committee Meetings during FY 2023-24.

The criteria for making payments to Non-Executive Directors are available on the website of the Company at https://www.mcxccl.com/docs/librariesprovider2/disclosures/other-disclosures/criteria-of-making-payments-to-non-executive-directorsbde11b4857fb64e3bdfdff00007acb35.pdf?sfvrsn=1d1a7f9e_2

3. Board Committees:

The Board has constituted various Committees in accordance with the provisions of the Companies Act, 2013, SECC Regulations, 2018 read with the Listing Regulations, 2015 to take informed decisions in the best interest of the Company, to ensure effective oversight on the functioning of Clearing Corporation and to facilitate cohesive decision-making. The Company, in addition to Statutory Committees has also constituted other Committees. The Committees monitor the activities falling within their Terms of Reference (TOR). MD & CEO of the Company in consultation with the Company Secretary and in accordance with the policy of the Company on frequency of Meetings, determines the schedule for the Committee Meetings. The Minutes of all the Committee Meetings are placed at the subsequent Meetings of the respective Committees and before the Board for its noting. The recommendations of Committees are submitted to the Board for its approval, wherever required.

The details with respect to composition, TOR, Meetings and attendance of Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee are as follows:

(a) Audit Committee:

The Audit Committee plays a vital role in ensuring high level of governance standards by overseeing, monitoring and advising the Company's management and auditors in conducting audits and preparation of financial statements.

(i) Terms of Reference:

1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

2. Review and monitor the auditor's independence and performance and effectiveness of audit process.

3. Examination of the financial statement and the auditors' report thereon.

4. Granting approval / omnibus approval, subject to conditions as may be prescribed under any applicable laws, regulations, guidelines or any subsequent modification of transactions of the Company with related parties. In case of transaction, other than transactions referred to in section 188 of Companies Act, 2013, and where Committee does not approve the transaction, it shall make its recommendations to the Board.

   Also, in case any transaction involving any amount not exceeding one crore rupees is entered into by a Director or officer of the Company without obtaining the approval of the Committee and it is not ratified by the Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Committee.

5. Scrutiny of inter-corporate loans and investments.

6. Valuation of undertakings or assets of the Company, wherever it is necessary.

7. Evaluation of internal financial controls and risk management systems.

8. Monitoring the end use of funds raised through public offers and related matters.

9. Review the financial statements, in particular, the investments made by unlisted subsidiary.

(ii) Powers of Audit Committee:

The Audit committee has the following powers:

1. To investigate any activity within its terms of reference.

2. Seek information from any employee.

3. Obtain outside legal or other professional advice; and

4. Secure attendance of outsiders with relevant expertise, if it considers necessary.

(iii) Role of the Committee:

The role of the audit committee shall include the following:

1. Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the entity.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with reference to:

   (a) matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.

   (b) changes, if any, in accounting policies and practices and reasons for the same.

   (c) major accounting entries involving estimates based on the exercise of judgment by 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) disclosure of any related party transactions.

   (g) modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public 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 utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

8. Approval or any subsequent modification of transactions with related parties.

9. Scrutiny of inter-corporate loans and investments.

10. Valuation of undertakings or assets, wherever it is necessary.

11. Evaluation of internal financial controls and risk management systems.

12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

13. Reviewing the adequacy of internal audit function, if any, 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. Discussion with internal auditors of any significant findings and follow up there on.

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as 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 the functioning of the whistle blower mechanism.

19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.

20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

21. Reviewing the utilization of loans and/or advances from /investment by the holding Company.

22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders

(iv) Review of Information by the Audit Committee:

The audit committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations.

2. Management letters / letters of internal control weaknesses issued by the statutory auditors.

3. Internal audit reports relating to internal control weaknesses; and

4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

5. Statement of deviations:

   (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations, 2015.

   (b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of Listing Regulations, 2015.

(v) Composition of the Committee:

The composition of the Audit Committee as on March 31, 2024 is as follows:

Sr. No.	Name of Members	Designation
1	Ms. Kemisha Soni	Chairperson
2	Mr. Prafulla Chhajed	Member
3	Mr. Srinivas Petluri	Member
4	Mr. Mohan Shenoi	Member

(vi) Number of Audit Committee Meetings held and the dates on which such Meetings were held:

The Audit Committee met 7 (Seven) times during the year under review. The Meetings were held on the following dates:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
i.	May 19, 2023	ii.	July 28, 2023
iii.	November 08, 2023	iv.	November 25, 2023
v.	December 04, 2023	vi.	February 09, 2024
vii.	March 28, 2024		

(vii) Meetings and attendance during the year under review:

Members	Meetings held	Meetings attended
Ms. Kemisha Soni* (*w.e.f. January 4, 2024)*	7	2
Mr. Srinivas Petluri* *(w.e.f. January 4, 2024)*	7	2
Mr. Prafulla Chhajed* *(w.e.f. January 4, 2024)*	7	2
Mr. Mohan Shenoi	7	7
Mr. Nagesh Pinge** *(Upto December 04, 2023)*	7	5
Mr. Ved Kumar Jain** *(Upto December 04, 2023)*	7	5
Dr. Brinda Jagirdar** *(Upto December 04, 2023)*	7	5

* Appointed on the Committee effective January 04, 2024. They were eligible to attend 2 Committee meetings during FY 2023-24.

** Retired from the Board effective December 04, 2023. They were eligible to attend 5 Committee Meetings till the date of their retirement and during FY 2023-24.

The Audit Committee was re-constituted on January 04, 2024, due to appointment and resignation of Directors on the Governing Board of MCXCCL.

Invitees to the Audit Committee include MD & CEO, Chief Financial Officer **(hereinafter referred to as 'CFO')**, Partners/ Representatives of the Statutory Auditors, Internal Auditors and IFC Auditors etc. Heads of various departments attend the Audit Committee Meetings where the matters relating to their respective departments are discussed. The Company Secretary is the Secretary of the Committee.

Mr. Nagesh Pinge, former Chairperson of the Audit Committee, attended the Fifteenth AGM of the Company held on September 22, 2023.

All Members of the Audit Committee are financially literate and have adequate accounting and related financial management expertise.

(b) Nomination and Remuneration Committee:

The Board has constituted Nomination and Remuneration Committee to attract, retain and reward the Executive Director(s), Key Management/Managerial Personnel and other employees.

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees can be accessed from the website of the Company at https://www.mcxccl.com/docs/librariesprovider2/disclosures/other-disclosures/nomination-and-remuneration-policy4de01b4857fb64e3bdfdff00007acb35.pdf?sfvrsn=ed1b7f9e_2

Further, the Company has formulated the criteria for performance evaluation of individual Directors, Board Committees and the Board as a whole. The details relating to the same are annexed as **Annexure III** to the Directors' Report.

(i) Terms of Reference:

1. Identify persons who are qualified to become Directors and who may be appointed as key management personnel in accordance with the criteria laid down, recommend to the Board their appointment and removal.

1. Identify key management personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018.

3. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, key management personnel and other employees, in terms of the compensation norms prescribed by SEBI, as applicable.

4. Determine the tenure of key management personnel, other than a Director, to be posted in a regulatory department.

5. Selecting the Managing Director.

6. Recommend to the Board, all remuneration, in whatever form, payable to KMPs in terms of the compensation/Nomination and Remuneration policy.

7. Frame and review, at least once in 3 years, the performance evaluation/review policy for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

8. Recommend to the Board, the performance evaluation/review policy and changes made therein, for its approval.

9. Recommend whether to extend or continue the term of appointment of the PID, on the basis of the report of performance evaluation of PID.

(ii) Composition of the Nomination and Remuneration Committee:

The composition of the Nomination and Remuneration Committee as on March 31, 2024 is as follows:

Sr. No.	Name of Members	Designation
1	Ms. Kemisha Soni	Chairperson
2	Mr. Prafulla Chhajed	Member
3	Mr. Srinivas Petluri	Member

(iii) Number of Nomination and Remuneration Committee Meetings held and the dates on which such Meetings were held:

The Nomination & Remuneration Committee met 7 (Seven) times during the year under review. The Meetings were held on the following dates:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
i.	June 15, 2023	ii.	August 25, 2023
iii.	September 26, 2023	iv.	November 06, 2023
v.	December 04, 2023	vi.	February 07, 2024
vii.	March 28, 2024		

(iv) Meetings and attendance during the year under review:

Name of Members	Meetings held	Meetings Attended
Ms. Kemisha Soni* *(w.e.f. January 4, 2024)*	7	2
Mr. Prafulla Chhajed* *(w.e.f. January 4, 2024)*	7	2
Mr. Srinivas Petluri** *(w.e.f. February 22, 2024)*	7	1
Dr. Brinda Jagirdar# *(Upto December 04, 2023)*	7	5
Mr. Ved Kumar Jain# *(Upto December 04, 2023)*	7	5
Mr. Rajesh Doshi## *(Upto February 21, 2024)*	7	6

*Appointed on the Committee effective January 04, 2024. They were eligible to attend 2 Committee meetings during FY 2023-24.

**Appointed on the Committee effective February 22, 2024. He was eligible to attend 1 Committee meeting during FY 2023-24.

#Retired from the Board effective December 04, 2023. They were eligible to attend 5 Committee Meetings till the date of their retirement and during FY 2023-24.
##Retired from the Board effective February 21, 2024. He was eligible to attend 6 Committee Meetings till the date of his retirement and during FY 2023-24.

The Nomination and Remuneration Committee was re-constituted on January 04, 2024 and February 20, 2024 *(effective from February 22, 2024)* due to appointment and resignation of Directors on the Governing Board of MCXCCL.

Dr. Brinda Jagirdar, former Chairperson of the Nomination and Remuneration Committee attended the Fifteenth AGM of the Company on September 22, 2023.

(c) Stakeholders Relationship Committee:

As per the provisions of the Companies Act, 2013, the Company is not required to constitute a Stakeholders Relationship Committee as constitution of Stakeholders Relationship Committee is required when the Company has more than one thousand shareholders.

Further, during the year under review, no complaints were received from shareholders**.** The quarterly reports on Investor complaints are available on the website of the Company at https://www.mcxccl.com/disclosures/other-disclosures

To resolve Stakeholder Grievance, Stakeholders can contact the Company Secretary on:
Email: grievance@mcxccl.com, mandar.kulkarni@mcxccl.com
Tel: +91-22-6864 6000/50956000, Fax: +91-22-6649 4151

(d) Risk Management Committee:

The Board has constituted a Risk Management Committee inter alia to monitor and review the risk management plan and to carry out such other functions as it may deem fit:

(i) Terms of Reference:

1. To formulate a detailed risk management policy which shall be approved by the Governing Board.

2. To review the Risk Management Framework & risk mitigation measures from time to time.

3. To monitor and review enterprise-wide risk management plan and such other functions as it may deem fit and lay down procedures to inform Board Members about the risk assessment and minimisation procedures.

4. The risk management committee shall monitor implementation of the risk management policy and keep SEBI and the governing Board informed about its implementation and deviation, if any.

5. Review the arrangement with the vendors so as to avoid disruption of services.

(ii) Composition of the Committee:

The composition of the Risk Management Committee as on March 31, 2024 is as follows:

Sr. No.	Name of Members	Designation
1	Mr. Prafulla Chhajed	Chairperson
2	Mr. Srinivas Petluri	Member
3	Mr. Ganesh Kumar	Member
4	Mr. Nihar Jambusaria	Member*

* Independent External Person.

(iii) Number of Risk Management Committee Meetings held and the dates on which such Meetings were held:

The Risk Management Committee met 4 (Four) times during the year under review. The Meetings were held on the following dates:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
i.	April 06, 2023	ii.	July 04, 2023
iii.	September 13, 2023	iv.	February 08, 2024

(iv) Meetings and attendance during the year under review:

Members	Meetings held	Meetings attended
Mr. Prafulla Chhajed* *(w.e.f. January 4, 2024)*	4	1
Mr. Srinivas Petluri* *(w.e.f. January 4, 2024)*	4	1
Mr. Ganesh Kumar** (w.e.f *February 22, 2024)*	4	0
Mr. Nihar Jambusaria# (*w.e.f. January 15, 2024)*	4	1
Mr. Ved Kumar Jain## (*Upto December 04, 2023)*	4	3
Mr. Nagesh Pinge## *(Upto December 04, 2023)*	4	3
Mr. Rajesh Doshi^ *(Upto February 21, 2024)*	4	4
Mr. Udayan Maroo^^ (*Upto January 14, 2024)*	4	3

*Appointed on the Committee effective January 04, 2024. They were eligible to attend 1 Committee meeting during FY 2023-24.

**Appointed on the Committee effective February 22, 2024. There was no Committee meeting held from his appointment date and till March 31, 2024.

#Appointed on the Committee effective January 15, 2024. He was eligible to attend 1 Committee meeting during FY 2023-24.

##Retired from the Board effective December 04, 2023. They were eligible to attend 3 Committee Meetings till the date of their retirement and during FY 2023-24.

^ Retired from the Board effective February 21, 2024. He was eligible to attend 4 Committee Meetings till the date of his retirement and during FY 2023-24.

^^Retired as IEP effective January 14, 2024. He was eligible to attend 3 Committee Meetings till the date of his retirement and during FY 2023-24.

The Risk Management Committee was re-constituted on January 04, 2024 and February 20, 2024 (effective from February 22, 2024), due to appointment and retirement of IEPs/PIDs.

(e) The broad terms of reference, constitution of Committees required under the SECC Regulations, 2018 as on March 31, 2024 are as under:

1. Member and Core Settlement Guarantee Fund Committee:

(i) Terms of Reference:

1. To scrutinize, evaluate, accept or reject applications for admission of Members and transfer of Membership and approve voluntary withdrawal of Membership.

2. Also, in case of clearing corporations with commodity segment, the committee shall also look into:

   - Approving empanelment & cancellation of Warehouse Service Providers/Vault Service Providers /Assayers, accreditation of warehouse, etc.

   - Reviewing the continuous functioning, monitoring, and compliance of norms by Warehouse Service Providers, Vault Service Providers and assayers.

3. Formulate policy for regulatory actions, including warning, monetary fine, suspension, deactivation of terminal, declaring a Member as defaulter, expulsion, to be taken for various violations by the Members of the Clearing Corporation.

4. Based on the laid down policy, the Committee shall consider the cases of violations observed during inspection, etc. and impose appropriate regulatory measure on the Members of the Clearing Corporation.

5. While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice'.

6. Realize the assets / deposits of defaulter/expelled Member and appropriate amongst various dues and claims against the defaulter/ expelled Member in accordance with the Rules, Byelaws and Regulations of the Clearing corporation.

7. Admission /rejection of claims against such Members over the assets of the defaulter/expelled Member.

8. To manage the Core Settlement Guarantee Fund (Core SGF) of the Clearing Corporation, including its investments as per norms laid down and ensure proper utilization of Core SGF.

(ii) Composition of the Committee as on March 31, 2024:

Sr. No.	Name of Members	Designation
1	Mr. Srinivas Petluri	Chairperson
2	Mr. Ganesh Kumar	Member
3	Mr. Prafulla Chhajed	Member
4	Mr. Narendra Kumar Ahlawat	Member
5	Mr. Ishwar Chander Chadda	Member*

* Independent External Person

(iii) Number of Member and Core Settlement Guarantee Fund Committee Meetings held and the dates on which such Meetings were held:

The Member and Core Settlement Guarantee Fund Committee met 4 (Four) times during the year under review. The Meetings were held on the following dates:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
i.	May 05, 2023	ii.	August 03, 2023
iii.	November 30, 2023	iv.	February 07, 2024

2. PID Committee:

(i) Terms of Reference:

1. Review the status of compliance with SEBI letters/ circulars.

2. Review the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions, etc.

3. PIDs shall prepare a report on the working of the committees of which they are Member and circulate the same to other PIDs. The consolidated report in this regard shall be submitted to the governing Board ('Board of Directors') of the MII.

4. PIDs shall identify the important issues which may involve conflict of interest for the clearing corporation or may have significant impact on the functioning of clearing corporation or may not be in the interest of securities market and report the same to SEBI, from time to time.

5. Review the performance of non-independent Directors and the Board as a whole.

6. Review the performance of the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors.

7. Assess quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

(ii) Composition of the Committee as on March 31, 2024:

Sr. No.	Name of Members	Designation
1	Mr. Prafulla Chhajed	Chairperson
2	Ms. Kemisha Soni	Member
3	Mr. Srinivas Petluri	Member
4	Mr. Ganesh Kumar	Member

(iii) Number of PID Committee Meetings held and the dates on which such Meetings were held:

The PID Committee met 4 (Four) times during the year under review. The Meetings were held on the following dates:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
i.	April 10, 2023	ii.	July 05, 2023
iii.	October 27, 2023	iv.	February 09, 2024

3. Standing Committee on Technology:

(i) Terms of Reference:

1. To monitor whether the technology used by the Clearing Corporation remains up to date and meets the growing demands of the markets.

2. To monitor the adequacy of systems capacity and efficiency.

3. To look into the changes being suggested by the clearing corporation to the existing software/hardware.

4. To investigate into problems of computerised Risk Management/ Clearing and Settlement System, such as hanging/ slowdown/ breakdown.

5. To ensure that transparency is maintained in disseminating information regarding slowdown/ breakdown in Risk Management/ Clearing and Settlement System.

6. The Committee shall submit a report to the Board of the Clearing Corporation. The Board will deliberate on the report and suitable action/ remedial measure will be taken.

7. Any stoppage beyond five minutes will be explained and reported to the Board. The Clearing Corporation shall issue a press release specifying the reasons for the breakdown.

8. To review the implementation of Board approved cyber security and resilience policy and its framework.

9. Such other matters in the scope as may be referred by the Governing Board of the Clearing Corporation and/or SEBI.

10. To review the implementation of BCP-DR policy.

11. To review the BCP-DR policy document and recommend the same to the Board for its approval.

12. To review and discuss cyber security framework related matters with Cyber security committee Members.

(ii) Composition of the Committee as on March 31, 2024:

Sr. No.	Name of Members	Designation
1	Mr. Ganesh Kumar	Chairperson
2	Ms. Kemisha Soni	Member
3	Mr. Srinivas Petluri	Member
4	Mr. Mohan Shenoi	Member
5	Ms. Supriya Datta*	Member
6	Mr. Balakrishnan Gopal*	Member

* Independent External Person.

(iii) Number of Standing Committee on Technology Committee Meetings held and the dates on which such Meetings were held:

The Standing Committee on Technology Committee met 11 (Eleven) times during the year under review. The Meetings were held on the following dates:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
i.	May 31, 2023	ii.	June 22, 2023
iii.	June 27, 2023	iv.	August 22, 2023
v.	September 04, 2023	vi.	September 25, 2023
vii.	October 01, 2023	viii.	November 23, 2023
ix.	February 08, 2024	x.	February 15, 2024
xi.	March 21, 2024		

4. Regulatory Oversight Committee:

(i) Terms of Reference:

1. Oversee matters related to Member regulation such as admission of Members, inspection, disciplinary action, etc.

2. Oversee SEBI inspection observations on Membership related issues.

3. Estimate adequacy of resources dedicated to Member regulation.

4. Monitor the disclosures made under Regulation 33 of SECC Regulations, 2018.

5. Review the actions taken to implement the suggestions of SEBI's Inspection Reports and place it before the Board of Clearing Corporation.

6. To follow up and ensure compliance/ implementation of the inspection observations.

7. Supervising the functioning of Investors' Services Cell of the Clearing Corporation, which includes review of complaint resolution process, review of complaints unresolved over long period of time, estimate the adequacy of resources dedicated to investor services, etc.

8. Lay down procedures for the implementation of the Code.

9. Prescribe reporting formats for the disclosures required under the Code of conduct.

10. To periodically monitor the dealings in securities of the Key Management Personnel.

11. To periodically monitor the trading conducted by firms/corporate entities in which the Directors hold twenty percent or more beneficial interest or hold a controlling interest.

12. Reviewing the fees and charges levied by a Clearing Corporation.

13. Monitoring implementation of SECC Regulations and other applicable rules and regulations along-with SEBI Circulars and other directions issued thereunder.

14. Review compliance with the provisions of circular dated March 03, 2021 relating to Code of Conduct & Institutional mechanism for prevention of Fraud or Market abuse and verify that the systems for internal control are adequate and are operating effectively.

15. Conduct enquiry / investigation against the designated persons and immediate relatives of designated persons with consideration of avoidance of conflict of interest, if any, so as to ensure maximum fairness and transparency.

(ii) Composition of the Committee as on March 31, 2024:

Sr. No.	Name of Members	Designation
1	Mr. Srinivas Petluri	Chairperson
2	Ms. Kemisha Soni	Member
3	Mr. Ganesh Kumar	Member
4	Mr. Shamanna Balasubramanya	Member*

* Independent External Person.

(iii) Number of Regulatory Oversight Committee Meetings held and the dates on which such Meetings were held:

The Regulatory Oversight Committee met 4 (Four) times during the year under review. The Meetings were held on the following dates:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
i.	May 26, 2023	ii.	August 22, 2023
iii.	November 28, 2023	iv.	February 08, 2024

5. Investment Committee:

(i) Terms of Reference:

1. Formulate an investment policy of the Company that shall be approved by the Board of directors. Any exception to the policy should be brought to the notice of the Committee in the subsequent meeting.

2. To review various types of insurance covers taken by the Company and its Warehouse service Providers for goods stored in MCXCCL accredited warehouses.

(ii) Composition of the Committee as on March 31, 2024:

Sr. No.	Name of Members	Designation
1	Mr. Prafulla Chhajed	Chairperson
2	Ms. Kemisha Soni	Member
3	Mr. Mohan Shenoi	Member
4	Mr. Narendra Kumar Ahlawat	Member

(iii) Number of Investment Committee Meetings held and the dates on which such Meetings were held:

The Investment Committee met 5 (Five) times during the year under review. The Meetings were held on the following dates:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
i.	April 20, 2023	ii.	June 15, 2023
iii.	August 17, 2023	iv.	October 31,2023
v.	March 06, 2024		

6. Advisory Committee:

(i) Terms of Reference:

Advise the Governing Board on non-regulatory and operational matters including product design, technology, charges and levies.

(ii) Composition of the Committee as on March 31, 2024:

Sr. No.	Name of Members	Designation
1	Mr. Prafulla Chhajed	Head of the Committee
2	Orbis Financial Corporation Limited	Clearing Member
3	Globe Commodities Limited	Clearing Member
4	Open Futures & Commodities Private Limited	Clearing Member
5	SMC Comtrade Limited	Clearing Member
6	Sharekhan Comtrade Private Limited	Clearing Member
7	Goyal Securities	Clearing Member
8	East India Commodities Private Limited	Clearing Member
9	Acumen Capital Market (India) Limited	Clearing Member
10	ICICI Bank Limited	Clearing Member
11	Kotak Securities Limited	Clearing Member

(iii) Number of Advisory Committee Meetings held and the dates on which such Meetings were held:

The Advisory Committee met 4 (Four) times during the year under review. The Meetings were held on the following dates:

Sr. No.	Date of Meeting	Sr. No.	Date of Meeting
i.	April 11, 2023	ii.	August 21, 2023
iii.	November 17, 2023	iv.	March 22, 2024

4. General Body Meetings:

The details of the previous three Annual General Meetings of the Company are as follows:

Financial Year	Location	Day & Date	Time	Details of Special Resolution passed
2022-23	Held through video Conference / other audio-visual means. Deemed venue was Exchange Square, CTS No. 255, Suren Road, Andheri (East), Mumbai 400093.	Friday, September 22, 2023	4.00 pm	No Special resolutions were passed.

Financial Year	Location	Day & Date	Time	Details of Special Resolution passed
2021-22	Held through video Conference / other audio-visual means. Deemed venue was Exchange Square, CTS No. 255, Suren Road, Andheri (East), Mumbai 400093.	Monday, September 12, 2022	4.00 pm	No Special resolutions were passed.
2020-21	Held through video Conference / other audio-visual means. Deemed venue was Exchange Square, CTS No. 255, Suren Road, Andheri (East), Mumbai 400093.	Friday, August 27, 2021	4:00 pm	1 (one) Special resolution was passed at the AGM which was as follows: (1) Approval of appointment of Mr. Narendra Kumar Ahlawat (DIN: 07629724) as the Managing Director and Chief Executive Officer (MD & CEO) of the Company and approval of remuneration payable to him

- Resolution passed through postal ballot:

  During the year under review, the Company did not pass any resolution through postal ballot as the requirement of passing any resolution by postal ballot is not applicable to the Company, since the number of shareholders of the Company is less than 200.

- Extra-ordinary General Meeting (EGM):

  During the year under review, the Company conducted 2 (Two) EGMs, the details of which are as follows:

Financial Year	Location	Day & Date	Time	Details of Resolution passed in the EGM
2023-24	Held through video Conference / other audio-visual means.	Friday, September 29, 2023	4.30 pm	1 Ordinary resolution was passed at the EGM which was as follows: (1) Appointment of Mr. Manoj Kumar Jain (DIN: 09694205)

	Deemed venue was Exchange Square, CTS No. 255, Suren Road, Andheri (East), Mumbai 400093			as a Non-Independent Director
		Thursday. March 07, 2024	3.05 pm	1 Special resolution was passed at the EGM which was as follows: (1) To approve revision in the terms and components of remuneration of Mr. Narendra Kumar Ahlawat, Managing Director & Chief Executive Officer ('MD & CEO') (DIN: 07629724):

5. Means of Communication:

The quarterly, half-yearly and annual results of the Company are generally published in the newspapers viz. Financial Express – an English daily newspaper with circulation in the whole or substantially the whole of India and Loksatta, a Marathi daily newspaper.

The financial results, shareholding pattern, annual reports etc. are uploaded on the website of the Company at https://www.mcxccl.com.

Significant events, if any, during the financial year are reported on the website of the Company viz. https://www.mcxccl.com from time to time. The Company's website provides information on Membership, Clearing & Settlement, Risk Management, Delivery, Warehousing Operations, SPOT, Disclosures, legal framework etc.

No presentations were made to institutional investors or to the analysts during the year under review.

6. Disclosures:

(a) Disclosures on materially significant related party transactions:

A detailed note on related party transactions is provided in the Director's Report. Details of material contracts or arrangements or transactions at arm's length basis forms part of **Annexure I** to the Director's Report. The transactions with related parties have been disclosed in Note no. 33 of the Notes to the Financial Statements of your Company.

Further, the Related Party Transactions Policy of the Company is available on the website of the Company at https://www.mcxccl.com/docs/librariesprovider2/disclosures/other-disclosures/policy-on-related-party-transactions7fe21b4857fb64e3bdfdff00007acb35.pdf?sfvrsn=bb197f9e_2

(b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

There were no instances of non- compliance by the Company, penalties or strictures imposed by SEBI or any statutory authority, on any matter related to the capital markets during the last three years. However, there was a routine inspection carried out by SEBI during the year wherein it had raised certain observations. MCXCCL is taking corrective action thereon.

Due to a technical glitch, on February 13, 2024, the market started at 1:00 p.m. Due to the same and pursuant to the provisions of SEBI circular No. SEBI/HO/MRD1/DTCS/CIR/P/2021/590 dated July 5, 2021, a financial disincentive of ₹. 1 crore was credited by the Company to the Settlement Guarantee Fund on May 13, 2024.

Upon examining the issues related to the contracts executed with software vendors, SEBI issued a Show Cause Notice ('SCN') dated October 16, 2023, to MCX, four of its Key Management Personnel ('KMPs'), MCXCCL and one of its KMP. The SCN alleges that the management of both MCX and MCXCCL failed to implement the SEBI circular dated September 13, 2017. MCX, MCXCCL and the concerned KMPs have filed their responses to the SCN. Additionally, MCX, MCXCCL and respective KMPs have submitted settlement applications under the applicable SEBI regulations.

(c) Vigil Mechanism/Whistle Blower Policy:

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable Directors and employees to report, in good faith, genuine concerns or grievances about unethical behaviour, actual or suspected fraud or any instances of leak of unpublished price sensitive information or violation of the Company's Code of Conduct. The said mechanism ensures that the whistle blowers are protected against the victimisation/ any adverse action and/or discrimination as a result of such reporting. This Policy, *inter alia*, provides a direct access to the Chairperson of the Audit Committee. Further, in case of a complaint against the Chairperson of the Audit Committee, it provides a direct access to the Chairperson of the Board.

Your Company hereby affirms that no person has been denied access to the Audit Committee.

No complaints were received during the year under review. The Whistle Blower policy of the Company has been disclosed on the website of the Company at https://www.mcxccl.com/docs/librariesprovider2/disclosures/other-disclosures/whistle-blower-policy-v-5-0.pdf?sfvrsn=e15d4d9e_2

(d) Management Discussion & Analysis Report:

The Management Discussion & Analysis Report forms part of this Annual Report.

(e) Compliance with mandatory requirements and adoption of the non-mandatory requirements:

- Mandatory Requirements:

  The Company has complied with all mandatory requirements of Corporate Governance report as mentioned in Listing Regulations, 2015.

- Non-Mandatory Requirements:

  Shareholder Rights

  The Quarterly, Half-Yearly and Annual financials are uploaded on the website of the Company and are available to all the shareholders.

  Modified opinion(s) in audit report

  The Auditors' Report on statutory financial statements of the Company is unmodified.

  Reporting of Internal Auditor

  The Internal auditor of the Company directly reports to the Audit Committee.

  Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

  As on March 31, 2024, Mr. Prafulla Chhajed, Non-Executive, PID is Chairperson and Mr. Narendra Kumar Ahlawat, Executive, Non-Independent Director is MD & CEO of your Company. Further, the Chairperson is not related to the MD & CEO of your Company as per the term "relative" defined under the Companies Act, 2013.

(f) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 of Listing Regulations, 2015:

The Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32 of the Listing Regulations, 2015 during the year under review.

(g) Non-Convertible Securities:

The Company has not issued or listed any non-convertible securities during the year under review.

(h) Certification from Practicing Company Secretary:

The Company has obtained a certificate from a Practicing Company Secretary under the Listing Regulations, 2015, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as

Director of Companies, by SEBI / Ministry of Corporate Affairs or any such statutory authority during the year under review.

(i) Disclosure where the Board had not accepted any recommendation of any Committee of the Board during the year under review which was mandatorily required:

There were no such instances during the year under review.

(j) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

The details of the total fees paid to the statutory auditors, MSKA & Associates for the financial year under review are as follows:

Type of Service	FY 2023-24
Audit fees	₹ 5,50,000
Taxation fees	₹ 1,00,000
Certification fees	₹ 50,000

During the year under review, the Company did not have any subsidiaries and hence the aforesaid fees are for the services provided to the Company.

(k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars	Count
i.	Number of complaints as on April 1, 2023	0
ii.	Number of complaints filed/received during FY 2023- 24	0
iii.	Number of complaints disposed of during FY 2023- 24	0
iv.	Number of complaints pending as at March 31, 2024	0

(l) Disclosure on Compliance with Corporate Governance Requirements:

Your Company has complied with all the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Listing Regulations, 2015, wherever applicable to your Company during the year under review.

(m) Disclosure by the Company and its subsidiaries of 'Loans and advances' in the nature of loans to firms/companies in which Directors are interested by name and amount:

Your Company has not given any Loans and Advances in the nature of loans to firms/Companies in which Directors are interested. Further, during the year under review, your Company did not have a subsidiary.

(n) Disclosure of certain type of agreements binding listed entities:

As specified in Schedule III, Para A, Clause 5A of Listing Regulations, 2015, the company has not entered into any agreement impacting management or control of the Company or imposing any restriction or creating any liability upon the Company.

(o) Senior management:

The details of changes in the senior management are mentioned under Note no. 28 of Director's Report.

7. CEO & CFO Certification:

The certificate signed by the CEO and CFO in terms of Regulation 17(8) of the Listing Regulations, 2015 was placed before the Board of Directors at its Meeting held on April 23, 2024. The certificate forms part of this Annual report.

8. Practising Company Secretary's certificate on Corporate Governance:

The Practising Company Secretary's certificate regarding the compliance of conditions of Corporate Governance forms part of this Annual report.

9. Disclosure with respect to demat suspense account/unclaimed suspense account:

There are no Equity Shares in the demat suspense account/unclaimed suspense account.

10. Subsidiaries:

The Company does not have a subsidiary and hence no policy for determining 'Material Subsidiaries' has been formulated.

11. Go Green Initiative:

As a part of its green initiative, the Company has taken necessary steps to send the documents viz. notice of the General Meeting, Annual Report, etc. at the registered email addresses of the shareholders.

12. General Shareholders Information:

Day, Date and Time of Annual General Meeting for the FY 2024	Thursday, September 12, 2024 at 4.00 p.m.
Venue of the AGM	Meeting through Video Conferencing mode/Other Audio-Visual Means. Deemed venue is the Registered Office of the Company i.e. Exchange Square, CTS No. 255, Suren Road, Andheri (East), Mumbai 400093.

Financial Year	April 1, 2023 to March 31, 2024
Book Closure Date	Not Applicable
Dividend Payment Date	The Board of Directors has not recommended any dividend for the financial year ended March 31, 2024.
The name and address of each stock exchange(s) at which the Company's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s).	The Company is not listed on any Stock Exchange.
Stock Code	Not Applicable
Market price data- high, low during each month in last financial year	Not Applicable
Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.	Not Applicable
In case the securities are suspended from trading, the Directors report shall explain the reason thereof	Not Applicable
Registrar and Share Transfer Agent	KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) Selenium Building, Tower - B, Plot No. 31 & 32, Financial District, Nanakramguda Serilingampally, Hyderabad- 500032, Rangareddi, Telangana, India. Tel: 1-800-309-4001 Email: einward.ris@kfintech.com Website: https://www.kfintech.com https://ris.kfintech.com/
Share Transfer System and ISIN	Pursuant to Regulation 46 of SECC Regulations, 2018, the securities have been admitted in the Depository system of Central Depository Services (India) Limited and the ISIN INE00Q801016 has been activated. Further, the ISIN has been marked frozen for all debits for the purpose of ensuring

	compliance of the provisions of SECC Regulations, 2018. The shareholders are requested to get their physical shares dematerialised. In terms of Regulation 46 of SECC Regulations, 2018, any rematerialisation request shall not be accepted by the Company.
Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	During the year under review and as on March 31, 2024, the Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.
Commodity price risk or foreign exchange risk and hedging activities	Not applicable
Company operations are located at	Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai - 400 093 and at Gift City, Gujarat at Unit No - 1&2, 17th Floor, GIFT ONE Tower, 5C Road, Zone 5, Gift City, Gandhinagar, Gujarat - 382355, India
Plant Locations	Not Applicable
Address for Correspondence	Registered Office: Exchange Square, CTS No. 255, Suren Road, Andheri (East), Mumbai 400093, Maharashtra, India Tel: +91-22-6864 6000/5095 6000 Fax: +91-22- 6649 4151
Depository for Equity Shares	Central Depository Services (India) Limited (CDSL)
Corporate Identification Number (CIN) of the Company	U74999MH2008PLC185349
List of all Credit ratings obtained by the Company along with any revisions thereto during the relevant Financial Year for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal involving mobilization of funds, whether in India or abroad.	The Company has neither issued any debt instrument nor taken any fixed deposit in the financial year 2023-24. However, the Company has obtained a credit rating on the general credit worthiness of the Company from CARE Ratings Limited. CARE Ratings Limited has reaffirmed CARE AA+ rating to the Company. [Double A Plus; Outlook: Stable]

13. Unclaimed Dividend:

The Company has not paid any dividend till date.

14. Dematerialisation of Shares:

The distribution of shareholding in physical & demat mode as on March 31, 2024 is given below:

Category	Number of Shareholders	Total Shares of ₹ 10 each	% of equity
Physical	6	6*	0.000003
Demat	1	239,984,994	99.999997
Total		**239,985,000**	**100**

* *6 Individuals hold 1 (one) equity share of ₹ 10/- each jointly with MCX.*

15. Distribution of Shareholding:

Sr. No.	Range of Shares	Shareholders		Shares held (F.V. – ₹ 10/- each)	
		No. of holders	% of Total	No. of Shares	% of Total
1	1-5,000	6*	85.714286	6*	0.000003
2	1,00,001 & above	1	14.285714	239,984,994	99.999997
Total		**7**	**100.00**	**239,985,000**	**100**

* *6 Individuals hold 1 (one) equity share of ₹ 10/- each jointly with MCX.*

16. Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out, on a quarterly basis, Reconciliation of Share Capital Audit to reconcile the total admitted capital with CDSL and the total issued capital. The report thereon is available on the website of the Company. Based on the audit report, it is certified/confirmed that the total issued/paid-up capital is in agreement with the total number of shares held in physical form and the total number of dematerialised shares held with CDSL.

CEO & CFO CERTIFICATION FOR THE FY 2023-24

April 23, 2024

The Board of Directors
Multi Commodity Exchange Clearing Corporation Limited
3rd Floor, Exchange Square, CTS No. 255,
Suren Road, Andheri – East
Mumbai – 400 093

We, Narendra Ahlawat, Managing Director & Chief Executive Officer and Rajesh Kumar Agrawal, Chief Financial Officer of Multi Commodity Exchange Clearing Corporation Limited, certify that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2024 and to the best of our knowledge and belief, subject to Emphasis of Matter highlighted by the Statutory Auditors in their even dated report read along with the notes to accounts in the financial statements.

(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, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

(c) We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the year;
(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
(iii) 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.

The aforesaid are subject to the matters that have been highlighted by the Statutory Auditors in their report giving Emphasis of Matter, read along with the notes to accounts in the financial statements.

For **Multi Commodity Exchange Clearing Corporation Limited**

Narendra Kumar Ahlawat
MD & CEO
DIN: 07629724
Place: Mumbai

Rajesh Kumar Agrawal
Chief Financial Officer

Place: Mumbai

DECLARATION BY CHIEF EXECUTIVE OFFICER UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF COMPLIANCE WITH COMPANY'S CODE OF CONDUCT

This is to confirm that the members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended March 31, 2024.

For **Multi Commodity Exchange Clearing Corporation Limited**

Narendra Kumar Ahlawat
MD & CEO
DIN: 07629724
Place: Mumbai
Date: July 26, 2024

Anil V. Mayekar
Ketki M. Save
Jatin P. Patil
Sagar P. Mehendale

MAYEKAR & ASSOCIATES

605 - Jai Kirti Apartment, 76 Turel Pakhadi Road, Malad (west), Liberty Garden Rd. No. 2, Mumbai 64. Tel: +91-022-35670702 Email: office@csmayekar.com

Practising Company Secretaries' Certificate on Corporate Governance

To
The Members of
Multi Commodity Exchange Clearing Corporation Limited

We have examined the compliance of the conditions of Corporate Governance by **Multi Commodity Exchange Clearing Corporation Limited (CIN – U74999MH2008PLC185349)** (hereinafter referred to as **"the Company"**) for the year ended March 31, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) 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 (hereinafter referred to as "**SEBI LODR, 2015"**) which has been made applicable to the Company pursuant to Regulation 33 of Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as **"SECC Regulations").**

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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 the explanations given to us, representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID−19 pandemic, we certify that the Company had complied with the conditions of Corporate Governance as stipulated in the SEBI LODR, 2015 for the year ended March 31, 2024.

We further state that such compliance 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 Mayekar Associates
Company Secretaries
Firm Registration Number: P2005MH007400
PR Certificate No: 4385/2023

Jatin Prabhakar Patil
FCS No: 7282/ COP. No.: 7954
Date: July 26, 2024
Place: Mumbai

UDIN: F007282F000874632
Date: August 01, 2024

Anil V. Mayekar
Ketki M. Save
Jatin P. Patil
Sagar P. Mehendale

MAYEKAR & ASSOCIATES

605 - Jai Kirti Apartment, 76 Turel Pakhadi Road, Malad (west), Liberty Garden Rd. No. 2, Mumbai 64. Tel: +91-022-35670702 Email: office@csmayekar.com

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
Multi Commodity Exchange Clearing Corporation Limited

We have examined the relevant registers, forms & disclosures received from the Directors, records and returns maintained by **Multi Commodity Exchange Clearing Corporation Limited** having Corporate Identification Number: **U74999MH2008PLC185349** and having registered office at **Exchange Square, CTS 255, Suren Road, Andheri (East) Mumbai - 400093** (hereinafter referred to as "**the Company**"), produced before us 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 knowledge and according to the verifications (including Director Identification Number (hereinafter referred to as **"DIN"**) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors as stated below on the Board of the Company as on March 31, 2024 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 other statutory authority.

Sr. No.	Name of Directors	DIN	Date of Appointment in Company*
1.	Mr. Narendra Kumar Ahlawat	07629724	April 01, 2018
2.	Mr. Mohan Narayan Shenoi	01603606	March 8, 2023
3.	Mr. Manoj Kumar Jain	09694205	January 18,2024
4.	Mr. Srinivas Petluri	02836590	December 11,2023
5.	Mr. Prafulla Premsukh Chhajed	03544734	December 11,2023
6.	Ms. Kemisha Soni	06805708	December 11,2023
7.	Mr. Ganesh Kumar Sundara Iyer	07635860	February 22,2024

****The date of appointment in the Company is as per signatory details available on the website of the Ministry of Corporate Affairs.***

For Mayekar Associates
Company Secretaries
Firm Registration Number: P2005MH007400
PR Certificate No: 4385/2023

Jatin Prabhakar Patil
FCS No: 7282/ COP. No.: 7954
Date: July 26, 2024
Place: Mumbai

UDIN: F007282F000874676
Date: August 01, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of **Multi Commodity Exchange Clearing Corporation Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Multi Commodity Exchange Clearing Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the financial statements and our auditor's report thereon. The Director's report has not been made available to us.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 with reference to financial statements 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 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 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 financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) 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.

(c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(g) 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 does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv.

a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility.

Further, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Prateek Khandelwal
Partner
Membership Number: 139144
UDIN: 24139144BKGFEH3788

Mumbai
April 23, 2024

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a)

A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) All the Property, Plant and Equipment and right-of-use of assets have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the provisions stated under clause 3(i)(c) of the Order are not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii.

(a) The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated in paragraph 3(ii)(a) of the Order are not applicable to the Company.

(b) The Company has been sanctioned the working capital limits in excess of Rs. 5 crores in aggregate from Banks on the basis of security of current assets. However, according to the information and explanation provided to us there is no requirement of filing the quarterly return/statement as this is an overdraft facility against the Fixed Deposits of the company.

iii.

(a) According to the information and explanations provided to us, the Company has not provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under paragraph 3(iii)(a) and 3(iii) (c) to (f) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made are not prejudicial to the interest of the Company. Further, the Company has not provided any guarantees or securities or grant of loans and advances, in the nature of loans and guarantees.

iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the provisions stated under clause 3(v) of the Order is not applicable to the Company.

vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/services of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, cess, and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income tax, cess and any other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

ix.

(a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the provision stated under clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.

(e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, reporting under Clause 3(ix)(e) of the order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.

x.

(a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.

xi.

(a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

(b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the

information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv.

(a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports of the Company issued till the date of our audit report, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act in clause 3(xv) of the Order is not applicable to the Company.

xvi.

(a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated under clause 3(xvi)(a) and (b) of the Order are not applicable to the Company.

(b) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.

(c) The Company does not have any CIC as a part of its group. Accordingly, the provisions stated under clause 3 (xvi)(d) of the Order are not applicable to the Company.

xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3 (xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Act or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII to the Act. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.

xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under Clause 3(xxi) of the Order is not applicable.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Prateek Khandelwal
Partner
Membership Number: 139144
UDIN**:** 24139144BKGFEH3788

Mumbai
April 23, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Multi Commodity Exchange Clearing Corporation Limited on the Financial Statements for the year ended March 31, 2024]

Report on the Internal Financial Controls 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 with reference to financial statements of Multi Commodity Exchange Clearing Corporation Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements 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) (the "Guidance Note").

Management's and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 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 Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls With reference to Financial Statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Prateek Khandelwal
Partner
Membership No.139144
UDIN: 24139144BKGFEH3788

Mumbai
April 23, 2024

Multi Commodity Exchange Clearing Corporation Limited
Balance Sheet as at March 31, 2024

Rs. in lakh

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	2A	16	24
(b) Capital work in progress	2B	-	-
(c) Right to use assets	2C	303	517
(d) Intangible assets	3A	598	514
(e) Intangible assets under development	3B	30	20
(f) Financial assets:			
(i) Other non-current financial assets	4	81,784	14,402
(g) Income tax assets (net)	5	631	385
(h) Other non-current assets	6	1	-
Total Non-current assets		**83,363**	**15,862**
(2) Current assets			
(a) Financial assets:			
(i) Investments	7	2,507	7,406
(ii) Trade receivables	8	1,091	657
(iii) Cash and cash equivalents	9	17,935	18,068
(iv) Bank balances (other than cash and cash equivalents (iii) above)	10	76,931	98,352
(v) Others current financial assets	11	3,496	4,041
(b) Other current assets	12	590	59
Total current assets		**102,550**	**128,583**
Total Assets		**185,913**	**144,445**
Equity and liabilities			
(1) Equity			
(a) Equity share capital	13	23,999	23,999
(b) Other equity	14	(16,868)	(11,604)
Total equity		**7,131**	**12,395**
(2) Core Settlement Guarantee Fund (Core SGF)	15	78,056	58,976
Liabilities:			
(3) Non-current liabilities			
(a) Financial liabilities:			
(a) Other non-current financial liabilities	16	221	167
(ia) Non- current lease liabilities	16(a)	98	321
(b) Non- current provisions	17	53	48
Total non-current liabilities		**372**	**536**
(4) Current liabilities			
(a) Financial liabilities:			
(i) Trade payables:			
Total outstanding dues of micro enterprises and small enterprises		11	3
Total outstanding dues of creditors other than micro enterprises and small enterprises		616	165
(ia) Current lease liabilities	18(a)	223	207
(ii) Other current financial liabilities	18	98,350	70,606
(b) Other current liabilities	20	1,107	1,511
(c) Current provisions	19	47	46
Total current liabilities		**100,354**	**72,538**
Total liabilities		**178,782**	**132,050**
Total equity and liabilities		**185,913**	**144,445**
Summary of material accounting policies	1		
See accompanying notes to the financial statements.	1-44		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

Prateek Khandelwal
Partner
Membership Number: 139144

Mumbai
April 23, 2024

For and on behalf of the Board of Directors

Narendra Kumar Ahlawat
Managing Director & CEO
DIN : 07629724

Prafulla Chhajed
Chairman
DIN : 03544734

Kemisha Soni
Director
DIN : 06805708

Mandar Kulkarni
Company Secretary

Rajesh Kumar Agrawal
Chief Financial Officer

Mumbai
April 23, 2024

Multi Commodity Exchange Clearing Corporation Limited

Statement of profit and loss for the year ended March 31, 2024

Rs. in Lakh unless otherwise stated

	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	**Income**			
	Revenue from operations	21	16,736	11,759
	Other income	22	148	54
	Total Income		**16,884**	**11,813**
II	**Expenses**			
	Employee benefits expense	23	2,299	1,720
	Finance costs	24	37	32
	Depreciation and amortization expense	2A, 3A	367	330
	Software support charges	25	8,709	5,594
	Computer technology and communication expenses	26	1,238	914
	Other expenses	27	952	813
	Total expenses		**13,602**	**9,403**
III	**Profit before tax (I-II)**		**3,282**	**2,410**
IV	**Tax expenses**			
	Current tax	29	(11)	(7)
	Excess/(short) provision for tax relating to previous years	29	(12)	(1)
	Deferred tax	29	-	-
V	**Profit after tax (III-IV)**		**3,259**	**2,402**
VI	**Other Comprehensive Income**			
	Items that will be reclassified to profit or loss (net of tax)			
	Remeasurement of employee benefits obligations		(17)	(2)
VII	**Total Comprehensive Income for the year (V-VI)**		**3,242**	**2,400**
VIII	**Earnings per equity share (of Rs. 10/- each)**	31		
	Basic and diluted earnings per share (in Rs.)		1.36	1.00
Summary of material accounting policies		1		
See accompanying notes to the financial statements.		1-44		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

Prateek Khandelwal
Partner
Membership Number: 139144

Mumbai
April 23, 2024

For and on behalf of the Board of Directors

Narendra Kumar Ahlawat
Managing Director & CEO
DIN : 07629724

Prafulla Chhajed
Chairman
DIN : 03544734

Kemisha Soni
Director
DIN : 06805708

Mandar Kulkarni
Company Secretary

Rajesh Kumar Agrawal
Chief Financial Officer

Mumbai
April 23, 2024

Multi Commodity Exchange Clearing Corporation Limited

Statement of changes in equity for the year ended March 31, 2024

Rs. in lakh

Particulars	Equity Share Capital (A)	Other Equity (B)
As at April 01, 2022	**23,999**	**(13,682)**
Profit for the year	-	2,400
Equity shares issued during the year	-	-
Transfer to Core Settlement Guarantee Fund (refer note 37)	-	(322)
As at March 31, 2023	**23,999**	**(11,604)**
Profit for the year	-	3,242
Equity shares issued during the year	-	-
Transfer to Core Settlement Guarantee Fund (refer note 37)	-	(8,506)
As at March 31, 2024	**23,999**	**(16,868)**

As per our report of even date attached.

For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

Prateek Khandelwal
Partner
Membership Number: 139144

Mumbai
April 23, 2024

For and on behalf of the Board of Directors

Narendra Kumar Ahlawat
Managing Director & CEO
DIN : 07629724

Prafulla Chhajed
Chairman
DIN : 03544734

Kemisha Soni
Director
DIN : 06805708

Mandar Kulkarni
Company Secretary

Rajesh Kumar Agrawal
Chief Financial Officer

Mumbai
April 23, 2024

Multi Commodity Exchange Clearing Corporation Limited

Cash Flow Statement for the year ended March 31, 2024

Rs. in lakh

	Particulars	Year ended			
		March 31, 2024		March 31, 2023	
A	**Cash flow from operating activities**				
	Profit before exceptional items and tax		**3,282**		**2,410**
	Adjustments for:				
	Depreciation and amortisation expense	367		330	
	Finance costs	37		32	
	Gain on fair value of investments	(7)		(46)	
	Remeasurement of employee benefits	(17)		(2)	
	Excess provision written back	(99)		(21)	
			281		**293**
	Operating profit before working capital changes		**3,563**		**2,703**
	Changes in working capital				
	Adjustments for (increase) / decrease in assets				
	Other financial assets (non current)	(3,124)		985	
	Other non-current assets	(1)		-	
	Trade receivables	(434)		22	
	Other financial assets (current)	545		1,258	
	Other current assets	(531)		(26)	
	Adjustment for increase in Core Settlement Guarantee Fund (Core SGF)	19,080		6,740	
	Additional contribution to Core Settlement Guarantee Fund (Core SGF)	(8,506)		(323)	
	Adjustments for increase / (decrease) in liabilities				
	Other non-current financial liabilities	54		22	
	Non - current provisions	5		(4)	
	Trade payables	459		(2)	
	Other financial liabilities	27,843		11,424	
	Other current liabilities	(404)		(582)	
	Current provisions	1		10	
			34,987		**19,524**
	Cash generated from operations		**38,550**		**22,227**
	Net income tax paid (net of refunds)		(270)		1,067
	Net cash generated from operating activities		**38,280**		**23,294**
B	**Cash flow from investing activities**				
	Capital expenditure on fixed assets		(239)		(547)
	(Purchase)/Sale of current investment		4,906		(7,406)
	Investment in term deposits		(42,837)		(10,543)
	Net cash flow used from investing activities		**(38,170)**		**(18,496)**
C	**Cash flow from financing activities**				
	Finance cost paid		(37)		(32)
	Payment of lease liabilities		(206)		(178)
	Net cash flow used in financing activities		**(243)**		**(210)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(133)**		**4,588**
	Cash and cash equivalents at the beginning of the year		18,068		13,480
	Cash and cash equivalents at the end of the year		**17,935**		**18,068**

Note to Cash Flow Statement:

1 The cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".

As per our report of even date attached

For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

For and on behalf of the Board of Directors

Prateek Khandelwal
Partner
Membership Number: 139144

Narendra Kumar Ahlawat
Managing Director & CEO
DIN : 07629724

Prafulla Chhajed
Chairman
DIN : 03544734

Kemisha Soni
Director
DIN : 06805708

Mandar Kulkarni
Company Secretary

Rajesh Kumar Agrawal
Chief Financial Officer

Mumbai
April 23, 2024

Mumbai
April 23, 2024

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements

1. Company Overview and Material Accounting Policies, Key accounting estimates and Judgements:

Multi Commodity Exchange Clearing Corporation Limited (MCX CCL) is a fully owned subsidiary of Multi Commodity Exchange of India Limited (MCX) incorporated on 01st August, 2008 under the provisions of the Companies Act, 2013. The Company has its registered office at 'Exchange Square', Suren Road, Chakala, Andheri (East), Mumbai 400093, India. The Company is primarily engaged in the business of providing Clearing and Settlement of contracts traded on the platform of MCX.

1.1 Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

1.2 Material Accounting Policies

A. Property, plant and equipment

Property, plant and equipment are stated at original cost, less accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Depreciation methods, estimated useful lives and residual value:
Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

Asset Class	Useful Life	Useful Life as per Companies Act
Vehicles	5 years	5 years
Furniture and fixtures	10 years	10 years
Computer Hardware	3-6 years	3-6 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end.

The Company, based on management estimate, depreciates certain items over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised.

B. Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the Company 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 and are carried at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed at each financial year end.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives, as follows:

Asset Class	**Useful Life**
Computer software	5 years

At each balance sheet date consideration is given to determine whether there is any indication of impairment of the carrying amounts of the Company's intangible assets. If indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized in the Statement of Profit and Loss whenever the carrying amount of an asset exceeds its recoverable amount.

C. 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 to 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.

D. Revenue Recognition

Revenue is recognized on accrual basis and when no significant uncertainty as to measurement and realization exists.

a) Clearing and Settlement charges, are recognized on accrual basis as and when the services are rendered
b) Subscription and other fees – Revenue is recognized on straight line basis over the period to which fee relates.
c) Dividend income is recognized when the Company's right to receive dividend is established.
d) Warehouse income is recognized on accrual basis.
e) Interest income accrued on time proportion basis.

E. Income taxes

Income tax expense comprises current and deferred income tax. Current income tax for taxable profit before tax as reported in the Statement of Profit and Loss for the periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.
Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized in other comprehensive income.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. Deferred tax relating to items recognized outside the statement of profit and loss are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

F. Impairment of non-financial assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired, if such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

G. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events, when the probability of outflow of resources is remote.

Provisions and contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

H. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, short-term deposits with a maturity of three months or less from the date of acquisition, which are subject to an insignificant risk of changes in value.

I. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

J. Financial Instruments

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:

The Company measures its financial assets at fair value at each balance sheet date. 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.

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)

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.

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.

However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss and fair value changes are recognized in Other Comprehensive Income (OCI).

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.

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

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument.

All non-current financial liabilities of the Company are 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.

K. Employee Benefits Expenses

a) Post-employment benefits and other long-term benefits

Payments to defined contribution schemes are recognized as an expense when employees have rendered the service entitling them to the contribution. The cost of providing benefits under the defined benefit scheme is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation.

The company recognizes re-measurement gains and losses arising on defined benefit gratuity plans in Other Comprehensive Income (OCI) as they will never be reclassified into profit or loss, they are immediately recorded in retained earnings.

b) Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and performance incentives.

L. Core Settlement Guarantee Funds

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014 every recognized clearing corporation shall establish and maintain a Fund to guarantee the settlement of trades executed in the exchange. The Clearing Corporation shall have a fund called Core SGF to guarantee the settlement of trades executed in the respective segment of the Stock Exchange. In the event of a clearing 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 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 letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018. Penalties and fines levied by the Company are transferred to Core SGF as Other Contributions.

M. Functional currency

Items included in the financial statements 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 rupee (INR), which is the Company's functional and presentation currency.

N. Earnings per share

Basic earnings per share are computed by dividing the profit after tax available to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

O. Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.3. Key accounting estimates and Judgments

The preparation of the Company's financial statements requires the management to make judgements, 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 judgements 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.

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.

Property, Plant and Equipment

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.

Fair value measurement of financial instruments

When the fair values of financials 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 judgements 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 judgement 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.

Leases

The Company, as a lessee, recognizes a right-of-use (ROU) asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. ROU assets and lease liabilities are initially recognised based on the present value of the future lease payments over the lease term. The discount rate used in determining the present value is the Company's incremental borrowing rate. The ROU asset also includes any prepaid lease payments and initial direct costs incurred and are reduced to reflect lease incentives received. The interest on lease liabilities is accrued at a constant periodic rate of interest on the remaining balance of the lease liability. The lease liability is re-measured if the Company changes its assessment of whether it will exercise an extension or termination option or undertakes certain modifications of the lease. The ROU asset is depreciated on a straight line basis from the lease commencement date to the earlier of the end of its useful life or the end of the lease term. Depreciation of ROU assets is presented within 'Depreciation and Amortization'. In addition, the ROU asset is tested for impairment losses where there is an impairment event.

The Company evaluates contracts greater than one year to determine whether they contain lease components at inception. Where contracts contain both lease and non-lease components, they are accounted for as a single lease. The Company has made certain judgments and elected certain practical expedients while applying the standard.

The Company presents ROU assets as a separate line item under Non-current assets and lease liabilities within the 'Other Current Financial Liabilities' line of the Balance sheet.

Round Off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

2A. Property, plant and equipment

Rs. in lakh

Particulars	Furniture and Fixtures	Office Equipment	Vehicles	Computer Hardware	Total
Gross carrying amount:					
Balance as at April 01, 2022	**0**	**0**	**37**	**13**	**50**
Additions	-	1	-	3	4
Disposals	-	-	(9)	-	(9)
Balance as at March 31, 2023	**0**	**1**	**28**	**16**	**45**
Additions	-	-	-	6	6
Disposals	-	-	-	(7)	(7)
Balance as at March 31, 2024	**0**	**1**	**28**	**15**	**44**
Accumulated Depreciation:					
Balance as at April 01, 2022	**0**	**0**	**18**	**3**	**21**
Additions	0	0	5	4	9
Disposals	-	-	(9)	-	(9)
Balance as at March 31, 2023	**0**	**0**	**14**	**7**	**21**
Additions	0	0	4	10	14
Disposals	-	-	-	(7)	(7)
Balance as at March 31, 2024	**0**	**0**	**18**	**10**	**28**
Net carrying amount:					
Balance as at March 31, 2023	**0**	**1**	**14**	**9**	**24**
Balance as at March 31, 2024	**0**	**1**	**10**	**5**	**16**

Note :- 2B - Capital work in progress **Rs. in lakh**

Balance as at March 31, 2023	-	-	-	-	**-**
Balance as at March 31, 2024	-	-	-	-	**-**

Ageing Schedule **Rs. in lakh**

Capital work in progress	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

2C. Right to use asset (Refer note 30)

Rs. in lakh

Particulars	Lease	Total
Gross carrying amount:		
Balance as at April 01, 2022	**446**	**446**
Additions	641	641
Disposals	(446)	(446)
Balance as at March 31, 2023	**641**	**641**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2024	**641**	**641**
Accumulated Depreciation:		
Balance as at April 01, 2022	**353**	**353**
Additions	218	218
Disposals	(446)	(446)
Balance as at March 31, 2023	**125**	**125**
Additions	214	214
Disposals	-	-
Balance as at March 31, 2024	**338**	**338**
Net carrying amount:		
Balance as at March 31, 2023	**517**	**517**
Balance as at March 31, 2024	**303**	**303**

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

3A. Intangible assets

Rs. in lakh

Particulars	Computer Software	Total
Gross carrying amount:		
Balance as at April 01, 2022	**492**	**492**
Additions	259	259
Disposals	-	-
Balance as at March 31, 2023	**751**	**751**
Additions	224	224
Disposals	-	-
Balance as at March 31, 2024	**975**	**975**
Accumulated Depreciation:		
Balance as at April 01, 2022	**133**	**133**
Additions	104	104
Disposals	-	
Balance as at March 31, 2023	**237**	**237**
Additions	140	140
Disposals	-	-
Balance as at March 31, 2024	**377**	**377**
Net carrying amount:	-	-
Balance as at March 31, 2023	**514**	**514**
Balance as at March 31, 2024	**598**	**598**

Note :- 3B - Intangible assets under development: **Rs. in lakh**

Balance as at March 31, 2023	**20**	**20**
Balance as at March 31, 2024	**30**	**30**

Ageing for Intangible assets under development is as follows: **Rs. in lakh**

Intangible asset under development	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress as at March 31, 2023	20	-	**20**
Projects in progress as at March 31, 2024	30	-	**30**

Completion schedule is as follows: **Rs. in lakh**

Intangible asset under development	To be completed in		
	Less than 1 year	1-2 years	Total
Projects in progress as at March 31, 2023	20	-	**20**
Projects in progress as at March 31, 2024	30	-	**30**

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

4. Non current - other financial assets

Rs. in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good:		
Security deposits	55	62
Bank deposits with more than 12 months maturity*	78,581	14,323
Interest accrued but not due on fixed deposits#	3,148	18
Total	**81,784**	**14,402**

*Bank deposits include :

Deposits which are earmarked for Core Settlement Guarantee Fund Rs. 31,337 lakh (as at March 31, 2023: Rs. 11,823 lakh)

#Interest accrued on fixed deposits include :

Interest accrued on fixed deposits which are earmarked for Settlement Guarantee Fund Rs. 1,104 lakh (as at March 31, 2023: Rs. 17 lakh)

5. Income tax assets (net)

Rs. in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax [net of provision of Rs. 514 lakh (as at March 31, 2023 : Rs. 143 lakh)]*	631	385
Total	**631**	**385**

*includes TDS receivable on fixed deposit on SGF of Rs. 117 lakh (as at March 31, 2023: Rs. 194 lakh)

6. Other non-current assets

Rs. in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	1	-
Total	**1**	**-**

7. Current investments

Rs. in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Investment in mutual funds - FVTPL		
Unquoted Investments		
Nil (as at March 31, 2023: 10,59,723.512) units in Aditya Birla Sun Life Liquid Fund - Dir - Growth	-	3,848
Nil (as at March 31, 2023: 27,336.559) units in Nippon India Liquid Fund - Dir - Growth	-	1,505
Nil (as at March 31, 2023: 3,52,495.597) units in Nippon India Overnight Fund - Dir - Growth	-	424
Nil (as at March 31, 2023: 22,066.625) units in Kotak Liquid Fund - Dir - Growth	-	1,004
Nil (as at March 31, 2023: 16,937.712) units in UTI Liquid Cash Plan Direct Growth	-	625
66,339.772 (as at March 31, 2023: Nil) units in SBI Liquid Fund Direct Growth	2,507	-
Total	**2,507**	**7,406**
Aggregate amount of not listed not quoted Investments at Fair value	2,507	7,406
Aggregate amount of not listed not quoted Investments at cost	2,500	7,360
Aggregate amount of impairment in value of Investments	-	-

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

8. Trade receivables

Rs. in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Secured, considered good	367	-
Unsecured, considered good	724	657
Total	**1,091**	**657**

9. Cash and cash equivalents

Rs. in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- in current accounts*	17,935	18,068
Total	**17,935**	**18,068**

* Includes balance Rs. 66 lakh (Rs. 1 lakh as at March 31, 2023) in Core Settlement Guarantee Fund earmarked bank accounts

10. Bank balances (other than cash and cash equivalents)

Rs. in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Bank deposits with more than 3 months but less than 12 months maturity	76,931	98,352
Total	**76,931**	**98,352**

a) Bank deposits include deposits which are earmarked for Core Settlement Guarantee Fund Rs. 43,531 lakh (as at March 31, 2023: Rs. 44,520 lakh)

b) Deposits other than note (a) which are under lien with banks for overdraft facilities - Rs. 7,500 lakh (as at March 31, 2023: Rs. 11,695 lakh)

11. Current - other financial assets

Rs. in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
a) Secured, considered good		
Unbilled revenue	183	88
b) Unsecured, considered good (unless stated otherwise)		
Interest accrued but not due on fixed deposits*	3,313	3,953
Total	**3,496**	**4,041**

*Interest accrued on fixed deposits include :

Interest accrued on fixed deposits which are earmarked for Core Settlement Guarantee Fund Rs. 1,899 lakh (as at March 31, 2023: Rs. 2,421 lakh)

12. Other current assets

Rs. in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good (unless stated otherwise)		
Advances for supply of services other than capital advance	4	2
Prepaid expenses	10	37
Balance with government authorities	576	20
Total	**590**	**59**

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

13. Equity share capital:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Rs. in lakh	Number of shares	Rs. in lakh
Authorized				
Equity shares of Rs. 10/- each	300,000,000	30,000	300,000,000	30,000
Issued				
Equity shares of Rs. 10/- each	239,985,000	23,999	239,985,000	23,999
Subscribed and paid-up				
Equity shares of Rs. 10/- each	239,985,000	23,999	239,985,000	23,999
	239,985,000	**23,999**	**239,985,000**	**23,999**

a. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares held	Rs. in lakh	Number of shares held	Rs. in lakh
Balance at the beginning of the year	239,985,000	23,999	239,985,000	23,999
Add: Issued during the year	-	-	-	-
Balance at the end of the year	**239,985,000**	**23,999**	**239,985,000**	**23,999**

b. Details of shares held by each shareholder holding more than 5% Shares:

Name of shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Multi Commodity Exchange of India Limited (The shares include 6 Shares held by nominees of Multi Commodity Exchange of India Limited)	239,985,000	100%	239,985,000	100%

c. Shares held by Holding Company:

Name of Shareholders	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Multi Commodity Exchange of India Limited (The shares include 6 Shares held by nominees of Multi Commodity Exchange of India Limited)	239,985,000	100%	239,985,000	100%

14. Other equity

Surplus/(deficit) in the statement of profit and loss: **Rs. in lakh**

Particulars	As at	
	March 31, 2024	March 31, 2023
Opening balance at the beginning of the year	(11,604)	(13,682)
Transfer to Core Settlement Guarantee Fund (refer note 37)	(8,506)	(322)
Add: profit for the year	3,242	2,400
Balance at the end of the year	**(16,868)**	**(11,604)**

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended ended March 31, 2024

15. Core Settlement Guarantee Fund (SGF) (refer note 37) **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance (cash component)	58,976	52,559
Add/(Less): Clearing Corporation Limited - Contribution	11,234	2,164
Add: Exchange -MCX contribution	3,370	637
Add: Settlement related penalties	4,476	3,616
Total	**78,056**	**58,976**

16. Other non current financial liabilities **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Employee benefits payable	221	167
Total	**221**	**167**

16 (a). Non- current - lease liabilities **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liability (refer note 30)	98	321
Total	**98**	**321**

17. Non-current provisions **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for compensated absences	53	48
Total	**53**	**48**

18. Current - other financial liabilities **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Advance received from members and applicants towards		
- Trading Margin from Members	91,770	63,554
- Member's Security Deposits	2,666	1,898
Trade / Security deposits from settlement bankers	2,300	1,800
Payable to Holding Company	1,181	3,009
Employee benefits payable	367	260
Members obligation for transaction fees	23	29
Warehouse deposits	42	49
Others	1	7
Total	**98,350**	**70,606**

Notes forming part of the financial statements for the year ended ended March 31, 2024

18 (a). Current - lease liabilities **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liability (refer note 30)	223	207
Total	**223**	**207**

19. Current provisions **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for compensated absences	9	9
Provision for gratuity (refer note 35)	38	37
Total	**47**	**46**

20. Other current liabilities **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	1,107	1,507
Payable to Core Settlement Guarantee Fund	0	4
Total	**1,107**	**1,511**

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

21. Revenue from operations **Rs. in lakh**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of Services		
Clearing and Settlement Fees (refer note 33)	6,996	5,330
Annual subscription fees	103	98
Membership admission fees	143	80
	7,242	**5,508**
Other operating revenues		
- Others	60	74
Warehouse Income	1,049	929
Income on Margin Money	8,385	5,248
	9,494	**6,251**
Total	**16,736**	**11,759**

22. Other income **Rs. in lakh**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on income tax refund	45	28
Provisions written back	99	21
Miscellaneous income	4	5
Total	**148**	**54**

23. Employee benefits expense **Rs. in lakh**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries,wages,bonus and other allowances	2,163	1,607
Contribution to provident and other funds	111	92
Staff welfare expenses	25	21
Total	**2,299**	**1,720**

24. Finance costs **Rs. in lakh**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities (refer note 30)	33	27
Other Interest expenses	4	5
Total	**37**	**32**

25. Software support charges **Rs. in lakh**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Software support charges (refer note 33)	8,709	5,594
Total	**8,709**	**5,594**

26. Computer technology and communication expenses **Rs. in lakh**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Computer Technology expenses (refer note 33)	1,120	799
Communication expenses (refer note 33)	118	115
Total	**1,238**	**914**

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

27. Other expenses **Rs. in lakh**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Advertisement	2	3
Rent	353	331
Insurance	26	21
Rates and taxes	0	-
Travelling and conveyance	69	39
Printing and stationery	2	1
Business promotion	-	2
CSR related expenses (refer note 38)	58	60
Legal and professional	221	166
Membership fees and subscriptions	31	53
Bad debts written off	-	1
Payment to the auditors		
- For audit	6	4
- For taxation matters	1	1
Net loss on foreign currency transactions and translations	0	1
Loss on fixed assets sold/scrapped	0	-
Directors sitting fees (refer note 33)	155	111
Office	16	11
Miscellaneous	12	8
Total	**952**	**813**

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

28. Contingent liabilities and commitments (to the extent not provided for):

There are no contingent liabilities as at the end of the current year and previous year which have not been provided for in the book of accounts.

Capital commitments: **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	20

29. Income tax related to items charged or credited directly to profit or loss during the year :

a. Income tax expense **Rs. in lakh**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Current tax	11	7
Deferred tax	-	-
Excess provision for tax relating to previous years	12	1
Total Income tax expense	**23**	**8**

b. Reconciliation of tax expense: **Rs. in lakh (as otherwise stated)**

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Reconciliation:		
Profit / (loss) before tax	3,282	2,410
Applicable tax rate	25.17%	25.17%
Computed expected tax expense	826	607
Add:		
Expenses disallowed	227	118
Income from other source	11	7
Less:		
Expenses allowed	(178)	(124)
Contribution to SGF	(2,141)	(81)
Set off of business loss/carry forward of business loss	1,265	(519)
	11	8
Excess provision for tax relating to prior year	12	(0)
Income tax expense as per profit & loss account	**23**	**8**
Effective Tax Rate	**0.70%**	**0.33%**

c. Deferred tax relates to the following **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Expenses allowable on payment basis	-	-
Other items giving rise to temporary differences (including impact on fair value of investments)	-	-
Difference between WDV of property, plant and equipment as per books of accounts and income tax	-	-
Deferred tax asset / (liability)	**-**	**-**

d. Reconciliation of deferred tax assets / (liabilities) net: **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance as on 1st April	-	-
Tax income / (expense) during the year recognized in profit & loss account	-	-
Deferred tax liability reversed during the year	-	-
Closing balance	**-**	**-**

Note: No deferred tax assets has been recognised owing to uncertainity over material future taxable profits against which such temporary difference can be utilised.

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

30. IND AS 116 Leases:

a) The movement in lease liabilities during the year: **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance as on 01.04.2023	**528**	**97**
Additions during the year	-	641
Finance costs incurred during the year	33	27
Payment of lease liabilities	(239)	(237)
Lease liabilities as on 31.03.2024	**321**	**528**
Non-current lease liability	98	321
Current lease liability	223	207

b) The carrying value of the right of use and depreciation charged during the year: **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance as on 01.04.2023	517	93
Additions during the year	-	641
Depreciation charged during the year	(214)	(217)
Right to use asset as on 31.03.2024	**303**	**517**

c) Amounts recognised in statement of profit or loss: **Rs. in lakh**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on ROU	214	217
Finance costs incurred during the year	33	27

d) Maturity analysis of lease liabilities: **Rs. in lakh**

Particulars	As at March 31, 2024	As at March 31, 2023
Maturity Analysis of contractual undiscounted cash flows		
Less than 1 year	223	207
1-5 years	98	321
More than 5 years	-	-

During the current year, rent amount for the Gift city premises towards short term lease is Rs. 12 lakh (previous year: Rs. 12 lakh)

31. Earnings per share

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Rs. in lakh (as otherwise stated)

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Weighted average shares outstanding - basic and diluted	239,985,000	239,985,000
Net profit available to equity shareholders	3,259	2,402
Basic and diluted earnings per share	1.36	1.00

32. Segment reporting

Based on the risks and returns identified, organizational structure and the internal financial reporting system, the business segment is the primary segment for the Company and accordingly “business of facilitating clearing and settlement of trades in commodities” is considered as the only Primary Reportable business segment. Further, since the Company renders services only in the domestic market in India, there is no geographical segment.

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

33. Related Party Information

Names of related parties and nature of relationship:

Nature of relationship	Name of Related Party
Holding Company	Multi Commodity Exchange of India Limited (MCX)
Directors	Mr. Ved Kumar Jain (upto 04.12.2023)
	Mr. Nagesh Pinge (upto 04.12.2023)
	Mr. Rajesh Doshi (upto 21.02.2024)
	Dr. Brinda Jagirdar (upto 04.12.2023)
	Mr. Chengalath Jayaram (upto 26.09.2022)
	Mr. P.S. Reddy (upto 22.09.2023)
	Mr. Narendra Kumar Ahlawat
	Mr. Mohan Narayan Shenoy (w.e.f 08.03.2023)
	Mr. Prafulla Chhajed (w.e.f 11.12.2023)
	Mr. Srinivas Petluri (w.e.f 11.12.2023)
	Ms. Kemisha Soni (w.e.f 11.12.2023)
	Mr. Manoj Jain (w.e.f. 18.01.2024)
	Mr. Sundara Iyer Ganesh Kumar S (w.e.f. 22.02.2024)
Key Managerial Personnels (KMP's)	(i) Mr. Narendra Kumar Ahlawat, MD & CEO[2]
	(ii) Mr. Rajesh Agrawal, Chief Financial Officer, Head – Procurement, HR and Administration
	(iii) Mr. Mandar Kulkarni, Company Secretary
	(iv) Mr. Soundararajan Venkatadas, Chief Operating Officer
	(v) Mr. Pankaj Goel, Head- Chief Regulatory Officer and Compliance Officer[2] (upto 23.03.2023)
	(vi) Mr. Praveen Kotian, Head - Legal[2]
	(vii) Mr. Kamal Priyadarshi, Head - Warehousing Operations, Delivery and Spot[2] (upto 05.12.2022)
	(viii) Mr. Ulhas Ranade, AVP - Warehousing Operations[2] (upto 20.02.2023)
	(ix) Mr. Gitesh Shah, Head - Clearing and Settlement and Collaterals[2] (upto 31.01.2024)
	(x) Mr. Madhur Joshi, Chief Information Security Officer- Technology (upto 27.10.2022)
	(xi) Mr. Himanshu Raja, AVP- Spot and Delivery*
	(xii) Mr. Anilkumar Varma, Chief Technology Officer, Technology**
	(xiii) Mr. Arnav Datta, Head - Warehousing Operations, Spot and Delivery (w.e.f. 20.02.2023)
	(xiv) Mr. M Ramalingam, Chief Regulatory officer and Compliance Officer Head -Membership and Default, Inspection and Investor Grievance (w.e.f. 14.06.2023)
	(xv) Mihir Malode- Chief Information Security Officer (CISO) (w.e.f. 05.09.2023)

** Identified as KMP's under SECC Regulations, 2018, w.e.f. 23.07.2021*

*** Identified as KMP's under SECC Regulations, 2018, w.e.f. 10.11.2021*

[2] *Includes deferred variable pay of Rs. 22,57,267/- paid to KMP's and Ex- KMP's for the Financial Year 2019-20 paid in Second Quarter of Financial Year 2023-24.*

[2] *Includes deferred variable pay of Rs. 33,82,250/- paid to KMP's and Ex- KMP's for the Financial Year 2018-19 paid in Second Quarter of Financial Year 2022-23.*

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

Transactions with related parties:

The details of transactions with related parties for the year ended March 31, 2024 are as follows:

Rs. in lakh

Nature of Transactions	Holding Company	Shareholder's Directors	Independent Directors	KMP's	Total
Transactions					
Re-imbursements charged to the company	15	-	-	3	18
Re-imbursements charged by the company	1	-	-	-	1
Clearing and Settlement fees (^)	6,996	-	-	-	6,996
50% sharing of Status report-processing charges	6	-	-	-	6
Regulatory fees, transactions charges, fines and penalties and other collections on behalf of MCX	135,349	-	-	-	135,349
Rent paid	251	-	-	-	251
IT and other infrastructure charges	9,852	-	-	-	9,852
Sitting fees paid	-	22	133	-	155
Balances as at March 31, 2024					
Outstanding Balance receivable/ (payable)	324	-	-	-	324
Rent Deposit	61	-	-	-	61

(^) Clearing & settlement fees disclosed on accrual basis.

The details of transactions with related parties for the year ended March 31, 2023 are as follows:

Rs. in lakh

Nature of Transactions	Holding Company	Shareholder's Directors	Independent Directors	KMP's	Total
Transactions					
Re-imbursements charged to the Company	13	-	-	6	19
Re-imbursements charged by the Company	11	-	-	-	11
Clearing and Settlement Fees (^)	5,330	-	-	-	5,330
50% sharing of Status report-processing charges	6	-	-	-	6
Regulatory fees, transactions charges, fines and penalties and other collections on behalf of MCX	120,053	-	-	-	120,053
Rent Paid	249	-	-	-	249
IT and other infrastructure charges	6,743	-	-	-	6,743
Sitting Fees Paid	-	7	104	-	111
Balances as at March 31, 2023					-
Outstanding Balance receivable / (payable)	278	-	-	-	278
Rent Deposit	61	-	-	-	61

(^) Clearing & settlement fees disclosed on accrual basis.

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

Terms and conditions of transactions with related parties

The services provided to and received from related parties are made on terms equivalent to those that prevail in arm's length transactions.
Outstanding balances at the year end are unsecured, interest fee will be settled in cash. There have been no guarantees received or provided for any related party receivables or payable.

Compensation of key managerial personnel of the Company

Rs. in lakh

Nature of Transactions	Year ended March 31, 2024	Year ended March 31, 2023
Salary and Allowances paid/payable to KMP's :-		
Mr. Narendra Kumar Ahlawat	155	160
Mr. Rajesh Agrawal	59	48
Mr. Mandar Kulkarni	46	39
Mr. Madhur Joshi (upto 27.10.2022)	-	19
Mr. Soundararajan Venkatadas	122	102
Mr. Pankaj Goel (upto 23.03.2023)	9	54
Mr. Praveen Kotian	32	33
Mr. Kamal Priyadarshi (upto 05.12.2022)	-	51
Mr. Ulhas Ranade (upto 20.02.2023)	2	32
Mr. Gitesh Shah (upto 31.01.2024)	112	74
Mr. Himanshu Raja	47	37
Mr. Anilkumar Varma	76	53
Mr. Arnav Datta (w.e.f. 20.02.2023)	50	6
Mr. M Ramalingam (w.e.f. 14.06.2023)	53	-
Mr. Mihir Malode (w.e.f. 05.09.2023)	32	-

Notes :
1. There are no amounts written off or written back during the year in respect of debts due from or to related parties.
2. KMPs as on the respective dates are considered.
3. Parties with no transactions during the year, are not considered in the statement.

34. There are no amounts due to the suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006 except as disclosed in Balance Sheet, this information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

35. Employee Benefit Plans:

a. Post employment defined benefit plans :

The Company makes annual contributions to the Employee's Group Gratuity Assurance Scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2024 and March 31, 2023.

Rs. in lakh

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	238	214
Interest cost	18	15
Current service cost	28	27
Actuarial (gains)/ losses on obligations - Due to change in financial assumptions	6	(6)
Actuarial (gains)/ losses on obligations - Due to experience	6	5
Benefits paid from the fund	(60)	(17)
Present value of benefit obligations at the end of the year	**236**	**238**
Change in plan assets		
Fair value of plan assets at the beginning of the year	201	188
Interest income	15	14
Assets transferred in/acquisitions	-	-
Assets transferred out/disinvestments	-	-
Remeasurements - return on plan assets excluding amounts included in interest income	(5)	(2)
Contributions by the employer	47	19
Benefits paid from the fund	(60)	(17)
Fair value of plan assets at the end of the year	**198**	**201**
Funded status - excess of obligation over plan assets	**38**	**37**

Amount for the year ended March 31, 2024 and March 31, 2023 recognized in the Statement of Profit and Loss under employee benefits expenses.

Rs. in lakh

Recognized in Profit and Loss	Year ended	
	March 31, 2024	March 31, 2023
Current service cost	28	27
Net interest cost	3	2
Expenses recognized	**31**	**29**

Amount for the year ended March 31, 2024 and March 31, 2023 recognized in statement of other comprehensive income:

Rs. in lakh

Recognized in Other Comprehensive Income (OCI)	Year ended	
	March 31, 2024	March 31, 2023
Actuarial (gains) / losses on obligation for the year	12	(1)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	5	3
Change in asset ceiling	-	-
Net (income)/expense for the year recognized in OCI	**17**	**2**

The weighted-average assumptions used to determine benefit obligations as at March 31, 2024 and March 31, 2023 are set out below:

Weighted Average Actuarial Assumptions	Year ended	
	March 31, 2024	March 31, 2023
Discount rate	7.50%	7.50%
Weighted average rate of increase in compensation levels	7.50%	7.50%
Weighted average duration of defined projected benefit obligation	12	12

Rs. in lakh

Sensitivity Analysis	Year ended	
	March 31, 2024	March 31, 2023
Projected benefit obligation on current assumptions	236	238
Delta effect of +1% change in rate of discounting	(19)	(21)
Delta effect of -1% change in rate of discounting	22	25
Delta effect of +1% change in rate of salary increase	22	24
Delta effect of -1% change in rate of salary increase	(19)	(21)
Delta effect of +1% change in rate of employee turnover	(1)	(1)
Delta effect of -1% change in rate of employee turnover	1	1

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

Additional Details :

Methodology adopted for Valuation is Projected Unit Credit Method.

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Since investment is with insurance company, Assets are considered to be secured.

Assumptions regarding future mortality experience are set in accordance with the Indian Assured Lives Mortality (2006-08)

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation on the type of the investments assumed to be held by LIC, since the fund is managed by LIC.

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

The Company expects to contribute Rs. 38 lakhs to the plan assets during Financial Year 2024-25

Actuarial Gains/Losses are recognized in the year of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation

Maturity profile of projected benefit obligation: **Rs. in lakh**

Projected Benefits Payable in Future Years from the Date of Reporting	March 31, 2024	March 31, 2023
Within 1 year	5	5
1-2 year	6	6
2-3 year	41	6
3-4 year	21	39
4-5 year	41	21
5 and above years	408	496

b. Defined Contribution Plans :

Amounts recognised as expenses towards contributions to Provident and Family Pension Fund, Employee State Insurance Corporation and other funds by the Company are Rs. 80 lakh (previous year Rs. 64 lakh).

Rs. in lakh

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Contribution to Provident and Family Pension Fund	79	63
Contribution to Labour Welfare Fund	0	0
Contribution to Employees Deposit Linked Insurance (EDLI)	1	1

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

36. Financial Instruments

A. Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2024 and at March 31, 2023 are as follows:

Rs. in lakh

Particulars	Refer Note	As at March 31, 2024 Carrying value	As at March 31, 2024 Fair value	As at March 31, 2023 Carrying value	As at March 31, 2023 Fair value
Financial Assets:					
At amortised cost:					
Cash and cash equivalents	9	17,935	17,935	18,068	18,068
Bank Balances other than cash and cash equivalents	10	76,931	76,931	98,352	98,352
Bank deposits with original maturity of more than twelve months	4	78,581	78,581	14,323	14,323
Trade receivables	8	1,091	1,091	657	657
Other financial assets (Current & Non-Current)	4 & 11	6,699	6,699	4,121	4,121
Fair value through profit or loss:					
Investments in Mutual Funds	7	2,507	2,507	7,406	7,406
Financial Liabilities:					
At amortised cost:					
Trade payables		627	627	168	168
Other financial liabilities	18	98,350	98,350	70,606	70,606
Lease Liabilities	16(a)&18(a)	321	321	528	528

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2024:

Rs. in lakh

Particulars	As of March 31, 2024	Fair value measurement at end of the year using		
		Level 1	Level 2	Level 3
Assets				
Investments in Mutual Funds	2,507	2,507	-	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2023:

Rs. in lakh

Particulars	As of March 31, 2023	Fair value measurement at end of the year using		
		Level 1	Level 2	Level 3
Assets				
Investments in Mutual Funds	7,406	7,406	-	-

The fair value of mutual fund valued at NAV as on the reporting date as declared by the Fund house.

B. Financial risk management:

Financial risk factors:

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a. Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables.

b. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

c. Credit risk:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. 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.

Ageing of account receivables as at March 31, 2024 is as follows: **Rs. in lakh**

Particulars	Outstanding for following periods from due date				Total
	Less than 6 months	6 months -1 year	1-2 Years	More than 3 years	
Undisputed Trade receivables — secured considered good	367	-	-	-	367
Undisputed Trade receivables — unsecured considered good	723	0	0	1	724
Undisputed Trade Receivables — which have material increase in credit risk	-	-	-	-	-
Undisputed Trade Receivables — credit impaired	-	-	-	-	-
Disputed Trade Receivables — considered good	-	-	-	-	-
Disputed Trade Receivables — which have material increase in credit risk	-	-	-	-	-
Disputed Trade Receivables — credit impaired	-	-	-	-	-
Total	**1,090**	**0**	**0**	**1**	**1,091**

Ageing of account receivables as at March 31, 2023 is as follows: **Rs. in lakh**

Particulars	Outstanding for following periods from due date				Total
	Less than 6 months	6 months -1 year	1-2 Years	More than 3 years	
Undisputed Trade receivables — considered good	656	0	1	0	657
Undisputed Trade Receivables — which have material increase in credit risk	-	-	-	-	-
Undisputed Trade Receivables — credit impaired	-	-	-	-	-
Disputed Trade Receivables — considered good	-	-	-	-	-
Disputed Trade Receivables — which have material increase in credit risk	-	-	-	-	-
Disputed Trade Receivables — credit impaired	-	-	-	-	-
Total	**656**	**0**	**1**	**0**	**657**

d. Liquidity risk:

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position on a daily and weekly basis.

(i) Financial Arrangements:

Following are the unutilised sanctioned bank overdraft limits against cash margin fixed deposit issued by the bank as at the respective year end:

Rs. in lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Expiring within one year (bank overdraft)	7,500	11,695

(ii) Maturity patterns of other Financial liabilities:

Trade Payables ageing schedule as at March 31, 2024: **Rs. in lakh**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
MSME	11	-	-	-	11
Others	616	-	-	-	616
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	**627**	**-**	**-**	**-**	**627**

Trade Payables ageing schedule as at March 31, 2023: **Rs. in lakh**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
MSME	3	-	-	-	3
Others	165	-	-	-	165
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Total	**168**	**-**	**-**	**-**	**168**

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

e. Clearing and Settlement Risk:

Parties to a settlement may default on their obligations for reason beyond the control of the Company. Company guarantees the settlement of trade executed on the Company's platform and maintains a Core Settlement Guarantee Fund to support its guarantee obligations. SEBI introduced the guidelines on stress testing, Core Settlement Guarantee Fund ("SGF") to ensure that Company is compliant with International benchmarks and regulations.

37. Core Settlement Guarantee Fund (SGF):

Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, has issued norms related to the computation of Minimum Required Corpus (MRC) to the Core Settlement Guarantee Fund (SGF). The required contribution shall be contributed by the Clearing Corporation (minimum 50%) from its own fund, Stock Exchange (minimum 25%) and members (maximum 25%). Accordingly, Core SGF has been contributed by Clearing Corporation (MCX CCL) from its own fund and Stock exchange (MCX) as prescribed by SEBI guidelines.

Accordingly, below mentioned amounts are transferred to SGF from reserves of MCXCCL to ensure compliance with said circular:

Rs. in lakh

Particulars	**March 31, 2024**	**March 31, 2023**
Contribution during the year	8,506	322
Total	**8,506**	**322**

In the event of a clearing 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.

Total Core SGF as on March 31, 2024 is Rs. 78,056 lakhs (as at March 31, 2023: Rs. 58,976 lakhs) comprising of:

Rs. in lakh

Year	**MCXCCL Contribution**	**MCX Contribution**	**Penalties/ Interest**	**Total**
As at March 31, 2024	43,451	14,485	20,120	78,056
As at March 31, 2023	32,217	11,115	15,644	58,976

The Contribution made by MCXCCL and MCX includes the income accrued thereon.

The penalties transferred during the year is Rs. 3,211 lakhs (as at March 31, 2023: Rs. 2,795 lakhs) and interest income on fixed deposits and gain on sale of mutual fund is Rs. 4,949 lakhs (as at March 31, 2023: Rs. 3,299 lakhs)

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

38. Corporate Social Responsibility (CSR):

As per Section 135 of the Companies Act 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social responsibility (CSR) activities.

The CSR activities of the Company are generally carried out through charitable organisations , where funds are allocated by the Company. These organisations carry out the CSR activities as specified in the Schedule VII of the Companies Act, 2013 on behalf of the Company.

Rs. in lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent as per Section 135 of the Act	58	60
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	58	60
Total	**58**	**60**

39. Foreign currency transaction

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Expenditure in foreign currency:	Foreign Currency	Foreign Currency	INR in Lakh	INR in Lakh
Membership and Subscription :				
USD	-	57,250	-	36
EURO	-	50,000	-	41
Software License Fees Expense:				
USD	37,000	-	31	-

40. Additional regulatory information:

a. Ratios:

Ratios	Numerator	Denominator	Year ended March 31, 2024	Year ended March 31, 2023	Variance
Current ratio (in times)*	Total current assets	Total current liabilities	1.02	1.77	-42.37%
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.04	0.04	0.00%
Debt service coverage ratio (in times)**	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	15.30	10.44	46.55%
Return on equity ratio (in %)***	Profit for the year less Preference dividend (if any)	Average total equity	33.38%	21.15%	57.83%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	19.15	17.60	8.81%
Trade payables turnover ratio (in times)****	Cost of equipment and software licences + Other expenses	Average trade payables	25.02	38.61	-35.20%
Net capital turnover ratio (in times)*****	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	0.58	0.24	141.67%
Net profit ratio (in %)	Profit for the year	Revenue from operations	19.47%	20.42%	-4.65%
Return on capital employed (in %)******	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	44.53%	18.90%	135.61%

Multi Commodity Exchange Clearing Corporation Limited

Notes forming part of the financial statements for the year ended March 31, 2024

* decrease in current ratio is due to decrease in current fixed deposits and bank balance
** increase in debt service coverage ratio is due to increase in profits
*** increase in return on equity is due to increase in profits for the year
**** decrease on trade payable turnover ratio is due to increase in average trade payables and increase in IT cost
***** increase in net capital turnover ratio is due to decrease in average working capital
****** Increase in return on capital employed is due to increase in profits during the year

b. The Company does not hold and there are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

c. The Company does not have any layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

d. The Company is not declared wilful defaulter by any bank or financial institution or other lender.

e. The Company does not have any transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

f. The Company has not opted for any Scheme of Arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

g. The Company does not hold any immovable property.

h. The Company has not advanced / lent / invested / provided guarantee or security to or in any other person with an understanding to lend / invest / provide guarantee or security or the like to or in any other person. Similarly, the Company has not received any funds from any other person with an understanding that the Company shall lend or invest or provide guarantee or security or the like to or in any other person.

i. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

j. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

k. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

l. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

m. The Company has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are:
(a) repayable on demand or
(b) without specifying any terms or period for repayment

n. During the year, Company had invoiced and collected Rs. 94 lakh from members as SEBI annual fees and transferred to SEBI.

41. The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post- employment, received Presidential assent in September 2020. The said code is made effective prospectively from May 3, 2023. The Company is assessing the impact, if any, of the Code.

42. The previous year figures have also been reclassified/regrouped to conform to this year's classification.

43. Upon examining issues relating to the contracts executed with software vendors, SEBI had issued a Show Cause notice (SCN) dated October 16, 2023, to the Company and its KMP. SEBI has, inter alia, alleged in the SCN that the Management of the Company did not implement the SEBI Outsourcing circular dated September 13, 2017. The Company and its KMP have filed their response in the matter. Separately, a settlement application has also been filed with SEBI, under the applicable SEBI Regulations, which is pending for disposal. Hearing(s) in respect of the SCN is pending.

44. The financial statements were approved by the Board of Directors on April 23, 2024.

As per our report of even date attached.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Prateek Khandelwal
Partner
Membership Number: 139144

Mumbai
April 23, 2024

For and on behalf of the Board of Directors

Narendra Kumar Ahlawat
Managing Director & CEO
DIN : 07629724

Prafulla Chhajed
Chairman
DIN : 03544734

Kemisha Soni
Director
DIN : 06805708

Mandar Kulkarni
Company Secretary

Rajesh Kumar Agrawal
Chief Financial Officer

Mumbai
April 23, 2024