MAYEKAR &
ASSOCIATES
Company Secretaries

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

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

Secretarial Compliance Report of
MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED
(CIN - U74999MH2008PLC185349)
for the year ended 31st March, 2023
(as per the regulation 24(A) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, as amended from time to time)

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED** (hereinafter referred as 'the listed entity'), having its Registered Office at Exchange Square, CTS 255, Suren Road, Andheri (East) Mumbai City -400093. Secretarial Review 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 listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place.

I, Jatin Patil, Partner of M/s Mayekar & Associates, Practising Company Secretaries (CP No: 7954, M. No. 7282), have examined -

(a) all the documents and records made available to us and explanation provided by **MULTI COMMODITY EXCHANGE CLEARING CORPORATION LIMITED** (hereinafter called "the Company"),

(b) the filings/ submissions made by the clearing corporation to SEBI,

(c) website of the Company,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2023 in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, including: -

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; ***Not Applicable during the year under review;***

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; ***Not Applicable during the year under review;***

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; ***Not Applicable during the year under review;***

(e) Securities and Exchange Board of India (Share based employee benefits and Sweat Equity) Regulations, 2021; ***Not Applicable during the year under review;***

(f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; ***Not Applicable during the year under review;***

(g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

(j) The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018

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

and circulars/ guidelines issued thereunder;

I/~~We~~ hereby report that, during the Review Period the compliance status of the listed entity is as appended below :

Sr.No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by Practicing Company Secretary
1	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	YES	N.A.
2	**Adoption and timely updation of the Policies:**	YES	N.A.



Sr.No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by Practicing Company Secretary
	• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI.		
3	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website.	YES YES YES	N.A. N.A. N.A.
4	**Disqualification of Director:** None of the Directors of the Company are disqualified under Section 164 of Companies Act, 2013.	YES	N.A.
5.	**To examine details related to Subsidiaries of listed entities:** a. Identification of material subsidiary companies b. Requirements with respect to disclosure of material as well as other subsidiaries	N.A. N.A.	N.A. N.A.
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy	YES	N.A.

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CP No. 7954
JATIN P. PATIL
PARTNER

Sr.No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by Practicing Company Secretary
	prescribed under SEBI LODR Regulations, 2015.		
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	YES	N.A.
8.	**Related Party Transactions:** a. The listed entity has obtained prior approval of Audit Committee for all Related party transactions. b. In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee.	YES N.A.	N.A. N.A.
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	N.A.
10	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	N.A.
11	**Actions taken by SEBI or Stock Exchange(s), if any:** No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	YES	* It is observed that there were communications received by the holding Company Multi Commodity Exchange of India Limited (CIN L51909MH2002PLC135594) from SEBI, for levying of penalty. (The Details are provided herein below in point f and g)



Sr.No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by Practicing Company Secretary
12	**Additional Non-Compliances, if any:** No any additional non-compliance observed for all SEBI regulation/ circular/ guidance note etc.	YES	N.A.

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by Practicing Company Secretary
1.	**Compliances with the following conditions while appointing/re-appointing an auditor**		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	No auditor has been appointed /re-appointed for the period under review
2.	**Other conditions relating to resignation of statutory auditor**		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and	NA	There is no resignation of the auditor



Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by Practicing Company Secretary
	immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee the details of information / explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.		during the period under review
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18th October, 2019.	NA	There is no resignation of the auditor during the period under review

(e) The listed entity has taken the following actions to comply with the observations made in previous reports -**N.A.**

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(f) The details of the communications received by the Holding Company Multi Commodity Exchange of India Limited (CIN- L51909MH2002PLC135594) from SEBI, for levying of penalty.

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount (in Rs)	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks	Advisory/ Clarification /Fine/ Show Cause Notice/ Warning, etc
1	SECC Regulation	Regulation 38(2) of SECC Regulation 2018 read with Regulation 41(3) of SECC Regulation 2012.	Indirect Deployment of Funds in unrelated/non-incidental activity without the prior approval of SEBI and through a separate entity	SEBI	Penalty	It is purported that by entering into an agreement with PESB for developing SPOT platform for Gold and Natural Gas and making payments to PESB towards the development, MCX has indirectly engaged itself inunrelated/non incidental activity without the prior approval of SEBI and through the separate entity, which is in violation of the regulation 41(3) and 38(2) of SECC Regulations 2012 and 2018 respectively.	2,00,000/-	The said order of SEBI was challenged by the Company before Securities Appellate Tribunal (SAT), SAT by the way of interim relief inter alia stayed the effect and operation of the impugned order till the disposal of the appeal.	The Exchange Abides by applicable SEBI Regulations. The said order of SEBI was challenged by the Company before SAT. SAT by the way of interim relief inter alia stayed the effect and operation of the impugned order till the disposal of the appeal	—	—

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2	SEBI circular	The provisions of Clause 4 of SEBI circular dated September 16,2016 and 2nd and 3rd clause of ToR of Member & Core SGF Committee (MCSGFC) prescribed in Annexure A of SEBI circular dated January 10, 2019	1.MCX has not verified the PAN details of the Sikkim Based clients who are exempted from PAN. 2.Fine under different circular was applied for incorrect uploading of KYC details. 3.Penalty should have been levied by the MCSGFC as per a policy in terms of the ToR dated January 10, 2019. Instead, MD&CEO levied the penalty	SEBI	Penalty	Details of Violation purported to have committed are as follows: 1. MCX did not have systems in place for verification of Sikkim based clients, who are exempted from submission of PAN and therefore violated Clause 4 of SEBI circular dated September 16, 2016. b) Monetary fine imposed on the Trading Members for incorrect uploading of KYC details in the Exchange UCC system levied by MD & CEO was by applying incorrect circular. It was purported that MD & CEO was not the Relevant Authority for levying of penalty according to 2nd and 3rd clause of ToR of Member & Core SGF Committee prescribed in Annexure A of SEBI circular dated January 10, 2019 and that penalty ought to have been levied by MCSGFC by formulating policy.	6,00,000/-	The Company has paid the penalty of Rs 6,00,000/- on 12th April, 2023.	The Exchange abides by applicable SEBI Regulations.	_____	_____

g) The Holding Company Multi Commodity Exchange of India Limited (CIN- L51909MH2002PLC135594) has taken the following actions to comply with the observation made in previous reports:

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Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks	Advisory/ Clarification /Fine/ Show Cause Notice/ Warning, etc
1	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirement s) Regulations, 2015	The Company has delayed by one day, during the period under review for the first time, in uploading the disclosure on related party transactions on a consolidated basis for half year ended September 30, 2021 with Bombay Stock Exchange ("BSE")	Communications received by Company from BSE vide email dated January 14, 2022	Fine	Under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has delayed by one day, during the period under review for the first time, in uploading the disclosure pertaining to related party transactions on a consolidated basis for half year ended September 30, 2021 with BSE	Fine of Rs.5900/- was imposed by BSE.	On request made by the Company, without paying the imposed fine, BSE had vide email dated March 14, 2022 granted waiver of fine.	The Exchange abides by applicable SEBI Regulations.	_____	_____

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The Additional disclosures of Annual Secretarial Compliance Report as below: -

(a) The listed entity has complied with the provisions of the above regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr no.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken	Type of Action	Details of Violation	Fine Amount	Observation remarks of the Practising Company Secretary	Management response	Remarks	Advisory/ Clarification /Fine/ Show Cause Notice/ Warning, etc
Not Applicable											

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr no.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken	Type of Action	Details of Violation	Fine Amount	Observation remarks of the Practising Company Secretary	Management response	Remarks	Advisory/ Clarification /Fine/ Show Cause Notice/ Warning, etc
Not applicable											

For Mayekar & Associates
Company Secretaries
Firm U.I.N - P2005MH007400
U.D.I.N – F007282E000334312
PR – 777/2020





Jatin Prabhakar Patil
Partner
FCS – 7282
COP – 7954
Date: 19 May, 2023
Place: Mumbai