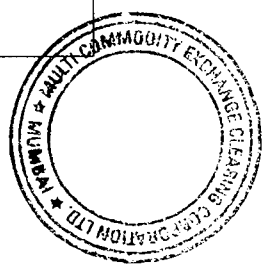
## Compliance Report on Corporate Governance

**(As per Regulation 27(2) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 ("Listing Regulation")**

1. Name of Entity: **Multi Commodity Exchange Clearing Corporation Limited**
2. Quarter Ending: **March 31, 2018**

### I. Composition of Board of Directors

| Title (Mr. / Ms.) | Name of Director | DIN | Category (Chairperson/ executive/ Non-Executive/ Independent / Nominee) | Date of Appointment in the Current Term/ cessation | Tenure only for Independent Director | No of Directorship in listed entities including this entity (Refer Regulation 25(1) of Listing Regulations) | No. of Memberships in Audit/ Stakeholder Committee(s) including this entity (Refer Regulation 26(1) of Listing Regulations) | No. of Post of Chairperson in Audit/ Stakeholder Committee held in Listed entities including this Entity |
|---|---|---|---|---|---|---|---|---|
| Mr. | Ved Kumar Jain | 00485623 | Chairman - PID | 05-12-2017 | 4 months (Appointed for 3 Years) | 2 | 2 | 1 |
| Mr. | Chengalath Jayaram | 00012214 | Non-Executive Director (Shareholder Director) | 15-06-2017 | - | 4 | 3 | 0 |
| Mr. | Mrugank Paranjape | 02162026 | Non-Executive Director (Shareholder Director) | 15-06-2017 | - | 2 | 0 | 0 |



| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Dr. | Brinda Jagirdar | 06979864 | Non-Executive Director - PID | 05-12-2017 | 4 Months (Appointed for 3 years) | 3 | 3 | 1 |
| Mr. | Nagesh Pinge | 00062900 | Non-Executive Director - PID | 05-12-2017 | 4 months (appointed for 3 years) | 1 | 1 | 1 |
| Mr. | Rajesh Doshi | 00059903 | Non-Executive Director - PID | 22-02-2018 | 1 month (Appointed for 3 Years) | 1 | 0 | 0 |

*Notes:*

*1. It may be noted that details of all the Directors of the Board for the quarter ended March 31, 2018 are provided above.*

*2. The Public Interest Directors (PID) are essentially Independent Directors within the meaning of Securities Contract (Regulation) (Stock Exchange and Clearing Corporation) Regulations, 2012.*

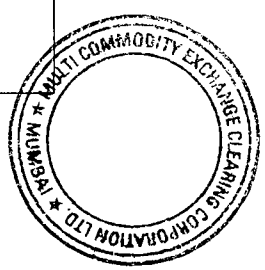
*3. MCXCCL is not a listed Company, however it has been considered as a Listed Company for the purpose of preparing this report under Regulation 35 of Securities Contract (Regulation) (Stock Exchange and Clearing Corporation) Regulations, 2012.*

*4. In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have considered public limited companies, both listed as well as unlisted, for the purpose of calculating no. of memberships and chairmanships in Audit Committee and Stakeholders Relationship Committee.*

*5. While calculating memberships of a particular Director in the Committees, the Chairmanship of such Director is not included in the said Committee.*

## II. Composition of Committees

| **Name of Committee** | **Name of Committee Member** | **Category(Chairperson/ Executive/ Non-Executive/ Independent/ Nominee** |
|---|---|---|
| Audit Committee | Mr. Nagesh Pinge<br>Dr. Brinda Jagirdar<br>Mr. Ved Kumar Jain | Chairman- Non Executive<br>PID - Non – Executive<br>PID - Non – Executive |



| | | |
|---|---|---|
| Nomination and Remuneration Committee | Dr. Brinda Jagirdar<br>Mr. Chengalath Jayaram<br>Mr. Nagesh Pinge | Chairman -Non Executive<br>SHD -Non Executive<br>PID- Non Executive |
| Risk Management Committee | Mr. Ved Kumar Jain<br>Mr. Nagesh Pinge<br>Mr. Udayan A. Maroo | Chairman -Non Executive<br>PID-Non Executive<br>Independent External Expert |

*Notes:*

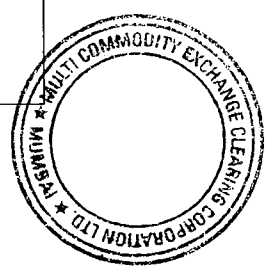
1. *While SEBI (LODR), 2015 requires a Stakeholders Relationship Committee (SRC), since Companies Act, 2013 prescribes minimum no. of shareholders for SRC as 1000, this Committee is not constituted.*
2. *As per the provisions of Section 135 of Companies Act, 2013, the Company is not required to constitute Corporate Social Responsibility Committee.*
3. *It may be noted that there are committees other than the mentioned statutory committees which are constituted by the Board of Directors of the Company in terms of the provisions of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.*

**III. Meeting of Board of Director**

| Date of Meeting (if any) in the previous Quarter | Date of Meeting (if any) in the Relevant Quarter | Maximum gap between any two consecutive Meeting (in number of Days) |
|---|---|---|
| October 13, 2018 | | - |
| December 22, 2018 | | 69 |
| | January 15, 2018 | 23 |
| | January 30, 2018 | 14 |
| | March 29, 2018 | 57 |

**IV. Meeting of Committee**

| Name of Committee | Date(s) of the Meeting of the Committee in the Relevant Quarter | Whether the requirement of the Quorum met (details) | Date of meeting of Committee in the Previous Quarter | Maximum gap between any two Consecutive |
|---|---|---|---|---|



| | | | | meetings in number of days |
|---|---|---|---|---|
| Audit Committee | March 29, 2018 | Yes. All members were present. | - | N.A |
| Nomination & Remuneration Committee | January 30, 2018 | Yes. All members were present. | - | N.A |
| Risk Management Committee | January 30, 2018 | Yes. All members were present. | - | N.A |
| Risk Management Committee | March 29, 2018 | Yes. All members were present. | - | 57 |

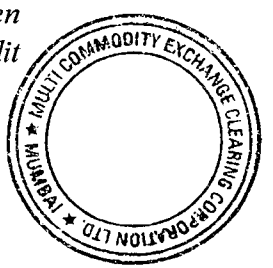
*Notes:*

1. *The details of statutory committees as on March 31, 2018 have been provided here. It may be noted that there are committees other than the mentioned statutory committees which are constituted by the Board of Directors of the Company in terms of the provisions of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.*
2. *This information has to be mandatorily given for Audit Committee, for the rest of the Committees giving this information is optional.*

## V. Related Party Transaction

| Subject | Compliance Status(yes/No/NA) |
|---|---|
| Whether the Prior Approval of the Audit Committee obtained | NA |
| Whether Shareholder Approval Obtained for Material RPT | NA |
| Whether the details of RPT entered into pursuant to Omnibus Approval have been Reviewed by Audit Committee | NA |

**As per applicable provisions of Companies Act, 2013 and Regulation 23(5) of Listing Regulations, 2015,* transactions entered into between holding company and its wholly owned subsidiary are exempt. *Further, approvals have been taken from appropriate authority, wherever required. All related party transactions are being reviewed by the Audit Committee.*



## VI. Affirmation

| | | |
|---|---|---|
| **1.** | The Composition of Board of Director is in terms of SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015 | Yes |
| **2.** | The Composition of following Committee is in terms of SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015<br>a. Audit Committee<br>b. Nomination & Remuneration Committee<br>c. Stakeholder Relation Committee<br>d. Risk Management Committee | <br><br>Yes<br>Yes<br>Refer Note 1<br>Yes |
| **3.** | The Committee Members have been made aware of their Powers , role and responsibilities as specified in SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015 | Yes |
| **4.** | The meeting of the Board of Directors and other Committee have been conducted in the manner as specified in SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015 | Yes |
| **5.** | This report on Corporate Governance for the quarter ended March 31, 2018 has been placed before Board of Directors. | Refer Note 2 |

**For Multi Commodity Exchange Clearing Corporation Limited**

| | | |
|---|---|---|
| **Narendra Kumar Ahlawat** | **Satyajeet Bolar** | **Riddhi Parekh** |
| **MD & CEO** | **Chief Financial Officer** | **Company Secretary** |

*Notes:*

1. *While SEBI (LODR), 2015 requires a Stakeholders Relationship Committee (SRC), since Companies Act, 2013 prescribes minimum no. of shareholders for SRC as 1000, this Committee is not constituted.*
2. *The said report will be placed in the ensuing Board Meeting. It may please be noted that the Company is yet to receive final recognition from SEBI to act as a Clearing Corporation.*

MULTI COMMODITY EXCHANGE CLEARING CORPORATION LTD. MUMBAI

**The first set of Public Interest Directors (PIDs) as approved by SEBI were appointed in the month of December 2017 and accordingly, this report is being made for the quarter ended March 31, 2018.**

**Compliance Report on Corporate Governance for the quarter ended March 31, 2018**
**(As per Regulation 27(2) of SEBI (LODR) Regulation, 2015**

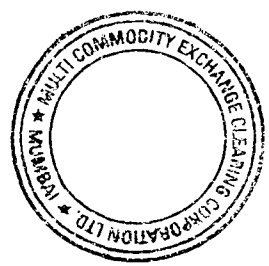
| **I.** | **Disclosure on Website in terms of Listing Regulation** | |
|---|---|---|
| **S. No.** | **Item** | **Compliance Status (Yes/ No/ NA)** |
| **1.** | Details of Business | Yes |
| **2.** | Terms and Condition of appointment of Independent Directors | Yes |
| **3.** | Composition of Various committee of Board of Directors | Yes |
| **4.** | Code of Conduct of Board of Director and Senior Management Personnel | Yes |
| **5.** | Details of establishment of Vigil mechanism/ Whistle Blower Policy | Yes |
| **6.** | Criteria of making payments to non-executive Directors | Yes |
| **7.** | Policy on dealing with Related Party Transaction | Refer Note 1 |
| **8.** | Policy for determining 'Material' subsidiaries | NA |
| **9.** | Details of Familiarization Programs imparted to Independent Directors | Yes |
| **10.** | Contact information of designated officials of the listed entity who are responsible for assisting and handling investor grievance | Yes |
| **11.** | Email address for Grievance Redressal and other Relevant details | Yes |
| **12.** | Financial Results | Yes |
| **13.** | Shareholding Pattern | Yes |
| **14.** | Details of Agreements entered into with a media Companies and/or their associates | NA |
| **15.** | New name and the old name of listed entity | NA |

*Notes:*

1. *The policy dealing with Related Party Transaction will be placed in the ensuing meeting.*
2. *The aforesaid details are available on https://www.mcxindia.com/about-us/about-mcxccl.*



| II. | Quarterly Affirmations | |
|---|---|---|
| **Particulars** | **Regulation Number** | **Compliance status (yes/No/NA)** |
| Independent Director(s) have been appointed in the terms of specified criteria of 'independence and/or eligibility' | 16(1)(b) & 25(6) | Yes |
| Board Composition | 17(1) | Yes |
| Meeting of Board of Directors | 17(2) | Yes |
| Review of Compliance Report | 17(3) | Refer Note 1 |
| Plans for orderly succession for appointments | 17(4) | NA |
| Code of Conduct | 17(5) | Yes |
| Fees/compensation | 17(6) | Yes |
| Minimum Information | 17(7) | Yes |
| Compliance Certificate | 17(8) | Yes |
| Risk Assessment & Management | 17(9) | Yes |
| Performance Evaluation of Independent Director | 17(10) | Yes |
| Composition of Audit Committee | 18(1) | Yes |
| Meeting of Audit Committee | 18(2) | Yes |
| Composition of Nomination & Remuneration Committee | 19(1) &(2) | Yes |
| Composition of Stakeholder Relationship Committee | 20(1) &(2) | NA |
| Composition & Role of Risk Management Committee | 21(1),(2),(3),(4) | Yes |
| Vigil Mechanism | 22 | Yes |
| Policy of Related Party Transaction | 23(1),(5),(6),(7),(8) | Refer Note 2 |
| Prior or Omnibus approval of Audit Committee for all related party Transaction | 23(2),(3) | Refer Note 3 |
| Approval for material Related Party Transaction | 23(4) | Refer Note 3 |
| Composition of Board of Director of Unlisted Material Subsidiary | 24(1) | NA |
| Other Corporate Governance requirement with respect to subsidiary of Listed Company | 24(2),(3),(4),(5),(6) | NA |
| Maximum Directorship & Tenure | 25(1), (2) | Yes |
| Meeting of Independent Directors | 25(3),(4) | Yes |
| Familiarization of Independent Directors | 25(7) | Yes |



| | | |
|---|---|---|
| Membership in Committees | 26(1) | Yes |
| Affirmation with Compliance to Code of Conduct from member of Board of director & Senior Management Personnel | 26(3) | Yes |
| Disclosure of Shareholding by Non-Executive Director | 26(4) | Yes |
| Policy with respect to Obligation of Directors and Senior Management | 26(2) &26(5) | Yes |

*Notes:*

1. *The periodic compliance reports will be placed before the Board.*
2. *The policy dealing with Related Party Transaction will be placed in the ensuing meeting.*
3. *As per applicable provisions of Companies Act, 2013 and Regulation 23(5) of Listing Regulations, 2015,* transactions entered into between holding company and its wholly owned subsidiary are exempt. *Further, approvals have been taken from appropriate authority, wherever required. All related party transactions are being reviewed by the Audit Committee.*

| **III. Affirmations:** | |
|---|---|
| The Listed Entity has approved Material Subsidiary Policy and the Corporate Governance requirements with respect to subsidiary of Listed Entity have been complied. | NA |

**For Multi Commodity Exchange Clearing Corporation Limited**

| | | |
|---|---|---|
| **Narendra Kumar Ahlawat** | **Satyajeet Bolar** | **Riddhi Parekh** |
| **MD & CEO** | **Chief Financial Officer** | **Company Secretary** |

MULTI COMMODITY EXCHANGE CLEARING CORPORATION LTD. MUMBAI