

MCX/SEC/2423

September 03, 2024

The Dy. General Manager  
**Corporate Relations & Service Dept.**  
BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai - 400001

**Scrip code: 534091, Scrip ID: MCX**

**Subject: Submission of Annual Report and Notice of Annual General Meeting of the Company for FY 2023-24**

Dear Sir/Madam,

This is further to our letter dated 27<sup>th</sup> July 2024, wherein the Company had informed that the 22<sup>nd</sup> Annual General Meeting of the Company is scheduled to be held on Thursday, 26<sup>th</sup> September 2024 through Video Conferencing or other Audio-Visual means, in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the Financial Year 2023-24 along with the Notice of the 22<sup>nd</sup> Annual General Meeting of the Company, which is being sent through electronic mode to the Members.

The Annual report containing the Notice of the 22<sup>nd</sup> AGM is also uploaded on the Company's website at <https://www.mcxindia.com/investor-relations> and the same shall also be available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

Request you to kindly take the same on record.

Thanking you,

Yours faithfully,

**For Multi Commodity Exchange of India Limited**

**Manisha Thakur**  
**Company Secretary**



## MULTI COMMODITY EXCHANGE OF INDIA LIMITED

CIN: L51909MH2002PLC135594

Regd. Office: Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai – 400093

Tel.: +91-22-6731 8888, Fax: +91-22-6649 4151.

Website: [www.mcxindia.com](http://www.mcxindia.com); Email id: [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com)

### NOTICE

**NOTICE** is hereby given that the 22<sup>nd</sup> Annual General Meeting (“AGM”) of Multi Commodity Exchange of India Limited (“Company or Exchange or MCX”) will be held on **Thursday, 26<sup>th</sup> September 2024, at 11.30 a.m. IST** through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) facility, to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a. Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2024, together with the Reports of the Board of Directors and Auditors thereon.
  - b. Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2024, and the Report of Auditors thereon.
2. To declare a final dividend of ₹ 7.64/- per Equity Share of face value of ₹ 10/- each for the Financial Year ended 31<sup>st</sup> March 2024.
3. To appoint a director in place of Mr. Mohan Shenoi (DIN: 01603606), Non-Independent Director who retires by rotation at this AGM and being eligible, offers himself for re-appointment, subject to approval of Securities and Exchange Board of India (“SEBI”).

#### SPECIAL BUSINESS:

4. To consider and approve the appointment of Ms. Praveena Rai (DIN: 09474203) as the Managing Director & Chief Executive Officer of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT**, pursuant to the recommendations of the Nomination and Remuneration Committee (“NRC”) at its meetings held on 05<sup>th</sup> July 2024, and 10<sup>th</sup> August 2024, the Board approval dated 05<sup>th</sup> July 2024 and 10<sup>th</sup> August 2024, and pursuant to the approval of SEBI vide its letter no. SEBI/HO/MRD/RAC/P/OW/25421/1 dated 08<sup>th</sup> August 2024, and in accordance with the provisions of the section 152, 196, 197, 198 and 203 read with Schedule V of the Companies Act, 2013 (“the Act”) and the Securities Contract Regulation (Stock Exchanges & Clearing Corporations) Regulations, 2018 (“SECC Regulations, 2018”), SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 [“SEBI (LODR) Regulations, 2015”], and a notice in writing from Ms. Praveena Rai (DIN: 09474203) under section 160 of the Companies Act, 2013 (“the Act”), proposing her candidature for appointment as Managing Director & Chief Executive Officer (“MD & CEO”) of the Board of the Company, approval of the Members of the Company be and hereby accorded for the appointment of Ms. Praveena Rai (DIN: 09474203) as the MD & CEO of the Company and a whole-time key managerial personnel for a period of 5 (five) years from the date of her joining;

**RESOLVED FURTHER THAT**, Ms. Praveena Rai, shall not be liable to retire by rotation as a director during her tenure as MD & CEO of the Company;

**RESOLVED FURTHER THAT**, Ms. Praveena Rai, while acting in the capacity of MD & CEO will be entrusted with the powers, authorities, functions, duties, responsibilities, etc. as decided by the Board of Directors of the Company, from time to time and as prescribed in the Employment Contract including giving effect to the directions, guidelines, regulations, rules, laws, circulars and other orders issued by the Regulatory Authorities, adhere to and ensure compliance with the applicable provisions of the Rules, Regulations, Byelaws, Business rules and Memorandum and Articles of Association of the Exchange;

**RESOLVED FURTHER THAT**, in accordance with the provisions of the Act and the SECC Regulations, 2018, the consent of the shareholders be and is hereby accorded for payment of remuneration as detailed below, which shall be in accordance with the employment contract, Nomination and Remuneration Policy and as mutually agreed with Ms. Praveena Rai:

Sr. No.	Components	Particulars
1.	Salary & Allowance forming part of total Annual Remuneration (Fixed pay*) (A)	₹ 3,50,00,000 /- (three crore fifty lakhs only) Remuneration will be payable in monthly equated instalments. The NRC and the Board, may at its discretion, fix the annual increase in the remuneration not exceeding 10 % of the fixed pay of the previous year and the resultant variable pay, which shall be based on the performance of MD&CEO and that of the Company, and shall be in accordance with the regulatory limits and HR Policy.
b.	Personal Accident, Medical, Term Life Insurance (B)	As per Rules/Policy of the Company.
	Gratuity (C)	As per Rules/Policy of the Company.
	Gross Fixed Pay (A+B+C) =D	₹ <b>3,58,75,694</b> /-*
2.	Performance Linked Variable Pay (PLVP) (E)	As may be determined and recommended by the Nomination and Remuneration Committee and approved by the Board in accordance with the Company's Policy and the SECC Regulations, 2018, the Annual Variable Pay shall be within a range of 25 % to 50 % of total pay, subject to – i. 50 % of such Variable Pay to be paid after approval of the yearly audited annual accounts by the Governing Board, and ii. the balance 50 % to be paid on a deferred basis after three years. The above conditions shall be applicable on the Variable Pay annually. The entire Variable Pay is subject to the provisions of 'Malus' and 'Clawback', as per the Company's Policy and provisions of SECC Regulations, 2018. In the first year of appointment at MCX, the candidate, to be paid Variable Pay, amounting to:  Number of days in previous Company * Last bonus received at previous Company + Number of days at MCX * 25 % of the total pay at MCX in FY 2024-25. Subject to confirmation that Ms. Rai has not received any Variable Pay from the previous Company for the said period.  Variable pay from 2 <sup>nd</sup> year onwards will be subject to performance and HR Policy.

Sr. Components No.	Particulars
Total Pay (D+E)=F	₹4,84,32,187/-*
Other Benefits	
4.	Company Car facility not included in fixed pay
	Cost not exceeding ₹ 30 lakhs; Fuel reimbursement up to 200 litre per month, Chauffeur to be provided by the Company, and Insurance, repairs and maintenance cost to be borne by the Company. The operating terms and conditions would be as per the Rules/Policy of the Company.
a.	Earned/privilege leave
	As per Rules/Policy of the Company.
d.	Grant of options and any other equity linked instruments/benefits under the Employees Stock Option Plan of the Company and/or its subsidiaries
	MD&CEO is not entitled for these benefits.
e.	Any other benefit, amenity, privilege, not mentioned above but provided by the Company to its employees as per the Nomination and Remuneration Policy, HR Manual for employees and Rules of the Company or in pursuance to any change in law are also applicable to MD&CEO.
f.	All monetary payments not in the nature of reimbursement of expenses is subject to deduction of tax at source and other statutory deductions like provident fund on Basic Salary, tax on employment, etc.

\* The amounts stated herein are for the first year from date of joining and may be revised as per remuneration structure stated above.

Based on recommendations of the NRC and approval of the Board, the Company may restructure the remuneration payable to the MD&CEO from time to time in accordance with regulations prescribed by SEBI, subject to the overall remuneration provided above. Unless required in law, such restructuring shall be done with due consultation of Ms. Rai.

Any other payments which the NRC or Board may decide to pay to the employees including working directors in such manner and for such purpose as may be decided by the Board or the NRC provided that such other payments payable to MD&CEO together with salary and other emoluments or its structure shall be as specified under the Act or any amendment thereto or re-enactment thereof or under SEBI Regulations;

**RESOLVED FURTHER THAT,** notwithstanding anything to the contrary contained herein above, and notwithstanding the limits specified under Section II of Part II of Schedule V of the Act, where in any financial year during the tenure of the MD&CEO, if the Company has no profits or its profits are inadequate, the Company shall only pay above mentioned remuneration by way of fixed pay, perquisite and allowances as minimum remuneration;

**RESOLVED FURTHER THAT,** any one of the Director, Chief Operating Officer, AVP-HR, Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things under the applicable provision of the Act and execute all such, documents and writings, as may be required to give effect to aforesaid resolution including filing of the requisite forms with the Registrar of Companies.”

5. To consider and approve payment of revised remuneration to Mr. P.S. Reddy, (DIN:01064530) erstwhile MD & CEO of MCX and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT**, further to the resolution passed by the members of the Company at Annual General Meeting held on 20<sup>th</sup> September 2019 and as per the SEBI approval regarding appointment as MD & CEO dated 28<sup>th</sup> March 2019, and pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 (“the Act”), and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“SEBI (LODR) Regulations, 2015”], Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, (“SEBI Regulations, 2018”) (including any statutory modification(s) or re-enactment thereof for the time being in force), applicable provisions of Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee vide meeting dated 07<sup>th</sup> May 2024 and the Board of Directors vide meeting dated 21<sup>st</sup> May 2024, and subject to SEBI approval and getting clearance from SEBI regarding the Show Cause Notice issued by SEBI in the matter relating to contracts entered with software vendors relating to the Commodity Derivative Platform, consent of the Members be and is hereby accorded for the payment of the following revised remuneration for FY 2022-23 and FY 2023-24 to Mr. P.S. Reddy (DIN:01064530) erstwhile MD & CEO and a KMP who completed his tenure on 09<sup>th</sup> May 2024:

Appraisal for the Year	Base Fixed Pay (in ₹)	Proposed Increment in fixed pay (in ₹)	Proposed Revised Fixed Pay (in ₹)	Variable Pay (including variable pay to be paid on a deferred basis after a minimum period of three years) - (in ₹)
<b>FY 2022-23</b>	2,20,00,000*	13,20,000	2,33,20,000	34,82,824
<b>FY 2023-24</b>	2,33,20,000	N.A.	2,33,20,000	24,69,271

\*As approved by the Members in the AGM dated 20<sup>th</sup> September 2019.

**RESOLVED FURTHER THAT**, other terms and conditions of remuneration of Mr. P.S. Reddy, erstwhile MD & CEO paid to him as approved by the Members of the Company, the details of which are mentioned in the explanatory statement and shall remain unchanged;

**RESOLVED FURTHER THAT**, any one of the Director, the Chief Operating Officer, AVP-HR, Company Secretary, be and is hereby severally authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute all documents and filing of requisites forms that may be required on behalf of the Company, and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this resolution.”

**By Order of the Board of Directors  
For Multi Commodity Exchange of India Limited**

**Mumbai  
10<sup>th</sup> August 2024**

**Manisha Thakur  
Company Secretary  
Membership No.: A10855**

## NOTES:

1. An explanatory statement pursuant to section 102(1) of the Companies Act, 2013 (“the Act”) and Secretarial Standards - 2 (“SS-2”) with respect to Item Nos. 3, 4 and 5 of the Notice is annexed hereto. Trading Members or their associates and agents as on cut-off date shall not be eligible to vote on Item Nos. 3,4 and 5 of the Notice.
2. The term ‘Members’ has been used to denote Shareholders of the Company.
3. Pursuant to the General Circular Nos. 20/2020, 2/2022, 10/2022 and 09/2023 issued by the Ministry of Corporate Affairs (“MCA”), companies are allowed to hold AGM through VC/OAVM up to 30<sup>th</sup> September 2024, without the physical presence of Members at a common venue. Further, the Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7<sup>th</sup> October 2023, has granted the relaxation in respect of sending physical copies of annual report to members till 30<sup>th</sup> September 2024. Hence, in compliance with the provisions of the Act, SEBI (LODR) Regulations, 2015, MCA & SEBI Circulars, the 22<sup>nd</sup> AGM of the Company is being held through VC/OAVM.

The Notice is also uploaded on MCX’s website [www.mcxindia.com](http://www.mcxindia.com) and that of National Securities Depository Limited (“NSDL”) (agency for providing the Remote e-Voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

4. The deemed venue for the 22<sup>nd</sup> AGM shall be the registered office of the Company i.e. Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai – 400093.
5. The Members can join the 22<sup>nd</sup> AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 22<sup>nd</sup> AGM through VC/OAVM will be made available for 1,000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2 % or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc.) who are allowed to attend the 22<sup>nd</sup> AGM without the above restriction of first come first serve basis.

## 6. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:

- a. PROCESS AND MANNER FOR VOTING THROUGH ELECTRONIC MEANS:
  - i. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended and Regulation 44 of SEBI (LODR) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs and SEBI, from time to time, the Company is providing the facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the day of the AGM will be provided by NSDL.
  - ii. Members of the Company holding shares in electronic form as on the cut-off date of Thursday, 19<sup>th</sup> September 2024, may cast their vote by remote e-voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting before AGM as well as e-voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. Thursday, 19<sup>th</sup> September 2024, may obtain the User ID and Password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com).

- iii. Members will be provided with the facility for voting through an electronic voting system during the AGM proceedings. Only such members who have not already cast their vote on the resolution(s) by remote e-voting, will be eligible to vote through the e-voting system during the AGM. Members who have cast their vote on the resolution(s) by remote e-voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.
- iv. The remote e-voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

**7. INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE 22ND AGM ARE AS UNDER:**

The remote e-voting period begins on Monday, 23<sup>rd</sup> September 2024, at 9:00 A.M. and ends on Wednesday, 25<sup>th</sup> September 2024, at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, 19<sup>th</sup> September 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, 19<sup>th</sup> September 2024.

**8. PROCEDURE FOR OBTAINING THE ANNUAL REPORT, E-AGM NOTICE AND E-VOTING INSTRUCTIONS BY THE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES OR WITH RTA ON PHYSICAL FOLIOS:**

In terms of MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered email address of the shareholders. Therefore, those shareholders who have not yet registered their email address are requested to get the same registered through the procedure given below:

- a) Those shareholders who have registered/not registered their email address and mobile number including communication address and bank details may please contact and validate/update their details with the Depository Participant in case of shares are held in electronic form and with the Company's Registrar and Share Transfer Agent, M/s Kfin Technologies Limited ("Kfin") in case the shares held in physical form.
- b) Shareholders are also requested to visit the website of the Company [www.mcxindia.com](http://www.mcxindia.com) or the website of the NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) for downloading the Annual Report and Notice of the e-AGM. Notice and Annual Report are available on the website of Stock Exchange namely BSE Limited at [www.bseindia.com](http://www.bseindia.com) as well.
- c) Alternatively member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the duly signed request letter providing the folio number, email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for obtaining the Annual report, Notice of e-AGM and the e-voting instructions.
- d) Pursuant to Regulation 46 of SECC Regulations, 2018, the securities of a Recognized Stock Exchange are required to be maintained in Demat mode. Further, in terms of the SEBI (LODR) Regulations, 2015, securities of listed companies can only be transferred in Demat mode w.e.f. 01<sup>st</sup> April 2019. In view of the above, Shareholders are advised to dematerialize the shares held in physical mode.
- e) As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for Shareholders in respect of the shares held by them. Shareholders who have not yet registered their nomination are requested to register the same with their DP in case the shares are held by them in demat mode, and to Kfin, in case the shares are held in physical mode.

## 9. How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

### Step 1: Access to NSDL e-Voting system

#### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9<sup>th</sup> December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ol style="list-style-type: none"><li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li></ol>

NSDL Mobile App is available on

 App Store  Google Play





Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>

<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website(s).

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 130491 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the Company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [naithanipcs@gmail.com](mailto:naithanipcs@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to

key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request to Mr. Amit Vishal, Deputy Vice President or Ms. Pallavi Mhatre, Sr. Manager or Ms. Veena Suvarna, Manager from NSDL at the designated e-mail ID: [evoting@nsdl.com](mailto:evoting@nsdl.com).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9<sup>th</sup> December 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**10. INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**11. INSTRUCTIONS FOR MEMBERS FOR PARTICIPATING IN THE 22<sup>nd</sup> AGM THROUGH VC/OAVM ARE AS UNDER:**

- a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join meeting” menu against Company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/ OAVM will be available in Shareholder/ Member login where the EVEN (**130491**) of Company will be displayed. Please note that the members who do not have the User ID and Password

for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

- b. Members are encouraged to join the Meeting through Laptops for better experience.
  - c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - d. Please note that Members connecting from mobile devices or tablets or through laptops etc., connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
  - e. Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number and mobile number, to reach the Company's e-mail address at [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com) at least 7 days in advance before the start of the meeting. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
  - f. Members, who would like to ask questions during the 22<sup>nd</sup> AGM with regard to the financial statements or any other matter to be placed at the 22<sup>nd</sup> AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number and mobile number, to reach the Company's email address [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com) on or before Thursday, 19<sup>th</sup> September 2024. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 22<sup>nd</sup> AGM, depending upon the availability of time.
12. The Board of Directors has appointed Mr. Prasen Naithani, Practicing Company Secretary (FCS No.: 3830 & COP No.: 3389), Proprietor of M/s P. Naithani & Associates, Secretaries, as the Scrutinizer to scrutinize the remote e-voting process before and during the AGM in a fair and transparent manner.
  13. The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock and count the votes cast during the AGM, and votes cast through remote e-voting and make, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
  14. The results declared along with the report of the scrutinizer shall be available on the website of the Company and on the website of NSDL, immediately after the result are declared by the Chairman or a person authorised by him in writing and will simultaneously be communicated to BSE Limited, where the equity shares of the Company are listed.
  15. Members can, prior to the Meeting, seek technical assistance/address queries on the numbers of NSDL as mentioned in e-voting process between 11.00 a.m. to 1.30 p.m. from Monday to Friday till the date of the Meeting.
  16. Since the AGM is being conducted through VC/OAVM, there is no provision for appointment of proxies. Accordingly, appointment of proxies by the members will not be available, hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Corporate members whose authorized representatives are intending to attend the meeting are requested to send to the Company at [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com) a certified copy of the board resolution authorizing such representative to attend the AGM through VC/OAVM, and cast their votes at the Meeting.
  17. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

18. Institutional investors who are members are encouraged to attend and vote at the AGM through VC or OAVM.
19. During the AGM, Register of Directors, Key Managerial Personnel and their shareholding and Register of Contracts maintained under the Act and all other documents referred to in the notice shall be available for inspection in electronic mode. Members who wish to inspect the registers are requested to write to the Company by sending an e-mail to [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com).
20. Thursday, 19<sup>th</sup> September 2024, is taken as the record date for the purpose of determining names of Members eligible for the payment of final dividend on equity shares for the Financial Year ended 31<sup>st</sup> March 2024.
21. Subject to the provisions of Section 126 of the Act, the dividend as recommended by the Board at the rate of ₹ 7.64/- per Equity Share of face value of ₹ 10/- each, if declared at the AGM, will be paid within thirty days of declaration to those members whose names appear as beneficial owner(s) in the records of the Depository as on Thursday, 19<sup>th</sup> September 2024. The final dividend, once approved by the members in the ensuing AGM will be paid to the Members, electronically through various online transfer modes to those members who have updated their bank account details.

Therefore, to avoid delay in receiving the dividend, members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participant(s). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System ("ECS") mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends. The members having shares in physical form may send their request to the Company's Registrar and Transfer Agent (RTA) at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for updating the above details. Members are also requested to give the MICR Code of their bank to their Depository Participants.

The Company will not entertain any direct request for change of address, transposition of names, deletion of the deceased joint holder's name and change in the bank account details of the members having shares in demat mode. The said details will be considered, as will be furnished by NSDL/CDSL to the Company.

22. Shareholders are requested to intimate all changes pertaining to their bank details, email address, power of attorney, change of name, change of address, contact details, etc. to their Depository Participant at the earliest.
23. SEBI has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s).
24. The Company also requests the shareholders to promptly disclose to the Company their shareholding in the Company along with the shareholding of Persons Acting in Concert (PAC), if any. 'PAC' is defined under Reg. 2(q) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
25. **Tax on Dividend:**

As you are aware that as per the Income tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after 1<sup>st</sup> April 2020, shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend within thirty days of declaration.

Further, pursuant to the SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 07<sup>th</sup> May 2024, it is mandatory to furnish PAN, KYC Details (including email, mobile number, and bank account details) and Nomination in respect of physical folios. Kindly ensure these details are updated with registrar to avail uninterrupted service request and dividend credit in bank account as no dividend will be paid to physical shareholders by way of issuance of physical warrant with effect from 1<sup>st</sup> April 2024.

**For Resident Individual Shareholders**, taxes shall be deducted at source under Section 194 of the Income tax Act, 1961 at 10 % on the amount of dividend. However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2024-25 does not exceed ₹ 5,000/-. In cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years.), provided that all the required eligibility conditions are met, no tax at source will be deducted. Needless to say, that having a PAN is mandatory.

Further, as per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhar, shall be required to link the PAN with Aadhar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/ inoperative and he shall be liable to all consequences under the Act and tax shall be deducted at higher rates as prescribed under the Act.

It may be further noted that in case you are eligible for the Form 15G / Form 15H, then we request you to kindly mention the current financial year i.e., 2024-25 under Sr. No.4 of the said Form 15G / Form 15H. Similarly, please also indicate in the Declaration/Verification the previous year ending on as 31<sup>st</sup> March 2025, relevant to the assessment year 2025-26.

**For Resident Non-Individual Shareholders**, no tax shall be deducted on dividend payable to resident non-individual shareholder if the following documents are provided which are as follows:

- i. Mutual Fund - Self-attested copy of valid SEBI registration certificate
- ii. Insurance Company - Self-attested copy of valid IRDAI registration certificate
- iii. Alternative Investment Fund - Self-attested copy of valid SEBI registration certificate

For Non-resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income tax Act, 1961 at the rates in force. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20 % (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90 of the Income tax Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:

- i. Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities.
- ii. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident. In case TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided.
- iii. Self-attested copy of acknowledgement of Form 10F submitted at Income Tax Portal, if all the details required in this form are not mentioned in the TRC.
- iv. Self-declaration by the non-resident shareholder of having no Permanent Establishment in India in accordance with the applicable Tax Treaty.
- v. Self-declaration of Beneficial ownership by the non-resident shareholder.
- vi. Self-attested copy of FPI registration & SEBI registration certificate in case of FIIs/FPIs.
- vii. In case, shareholders provide a certificate issued under Section 197 of the Income Tax Act, 1961, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the certificate.

Accordingly, in order to enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide these details and documents as mentioned above on or before **Thursday, 19<sup>th</sup> September 2024**. The said Dividend will be paid after deducting the tax at source as under:

- i. Nil for resident shareholders in case Form 15G/Form15H (as applicable) along with self-attested copy of the PAN is submitted.
- ii. Nil for resident shareholders in case if the total dividend to be received by them during Financial Year 2023-24 does not exceed ₹ 5,000.
- iii. 10 % for resident shareholders in case PAN is provided/available.
- iv. 20 % plus applicable surcharge and cess, for resident shareholders in case PAN is not provided / not available.
- v. Beneficial tax treaty rate (based on tax treaty with India) for non-resident shareholders, as applicable will be applied on the basis of documents submitted by the non-resident shareholders.
- vi. 20 % plus applicable surcharge and cess for non-resident shareholders in case the aforementioned documents are not submitted.
- vii. As per the provisions of Section 206AB of the Act, if any TDS is deductible from a “specified person”, then, TDS would be deducted at higher of the following rates-
  - a. Twice the rate specified in the relevant provision of the Act;
  - b. Twice the rate or rates in force;
  - c. At the rate of 5 %.

For the above purpose, “specified person” means a person, being a resident or a non- resident having a Permanent Establishment (PE) in India-

- Who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted. For this purpose, the assessment year would be reckoned to be the one for which time limit for filing Return of Income under sub-section (1) of section 139 has expired; and
  - The aggregate of TDS/TCS deducted/collected in the case of such person is ₹ 50,000 or more in the said previous year.
- viii. Benefit under Rule 37BA:- In case where shares are held by Clearing Member/ intermediaries/ stock brokers and TDS is to be applied in the PAN of the beneficial shareholders, then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration.

Accordingly, if at the time of deducting TDS, the status of a resident shareholder or a non-resident shareholder (having a PE in India), as shown by the system of the Income-tax Department, is a “specified person”, TDS would be deductible at twice the normally applicable rate or 5 %, whichever is higher.



Further, if owing to non-availability of PAN of a shareholder who is a “specified person” under section 206AB of the Act, the provisions of section 206AA are also applicable, TDS would be deductible at the rate applicable under section 206AA or under section 206AB of the Act, whichever is higher.

In the cases of resident shareholders, if PAN of a shareholder is not updated, it shall be assumed that the shareholder is a “specified person” for the purpose of section 206AB of the Act and TDS would be regulated accordingly.

It may be noted that, the provisions of Section 206AB shall not be applicable in the cases of non-resident shareholders not having a PE in India. For this purpose, the expression PE (i.e., permanent establishment) includes a fixed place of business through which the business of the non-resident is wholly or partly carried on.

Thus, if a non-resident shareholder, who is otherwise liable for higher TDS under Section 206AB, submits a duly signed and verified declaration confirming that he/she does not have a PE in India, the provisions of Section 206AB would not come into play and TDS would be deductible at the normally applicable rate. In absence of such a declaration, TDS would be regulated as per the provisions of section 206AB of the Act.

- ix. TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued u/s 197 of the Income tax Act, if such valid certificate is provided.
- x. 20 % plus applicable surcharge and cess or tax treaty rate whichever is beneficial for Foreign Institution (FII) and Foreign Portfolio Investors (FPI) shareholder.

Kindly note that the aforementioned documents are required to be emailed at [dividendtax@mcxindia.com](mailto:dividendtax@mcxindia.com) on or before **Thursday, 19<sup>th</sup> September 2024**, in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication on the tax determination/deduction shall be entertained post **Thursday, 19<sup>th</sup> September 2024**. The Company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

It may be further noted that in case the tax on said Dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

- 26. We shall arrange to email a soft copy of TDS certificate to you at your registered email ID in due course, post payment of the said Dividend. Shareholders are further requested to complete necessary formalities to link their bank accounts to their Demat accounts to enable the Company to make timely credit of dividend in respective bank account.

The formats of said forms/declaration are also available on the website of the Company at <https://www.mcxindia.com/investor-relations/others>.

- 27. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto (‘IEPF Rules’), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to Company’s Unpaid Dividend Account is required to be transferred, along with interest accrued, if any, to the Investor Education and Protection Fund (IEPF), established by the Central Government. Further, all shares in respect of which dividend has not been paid or claimed for seven consecutive years are to be transferred by the Company in the name of IEPF.

28. The Company had transferred the IPO application amount, unpaid and unclaimed dividends declared up to Financial Year 2015-16 (final) and the corresponding shares on which dividend was unclaimed for seven consecutive years, to the IEPF. Details of the unpaid/ unclaimed dividends/shares transferred are also uploaded on the Company's website [www.mcxindia.com](http://www.mcxindia.com). Shareholders who have so far not encashed their dividend warrant/s for the Financial Year 2016-17 (final dividend) and onwards are requested to make their claims either with the Secretarial Department at the Registered Office of the Company or the office of the Registrar and Share Transfer Agent (RTA), KFin, before the unclaimed dividend is transferred to IEPF.
29. All documents referred to in the accompanying Notice have been sent along with this Notice to the registered email addresses of the persons entitled to attend the Meeting and shall also be available electronically on request by sending an email at the Designated Email Address.
30. Your Company is pleased to provide the facility of a live webcast of proceedings of AGM. Members who are entitled to participate in the AGM can view the live proceedings of AGM on the websites of the respective depositories.
31. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
32. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Act, 2013 read with Circulars issued by MCA and SEBI in this regard.
33. To enable ease of participation of the Members, we are providing below the key details regarding the meeting for your reference.

Sr. No.	Particulars	Details
1.	Record date for dividend	Thursday, 19 <sup>th</sup> September 2024
2.	Cut-off date for e-voting	Thursday, 19 <sup>th</sup> September 2024
3.	For updating E-mail ID & Bank details before the Cut-off date for e-Voting	Refer point 8 (a)
4.	Time period for remote e-Voting	Commences on Monday, 23 <sup>rd</sup> September 2024, at 9:00 A.M. and ends on Wednesday, 25 <sup>th</sup> September 2024, at 5:00 P.M.
5.	Speaker Registration/Post your Queries	Refer point 11 (e) and (f)
6.	TDS on Dividend & Link for downloading formats for submission	Refer point 25 and 26

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**

### **Item No. 3:**

The following statement sets out the material facts relating to the ordinary business mentioned in Item No.3 of the accompanying Notice:

#### **To appoint a director in place of Mr. Mohan Shenoi (DIN: 01603606), Non-Independent Director who retires by rotation at this AGM and being eligible, offers himself for re-appointment, subject to approval of SEBI.**

Mr. Mohan Shenoi (DIN: 01603606) was initially appointed as Non-Independent Director on the Board of your Company on 03<sup>rd</sup> September 2021. Section 152(6) of the Act provides that not less than two-thirds of the total number of Directors of a Company shall be persons whose period of office is liable to determination for retirement by rotation. It further states that one-third of the Directors out of the two-thirds excluding Independent Directors, liable to retire by rotation, who have been longest in office since their last appointment shall retire from office at every AGM of the Company.

In accordance with the aforesaid provisions of the Act and the Articles of Association of the Company, Mr. Mohan Shenoi, Non-Independent Director of the Company, shall be liable to retire by rotation at the ensuing AGM. He being eligible, has offered himself for re-appointment. Further, his re-appointment would be subject to approval by SEBI. Mr. Mohan Shenoi is not disqualified from being appointed as a Director under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and SECC Regulations, 2018. Requisite declarations have been received from him in relation to his re-appointment.

With respect to item no. 3 of the Notice, save and except Mr. Mohan Shenoi in connection with his re-appointment and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, KMPs and their relatives, are, in any way concerned or interested, financially or otherwise, in the said resolution. The relevant details as required under Regulation 36 of SEBI (LODR) Regulations, 2015, in respect of re-appointment of a director at the AGM is provided in Annexure to this Notice.

### **Item No. 4:**

The following statement sets out the material facts relating to the special business mentioned in Item No.4 of the accompanying Notice:

#### **To consider and approve the appointment of Ms. Praveena Rai (DIN: 09474203) as the Managing Director & Chief Executive Officer of the Company.**

The first term of Mr. P.S. Reddy as Managing Director and Chief Executive Officer completed on 09<sup>th</sup> May 2024. The SECC Regulations, 2018, including amendments, circulars, letters, and notifications issued thereunder has prescribed a certain process to be followed for the appointment of MD & CEO including providing two names for the post to SEBI for seeking its approval. In view of the same, the Company initiated the process for selection of candidates for the position of MD & CEO of the Exchange in November 2023 and published an advertisement in the newspapers. Mr. Anup Wadhawan was inducted in the NRC for limited purpose of MD & CEO selection as per the SEBI approval dated 08<sup>th</sup> December 2023. The Exchange recommended two names and the compensation payable, to the SEBI vide application dated 14<sup>th</sup> February 2024, for its consideration. SEBI vide letter dated 22<sup>nd</sup> March 2024, directed to the redo the process of MD & CEO selection.

In this regard, as advised by SEBI, the process for selection was reinitiated and Korn Ferry (Executive Search Firm) was appointed to handle the MD & CEO search mandate. To redo the selection, the newspaper advertisement inviting applications for the post of MD & CEO was once again published on 30<sup>th</sup> April 2024. The Exchange after following due process and as per the recommendation of the NRC and Board vide respective meetings dated 05<sup>th</sup> July 2024, recommended to the SEBI two names and the compensation payable, vide application dated 10<sup>th</sup> July 2024, for its consideration.

Subsequently, SEBI vide its letter dated 08<sup>th</sup> August 2024, approved the name of Ms. Praveena Rai (DIN: 09474203) as MD & CEO of the Company for a period of five years, which shall be effective from the date of her joining. Further, the Exchange shall ensure that the compensation paid to Ms. Praveena Rai is in accordance with Regulation 27 of SECC Regulations, 2018. In view of the same, the Company also made an intimation on the even date to BSE.

The NRC and the Board at its meeting held on 10<sup>th</sup> August 2024, approved the appointment, terms and conditions including remuneration of Ms. Praveena Rai as MD & CEO of the Company, subject to the approval by the Shareholders.

The core skill sets/expertise as identified by the Board to be collectively possessed by the Board of Directors of the Company in the context of the Company's business include Capital Markets, Finance and Accountancy, Legal and Regulatory practice, Technology, Risk Management and Management or Administration. Ms. Rai possesses skill sets such as Financial Services, Technology, People Management, Management, Administration, Leadership and Regulatory Interaction.

In terms of Regulation 17(1C) of the SEBI (LODR) Regulations, 2015, the listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. The Company has also received notice in writing from her under section 160 of the Act, proposing her candidature for the office of Director of the Company.

The terms and conditions of her appointment including remuneration form part of the resolution no. 4. The components of the remuneration are detailed below:

<b>Components of the Remuneration</b>	<b>Amount (in ₹)</b>
<b>Gross Fixed Pay (A)</b>	<b>3,58,75,694*</b>
Performance Linked Variable Pay – PLVP (B)	1,25,56,493
<b>Total Pay = Fixed Gross Pay + PLVP (A+B)=C</b>	<b>4,84,32,187*</b>

Ratio of PLVP to Total Pay 25.92 %

The PLVP amount is based on rating 6 in the annual appraisal computed at 35 % of the Gross Fixed Pay. The actual disbursement amount of PLVP shall be paid as per Company policy and would depend on budgetary provisions, performance at the Company and individual level, and the statutory/ regulatory guidelines in force from time to time.

**Other Benefits:** The MD & CEO will be eligible for benefits such as Group Term Life Insurance, Group Accident Insurance, Mediclaim (self, spouse & two dependent children, Annual Health Screening, Directors & Officers Liability, Leave Encashment and Employee Assist Programme Service as per the Company Policy.

\* The amounts stated herein are for the first year from date of joining may be revised as per remuneration structure stated above.

The terms of appointment of MD&CEO shall include a condition, that for one year after resignation, the MD&CEO shall not directly or indirectly compete or associate with competition, additionally, immediately after resignation, there shall be a cooling period of three months, cost for which shall be borne by MCX (basis Fixed Pay), during this period MD&CEO would proceed on Gardening Leave and will not attend office or be involved in any decision making;

The remuneration payable to Ms. Rai is within the prescribed limits of Sections 196, 197, 198 and Schedule V of the Act. Further no sitting fees shall be payable to Ms. Rai during her tenure as MD & CEO. The Board recommends the Special Resolution as set out in the Notice for the approval by the Shareholders.

Except Ms. Praveen Rai and her relatives to the extent of their shareholding interest, if any, in the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.

**Item No. 5:**

The following statement sets out the material facts relating to the special business mentioned in Item No.5 of the accompanying Notice:

**To consider and approve payment of revised remuneration to Mr. P.S.Reddy (DIN:01064530) erstwhile MD & CEO of MCX.**

The Board recommends the resolution set forth in Item No. 5 of this Notice for approval of the Members as a **Special Resolution**.

SEBI approved the appointment of Mr. P.S.Reddy (DIN:01064530) as MD & CEO vide letter dated 28<sup>th</sup> March 2019. Subsequently, the shareholders in the AGM dated 20<sup>th</sup> September 2019 approved the appointment of Mr. P.S.Reddy as MD & CEO for a period of 5 years effective from 10<sup>th</sup> May 2019 along with the remuneration to be paid to him. As per the approval, he was to be paid ₹ 2.2 crores per annum with an annual increment as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors based on his performance and that of the Company, subject to prior approval of SEBI. His tenure was completed on 9<sup>th</sup> May 2024.

The Nomination and Remuneration Committee vide meeting dated 07<sup>th</sup> May 2024 and the Board of Directors vide meeting dated 21<sup>st</sup> May 2024 approved and recommended the payment of revised remuneration for FY 2022-23 and FY 2023-24 subject to SEBI approval and getting clearance from SEBI regarding the Show Cause Notice issued by SEBI in the matter relating to contracts entered with software vendors relating to the Commodity Derivative Platform.

The remuneration payable to MD & CEO is governed by the limits specified under section 197(1)(i) of the Act, wherein, the remuneration payable to any one managing director; shall not exceed five percent of the net profits of the Company in a financial year and as per the SECC Regulations 2018. The details of past payments already made to Mr. P.S. Reddy as part of the annual appraisal process were as follows, which are within the said regulatory limits and as per the regulatory approvals:

Appraisal for the Year	Fixed Pay (in ₹)	Annual Increments paid till date	Variable Pay per annum (including variable pay to be paid on a deferred basis after a minimum period of three years) – (in ₹)
FY 2019-20	2,20,00,000	Nil	51,24,316
FY 2020-21	2,20,00,000	Nil	45,00,000
FY 2021-22	2,20,00,000	Nil	50,00,000
FY 2022-23	2,20,00,000	As proposed below	As proposed below
FY 2023-24	2,20,00,000	NA	As proposed below

- i. For FY 2022-23, the appraisal assessment of MD & CEO was kept on hold, however, provision for the same was made in the Accounts. As per the employment agreement and regulatory limit, he is eligible for variable pay amounting to 1/3<sup>rd</sup> of the fixed gross pay, which amounts to a maximum of ₹ 73.33 Lakh on a fixed pay of ₹ 2.2 Crore.
- ii. For FY 2023-24, as per revised SECC Regulations, 2018 effective from 28<sup>th</sup> August 2023, the eligibility for Annual Variable Bonus is 25 % -50 % of total pay. Accordingly, the Variable Pay for all KMPs, including MD & CEO, is now computed based on these limits, such that if the rating is '6', Variable Payable would be 35 % of gross fixed pay, (i.e. about 25 %+ of the total pay). The same is within the upper limit for variable pay approved by the Shareholders and SEBI for MD & CEO.
- iii. 50 % of the above variable pay shall be paid on a deferred basis after a minimum period of three years.
- iv. Mr. P.S. Reddy shall be eligible for Variable Pay for FY 2024-25 on a proportionate basis of the tenure in the Company and regarding implementation of CDP he may be paid such one-time payment for FY 2023-24, subject to the necessary regulatory approvals including NRC, Board & SEBI and subject to getting clearance from SEBI regarding the Show Cause Notice issued by SEBI in the matter relating to contracts entered with software vendors relating to the Commodity Derivative Platform.

The approved terms and conditions of appointment including remuneration of Mr. P. S. Reddy for the period from 10<sup>th</sup> May 2019, up to 09<sup>th</sup> May 2024, are mentioned below:

<b>Sr. No.</b>	<b>Components</b>	<b>Particulars</b>
1.	Salary & Allowance forming part of total Annual Remuneration (Fixed pay*)  (A)	Gross Remuneration of ₹ 2.2 Crores per annum payable in monthly equated instalments, with an annual increments in terms of Company's philosophy, as may be recommended by the Nomination and Remuneration Committee and approved by Board of Directors based on the performance of Mr. Reddy and that of the Company, subject to prior approval of SEBI.
2.	Performance Linked Variable Pay (PLVP)  (B)	As may be determined and recommended by the Nomination & Remuneration Committee and approved by the Board in accordance with the Company's Policy and the SECC Regulations, 2018, an Annual Variable Bonus within a range of 25 % to 50 % of total pay, subject to –  (i) 50 % of such Variable Bonus to be paid after approval of the yearly audited annual accounts by the Governing Board, and  (ii) the balance 50 % to be paid on a deferred basis after three years.  The above conditions shall be applicable on the Variable Pay annually.  The entire variable component is subject to the provisions of 'Malus' and 'Clawback', as per the Company's Policy and provisions of SECC Regulations, 2018.
3.	Company Car facility not included in fixed pay	As per Rules/Policy of the Company applicable to MD & CEO <ul style="list-style-type: none"> <li>• Company shall provide a car (costing upto ₹ 20 lakh (₹ Twenty lakh) for official and personal use.</li> <li>• Chauffeur to be provided by the Company</li> <li>• Fuel reimbursement up to 200 litre per month</li> <li>• Insurance, repairs and maintenance cost to be borne by the Company.</li> </ul>
4.	Other Benefits	
a.	Earned/privilege leave	As per Rules/Policy of the Company.
b.	Personal Accident, Medical, Term Life Insurance  (B)	As per Rules/Policy of the Company.
c.	Encashment of leave	As per Rules/Policy of the Company.
d.	Grant of options and any other equity linked instruments/ benefits under the Employees Stock Option Plan of the Company and/or its subsidiaries	MD&CEO is not entitled for these benefits.
e.	Any other benefit, amenity, privilege, not mentioned above but provided by the Company to its employees as per the Remuneration Policy and Rules of the Company or in pursuance to any change in law are also applicable to MD&CEO.	
f.	All monetary payments not in the nature of reimbursement of expenses is subject to deduction of tax at source and other statutory deductions like provident fund on Basic Salary, tax on employment, etc.	

*\*Fixed Pay includes Basic Salary, Additional Allowance, House Rent Allowance (if paid), Leave Travel Allowance, Medical Allowance, contribution to Provident Fund, gratuity (if applicable), but excludes certain perquisites like Company maintained car with drivers, telephone (besides mobile phone) with net connectivity, leave encashment, club membership, medical, personal accident and life insurance cover and Directors & Officers Liability Insurance.*

Based on the KRAs of Mr. P.S. Reddy along with the self-assessment conducted for FY 2022-23 and FY 2023-24 placed before the NRC in its meeting dated 07<sup>th</sup> May 2024, and before the Board in its meeting dated 21<sup>st</sup> May 2024, the following remuneration was approved and recommended to the shareholders to be paid to him subject to Regulatory approvals:

<b>Appraisal for the Year</b>	<b>Base Fixed Pay (in ₹)</b>	<b>Proposed Increment in fixed pay (in ₹)</b>	<b>Proposed Revised Fixed Pay (in ₹)</b>	<b>Variable Pay per annum (including variable pay to be paid on a deferred basis after a minimum period of three years) - (in ₹)</b>
<b>FY 2022-23</b>	2,20,00,000*	13,20,000	2,33,20,000	34,82,824
<b>FY 2023-24</b>	2,33,20,000	N.A.	2,33,20,000	24,69,271

*\*As approved by the Members in the AGM dated 20<sup>th</sup> September 2019.*

The proposed remuneration payable to MD & CEO is within the regulatory limits specified under section 197(1)(i) of the Act, and is in accordance with SECC Regulations, 2018. If approved by the shareholders, the payment would be subject to SEBI approval and getting clearance regarding the Show Cause Notice issued by SEBI in the matter of contracts entered with software vendors relating to the Commodity Derivative Platform. The Board recommends the Special Resolution as set out in the Notice for the approval of the Shareholders.

Except Mr. P.S.Reddy and his relatives to the extent of their shareholding interest, if any, none of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

#### **To note the appointments in the Board since 01<sup>st</sup> April 2023:**

Pursuant to Regulation 24(2) to SECC Regulations, 2018 read with PART – H of Schedule – II of these regulations, the Public Interest Directors on the governing board of the recognised stock exchange shall be nominated by SEBI from the names of public interest directors forwarded to the Securities and Exchange Board of India (SEBI) which are approved by the Governing Board of the stock exchange. The shareholders' approval for the same shall not be necessary.

In light of the above provisions, the Nomination and Remuneration Committee and Board of Directors from time to time had approved and forwarded the names of Public Interest Directors to SEBI for nomination on the Governing Board of MCX. Subsequently, SEBI had approved the nomination of Public Interest Director(s) on the governing Board from time to time. Accordingly, the members are requested to take note of the appointment of Public Interest Directors made on the Governing Board of MCX since 01<sup>st</sup> April 2023.

The relevant details of directors seeking appointment/ re-appointment at the AGM as required under Regulation 36 of SEBI (LODR) Regulations, 2015 and details regarding variation in terms of remuneration is provided in Annexure to this Notice.

## ANNEXURE

**Information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India regarding appointment/ re-appointment of Directors and details of variation in terms of remuneration is as under:**

<b>Name of Director</b>	<b>Mr. Mohan Sheno</b>	<b>Dr. Navrang Saini</b>	<b>Ms. Praveena Rai</b>	<b>Mr. P.S.Reddy</b>
Category	Non-Independent Director	Non-Executive-Independent Director/ Public Interest Director	Managing Director & Chief Executive Officer	Erstwhile Managing Director & Chief Executive Officer
DIN	01603606	09650867	09474203	01064530
Date of Birth / Age	28 <sup>th</sup> April 1958 / 66 years	06 <sup>th</sup> March, 1957/ 67 years	01 <sup>st</sup> January 1970/ 54 years	20 <sup>th</sup> February 1963/ 61 years
Qualifications	BBM, CAIIB and PGDBM	MBA, Ph.D. and CS	PGDM, Bachelor of Engineering	BA Economics and MA Economics
Terms and conditions of appointment or re-appointment	In terms of section 152(6) of the Companies Act, 2013, Mr. Mohan Sheno who was appointed as Non-Independent Director at the Annual General Meeting held on 03 <sup>rd</sup> September 2021, is liable to retire by rotation. Further, the relevant terms and conditions as mentioned in the Act, SEBI (LODR) Regulations, 2015 and SECC Regulations, 2018 shall be applicable to him.	In terms of Regulation 24(2) of the SECC Regulations, 2018, Dr. Navrang Saini has been nominated for a term of three years, extendable by another term of three years, subject to performance review in the manner as may be specified by the SEBI. Further, the relevant terms and conditions as mentioned in the Act, SEBI (LODR) Regulations, 2015 and SECC Regulations, 2018 shall be applicable to him.	As provided under the resolution and explanatory statement of Item No.4.	N.A
Item No.	3	NA	4	5
Remuneration drawn and proposed to be paid	₹ 39,75,000/- was paid as sitting fees for financial year ended 31 <sup>st</sup> March 2024  He will be remunerated only by way of sitting fees as admissible under the Act, for the Board and Committee meetings attended.	₹ 1,00,000/- was paid as sitting fees for financial year ended 31 <sup>st</sup> March 2024  He will be remunerated only by way of sitting fees as admissible under the Act, for the Board and Committee meetings attended.	As provided under the the resolution and explanatory statement of Item No.4.	₹ 2,55,58,121/- was paid/payable as remuneration for FY 2023-24.  The revised remuneration shall be paid subject to SEBI approval and getting clearance regarding the Show Cause Notice issued by SEBI in the matter relating to contract entered with software vendors relating to the Commodity Derivative Platform.



<b>Name of Director</b>	<b>Mr. Mohan Shenoi</b>	<b>Dr. Navrang Saini</b>	<b>Ms. Praveena Rai</b>	<b>Mr. P.S.Reddy</b>
				This remuneration is paid as mentioned in the statement pursuant to the provisions of Section 102 of the Act, and is in accordance with the approvals granted by Members of the Company on 20 <sup>th</sup> September, 2019.
Date of first appointment on the Board	30 <sup>th</sup> September 2021	14 <sup>th</sup> March 2024	N.A.	10 <sup>th</sup> May 2019
Number of Meetings of the Board attended during the year ended 31 <sup>st</sup> March 2024	18 meetings out of 18 meetings.	1 meeting out of 1 meeting.	N.A	18 meetings out of 18 meetings.
Shareholding in the Company	Nil	Nil	Nil	Nil
Directorships of other companies as at 31 <sup>st</sup> March 2024	<ul style="list-style-type: none"> <li>Multi Commodity Exchange Clearing Corporation Limited</li> </ul>	<ul style="list-style-type: none"> <li>ICSI Registered Valuers Organisation<sup>5</sup></li> </ul>	<ul style="list-style-type: none"> <li>NPCI Bharat Billpay Limited</li> </ul>	Nil
Membership/ Chairmanship in Committees* as at 31 <sup>st</sup> March 2024	<ul style="list-style-type: none"> <li>Member, Audit Committee-Multi Commodity Exchange of India Limited</li> </ul>	Nil	Nil	Nil
Brief Profile including experience, expertise in specific functional areas:	<ul style="list-style-type: none"> <li>Has over 43 years of wide ranging experience in the Banking industry.</li> <li>Retired as Chief Operating Officer at Kotak Mahindra Bank</li> <li>Held several leadership positions in both the public and private sector.</li> </ul>	<ul style="list-style-type: none"> <li>Former Chairperson of the Insolvency and Bankruptcy Board of India.</li> <li>Former Director General, Ministry of Corporate Affairs, Government of India.</li> <li>Has served in the Territorial Army as a commissioned officer.</li> </ul>	<ul style="list-style-type: none"> <li>Has Post Graduate Diploma in Management, Indian Institute of Management, Ahmedabad 1995,</li> <li>Has done Bachelor of Engineering, College of Engineering, Guindy, Anna University, Chennai 1990,</li> </ul>	<ul style="list-style-type: none"> <li>Held position of Managing Director &amp; CEO of Central Depository Services (India) Limited for twelve years.</li> <li>Worked with BSE Limited for eighteen years. Was in charge of various departments and represented in various Committees of the Exchange.</li> </ul>

Name of Director	Mr. Mohan Shenoi	Dr. Navrang Saini	Ms. Praveena Rai	Mr. P.S.Reddy
	<ul style="list-style-type: none"> <li>• Was responsible for spearheading the integration of ING Vysya Bank with Kotak Mahindra Bank, one of the largest merger in Indian banking. Successfully completed merger in terms of people, process, technology and Synergy in a record time of 15 months. He was also actively involved in the merger of Bank of Madura with ICICI Bank.</li> <li>• Has set up treasury functions and dealing rooms at three banks namely Corporation Bank, ICICI Bank and Kotak Mahindra Bank.</li> <li>• Contributed significantly to the development and deepening of money market instruments like Certificate of Deposits (CD) and Commercial Paper (CP) in the early 1990s when first permitted in India.</li> </ul>		<ul style="list-style-type: none"> <li>• Has completed Wharton Institute of Management, AMP program, Philadelphia 2023</li> <li>• Currently the Chief Operating Officer of National Payments Corporation of India wherein she is responsible for developing and executing the strategy for business, operational and technical delivery, marketing, organisation building and shaping the industry.</li> <li>• Was associated with Hong Kong and Shanghai Banking Corporation Limited as Regional Head of Payments, Asia Pacific.</li> <li>• Was also associated with Citigroup Global Service Ltd and Kotak Mahindra Bank across retail and corporate banking.</li> </ul>	<ul style="list-style-type: none"> <li>• Over 30 years of diverse experience in Indian Capital Market, especially in Stock Exchange, Clearing Corporation and its ecosystem businesses.</li> </ul>
Relationship with other Directors/ KMPs	None	None	None	None

\*Only Audit and Stakeholders' Relationship Committees are considered.

# Details provided as on 31<sup>st</sup> March 2024.

\$ Mr. Navrang Saini ceased to be a director in ICSI Registered Valuers Organisation w.e.f. 10<sup>th</sup> April 2024.

**The statement containing additional information as required under Schedule V to the Companies Act, 2013**

Sr. No.	Particulars	Details																										
<b>I</b>	<b>General information:</b>																											
1	Nature of industry	The Company is an Exchange and provides Platform where commodity derivatives are traded.																										
2	Date or expected date of commencement of commercial production	The Company was incorporated under the Companies Act, 1956 with effect from 19 <sup>th</sup> April 2002.																										
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.																										
4	Financial performance based on given indicators	<p>Financial Performance as per the audited standalone financial statements are as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Sr. No.</th> <th rowspan="2">Particulars</th> <th colspan="2">Year ended ₹ in Lakh</th> </tr> <tr> <th>31-03-2024</th> <th>31-03-2023</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Total income</td> <td>67,124</td> <td>52,147</td> </tr> <tr> <td>2</td> <td>Profit before tax</td> <td>7,061</td> <td>17,135</td> </tr> <tr> <td>3</td> <td>Net profit after tax</td> <td>5,196</td> <td>12,983</td> </tr> <tr> <td>4</td> <td>Computation of Net Profit in accordance with section 198 of the Companies Act, 2013</td> <td>5,936</td> <td>14,558</td> </tr> <tr> <td>5</td> <td>Net Worth</td> <td>1,55,019</td> <td>1,59,570</td> </tr> </tbody> </table> <p>The Company currently has adequate profits and in the 1<sup>st</sup> quarter of FY 2024-25, as per the unaudited financial results the net profit was ₹ 8,038 lakhs.</p>	Sr. No.	Particulars	Year ended ₹ in Lakh		31-03-2024	31-03-2023	1	Total income	67,124	52,147	2	Profit before tax	7,061	17,135	3	Net profit after tax	5,196	12,983	4	Computation of Net Profit in accordance with section 198 of the Companies Act, 2013	5,936	14,558	5	Net Worth	1,55,019	1,59,570
Sr. No.	Particulars	Year ended ₹ in Lakh																										
		31-03-2024	31-03-2023																									
1	Total income	67,124	52,147																									
2	Profit before tax	7,061	17,135																									
3	Net profit after tax	5,196	12,983																									
4	Computation of Net Profit in accordance with section 198 of the Companies Act, 2013	5,936	14,558																									
5	Net Worth	1,55,019	1,59,570																									
5	Foreign investments or collaborations, if any.	The Company has no foreign collaborations as on date. As per the shareholding pattern as on 31 <sup>st</sup> July 2024, Foreign investors were holding 21.88 % collectively of the total paid up share capital of the Company.																										
<b>II</b>	<b>Information about the appointee:</b>																											
1	Background details	The brief profile of Ms. Praveena Rai is mentioned above in the <b>Annexure</b> .																										
2	Past remuneration	During the FY 2023-24, Ms. Praveena Rai was paid a remuneration of ₹ 2.76. Cr.																										
3	Recognition or awards	The brief profile of Ms. Praveena Rai is mentioned above in the <b>Annexure</b> .																										
4	Job profile and her suitability	<p>The brief profile of Ms. Praveena Rai is mentioned above in the <b>Annexure</b>.</p> <p>Ms. Praveena Rai is a result-oriented business leader and passionate about India's digital future and its positive impact on people's lives. She has a successful track record of over 30 years.</p> <p>She is currently the Chief Operating Officer of National Payments Corporation of India wherein she is responsible for developing and executing the strategy for business, operational and technical delivery, marketing, organisation building and shaping the industry.</p> <p>Ms. Praveena Rai has strong capabilities in financial services, technology, people management, leadership and regulatory interaction. A well-known Executive Search Firm was appointed to assist in MD &amp; CEO selection and recruitment process, as per the role description/ specification and job profile of the candidate. Ms. Praveena Rai was selected from amongst a number of candidates. Taking into consideration her qualifications and expertise in the relevant field, Ms. Praveena Rai is best suited for the responsibilities currently assigned to her.</p>																										

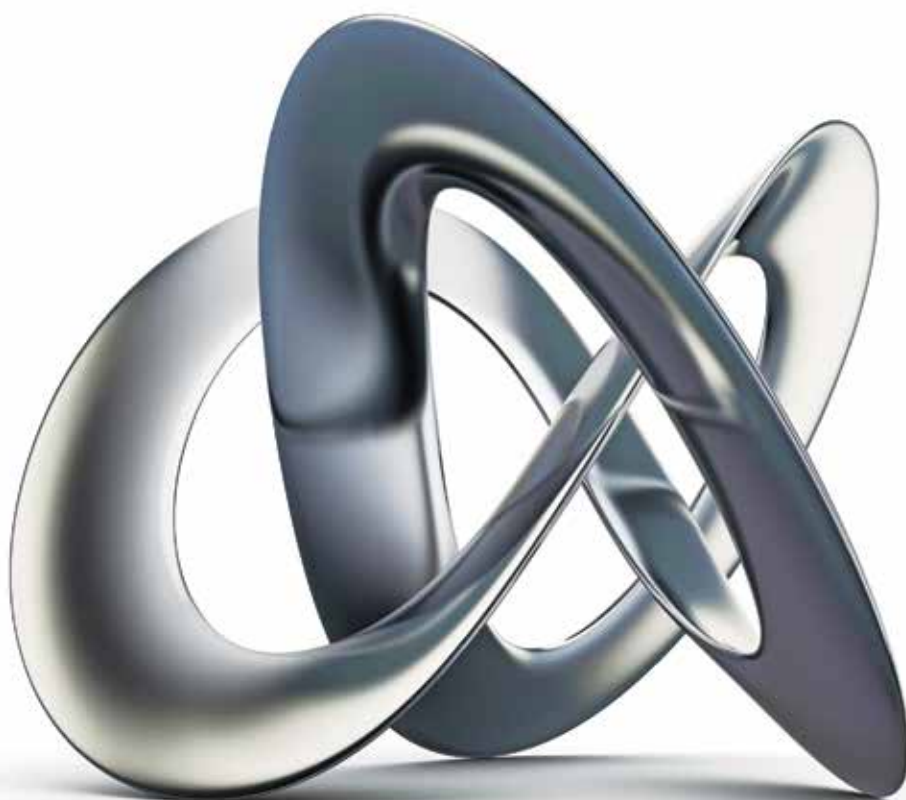
<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
5	Remuneration proposed	The remuneration is mentioned in the resolution and the statement pursuant to the provisions of Section 102 of the Act, and in accordance with the approvals granted by the Board of Directors.
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the Country of his origin)	The remuneration as proposed to Ms. Praveena Rai is comparable to that drawn by senior level counterparts in a similar capacity in the industry and is commensurate with the size of the responsibilities of the Company and of its business to be shouldered by her. Moreover, in her position as MD & CEO of the Company, she will be devoting substantial time for overseeing the operations of the Company.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	Besides the remuneration proposed, Ms. Praveena Rai does not have any pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel or other director of the Company.
<b>III</b>	<b>Other information:</b>	
1	Reasons for loss or inadequate profits	Not applicable as the Company has posted a net profit after tax of ₹ 51.96 crores during the financial year ended 31 <sup>st</sup> March 2024. The Company is passing a Special Resolution pursuant to the provisions of Section 197(1) of the Act and Schedule V thereto and as a matter of abundant precaution, in case the profitability of the Company is impacted in future due to business environment.
2	Steps taken or proposed to be taken for improvement	Not applicable as the Company has adequate profits. Further, the Company's performance has improved substantially and it has embarked on a series of strategic and operational measures that is expected to result in further improvement in the performance of the Company.
3	Expected increase in productivity and profits in measurable terms	Not applicable as the Company has adequate profits and in the 1 <sup>st</sup> quarter of FY 2024-25, as per the unaudited financial results the net profit was ₹ 80.38 crores. Further, the Company has taken various initiatives to maintain its leadership in commodity derivatives segment, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

**By Order of the Board of Directors  
For Multi Commodity Exchange of India Limited**

**Mumbai  
10<sup>th</sup> August 2024**

**Manisha Thakur  
Company Secretary  
Membership No.: A10855**

SHAPING THE  
**COMMODITY**  
ECO-SYSTEM



**MCX**  
METAL & ENERGY  
Trade with Trust

ANNUAL REPORT 2023-24



## **SHAPING THE COMMODITY ECOSYSTEM**

The commodity derivatives market is known to bestow a plethora of economic benefits - in times of stress and at normal times - in the environment in which it operates – not least of which are the twin benefits of Price Discovery and Risk Management in commodities. Along with these benefits, the market is also known to lead to several other spin-offs, mostly in the realm of creation and sustenance of the entire ecosystem around the commodity. Be it in development of warehouses and warehousing services; provision of collateral management, logistics and transportation support; creation of facilities for assaying, sorting, grading etc.; facilitation of institutional finance flow in the commodity sector through bank linkages; development of quality consciousness among the stakeholders; supporting stakeholders to move up the value chain; or unlocking the values of commodities stored in warehouses through Warehouse Receipt financing – the commodity derivatives market is known to be a prominent enabler in creating, facilitating and nurturing the broad commodity ecosystem. This role of the market has been well-recognized and well-documented across the world, including India – giving it the distinction of being the enabler of socio-economic changes at a scale and of a nature which perhaps few institutions can parallel.

Given this unique role of the commodity derivatives market in shaping the commodity ecosystem, it is only appropriate that policies are made and actions executed that further strengthen this role and entrench this institution deeper into the ecosystem. Operating delivery centres across multiple locations and empanelling local suppliers for Exchange Good Delivery are some of such measures taken by MCX in the recent past in this direction; more are in the offing. This is part of MCX's long-term strategy, as the Exchange is fully cognizant that its leadership position in India's commodity derivatives market comes with the responsibility and opportunity to develop the commodity ecosystem, in order to ensure its continued relevance and institutional sustainability.





# MCX AT A GLANCE

AGRI

BULLION



ENERGY

BASE METALS

## MARCHING FORWARD

- Multi Commodity Exchange of India Limited (MCX) is India's premier stock exchange, offering commodity derivatives and regulated by the Securities and Exchange Board of India (SEBI).
- MCX offers a platform for online trading of derivatives in several commodities and indices, backed by an Investor Protection Fund (₹2.28 bn\*).
- The trades are cleared by MCX Clearing Corporation Ltd, the fully owned clearing subsidiary of MCX, whose risk management system is backed by a Settlement Guarantee Fund (₹7.81 bn\*).

*\* As on 31<sup>st</sup> March 2024*

## OUR VISION

We envision a unified Indian commodity market that is driven by market forces and continually provides a level playfield for all stakeholders ranging from the primary producer to the end-consumer; corrects historical aberrations in the system; leverages technology to achieve exceptional efficiencies and ultimately lead to a common world market.

We envision a brand image for MCX that identifies it as the Exchange of Choice not only by direct participants in the commodity ecosystem but also by the general public.

**3<sup>rd</sup> largest**  
Commodity Options Exchange  
in the world<sup>^</sup>

**7<sup>th</sup> largest**  
Commodity Derivatives Exchange  
in the world<sup>^</sup>

**95.93%**  
Market share<sup>#</sup>

<sup>^</sup> By number of contracts traded in Calendar year 2023 - Source: FIA | <sup>#</sup> In Futures segment

# MCX

## AT A GLANCE

**ADT FUTURES**

**₹ 19,636\* Cr**

\*Average Daily Turnover ( FY 2023-24)

**ADT OPTIONS**

**₹ 89,244\* Cr**

\*Average Daily Turnover ( FY 2023-24)

**MARKET CAPITALIZATION**

**₹ 170.77 Bn**

(USD 2.05 Bn)

31 March, 2024

**WORLD'S MOST TRADED  
MCX CRUDE OIL &  
NATURAL GAS OPTIONS**

\*In the respective category during the year 2023;  
Source Futures Industry Association

**WORLD'S 2<sup>nd</sup> MOST TRADED  
MCX SILVER MINI  
OPTIONS**

\*In the respective category during the year 2023;  
Source Futures Industry Association

**WORLD'S 3<sup>rd</sup> MOST TRADED  
MCX GOLD MINI  
OPTIONS**

\*In the respective category during the year 2023;  
Source Futures Industry Association



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# Corporate Information

## BOARD OF DIRECTOR (as on 27<sup>th</sup> July 2024)

1.	Dr. Harsh Kumar Bhanwala	Chairman & Public Interest Director
2.	Mr. Ashutosh Vaidya	Public Interest Director
3.	Mr. Chandra Shekhar Verma	Public Interest Director
4.	Dr. Navrang Saini	Public Interest Director
5.	Ms. Sonu Bhasin	Public Interest Director
6.	Mr. Arvind Kathpalia	Non-Independent Director
7.	Mr. Mohan Narayan Sheno	Non-Independent Director

<b>Chief Financial Officer</b>	Mr. Chandresh Shah
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<b>Company Secretary</b>	Ms. Manisha Thakur
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<b>Statutory Auditors</b>	M/s. Shah Gupta & Co., Chartered Accountants
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<b>Bankers</b>	HDFC Bank Union Bank of India
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<b>Registrar and Transfer Agent</b>	KFin Technologies Limited Selenium Tower-B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032. Ph: 040-67162222, Toll Free no.: 1800-309-4001 Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>
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<b>Registered Office</b>	Multi Commodity Exchange of India Limited CIN:L51909MH2002PLC135594 Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai – 400 093, India. Tel. +91 22 6731 8888 Fax: +91 22 6649 4151 Website: <a href="http://www.mcxindia.com">www.mcxindia.com</a> Email id: <a href="mailto:ig-mcx@mcxindia.com">ig-mcx@mcxindia.com</a>
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# Profile of all Board Members (as on 27<sup>th</sup> July 2024)



## **DR. HARSH KUMAR BHANWALA**

### ***Public Interest Director and Chairman of the Board***

- He is an Independent Director on the board of HDFC Bank.
- He is an Independent Director on the Board of Microfinance Institutions Network (MFIN- an SRO by the Reserve Bank of India)
- He is a Member of Governing Board of IIM (Indian Institute of Management), Rohtak.
- Former Executive Director and later Chairman cum Managing Director of India Infrastructure Finance Company Ltd (IIFCL).
- Former Executive Chairman of a listed NBFC (Capital India Finance Ltd.)
- Former Chairman of National Bank of Agriculture and Rural Development (NABARD).
- Has over 39 years of experience in Development Finance, Organisational Transformation and Solving Rural Problems, Enhancing farmer's income and promoting sustainable agriculture.



## **MR. ASHUTOSH VAIDYA**

### ***Public Interest Director***

- Former Global Chief Delivery and Operations Officer, Dell Services Worldwide.
- Was member of NASSCOM Executive Council.
- Has over 39 years of experience in the Global IT industry.



## **MR. CHANDRA SHEKHAR VERMA**

### ***Public Interest Director***

- Former Chairman & Managing Director of Steel Authority of India Limited (SAIL).
- Has held the additional charge of Chairman & Managing Director of National Mineral Development Corporation (NMDC).



## **DR. NAVRANG SAINI**

### ***Public Interest Director***

- Former Chairperson of the Insolvency and Bankruptcy Board of India.
- Former Director General, Ministry of Corporate Affairs, Government of India.
- Has served in the Territorial Army as a commissioned officer.

Profile of all Board Members (as on 27<sup>th</sup> July 2024) (Contd.)



**MS. SONU BHASIN**  
***Public Interest Director***

- Currently Independent Director in well-known and reputed domestic and multinational companies.
- Former President of Axis Bank and Group President Yes Bank.
- Worked with Tata Administrative Service, ING and Tata Capital in senior leadership positions.



**MR. ARVIND KATHPALIA**  
***Non-Independent Director***

- Former Group Chief Risk Officer, Group Head Operations, Technology and Finance of Kotak Mahindra Bank Limited.
- Has held several leadership positions both Overseas and in India with ANZ Grindlays Bank.
- Has over 41 years of experience in Banking industry.



**MR. MOHAN NARAYAN SHENOI**  
***Non-Independent Director***

- Has over 45 years of wide ranging experience in the Banking industry.

# Board's Report

Dear Shareholders,

The Board of Directors present the Twenty Second Annual Report of your Company, along with the Audited Financial Statement of Accounts for the Financial Year (FY) ended 31<sup>st</sup> March 2024.

## 1. STATE OF COMPANY'S AFFAIRS

### FINANCIAL RESULTS

The Company's financial performance for the Financial Year (FY) ended 31<sup>st</sup> March 2024 is summarized below:

(₹ in lakh, except EPS)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Total Income	67,124	52,147	75,894	58,117
Total Operating Expenditure	56,601	32,947	61,924	36,382
Profit before Interest, depreciation, exceptional items and tax	10,523	19,200	13,970	21,735
Less: Depreciation	3,439	2,047	3,593	2,159
Less: Interest	23	18	27	21
Less: Exceptional item	-	-	-	-
Add / (Less): Share of loss of Associate	-	-	(152)	(498)
Profit after exceptional items and Share of Profit / (loss) of Associate but before tax	7,061	17,135	10,198	19,057
Less: Provision for tax	1,865	4,152	1,887	4,160
Profit after tax	5,196	12,983	8,311	14,897
Add/(Less): Other Comprehensive Income (net of tax)	(11)	(69)	(151)	96
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)	5,185	12,914	8,160	14,993
Earnings per share (EPS)				
i. Basic (₹)	10.19	25.51	16.30	29.27
ii. Diluted (₹)	10.19	25.51	16.30	29.27

### FINANCIAL HIGHLIGHTS

For FY 2023-24, your Company's (Standalone) total income stood at ₹ 67,124 lakh as compared to ₹ 52,147 lakh in FY 2022-23. The operating income during the year under review was ₹ 58,616 lakh as against ₹ 44,922 lakh in FY 2022-23. Net profit after tax in FY 2023-24 was ₹ 5,196 lakh as compared to ₹ 12,983 lakh in FY 2022-23.

The net worth of the Company as at 31<sup>st</sup> March 2024 stood at ₹ 1,55,019 lakh as compared to ₹ 1,59,570 lakh as at 31<sup>st</sup> March 2023.

The Company had entered into an agreement with Tata Consultancy Services Ltd. (TCS), according to which the new Commodity Derivative Platform (CDP) was to be developed, tested and delivered by TCS by 30<sup>th</sup> September 2022.

However, since the new platform was under development, the Company considering the exigency to ensure continuity of the commodity trading and clearing platform, continued with the services of the vendor, 63 Moons Technologies Ltd., initially for a period for quarter ended December 2022 for ₹ 6,000 lakh (plus applicable taxes). Accordingly, for the quarter ended 31<sup>st</sup> December 2022, Company had incurred ₹ 4,020 lakh (net of recoveries from MCXCCL, excluding applicable taxes). Later, these services were extended for another two quarters ending 30<sup>th</sup> June 2023, for ₹ 8,100 lakh per quarter (plus applicable taxes) as per the minimum period

## Board's Report (Contd.)

of services offered by the vendor. Accordingly, for the quarter ended 31<sup>st</sup> March 2023, and 30<sup>th</sup> June 2023, Company has incurred ₹ 5,427 lakh (net of recoveries from MCXCCL, excluding applicable taxes) each.

Further, due to delay in the delivery of the CDP platform, the Company had decided to extend the support services being rendered by the vendor, 63 Moons Technologies Ltd. for further two quarters, being the minimum period of services offered by the vendor, beginning from 01<sup>st</sup> July 2023, at a consideration of ₹ 12,500 lakh (plus applicable taxes) per quarter. Accordingly, for the quarter ended 30<sup>th</sup> September 2023, Company has incurred ₹ 8,375 lakh (net of recoveries from MCXCCL excluding applicable taxes) and for the quarter ended 31<sup>st</sup> December 2023, has incurred ₹ 11,827 lakh (net of recoveries from MCXCCL, excluding applicable taxes only till 15<sup>th</sup> October 2023, on "pay for use basis" as per the existing resources sharing agreement).

TCS has completed development of CDP and the Company has gone live with CDP with effect from 16<sup>th</sup> October 2023 after requisite approvals.

### **CONSOLIDATED FINANCIAL STATEMENT**

Your Company has, in accordance with Section 129(3) of the Companies Act, 2013, prepared the annual consolidated financial statements, consolidating its financials with its wholly-owned subsidiary Company, MCXCCL and the associate companies, CCRL and IIBH. The annual audited consolidated financial statements have been prepared in accordance with the requirements of Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, as applicable, and other accounting principles generally accepted in India and forms part of this Annual Report. A statement containing the salient features of financial statements of the Company's subsidiaries, associates & joint ventures in Form AOC-1 is attached as **Annexure I** to this Report.

### **TRADING PERFORMANCE**

During FY 2023-24, the Average Daily Turnover (ADT) of commodity futures contracts stood at ₹ 19,636 crore vis-à-vis ₹ 23,514 crore in FY 2022-23, witnessing a decline of 16.5%. However, during the same period, the options notional ADT went up by 162% to ₹ 89,244 crore from ₹ 33,998 crore. The Average Realization Rate (ARR) for the futures stood at ₹ 2.10 per Lakh vis-à-vis ₹ 2.07 per lakh (each side) during the previous year. Overall traded Unique Client Codes for futures and options (UCC – PAN based) during the period increased to 9.3 lakh from 6.2 lakh in the previous year.

The total turnover of commodity futures traded on your Exchange declined by 17% to ₹ 49.88 lakh crore in FY 2023-24 as against ₹ 60.43 lakh crore in FY 2022-23. In contrast, options turnover for the year went up by 159% to a record total turnover of ₹ 226.68 lakh crore as against ₹ 87.37 lakh crore in the previous year. The futures in bullion, energy, metals and agriculture registered a turnover of ₹ 31.11 lakh crore, ₹ 13.82 lakh crore, ₹ 4.80 lakh crore and ₹ 0.06 lakh crore, respectively, as against ₹ 28.20 lakh crore, ₹ 22.30 lakh crore, ₹ 9.50 lakh crore and ₹ 0.21 lakh crore in the previous year. On the other hand, options turnover in energy, bullion and metals recorded total of ₹ 203.43 lakh crore, ₹ 23.21 lakh crore and ₹ 0.05 lakh crore, respectively, during FY 2023-24 vis-à-vis ₹ 81.92 lakh crore, ₹ 5.45 lakh crore and ₹ 0.01 lakh crore, in the previous year.

In terms of metal delivery, a total of 94,036 metric tonnes (MT) of Base Metals were delivered through the exchange mechanism during FY 2023-24 as against 83,747 metric tonnes in FY 2022-23. During FY 2023-24, your Company's market share in commodity futures market stood at 95.9% as against 96.8% in the previous year. The volume of futures (in terms of contracts) traded on the Exchange increased by 5% in FY 2023-24, to 135.3 million lots, as compared to 128.8 million lots in FY 2022-23. On the other hand, the volume of Options (in terms of contracts) traded increased by 207% in FY 2023-24, to 381.4 million lots, as compared to 124.2 million lots in FY 2022-23.

## GLOBAL COMMODITY MARKET

In the calendar year 2023, the global commodity market underwent significant changes driven by economic recovery, geopolitical tensions, and environmental factors. Among Metals, gold futures reached a record high, delivering strong annual returns and silver futures also posted gains. However, Base Metals prices remained under pressure due to rising interest rates, with nickel experiencing the steepest decline, while copper prices showed a slight increase by the end of the year. In the Energy sector, both crude oil and natural gas prices concluded the year with notable declines. Among agricultural commodities, most prices, including those for cotton, soybean and wheat remained lower during 2023 compared to 2022 prices.

CME gold futures ended 2023 at \$2,071.8 per ounce, a record high with a 12.46 % annual return. Silver futures averaged \$24.12, a 7.5 % increase over 2022. Base metals struggled with rising interest rates; nickel saw the most significant decline. LME Copper 3M prices closed near \$8,559 per metric ton, slightly up, but the average 2023 copper price was 1.7 % lower than the average 2022 price. LME Aluminium 3M and LME Zinc 3M prices dropped significantly, with nickel declining by 44.75 %. CME WTI crude oil prices ended at \$71.65 per barrel, a 10.96 % decrease, with an average 2023 price down 17 % from 2022. Natural gas prices saw a substantial drop, with CME US Natural Gas Future prices ending at \$2.51 per MMBtu, down 43.82 %. In agricultural commodities, ICE US Cotton Future prices saw a modest decrease, while ICE US Coffee Future prices increased notably. However, the average 2023 coffee price was lower than in 2022. ICE Cocoa Futures prices increased significantly in 2023 but remained lower on average than the previous year. CBOT US Wheat and Soybean Future prices dropped, with wheat down 20.71 % and soybeans down 15.12 % from the previous year, highlighting the varied dynamics shaping the 2023 commodity markets.

In 2023, the global commodity derivatives markets saw an increase in trading volumes across all segments, with energy leading the way, followed by agriculture, precious metals, and non-precious metals. According to the Futures Industry Association (FIA), total volumes in these segments rose by 26.6% year-on-year, reaching 8.4 billion contracts in 2023. Specifically, trade volumes in the energy segment increased by 34.2%, while volumes in agriculture, precious metals, and non-precious metals rose by 30.6%, 27.1%, and 11%, respectively.

The global economy has shown remarkable resilience in recent years, with major economies weathering challenges such as rising interest rates and external factors like the war in Ukraine. Efforts to rein in global inflation have been effective without causing a recession, leading to hopes for a stable economic scenario. According to the International Monetary Fund (IMF), global growth is projected to remain stable at around 3.2 % for both 2024 and 2025, with decreasing inflation. India's economy is expected to maintain robust growth rates of 6.8 % in 2024 and 6.5 % in 2025, driven by sustained domestic demand and a growing working-age population.

Your Company's performance during the FY 2023-24 and outlook during FY 2024-25 may be analysed against this backdrop.

## 2. SHARE CAPITAL

There has been no change in the share capital of your Company during the year under review. As on 31<sup>st</sup> March 2024, the paid-up share capital of your Company stood at ₹ 5,099.84 lakh comprising of 50998369 Equity shares of ₹ 10 each fully paid.

Your Company has, during the year under review, neither issued any Equity shares with differential voting rights nor issued any shares (including sweat equity shares) to its employees under any scheme.

## Board's Report (Contd.)

### **3. IMPLEMENTATION OF CORPORATE ACTION**

During the year under review, the Company has complied with the specified time limit for implementation of Corporate Action.

### **4. TRANSFER TO RESERVES**

The Company was not required to transfer any amount of profits to general reserves for FY 2023-24, pursuant to the provisions of Companies Act, 2013.

### **5. SURPLUS IN PROFIT & LOSS ACCOUNT**

An amount of ₹ 1,15,875 lakh (Previous Year ₹ 1,20,415 lakh) is proposed to be retained as surplus in the Profit and Loss Account.

### **6. DIVIDEND**

The Board of Directors of your Company in its meeting held on 23<sup>rd</sup> April 2024, have recommended a dividend of ₹ 7.64 (76%) per equity share on a face value of ₹ 10 per share for the Financial Year ended 31<sup>st</sup> March 2024, subject to the approval of shareholders at the ensuing Annual General Meeting.

The said dividend is in line with the Dividend Distribution Policy of the Company.

The outgo on account of the proposed dividend of 76% (Previous Year 191%) to be paid by the Company aggregates to approximately ₹ 3,896 lakh, being a payout of 75% of the profit after tax (PAT) for the year ended 31<sup>st</sup> March 2024, as against ₹ 9,736 lakh during the previous year.

Your Directors' have recommended dividend based on the Company's performance and adequacy of existing cash/ cash equivalent at its disposal to provide for capital expenditure on technology development and new business initiatives.

In view of the changes made under the Income-Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source. For more clarity on deduction of tax, please refer para on 'Tax Deducted at Source ("TDS") on Dividend' as mentioned in the notes to the Notice of 22<sup>nd</sup> AGM.

### **7. MEMORANDUM AND ARTICLES OF ASSOCIATION**

During the year under review, there has been no change in the Memorandum of Association ('MOA') and Articles of Association ('AOA') of the Company.

### **8. INVESTOR RELATIONS**

The Company continuously strives for excellence in its Investor Relations engagement with investors through physical, video and audio meetings through structured conference-calls and periodic investor/analyst interactions participation in investor conferences, quarterly earnings calls, and analyst meet from time to time. The Company's leadership team spent significant time to interact with investors to communicate the strategic direction of the business in a number of investors meets. No unpublished price sensitive information is discussed in these meetings. The Company ensures that critical information about the Company is available to all the investors, by uploading all such information on the Company's website.



## 9. MAJOR EVENTS OCCURRED DURING THE YEAR:

### A. EVENT OCCURED FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT

The Company had received a letter dated 26<sup>th</sup> April 2024, issued by SEBI wherein it was advised to pay the regulatory fees on the 'Annual Turnover' considering notional value in case of option contracts from the FY 2006-07 onwards, with interest at the rate of 15% per annum. Accordingly, the Exchange has incurred expenditure amounting to ₹ 450 lakhs including interest (plus applicable taxes) towards the differential amount.

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the FY 2023-24 to which the financial statement relate and the date of this Report.

### B. CHANGE IN THE NATURE OF BUSINESS:

During the year under review, there was no change in the nature of business of the Company.

### C. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material orders were passed, during the year under review, by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

SEBI issued a Show Cause Notice ('SCN') dated 16<sup>th</sup> October, 2023 to MCX, four of its Key Management Personnel ('KMPs'), it's subsidiary i.e. Multi Commodity Exchange Clearing Corporation Limited ('MCXCCL') and one of the subsidiary's KMP. The SCN, inter alia, alleges that the management of both MCX and MCXCCL failed to implement the SEBI circular dated 13<sup>th</sup> September, 2017 on outsourcing of activities. MCX, MCXCCL and the concerned KMP's have filed their responses to the matter. The matter was heard by SEBI and the Regulator opined that in the event the settlement application filed by the Noticees is rejected, another hearing may be scheduled. MCX and MCXCCL have also submitted a settlement applications for an Indicative Amount (IA) for settlement of Rupees Twenty-Five Lakhs (Rs.19 Lakhs for MCX and ₹ 6 Lakhs for MCXCCL). The Exchange has made a provision for the same. The Internal Committee (IC) of SEBI advised to re-compute the IA. Accordingly, a revised IA of Rs. One Crore Thirty Seven Lakh Eight Thousand was proposed to IC. Subsequently, the IC suggested an IA, which was much higher than the IA submitted by the Exchange. Accordingly, the Exchange may consider to submit Revised Settlement Term.

During the audit period, SEBI issued various advisory, deficiency, and warning letters to the Company, advising corrective actions regarding operations, technology, and compliance matters. No fines or penalties were imposed on the Company in connection with these letters. Therefore, these instances are not covered in this report.

During the audit period, the Company has paid a compounding fee of ₹ 4,50,000/- to RBI as per the order dated 25<sup>th</sup> January 2024 in the matter of contravention under Regulation 16(i)(vi) read with Regulation 16 (3) of FEMA 120, where the Company divested from its overseas Joint Venture through the automatic route and did not seek prior approval from the RBI for the sale of 500 shares in the Dubai Gold Exchange in the year 2018.

## Board's Report (Contd.)

### 10. INVESTOR EDUCATION AND PROTECTION FUND

#### TRANSFER OF UNCLAIMED DIVIDEND AND TRANSFER OF SHARES

Pursuant to the provisions of Section 124 of the Companies Act, 2013 ("the Act") read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), and relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer of such amount to Unpaid Dividend Account, is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government.

The Company had, accordingly transferred the following amount to IEPF during the year under review:

Sr. No	Type of Dividend	Dividend per share	Date of Declaration	Date of Transfer	Amount transferred
1.	Final Dividend for FY 2015-16	₹ 6.5/-	19 <sup>th</sup> September 2016	17 <sup>th</sup> November 2023	₹ 3,79,002/-

#### TRANSFER OF SHARES

Pursuant to the provisions of IEPF Rules, all equity shares in respect of which dividend has not been paid or claimed for last seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred.

Accordingly, 1496 equity shares of ₹ 10/- each on which the dividend remained unpaid or unclaimed for last seven consecutive years with reference to the due date of 24<sup>th</sup> November 2023, were transferred during the FY 2023-24 to the IEPF Authority after following the prescribed procedure.

All equity shares in respect of which dividend has not been paid or claimed for last seven consecutive years shall be transferred by the Company to IEPF Authority in accordance with provisions of the Act and IEPF Rules made thereunder. Members who have not encashed any of their dividends, which have not been transferred to IEPF Authority, are advised to claim their dividends.

Any Shareholder whose dividend/shares are transferred to IEPF can claim the shares by making an online application in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)).

#### DETAILS OF NODAL OFFICER:

Name: Manisha Thakur, Company Secretary and Compliance Officer

Email address: [Manisha.Thakur@mcxindia.com](mailto:Manisha.Thakur@mcxindia.com)

**The Company has transferred the following unclaimed dividend amount and shares to IEPF till 31<sup>st</sup> March 2024:**

Sr. No	Year	No. of shares transferred to IEPF	Category amount transferred to IEPF	Amount transferred to IEPF (in ₹)
1.	2011-12 – Interim	699	Unclaimed Dividend	6,98,328
2.	2011-12 – Final	143	Unclaimed Dividend	1,64,226
3.	2012-13 - Interim	254	Unclaimed Dividend	3,33,264
4.	2012-13 - Final	450	Unclaimed Dividend	5,01,060
5.	2013-14 - Interim	191	Unclaimed Dividend	3,21,797
6.	2013-14 - Final	797	Unclaimed Dividend	5,26,554
7.	2014-15- Final	731	Unclaimed Dividend	15,66,740
8.	2015-16 Final	1496	Unclaimed Dividend	3,79,002
9.	-	-	IPO Refund	26,55,276
<b>Total</b>		<b>4761</b>		<b>71,46,247</b>

**Year wise amount of Unpaid/Unclaimed Dividend lying in the unpaid account upto 31<sup>st</sup> March 2024, and the corresponding shares, which are liable to be transferred to the IEPF, and the due dates for such transfer:**

Sr. No	Date of declaration of Dividend	Number of Shareholders against whom Dividend is unpaid	Number of Shares against whom Dividend is unpaid	Amount Unpaid as on 31 <sup>st</sup> March 2024	Due Date of transfer of Unpaid and Unclaimed Dividend to IEPF
1.	15 <sup>th</sup> AGM Final Dividend 2016-17 held on 22 <sup>nd</sup> August 2017	3113	52977	₹ 794655/-	27 <sup>th</sup> October 2024
2.	16 <sup>th</sup> AGM Final Dividend 2017-18 held on 31 <sup>st</sup> August 2018	3295	60727	₹ 1032359/-	05 <sup>th</sup> November 2025
3.	17 <sup>th</sup> AGM Final Dividend 2018-19 held on 20 <sup>th</sup> September 2019	2547	52152	₹ 1043040/-	25 <sup>th</sup> November 2026
4.	18 <sup>th</sup> AGM Final Dividend 2019-20 held on 31 <sup>st</sup> August 2020	3945	81440	₹ 2365736/-	05 <sup>th</sup> November 2027
5.	19 <sup>th</sup> AGM Final Dividend 2020-21 held on 03 <sup>rd</sup> September 2021	2165	42291	₹ 1116043/-	08 <sup>th</sup> October 2028
6.	20 <sup>th</sup> AGM Final Dividend 2021-22 held on 27 <sup>th</sup> September 2022	1755	39918	₹ 656843/-	01 <sup>st</sup> December 2029
7.	21 <sup>st</sup> AGM Final Dividend 2022-23 held on 26 <sup>th</sup> September 2023	1293	26393	₹ 477196/-	30 <sup>th</sup> November 2030

*\*The unclaimed and unpaid amount as on the due date will be transferred with 30 days.*

#### 11. PUBLIC DEPOSITS

Your Company has not invited any deposits from the public, and as such, no amount of principal or interest related thereto was outstanding as on 31<sup>st</sup> March 2024.

#### 12. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31<sup>st</sup> March 2024, are set out in **Note 4 & 8** to the Standalone Financial Statements of the Company.

The Company has not provided any guarantee or security to any person or entity and has not made any loans and advances in the nature of loans to firms/companies in which Directors of the Company are interested.

#### 13. MEETINGS OF THE BOARD

During FY 2023-24, 18 (Eighteen) meetings of the Board of Directors were held. The details of meetings of the Board are provided in the Corporate Governance Report forming part of this Annual Report.

Separate meetings of the Public Interest Directors were held on 27<sup>th</sup> July 2023 and 15<sup>th</sup> December 2023.

#### 14. DIRECTORS

Your Company, being a recognized stock exchange and regulated by SEBI, is required to, *inter alia*, comply with the provisions relating to constitution of the Company's Board of Directors as specified in the Companies

## Board's Report (Contd.)

Act, 2013, the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as the "SECC Regulations, 2018") and the SEBI (LODR) Regulations, 2015.

Your Company has a well-diversified Board comprising of Directors coming from various walks of life and having wide range of experience, in the areas of management, technology, governance, risk management, capital market, leadership and finance. A multi-faceted talent-pool enables leveraging multitude of thoughts, perspectives, knowledge base, skills and industry experiences, to ensure effective corporate governance and sustained commercial success of the Company.

As on 31<sup>st</sup> March 2024, the Board comprised of 9 (nine) Directors, of which 5 (five) were Public Interest Directors (PID)/Independent Directors, 3 (three) were Non-Independent Directors and 1 (one) Managing Director. Your Company had 1 (one) Woman Independent Director on the Board, in compliance with the SEBI (LODR) Regulations, 2015.

A "Public Interest Director" under the SECC Regulations, 2018, 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 the Board, is in conflict with his/her role. Accordingly such Directors are considered as Independent Directors for adhering compliance with the provisions of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013.

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

Your Company has received confirmations from all the Public Interest Directors to the effect that each of them meets the criteria of independence, as prescribed under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. There has been no change in the circumstances affecting their status as Independent Directors of the Company. The appointment of Independent Directors/Public Interest Directors on the Board of your Company is in accordance with the eligibility conditions prescribed by SEBI and is made with the approval of SEBI.

Further, all the Directors have confirmed that they are 'Fit and Proper,' in terms of the SECC Regulations, 2018. Your Company has also obtained affirmation of adherence to Schedule IV of the Companies Act, 2013 and the Code of Conduct in accordance with the SECC Regulations, 2018, SEBI (LODR) Regulations, 2015 from all the Directors, as applicable to them.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164 (2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

During the year under review, Mr. Ved Prakash Chaturvedi (DIN: 00030839) vide his letter dated 11<sup>th</sup> August 2023 has tendered his resignation as Non-Executive- Independent Director/Public Interest Director of the Company with effect from 11<sup>th</sup> August 2023 for personal reasons. Mr. Chaturvedi in his letter has also confirmed that there are no other material reasons for his resignation other than those mentioned in the resignation letter.

Pursuant to Section 152 of the Companies Act, 2013 read with relevant rules framed thereunder, Mr. Hemang Raja (DIN: 00040769), Non-Independent Director (NID) of the Company, was liable to retire by rotation at the 21<sup>st</sup> Annual General Meeting ("AGM") held on 26<sup>th</sup> September 2023. Accordingly, shareholders at their 21<sup>st</sup> Annual General Meeting approved the re-appointment of Mr. Hemang Raja as NID of the Company. His re-appointment was subject to regulatory approval. In the meantime, Mr. Hemang Raja has withdrawn his re-appointment as NID due to personal reasons. Accordingly, Mr. Raja retired as NID of the Company on 26<sup>th</sup> September 2023.

During the year under review, Mr. Shankar Aggarwal (DIN: 02116442) completed his second term as Public Interest Director of the Company on 30<sup>th</sup> September 2023.

On account of the superannuation of Mr. Vivek Krishna Sinha (DIN: 08667163) from the services of NABARD, he has tendered his resignation from the position of NID of the Company with effect from 31<sup>st</sup> October 2023.

Further, NABARD had nominated Ms. Suparna Tandon (DIN: 08429718), CGM, NABARD to be appointed as NID on the Board of MCX. Shareholders of the Company at its 21<sup>st</sup> AGM held on 26<sup>th</sup> September 2023 had approved the appointment of Ms. Suparna Tandon as a NID on the Board of the Company, subject to approval of SEBI. Thereafter, with approval of SEBI vide letter dated 15<sup>th</sup> December 2023, Ms. Tandon was appointed as NID with effect from 15<sup>th</sup> December 2023. Ms. Tandon, vide her email dated 21<sup>st</sup> July 2024 has tendered her resignation as Non-Executive, NID of the Company pursuant to her voluntary retirement with effect from 19<sup>th</sup> July 2024, from the services of NABARD. Accordingly, Ms. Tandon ceased to be NID of the Company with effect from 19<sup>th</sup> July 2024.

The first term of Mr. C S Verma (DIN: 00121756) was due for completion on 21<sup>st</sup> May 2024. Accordingly, upon the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of Directors, SEBI vide letter dated 12<sup>th</sup> March 2024 has approved the re-appointment of Mr. C S Verma and appointment of Dr. Navrang Saini (DIN: 09650867) as Public Interest Directors of the Company. The Board of Directors had approved the re-appointment of Mr. C S Verma as PID for further period of 3 years with effect from 22<sup>nd</sup> May 2024 and appointment of Dr. Navrang Saini as PID for 3 years with effect from 14<sup>th</sup> March 2024.

The tenure of Mr. P.S. Reddy (DIN: 01064530) as Managing Director and Chief Executive Officer (MD & CEO) of MCX was completed on 09<sup>th</sup> May 2024. Accordingly, he retired from the position of MD & CEO of the Company with effect from closure of business hours on 09<sup>th</sup> May 2024.

In this regard, the Board of Directors had approved an interim arrangement by constituting an Executive Committee ("EC") comprising of senior officials namely, Chief Operating Officer, Chief Business Officer, Chief Technology Officer and Chief Regulatory Officer. The EC was made effective from 10<sup>th</sup> May 2024 and has been delegated with necessary powers to discharge the day-to-day operations of the Exchange till appointment of the new MD & CEO. The COO has been nominated as the Coordinating Officer.

Dr. Harsh Kumar Bhanwala (DIN: 06417704) will be completing his first term as Public Interest Director (PID) on 07<sup>th</sup> August 2024. In this regard, upon the recommendation of the NRC and the Board of Directors, SEBI has vide its letter dated 24<sup>th</sup> June 2024, approved the re-appointment of Dr. Harsh Kumar Bhanwala as PID on the Governing Board of the Company. Accordingly, the Board of Directors had approved Dr. Bhanwala's re-appointment for a period of further 3 years with effect from 08<sup>th</sup> August 2024.

The Board of Directors places on record their earnest appreciation to the invaluable contribution, leadership and guidance extended by Mr. Shankar Aggarwal, Mr. Hemang Raja, Mr. Vivek Sinha, Mr. Ved Prakash Chaturvedi, Ms. Suparna Tandon and Mr. P. S Reddy to the Board and the Management of the Company during their association.

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

The first term of Mr. P.S. Reddy as MD and CEO completed on 09<sup>th</sup> May, 2024. The Company initiated the process for selection of candidates for the position of MD & CEO of the Exchange in November 2023 and published an advertisement in the newspapers. Mr. Anup Wadhawan was inducted in the NRC for limited purpose of MD & CEO selection as per the SEBI approval dated 08<sup>th</sup> December 2023. The Exchange recommended two names and the compensation payable, to the SEBI vide application dated 14<sup>th</sup> February 2024, for its consideration. SEBI vide letter dated 22<sup>nd</sup> March 2024, directed to the redo the process of MD & CEO selection.

## Board's Report (Contd.)

In this regard, as advised by SEBI, the process for selection was reinitiated and Korn Ferry (Executive Search Firm) was appointed to handle the MD & CEO search mandate. To redo the selection, the newspaper advertisement inviting applications for the post of MD & CEO was once again published on 30<sup>th</sup> April 2024. The Exchange after following due process and as per the recommendation of the NRC and Board vide respective meetings dated 05<sup>th</sup> July 2024, recommended to the SEBI two names and the compensation payable, vide application dated 10<sup>th</sup> July 2024, for its consideration.

SEBI vide its letter dated 08<sup>th</sup> August 2024, approved the name of Ms. Praveena Rai as MD & CEO of the Company for a period of five years, which shall be effective from the date of her joining. Further, the Exchange shall ensure that the compensation paid to Ms. Praveena Rai (DIN: 09474203) is in accordance with Regulation 27 of SECC Regulations, 2018.

The NRC and the Board at its meeting held on 10<sup>th</sup> August 2024, approved the appointment, terms and conditions including remuneration of Ms. Praveena Rai as MD & CEO of the Company, subject to the approval by the Shareholders. Accordingly, approval of the shareholders has been requested through a special resolution in the Notice for the Annual General Meeting.

### 15. INDEPENDENT EXTERNAL EXPERT

The Independent External Experts are appointed for a period of three years, with further extension of three years subject to performance evaluation in accordance with SECC Regulations, 2018. Further, internal performance evaluation of Independent External Experts are carried out annually.

### 16. KEY MANAGERIAL PERSONNEL (KMP)

The following employees became KMPs under the SECC Regulations, 2018 during FY 2023-24:

Sr. No.	Name	Effective Date
1	Mr. Abhishek Suresh Govilkar	21 <sup>st</sup> June 2023
2	Mr. Chirag Aspi Sodawaterwalla	28 <sup>th</sup> August 2023
3	Mr. Naresh Bhuta	1 <sup>st</sup> November 2023
4	Ms. Kavita Ravichandran	10 <sup>th</sup> November 2023
5	Mr. Mithun Manjnath Nayak	01 <sup>st</sup> December 2023
6	Mr. Harvinder Singh	16 <sup>th</sup> January 2024

Further, the following employees ceased to be KMPs under the SECC Regulations, 2018 during FY 2023-24:

Sr. No.	Name	Last working day as KMP
1	Mr. Shashank Sathe	28 <sup>th</sup> April 2023
2	Mr. Ajit Phanse	2 <sup>nd</sup> May 2023
3	Mr. Sanjay Gakhar	27 <sup>th</sup> August 2023
4	Ms. Komal Kanzaria	27 <sup>th</sup> August 2023
5	Mr. Muthappa Kaveriappa Nellamakada	27 <sup>th</sup> August 2023
6	Mr. Prashant Brahmanand Wagh	27 <sup>th</sup> August 2023
7	Mr. Puneet Shadija	27 <sup>th</sup> August 2023
8	Mr. Vaibhav Pramod Aggarwal	27 <sup>th</sup> August 2023
9	Mr. Vijay Patel	27 <sup>th</sup> August 2023
10	Mr. Suresh Raval	31 <sup>st</sup> March 2024

Mr. Chandresh Shah joined MCX as CFO- Designate on 18<sup>th</sup> April 2024 and was designated as Chief Financial officer w.e.f. 01<sup>st</sup> May 2024. Mr. Sunil Batra joined MCX as CTO - Designate on 26<sup>th</sup> April 2024 and was designated as Chief Technology Officer w.e.f 01<sup>st</sup> May 2024. Mr. Shailendra Aggarwal joined as DR Site in Charge on 23<sup>rd</sup> May 2024.

Mr. Satyajeeet Bolar ceased to be the Chief Financial Officer with closing hours of 30<sup>th</sup> April 2024.

Mr. P. S. Reddy ceased to be the MD & CEO with closing hours of 09<sup>th</sup> May 2024

## 17. PERFORMANCE EVALUATION OF THE BOARD

Your Company has formulated a Policy for Performance Evaluation/Review in accordance with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015, SECC Regulations 2018, SEBI Circular dated 05<sup>th</sup> January 2017 providing guidance to listed entities about various aspects involved in the Board Evaluation process ("SEBI Guidance Note") and SEBI circular dated 05<sup>th</sup> February 2019 on performance review of Public Interest Directors.

The Policy has been framed with an objective to ensure that Individual Directors of the Company and the Board as a whole, work efficiently and effectively, for the benefit of the Company and its stakeholders.

Your Company has implemented a system of evaluating performance of the Board of Directors, its Committees and Individual Directors, through peer evaluation, excluding the Director being evaluated, on the basis of a structured questionnaire.

The criteria for performance evaluation, *inter-alia*, includes the following:

### i. Internal Evaluation of Individual Director's Performance

Level of participation and contribution to the performance of Board/Committee(s) meetings, qualification & experience, knowledge and competency, fulfilment and ability to function as a team, initiatives taken, adherence to the rules/regulations, having independent views and judgement, providing guidance to senior management and Board members, etc.

### ii. External Evaluation of Individual Director's Performance

Pursuant to SECC Regulations, 2018 read with SEBI circular dated 05<sup>th</sup> February 2019, the tenure of PIDs may be extended by another 3 years, subject to performance evaluation, internal and external, both carrying equal weightage Such PIDs shall be subject to:

- a. Internal evaluation by all the governing Board Members, based on the criteria for the performance review of Individual Director; and
- b. External evaluation by a management or a human resources consulting firm based on their pre-determined criteria.

### iii. Evaluation of the Board as a Whole

Providing entrepreneurial leadership to the Company, having clear understanding of the Company's core business and strategic direction, maintaining contact with management and external stakeholders, ensuring integrity of financial controls and systems of risk management, making high quality decisions, monitoring performance of management, maintaining high standards of integrity and probity, encouraging transparency, etc.

## Board's Report (Contd.)

### iv. Chairman's Performance Evaluation

Providing effective leadership, setting effective strategic agenda of the Board, encouraging active engagement by the Board members, providing guidance and motivation to MD & CEO, impartiality in conducting discussions, establishing effective communication with all stakeholders, etc.

### v. Performance Evaluation of Board Committees

Sufficiency in the scope for addressing the objectives, effectiveness in performing the key responsibilities, adequacy in composition and frequency of meetings, quality of relationship of the Committee with the Board and the management, clarity of agenda discussed, discussion on critical issues, clarity of role and responsibilities, etc. Additionally, external performance evaluation of Committees has been carried out for FY 2023-24.

The detailed procedure followed for the performance evaluation of the Board, Committees and individual Directors & Independent External Persons is enumerated in the Corporate Governance Report forming part of this Annual Report.

## 18. BUSINESS OPERATIONS

The Company is an affiliate member of the International Organisation of Securities Commissions (IOSCO), which is an international body that brings together the world's securities regulators and is recognised as the global standard setter for the securities sector. The Exchange is ranked world's 3<sup>rd</sup> largest Exchange by the number of commodity Options contracts traded in CY 2023, improving from 5<sup>th</sup> position last year. (Source: FIA Annual Volume trading statistics).

With an aim to seamlessly integrate with the global commodities ecosystem, MCX has forged strategic alliances with leading international exchanges such as CME Group and London Metal Exchange (LME). The Exchange also signed Memorandum of Understanding (MoUs) with renowned global exchanges viz. Dalian Commodity Exchange (DCE), Taiwan Futures Exchange (TAIFEX), Zhengzhou Commodity Exchange (ZCE) and European Energy Exchange AG (EEX) to facilitate cooperation in areas of sharing knowledge and expertise, education & training, etc. In April '22, MCX signed a consultancy agreement with Chittagong Stock Exchange Limited (CSE) for setting up the first commodity derivatives platform of Bangladesh. Under this agreement, MCX shall assist and provide consultancy services in the areas of products, clearing and settlement, trading, warehousing, regulatory aspects, etc. In February'24, MCX and Jakarta Futures Exchange (JFX) signed an MoU to enhance collaboration in key areas, including knowledge sharing, research, education, training, awareness creation, and other market development initiatives. The Exchange has also tied-up with various trade bodies, industry associations and educational institutions across the country. These partnerships enable the Exchange to improve trade practices, increase awareness, and facilitate overall growth and development of the commodity market.

### ***Product Segment Highlights***

#### **Bullion**

In pursuit of the Atmanirbhar Bharat Mission, the Multi Commodity Exchange of India Ltd. (MCX) has embarked upon the path of recognizing domestic bullion refiners for good delivery of gold on Exchange platform.

Accordingly, MCX empanelled five domestic refiners as per "MCX Good Delivery Norms for BIS-Standard Gold/Silver" effective from 06<sup>th</sup> March 2021 and saw a successful delivery of 9,223 kg (about ₹ 5,170 crore) till 05<sup>th</sup> May 2024 contract.



### **The Bullion segment attained various landmarks during FY 2023-24:**

MCX Gold Options with Gold (1 kg) Futures as underlying contract registered an average daily turnover of ₹ 5,447 crores in FY 2023-24 up by 247% from ₹ 1,572 crores in FY 2022-23. It's highest turnover of ₹ 37,878 crore was observed on 21<sup>st</sup> March 2024 and recorded highest open interest of 23,678 Kg on 13<sup>th</sup> March 2024.

MCX Gold Mini Options with Gold Mini (100 gram) Futures as underlying registered an average daily turnover of ₹ 660 crores in FY 2023-24 up by 400% from ₹ 132 crores in FY 2022-23. It's highest turnover of ₹ 3,332 crore was observed on 27<sup>th</sup> December 2023 and recorded highest open interest of 1623 Kg on 26<sup>th</sup> December 2023.

Similarly, MCX Silver Options with Silver (30 kg) Futures as underlying contract registered an average daily turnover of ₹ 2,586 crores in FY 2023-24 up by 1161% from ₹ 205 crores in FY 2022-23. It's highest turnover of ₹ 18,803 crore was observed on 22<sup>nd</sup> February 2024 and recorded highest open interest of 5,74,200 Kg on 22<sup>nd</sup> February 2024.

Further, MCX Silver Mini Options with Silver (5 kg) Futures as underlying contract registered an average daily turnover of ₹ 408 crores in FY 2023-24 up by 558% from ₹ 62 crores in FY 2022-23. It's highest turnover of ₹ 2,675 crore was observed on 21<sup>st</sup> August 2023 and recorded highest open interest of 1,21,885 Kg on 13<sup>th</sup> February 2024.

### **Continued success of new product design in Bullion:**

Gold Petal (The world's first deliverable 1 gram Gold Futures contract) has seen delivery of 600 kg (5,99,997 coins) since its launch in October 2019 till 31<sup>st</sup> March 2024.

Similarly, Silver (1kg) Micro contract has seen successful delivery of 1,35,811 kg from February 2020 series onwards till 31<sup>st</sup> March 2024 and Silver Mini (5 Kg) has seen successful delivery of 1,85,340 kg from June 2020 series onwards till 31<sup>st</sup> March 2024.

A product profile for Bullion has been hosted on the website of the Company to help investors understand the physical market dynamics which influence the trading on the Exchange.

## **ENERGY SEGMENT PRODUCTS**

The global oil market experienced notable changes, in the form of fluctuating crude oil prices and a consistent rise in both consumption and production. Global oil market was largely supported by both consumer mobility, and producer economics. However, the conflict among groups heightened geopolitical tensions and raised concerns that an escalation of the conflict could further disrupt the flow of crude oil via key trade chokepoints. The main alternative shipping route around Africa's Cape of Good Hope extended voyages by up to two weeks, adding pressure on global supply chains and boosting freight and insurance costs.

Russia became the top oil supplier to India during the fiscal year 2023-24 for a second year in a row, squeezing the market share of Middle Eastern and OPEC producers to historic lows. From a domestic perspective, India plans to build its first privately managed strategic petroleum reserve (SPR) by 2029-30, granting the operator the freedom to trade all the stored oil, according to the chief executive of Indian Strategic Petroleum Reserves Ltd (ISPRL). Expanding oil storage capacity would also help India join the International Energy Agency (IEA), which requires its members to hold a minimum of 90 days of oil consumption.

In the natural gas segment, Indian LNG imports were up 16% year-on-year in the fiscal year 2023-24, while total gas consumption in the country was higher by 10%, aided by softer international prices, during the same period. Imports accounted for 46% of total domestic gas consumption in the fiscal year 2023-24. Sectors including power, fertilizers and other industries ramped up their intake of fuel as prices hit a three-year low due to ample supply in the market. LNG prices in the international markets dropped as mild winter and high levels of storage in Europe weakened demand.

## Board's Report (Contd.)

In the domestic market, Government of India has revised domestic natural gas pricing guidelines for gas produced from nomination fields of ONGC/OIL, New Exploration Licensing Policy (NELP) blocks and pre-NELP blocks, where price of such natural gas to be 10% of the monthly average of Indian Crude Basket and shall be notified on monthly basis. For the gas produced by ONGC/OIL from their nomination fields, the above-mentioned APM price shall be subject to a ceiling of US\$ 6.50/MMBTU on Gross Calorific Value (GCV) basis for the same period.

### **MCX Energy Contracts Review**

Phenomenal success has been witnessed in the crude oil and natural gas options contracts. MCX Crude oil options registered an ADT of ₹ 69,040 cr during FY 2023-24, compared to an ADT of ₹ 25,888 cr during FY 2022-23, marking a remarkable increase of 166%. MCX Crude oil options contracts set a benchmark by registering the highest turnover of ₹ 2,96,916 cr on 15<sup>th</sup> May 2024. The MCX Natural gas options also saw incredible growth of 84%, as it clocked an ADT of ₹ 11,049 cr during FY 2023-24, as compared to ₹ 5,986 cr in FY 2022-23. MCX Natural Gas Options contract made a hat trick of new highs, finally setting the highest at ₹ 84,774 Crores on 23<sup>rd</sup> May 2024. The MCX Crude oil futures contracts registered an average daily turnover (ADT) of ₹ 1,940 cr in FY 2023-24. The MCX Natural gas futures contracts registered an ADT of ₹ 3,090 cr in FY 2023-24. Meanwhile, MCX Crude oil mini futures registered an ADT of ₹ 209 cr in FY 2023-24 and MCX Natural gas mini futures contracts registered an average daily turnover of ₹ 204 cr in FY 2023-24.

With our vision of catering to wider value chain participants in the energy complex, especially from the perspective of SME/MSME companies and the retail participants, the Exchange launched crude oil mini options (10 bbl) and natural gas mini options (250 MMBtu). Both the contracts were launched on 23<sup>rd</sup> April 2024. The contracts garnered good market interest and clocked an Average Daily Turnover (ADT) of ₹ 145 cr and ₹ 91 cr respectively, since inception to 30<sup>th</sup> June 2024.

'MCX Energy Conclave 2024' was hosted at the Taj Lands End, Mumbai on 26<sup>th</sup> April 2024, a one-day thought leadership conference to deliberate and brainstorm over thematic sessions, unfolding the energy landscape. The distinguished Chief Guest Shri. Ananth Narayan G, Whole Time Member, SEBI addressed the gathering along with our Guest of Honour, Smt. Yogieta S. Mehra, Chief (Economics), CERC. The conclave was well attended by regulatory bodies, oil & gas industry, financial institutions, broker members and other stakeholders of India's commodity market, reaffirming MCX's commitment to fostering dialogue and knowledge-sharing within the industry.

### **Agricultural Commodities**

MCX agriculture commodities futures registered an average daily turnover of 22.30 crore in FY 2023-24 compared to 91.43 crore in FY 2022-23. The MCX Cotton contract turnover in FY 2023-24 with an average daily turnover of 12.39 crore compared to 78.82 crore compared in FY 2022-23. Average daily turnover of Mentha oil contract is 9.91 crore in FY 2023-24 compared to FY 2022-23 was 12.61 crore.

The CPO futures was suspended from 20<sup>th</sup> December 2021, the suspension period was extended further one year till 20<sup>th</sup> December 2024. The CPO futures contract met the eligibility criteria for options contract and the Exchange also obtained approval from the regulator for launch of options contract. However, due to the suspension of CPO futures, the launch of CPO options also remains suspended.

### **Base Metals**

In pursuit of the Atmanirbhar Bharat mission, the Company has embarked upon the path of branding domestic Refined Lead Producers to facilitate their direct participation in price discovery and good delivery on Exchange platform. One additional domestic Refined Lead producers, namely, (1) Ardee Industries Pvt. Ltd, Nellore, (2) POCL Enterprises Limited, Maraimalai Nagar, (3) Gravita India Limited, Phagi plant, and (4) Gravita India Limited, Mundra plant were empaneled as MCX approved brands during the FY 2023-24. This takes the total count of

approved domestic refined lead producers to seven. The empanelment of some more domestic producers is under process.

In all, 94,036 MTs of base metals were delivered via the Exchange settlement in FY 2023-24. The Exchange worked out to be the perfect platform for delivery-of-last-resort.

The Exchange has a constant endeavour to make 'One-India-One-Price' for all metals traded on the Exchange. To meet this objective, we have expanded our delivery centers across the country to cater to the collective needs of the wider audience. Delivery centers are now operational at Raipur (Chhattisgarh), Kolkata (West Bengal), Palwal (NCR/Haryana), Chennai (Tamil Nadu) and Thane (Maharashtra). The additional delivery centers have also started witnessing inflows of multiple metals.

In addition to this, the Exchange had launched Mini Contracts (1MT each for Aluminium, Lead and Zinc) towards the end of FY 2022-23 to bring back the lost retail participation. The delivered quantity of Aluminium Mini, Lead Mini and Zinc Mini is 5,108 MTs, 304 MTs, and 5,972 MTs respectively via Exchange settlement during FY 2023-24. Further, in FY 2023-24 the Exchange also launched Steel Rebar contract of 5MT lot size with five delivery centers of Raipur, Durgapur, Chennai, Palwal and Thane keeping in mind the national presence.

Some of the important highlights of Base Metals in the year 2023-24 are:

1. The cumulative deliveries via exchange settlement went past 4 Lakh MTs since the year 2019 when those were converted to delivery settled contracts.
2. Open Interest has gone up further across the metal contracts. Average daily OI for FY 2023-24 was at 74,337 MTs v/s 54,749 MTs for FY 2022-23. Copper and Zinc Open Interest was a standout performance in FY 2023-24.
3. We have made the BIS registered grade as base grade for the Refined Lead and Lead Mini contracts. The minimum Lead purity levels are now at 99.98% with MCX empaneled brands being eligible to be deliverable. The LME registered brand of Lead with minimum purity of 99.98% and above continues to be deliverable.

### **Index Futures**

The Average Daily Turnover (ADT) for FY 2023-24 for MCX iCOMDEX Index futures was ₹ 32 crore. The Exchange is reaching out to the market participants for increased participation in the index products. SEBI has issued the regulatory framework for Options on commodity indices and the Exchange shall consider launching the same post necessary technology developments.

### **Market Participants**

As on 31<sup>st</sup> March 2024, the Company has a national reach with 547 members, having 36,312 Authorised Persons, operating through several terminals connected through various available modes of connectivity (including Computer to Computer Link (CTCL), Internet Based Trading and Wireless Trading) around 685 cities/towns across India. The unique traded client codes (UCC – PAN based\*) which are of significant importance to Exchange, witnessed a rise from 6.2 lakh in FY 2022-23 to 9.3 lakh in FY 2023-24.

On the Institutional front, more Mutual Funds with new schemes were registered in the exchange for participation in FY 2023-24. In the Alternative Investment Funds & PMS category we saw addition of names. In FY 2023-24, FPIs turnover and participation was highest and to further enhance their participation Direct Market Access (DMA) facility was rolled out by the regulator.

## Board's Report (Contd.)

### **19. REGULATORY DEVELOPMENTS- FY 2023-24**

During the year under review, SEBI, has issued master circulars for Stock Brokers, Commodity Derivatives Segment, Know Your Client (KYC) norms for Securities market and Online Resolution of Disputes, has amended certain clauses of PML guidelines, Upstreaming of clients' funds by Stock Brokers, Online Resolution of Disputes, Cyber Security and Cyber Resilience framework for Stock Exchanges, has extended the timelines in cases of Trading preferences by clients, nomination in eligible demat accounts and prescribed framework of Qualified Stock Brokers to more stock brokers, facility of voluntary freezing/blocking the online access of the trading account on account of suspicious activities, guidelines for strengthening Cyber Security and Cyber Resilience framework of MIs and Most Important Terms and Conditions.

SEBI has allowed Stock Exchanges to launch additional thirteen goods and alloys for five metals in future in their commodity derivatives segment by amending section 2 of the SCRA, 1956.

**The important regulatory developments during FY 2023-24, primarily by SEBI, are as hereunder:**

#### ***April 2023***

- I. In order to enable the Members to have access to all the applicable circulars at one place, SEBI has directed MIs to issue Master Circular incorporating all guidelines issued during the financial year on or before 30<sup>th</sup> April of each year. The first Master Circular incorporating all the guidelines applicable as on 31<sup>st</sup> March 2024 shall be issued on or before 30<sup>th</sup> June 2023.
- II. SEBI has issued circular addressing stockbrokers, clearing members through stock exchange to wound down the existing bank guarantee created out of client's fund by 30<sup>th</sup> September 2023. Further, no new bank guarantee shall be created out of clients' funds by stockbrokers, clearing members from 01<sup>st</sup> May 2023.  
  
Stock Brokers to provide certificate from its statutory auditor confirming the implementation of this circular by 16<sup>th</sup> October 2023 and Stock Exchanges and Clearing corporation shall verify the compliance of the provisions of this circular in their periodic inspections/reporting.
- III. The Government of India, Ministry of Finance has issued an order dated 30<sup>th</sup> January 2023 vide F. No. P-12011/14/2022-ES Cell-DOR ("the Order") detailing the procedure for implementation of Section 12A of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005 ("WMD Act"), in consonance with order issued by Ministry of Finance (MOF), SEBI has issued circular directing Stock Exchanges and Intermediaries to comply with the procedure laid down in the said Order.

#### ***May 2023***

- I. Based on the recommendations of the Technology Advisory Committee (TAC), SEBI has directed the MIs to ensure the requirements prescribed in the circular while establishing the testing framework of its systems/applications.
- II. SEBI has allowed stock exchanges to extend Direct Market Access facility to Foreign Portfolio Investors for participation in Exchange Traded Commodity Derivatives subject to the conditions specified in the circulars.
- III. In order to ensure availability of comprehensive information mentioned in various circulars/directions pertaining to stock brokers at one place, SEBI has issued Master Circular for stock brokers for necessary compliances.
- IV. Based on extensive deliberations with the Clearing Corporations and recommendations of Risk Management Review Committee, Clearing Corporation in Commodity Derivatives Segment may now

align their core SGF in terms of SEBI circulars dated 27<sup>th</sup> August 2014 as well as 11<sup>th</sup> July 2018 and excess contribution, if any, may be returned to the contributing stakeholders on a pro-rata basis, after taking due approval from SEBI.

### **June 2023**

- I. SEBI has specified the framework for upstreaming of clients' funds by Stock Brokers (SBs)/ Clearing Members (CMs) to Clearing Corporations (CCs). As per the framework, no clients' funds shall be retained by SBs/ CMs on End of Day (EoD) basis. The clients' funds shall all be upstreamed by SB/ CMs to CCs only in the form of either cash, lien on FDR (subject to certain conditions), or pledge of units of Mutual Fund Overnight Schemes (MFOS).
- II. SEBI has issued circular on amendment to Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money-laundering Act, 2002 and Rules framed there under.
- III. SEBI has modified clause no. 3.C.V and 3.A.I.d of its earlier circular dated 08<sup>th</sup> June 2023 on Implementation of circular on upstreaming of clients' funds by Stock Brokers (SBs) / Clearing Members (CMs) to Clearing Corporations (CCs). Further, extended the applicability of the provisions of the earlier circular stated at clause 3.C.II, 3.C.III, 3.C.V, 3.C.IX, 3.C.XI from 01<sup>st</sup> September 2023.

### **July 2023**

- I. SEBI advised MIs in consultation with their empanelled ODR Institutions to establish a common Online Dispute Resolution Portal ("ODR Portal") which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market.

### **August 2023**

- I. SEBI vide its circular dated 01<sup>st</sup> August 2023 on 'Trading Preferences by Clients' has clarified that the format of "Trading Preferences" as specified in SEBI circular dated 21<sup>st</sup> June 2023, shall not be made applicable to members registered exclusively with commodity derivatives exchanges. Such members shall use the format as prescribed by the erstwhile Forward Markets Commission (FMC) vide its circular no. FMC/COMPL/IV/KRA-05/11/14 dated 26<sup>th</sup> February 2015.
- II. SEBI has issued Corrigendum cum amendment to circular dated 31<sup>st</sup> July 2023 on Online Resolution of Disputes in the Indian Securities Market wherein certain clauses of circular dated 31<sup>st</sup> July 2023 were modified.
- III. In order to ensure availability of comprehensive information mentioned in various circulars pertaining to commodity derivatives market or segment at one place, SEBI has issued Master Circular for Commodity Derivatives Segment.
- IV. SEBI has issued a circular dated 11<sup>th</sup> August 2023, to simplify the KYC process and rationalize the risk management framework based on the feedback received from Stakeholders.
- V. SEBI has modified clause 3 of its earlier circular dated 20<sup>th</sup> May 2022 on Modification in Cyber Security and Cyber Resilience framework for Stock Exchanges, Clearing Corporations and Depositories.

Further, MIs whose systems have been identified as Critical Information Infrastructure (CII) by National Critical Information Infrastructure Protection Centre (NCIIPC), are mandated to send regular updates/ closure status of the vulnerabilities found in their respective "protected systems" to NCIIPC.

## Board's Report (Contd.)

- VI. SEBI has issued guidelines for strengthening the existing cyber security and cyber resilience framework of MIIS as mentioned in the Annexure A of the said circular.

The compliance of the guidelines shall be provided by the MIIs along with their cybersecurity audit report (conducted as per the applicable SEBI Cybersecurity and Cyber Resilience framework). The compliance shall be submitted as per the existing reporting mechanism.

### **September 2023**

- I. SEBI has revised the framework for handling of complaints received through SCORES platform for Entities and for monitoring the complaints by designated bodies is specified in Annexure I of the SEBI circular.
- II. SEBI has made submission of choice of nomination of trading account as voluntary and extended timelines for nomination in eligible demat accounts and submission of PAN, Nomination, Contact details, Bank A/c details and specimen signature for its corresponding folio numbers till 31<sup>st</sup> December 2023.

### **October 2023**

- I. SEBI has introduced a centralized mechanism for reporting and verification in case of the demise of an investor.

Also, in order to have uniformity of operationalizing this circular, a common Standard Operation Procedure has been issued on Exchange website in consultation with Stock Exchanges, Depositories, KRAs and Industry Associations.

- II. In order to ensure availability of comprehensive information mentioned in various circulars/directions pertaining to Know Your Client (KYC) norms to be followed by intermediaries in the securities market at one place, SEBI has issued Master Circular on Know Your Client (KYC) norms for the securities market.
- III. SEBI has issued circular on amendment to Guidelines on Anti-Money Laundering (AML) Standards and Combating the Financing of Terrorism (CFT) /Obligations of Securities Market Intermediaries under the Prevention of Money-laundering Act, 2002 and Rules framed there under pursuant to Government of India gazette notification dated 04<sup>th</sup> September 2023.

### **November 2023**

- I. In order to bring into focus the critical aspects of the broker-client relationship and for ease of understanding of the clients, SEBI has advised that brokers shall inform a standard Most Important Terms and Conditions (MITC) which shall be acknowledged by the client.

### **December 2023**

- I. SEBI had extended timelines for implementation of provisions of circular no. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated 20<sup>th</sup> September 2023 related to work flow of processing of investor grievances by Entities and framework for monitoring and handling of investor complaints by the Designated Bodies to 01<sup>st</sup> April 2024.
- II. SEBI has revised the framework for Upstreaming of clients' funds by Stock Brokers (SB)/Clearing Members (CM) to Clearing Corporations (CCs).

SBs/CMs shall upstream all the clients' clear credit balances to CCs on End of Day (EOD) basis. Such upstreaming shall be done only in the form of either cash, lien on Fixed Deposit Receipts (FDRs) created out of clients' funds, or pledge of units of Mutual Fund Overnight Schemes (MFOS) created out of clients' funds.

- III. SEBI has amended certain clauses of its earlier circulars dated 31<sup>st</sup> July 2023 on Online Resolution of Disputes in the Indian Securities Market.
- IV. SEBI has extended timelines for providing 'choice of nomination' in eligible demat accounts and mutual fund folios to 30<sup>th</sup> June 2024.
- V. SEBI has modified clause 47 of Master Circular on Stock Brokers dated 17<sup>th</sup> May 2023 and the same is applicable with effect from quarterly settlement of January - March 2024 and monthly settlement of January 2024.
- VI. SEBI has issued a master circular for Online Resolution of Disputes.

#### **January 2024**

- I. The framework for Trading Members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients on account of suspicious activities shall be laid down by the Industry Standards Forum, under the aegis of stock exchanges, in consultation with SEBI and the same shall *inter-alia* contain necessary guidelines as mentioned by SEBI in the circular.

Stock Exchange to ensure that the guidelines so issued under the framework (framework for Trading Members to provide the facility of voluntary freezing/blocking the online access of the trading account to their clients on account of suspicious activities) are implemented by Trading members with effect from 01<sup>st</sup> July 2024.

Stock Exchanges shall also put in place an appropriate reporting requirement by Trading Members to enforce the above system. A compliance report to this effect shall be submitted to SEBI latest by 31<sup>st</sup> August 2024.

- II. In order to bring in efficiencies in reporting and a step towards ease of doing business, SEBI has discontinued certain reports and modified the following clauses of the Master circular on Stock Brokers dated 17<sup>th</sup> May 2023.

Stock Exchanges shall put in place a mechanism for monitoring of clients' funds ('G' principal) lying with the stock brokers on the principle enumerated below:

G Principle: The total available funds i.e. cash and cash equivalent with the stock broker and with the clearing corporation/clearing member should always be equal to or greater than clients' funds as per the ledger balance.

#### **February 2024**

- I. No regulatory update during the month of February 2024.

#### **March 2024**

- I. SEBI has issued new list of goods notified vide notification dated 01<sup>st</sup> March 2024 which includes additional thirteen (13) goods and alloys for five (5) metals thereby increasing the list of goods on which derivatives can be launched from 91 to 104.
- II. SEBI has decided to extend the framework of Qualified Stock Brokers to more Stock Brokers and prescribed additional parameters for designing a stockbroker as QSB.
- III. SEBI has shared notification of Department of Revenue, Ministry of Finance vide Gazette Notification S.O. 1339(E) dated 14<sup>th</sup> March 2024 notifying another 4 entities in addition to 155 and 39 entities notified

## Board's Report (Contd.)

vide gazette notification S.O. 3187(E) dated 13<sup>th</sup> July 2022 and S.O. 446(E) dated 30<sup>th</sup> January 2023 respectively to undertake Aadhaar authentication services of UIDAI under section 11A of the Prevention of Money-laundering Act, 2002.

### **20. RISK MANAGEMENT AND RISK MANAGEMENT POLICY**

Your Company has put in place an Enterprise Risk Management (“ERM”) framework to enable and support achievement of business objectives through identification, evaluation, mitigation and monitoring of risks applicable to your Company. The framework includes, among other elements, a risk appetite or risk tolerance policy with clear quantitative metrics and thresholds to monitor the performance of the Company’s risk appetite.

Your Company has a comprehensive Risk Management Policy for managing risks such as Financial, Operational, Technology, Sectoral, Sustainability (particularly Environmental, Social and Governance related risks), Regulatory and Compliance, Business, Credit, Market, People, Legal, Reputational, Subsidiary Risks and Black Swan events related risks.

The Company has a Risk Management Committee (RMC), which is constituted by Board of Directors for, *inter-alia*, identification, measurement and monitoring the risk profile of the Exchange. As on 31<sup>st</sup> March 2024, the RMC comprised of three Public Interest Directors and an Independent External Expert. RMC periodically reviews the Risk Management Policy and its implementation thereon, along with the comprehensive Risk Register. The Committee also periodically examines and evaluates the Risk Management Information Systems (RMIS) covering the existing as well as emerging risks. The risks pertaining to internal controls over financial reporting is reviewed by the Audit Committee. The Chief Risk Officer (CRiO) review internal and external audits conducted by external auditors, encompassing financial, operational, system, and cyber aspects. The ERM department identify areas of risk and work closely with functional departments to implement mitigation strategies. The CRiO oversees overall risk management of the Company and submits a report to SEBI on a half-yearly basis.

The matters relating to mitigation of risks in Technology, Information and Cyber Security, Business Continuity and Disaster Recovery is overseen by the Standing Committee on Technology.

The organization provides for three lines of defense construct where: i. the first line of defense incorporates business units and support functions as it has the responsibility to own and manage risks associated with day to day operational activities. ii. the second line of defense comprises of various oversight functions i.e., regulatory, risk management, compliance teams, and iii. the third line of defense comprises the internal audit function.

For details relating to ‘Risks and Concerns’ of your Company please refer to the Management Discussion and Analysis section forming part of this Annual Report.

### **21. INVESTOR PROTECTION FUND (IPF) AND INVESTOR SERVICE FUND (ISF)**

Your Company has set up Multi Commodity Exchange Investor Protection Fund (IPF), to protect and safeguard the interest of investors/clients, with respect to eligible/legitimate claims arising out of default of a member on the Exchange. The interest income received on investment of surplus funds of IPF is used for imparting investor/client education, awareness, undertaking research activities or such other programs as may be specified by SEBI from time-to-time.

Currently, the applicable IPF compensation limit is ₹ 25 lakhs per client, with no member-wise limit for SEBI-registered members declared defaulter on or after 24<sup>th</sup> January 2018. Further, the limits of ₹ 2 lakhs per investor per defaulter member and ₹ 200 lakhs per defaulter member shall continue to be applicable for claims against members, declared defaulter prior to 24<sup>th</sup> January 2018 and for non-SEBI registered members. As on 31<sup>st</sup> March 2024, the corpus of IPF (provisional) stood at ₹ 2,27,76,30,661/-.



Your Company has also set up an Investor Service Fund (ISF) for providing, *inter-alia* basic minimum facilities at various Investor Service Centres. The Company has set up 10 (Ten) Investor Service Centres across India till date. SEBI has permitted the Exchanges to utilize the corpus of ISF for conducting various investor education and awareness programs, capacity building programs and maintenance of all price ticker boards installed by the Exchanges, etc. In addition to above, the corpus may be utilized in any other manner as prescribed/ permitted by SEBI in the interest of investors from time-to-time.

Your Company has transferred 1% of the turnover fees charged from its members on a monthly basis to ISF. As on 31<sup>st</sup> March 2024, the corpus of ISF stood at ₹ 8,70,86,401/-.

In order to enhance literacy and to promote investor education and awareness in the commodity derivatives market, around 2256 awareness programs (seminars/webinars) were conducted under the banner of ISF in FY 2023-24. Out of these programs/webinars, over 259 programs were RISA seminars/webinars conducted jointly with SEBI. In FY 2023-24, the Exchange has conducted awareness programs across India, for investors, students, FPOs, hedgers, physical market participants/stakeholders, micro small and medium enterprises (MSME's), corporates, etc. from the bullion industry, metal industries, energy markets and agricultural sector including farmers, farmer producer organizations (FPO's).

**Some major awareness initiatives in FY 2023-24 undertaken were as follows:**

World Investor Week (WIW) was celebrated from 09<sup>th</sup> October 2023 till 15<sup>th</sup> October 2023 throughout India under the aegis of SEBI & IOSCO.

- Total over 187 awareness programs were conducted across India during WIW, which had over 9849 participants.
- Awareness programs across commodities were conducted with several prominent Institutes, State and National Universities, Trade Associations and Chambers of Commerce under the aegis of ISF.

**Awareness through Media channels:**

The objective of MCX IPF is to spread mass awareness and educate commodity market stakeholders. During FY 2023-24, a number of investor awareness activities were carried through various media across (digital, electronic and print modes).

**Various Investor Awareness Media Activities carried out during FY 23-24:**

'A Monk Who Trades' Investor Awareness Comic Series was published in newspapers.

- Short Investor Awareness Videos were played on TV channels, were run as YouTube ads, and were run across various websites & languages.
- Investor Awareness messages were broadcast on radio stations in regional languages.
- Investor Awareness Camps were conducted on-ground across India and aired on TV channels.
- Special investor awareness activities were carried out during the World Investor Week 2023.
- Investor Awareness Ads were displayed at airports and were run on various social media platforms.
- Quiz cards are posted everyday on social media.

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### **Other Initiatives:**

MCX IPF successfully organized the 6<sup>th</sup> edition of 'MCX-IPF COMQUEST' – 2023-24, its premier, National-level Commodity Market Educational Quiz for students. This year, around 6000 individual students, from over 480 institutes across India participated in the competition, making it the largest number amongst all previously held editions.

## **22. TRAINING AND EDUCATION**

Your Company continues to reach out to various academic institutions to enhance knowledge about commodity derivatives, commodity eco-system and role of exchange traded derivatives market in facilitating derivatives trading for price risk management and price discovery.

To achieve the said objectives, your Company during FY 2023-24:

- i. Certification courses such as MCX Certified Commodity Professional (MCCP), MCX Certified Index Professional (MCIP) MCX Certified Commodity Options Professional (MCOP) examination;
- ii. Launched Joint Certification Programmes (JCP) with various academic institutions;
- iii. Carried out multiple engagement programmes towards imparting education and awareness among academia, students covering over 180 B-Schools, Colleges, academic bodies, etc.
- iv. Successfully concluded the VI<sup>th</sup> edition of MCX-IPF COMQUEST All India commodity quiz which saw a record number of participation from both the academic institutions and their students. For the first time Zonal Finals across all 4 zones were also conducted this year.

## **23. WAREHOUSING**

Consequent to the transfer of clearing and settlement division of the Exchange to Multi Commodity Exchange Clearing Corporation Ltd. (MCXCCL) w.e.f. 01<sup>st</sup> September 2018, physical deliveries of the commodities traded on the Exchange platform are effected through MCXCCL.

MCXCCL 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, MCXCCL verifies and accredits warehouses and vaults across various delivery centres. It operates only with electronic receipts of goods stored in MCXCCL accredited warehouses/vaults on a highly efficient digital platform. In order to keep a check on compliance, correct the deficiencies and enhance market confidence, MCXCCL has an elaborate warehouse and vault inspection activity in place.

MCXCCL 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 31<sup>st</sup> March 2024, MCXCCL has entered into agreements with five Warehouse Service Provider (WSPs) for facilitating physical deliveries in agricultural commodities and base metals. As on 31<sup>st</sup> March 2024, MCXCCL 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, MCXCCL has entered into agreements with 4 Vault Service Provider (VSPs) for facilitating physical deliveries in bullion. There are 25 accredited vaults of these agencies located at different delivery centre.

## 24. SUBSIDIARY

### **Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)**

MCXCCL, a wholly-owned subsidiary of your Company, was set up as a separate clearing house for providing Clearing and Settlement services to the Company. MCXCCL performs risk management of the trades executed, collects margin from the members, effects pay-in and pay-out and oversees delivery and settlement processes. SEBI had granted renewal of recognition to MCXCCL to act as a Clearing Corporation for a period of three years commencing from 31<sup>st</sup> July 2019 and ending on 31<sup>st</sup> July 2022. SEBI vide its letter dated 19<sup>th</sup> May 2022, has granted renewal of recognition to MCXCCL, to act as a Clearing Corporation for a period of further three years commencing on 31<sup>st</sup> July 2022 and ending on 30<sup>th</sup> July 2025, subject to complying with all Rules, Regulations, guidelines and other instructions as may be issued by SEBI from time to time.

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 defence cover for the Company. MCXCCL has constituted a Risk Management Committee, which periodically monitors and reviews Risk Management plan and the implementation of SEBI norms on Risk Management and recommends to the Board any modifications to the Risk Management Policy.

MCXCCL is recognized as a Qualifying Central Counterparty (QCCP) by SEBI. This enables the participants to apply lower risk weightage towards their exposures to MCXCCL as per Basel II capital adequacy framework. It has membership of CCP12, the renowned global association of Central Counterparties and membership of Asia-Pacific Central Securities Depository Group (ACG).

During the year under review, there was no change in the Authorized, Issued and Paid-up Share Capital of MCXCCL. As on 31<sup>st</sup> March 2024, Authorized Share Capital of MCXCCL stood at ₹ 30,000 lakh and issued and paid-up share capital stood at ₹ 23,999 lakh. The net worth as at 31<sup>st</sup> March 2024 was ₹ 48,817 lakh.

### **Core Settlement Guarantee Fund (Core SGF)**

SEBI vide circular no. SEBI/HO/CDMRD/DRMP/CIR/2018/111 dated 11<sup>th</sup> July 2018, issued norms related to computation of SGF requirement and standardized stress testing for credit risk in commodity derivatives. The total Core SGF as on 31<sup>st</sup> March 2024 stood at ₹ 78,056 lakh, of which ₹ 14,485 lakh has been contributed by MCX, ₹ 43,451 lakh has been contributed by MCXCCL and ₹ 20,120 lakh has accrued from penalties, interest and other accruals.

## 25. ASSOCIATES

### **CDSL Commodity Repository Limited (CCRL)**

Your Company entered into a Shares Sale/Purchase and Shareholders Agreement with Central Depository Services Limited (CDSL) and CDSL Commodity Repository Ltd. (CCRL) effective 18<sup>th</sup> May 2018, for setting up and operationalization of a new repository under the Warehousing (Development and Regulation) Act, 2007. Pursuant to Section 2(6) of the Companies Act, 2013, CCRL became an associate Company of MCX w.e.f. 04<sup>th</sup> June 2018, consequent to investment of ₹ 1,200 lakh comprising of 12,000,000 equity shares of ₹ 10 each, equivalent to 24% stake in CCRL.

### **India International Bullion Holding IFSC Ltd. (IIBH)**

MCX, National Stock Exchange of India, National Securities Depository Limited, Central Depository Services Limited and BSE's subsidiaries India INX International Exchange and India International Clearing Corporation have joined hands for setting up of Market Infrastructure Institutions (MIIs) comprising of International Bullion Exchange, Clearing Corporation and Depository Company at Gujarat International Finance Tec-City (GIFT) via a Holding Company i.e. India International Bullion Holding IFSC Limited (IIBH), as per the Regulations issued by International Financial Services Authority (IFSCA).

## Board's Report (Contd.)

This move is in line with the government's objective to make India a price-setter in bullion trade through GIFT International Finance Service Centre. It will help in efficient price discovery in domestic market given the fact that India is the second largest consumer of Gold. The Exchange would present an opportunity for all stakeholders including MCX to expand their scope of business.

Accordingly, MCX, along with all other consortium partners, contributed ₹ 3,000 lakh each comprising of 30,00,00,000 equity shares of ₹ 1 each equivalent to 20% stake in IIBH as on 31<sup>st</sup> March 2024.

During the year under review, there were no companies which have become or have ceased to be the joint venture of your Company.

Further, the Managing Director & CEO of your Company does not receive any remuneration or commission from its subsidiary.

A report on the performance and financial position/salient features of the subsidiary and associate companies as per the Companies Act, 2013 is provided as **Annexure I**.

In accordance with Section 136(1) of the Companies Act, 2013, the financial statements including standalone and consolidated financial statements and all other documents required to be attached thereto and audited annual accounts of MCXCCL, the subsidiary Company, are available on our website at the weblink <https://www.mcxindia.com/investor-relations>.

### **26. MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT**

Management Discussion and Analysis Statement, as stipulated under the SEBI (LODR) Regulations, 2015, forms a part of this Annual Report.

### **27. COMMITMENT TO QUALITY**

Your Company continues its journey of delivering value to all its stakeholders through investments in quality programs. Your Company has been enabling excellence in product and service delivery through compliance of robust processes, quality management system, customer centricity and risk mitigation. Your Company has adopted several external benchmarks and certifications to validate the processes and controls implemented across the Exchange.

Your Company resolves to maintain its pre-eminent position in the Commodity space, hence is proactively investing towards building robust and Scalable Technology Platform like Commodity Derivatives Platform to support its future business growth and regulatory compliance.

Despite the FY 2022-23 being full of unprecedented challenges, your Company was successful in upholding its commitment towards compliance with and adherence to international best practices as laid out in ISO standards such as ISO 27001:2013 (Information Security Management System), ISO 22301:2019 (Business Continuity Management Systems) & ISO 9001:2015 (Quality Management Systems). Your Company successfully re-certified all aforementioned standards. As a part of its commitment to its subscribers, trading members, and the partner ecosystem, your Company also undertook proactive audits to strengthen its core processes, cyber security posture and adherence to regulator guidelines, as they came into effect. Your Company is happy to report that despite issues posed by the pandemic, the organization has successfully evolved to adapt to the new-normal, and that all security incidents were contained to have a zero effect on the trading platform, or systems of our subscribers and trading partners.

It is the constant endeavor of your Company to hire and retain the top talent. The Company has invested in senior leadership resources and strengthened the middle management layer.

## 28. RESEARCH AND DEVELOPMENT

Your Company regularly undertakes research for developing new products against the backdrop of evolving market needs, changing policy and regulatory landscape and global best practices. Following research in market demand and after receiving regulatory approvals, your Company launched futures contracts in Steel Rebar on 15<sup>th</sup> January 2024. Likewise, research on market demand led your Company to launch Crude Oil Mini Options contracts with Crude Oil Mini (10 barrels) Futures as underlying and Natural Gas Mini Options contract with Natural Gas Mini (250 mmbtu) Futures as underlying with effect from 23<sup>rd</sup> April 2024. Such product-based research were also carried out in other commodities and variants of existing derivative contracts, on which the Exchange shall launch products at opportune times and after receiving due regulatory approvals.

In accordance with SEBI guidelines on utilisation of IPF interest income on research activities, your Company undertook four research studies during the year FY 2023-24 on various themes connected to commodity derivatives market. The studies were '*Hedging of Price Risks in Base Metals*' undertaken by ICFAI Business School, '*Initiatives for Achieving Atmanirbhar Bharat – Impact on Physical Commodity Markets and Exchange Ecosystem*', undertaken by IIT Kharagpur, '*Hedging of Price Risks in Energy Commodities*', undertaken by UPES and a Publication on Mentha Oil undertaken by Transgraph Consulting. Further, two research studies, initiated in FY 2022-23, were completed during FY 2023-24. These are '*Developmental Measures for Promoting and Sustaining Commodity Derivatives Contracts*' undertaken by KPMG Assurance and Consulting, and '*Analyzing Costs and Benefits of Flexibility in Contract Design on Development of Commodity Derivatives Market*' undertaken by NIT Rourkela.

The reports of the research studies have been widely publicized through the Exchange's website and social media accounts and the printed copies of the reports compiled and circulated among policy circles, educational institutions, regulatory bodies etc. Besides, the findings of the studies are also being disseminated through articles published in the print media and also widely-publicized awareness events.

To spread awareness and promote research in commodity markets and its ecosystem, your Company publishes an annual publication titled 'Commodity Insights Yearbook'. The Commodity Insights Yearbook 2023 was a joint initiative of MCX IPF and Indian Institute of Management Bangalore. The Yearbook, released by Shri G.P. Garg, Executive Director - SEBI at a knowledge-sharing session on 12<sup>th</sup> October 2023, is a compilation of research articles and useful data on commodity markets. The theme for the 2023 edition of the publication was 'Agricultural Commodities' and, like in earlier years, the Yearbook, together with relevant data in user-friendly spreadsheets, was made available for free download on the Exchange's website to ensure maximum dissemination. Copies of the Yearbook were also widely circulated among academicians, libraries, and other stakeholders.

Apart from the annual Commodity Insights Yearbook mentioned above, a monthly newsletter 'Commodity Connect' is widely circulated and uploaded on the website, which is another effective tool used to regularly communicate with the Exchange's stakeholders.

During the FY 2023-24, your Company also engaged with a number of educational institutions and participated in research conferences conducted by institutions such as India Gold Policy Centre at IIM Ahmedabad, apart from conducting and participating in training and awareness sessions at a number of educational institutions across the country.

## 29. ENVIRONMENTAL RESPONSIBILITY

Your Company has very low impact on environment. Your Company is governed by effective Environmental Policy, and it always strives to ensure that any of its activity has a low or no impact on the Environment. It uses the resources such as electricity in an effective manner and follows strict schedule in all its operations. All the equipment's have long usable life to reduce waste generation. Your Company creates adequate awareness amongst its employees and vendors to adopt environmental conservation practices as an ongoing basis in all their processes. Your Company has environmental impact plan and accordingly checks and monitors the harmful effects to the environment.

## Board's Report (Contd.)

Your Company has E-waste policy for safe disposal of E-waste through approved e-recyclers in eco-friendly manner. Your Company has adopted many conservation measures such as tap aerators, rainwater harvesting, cold fogging and password enabled printers to reduce wastage and other harmful effects to the environment.

Your Company has used Lithium Ion batteries for their UPS system which has a long durable life w.r.t standard batteries.

Your Company has recently taken an initiative to install Retro emission Control Devices (RECD) on their Diesel Generator sets which traps Particulate matter (PM) and restricts it from releasing in the air promoting healthy environment practices.

Your Company monitors environmental pollution through stack emission monitoring, Noise Pollution test, Indoor air quality and ambient air quality.

### **30. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has constituted a CSR Committee in accordance with Section 135 of the Act.

Embedded in the vision and mission of your Company, CSR has always been considered as an opportunity to serve the nation and to bring a perceptible change in the lives of the people. Focused on the community priorities, your Company regularly aligns its strategy, by constantly expanding its CSR outreach for the inclusive growth and development of the society, the Company has been an active citizen and is proactively working on causes of nation building.

The CSR allocation for FY 2023-24 was ₹ 284 lakh. Your Company has made specific allocations towards:

- Supporting transportation facility for commuting for the disabled, marginalized children from far flung villages to their school and vice-e-versa, to reduce the dropout rates of the students and to provide a safe mode of transportation.
- Supporting financial assistance for construction of school/ classrooms for underprivileged children which will help in receiving quality education.
- Supporting running cost of school and education sponsorship program for the underprivileged students to get facilities like uniform, stationaries, books, electricity facility, internet facility, teachers' salary etc.
- Providing financial support for free medical care to underprivileged, destitute women for their medication, investigations and surgery, post operative healthcare.
- Provide funding for laptops, which shall be used to run digital literacy course and develop managerial skills for self-help groups.
- Provide support for skill development programs/Livelihood for person with Intellectual Disabilities.

The interventions during the year epitomize the conviction of your Company to serve and empower the needy communities and to contribute towards the development of the nation. Going forward, your Company aims to further strengthen its initiatives and continue to serve the society at large.

The brief of the CSR activities undertaken during the year have been provided in the Annual Report on CSR activities forming part of this Report as **Annexure II**.

The CSR Policy formulated in accordance with the Companies Act, 2013 (as amended from time to time), guides the Company's CSR approach to sub serve the well-being of the society at large. The CSR Policy and initiatives adopted by the Company on CSR are available at the web link <https://www.mcxindia.com/about-us/csr>.

### 31. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

The Business Responsibility and Sustainability Report (BRSR) of the Company for the Financial Year 2023-24, as required under Regulation 34(2)(f) of the SEBI (LODR) Regulations, 2015, is a part of this Annual Report and also available on the website of the Company at [www.mcxindia.com](http://www.mcxindia.com). The BRSR provides insights on the initiatives taken by the Company from an environmental, social and governance perspective. The Company regularly carries out several initiatives that contribute to the sustainability and well-being of the environment and the communities in which it operates. The Company also recognises the importance of sustainability and is committed to conserve the ecological integrity of its locations through responsible business practices. Sustainability is thus a core agenda for the Company.

### 32. ETHICS AND GOVERNANCE POLICIES

Your Company adheres to high ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Accordingly, your Company has adopted various codes and policies to carry out the duties in an ethical manner. Some of these codes/policies framed and implemented by your Company are the Code of Conduct, Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information, Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy/Vigil Mechanism, Policy on Related Party Transactions, Policy for determining Material Subsidiaries, Corporate Social Responsibility Policy, Risk Management Policy, Nomination and Remuneration Policy, Policy for Appointment of Independent External Persons on Committees of the Board, Board Diversity Policy, etc.

#### A. POLICY ON NOMINATION AND REMUNERATION PARTICULARS OF REMUNERATION

Your Company has adopted a well-defined Nomination & Remuneration Policy for Directors, Key Managerial Personnel formulated in terms of the provisions of SECC Regulations, 2018, Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The said Policy is available under the weblink <https://www.mcxindia.com/investor-relations/corporate-governance>.

The ratio of the remuneration of each Director and KMP to the median employee's remuneration and other details 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 the SECC Regulations, 2018, forms part of this Report as **Annexure III**.

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 IV**.

#### B. WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting 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 SEBI (LODR) Regulations, 2015, the Board of Directors have implemented a vigil mechanism through the adoption of a Whistle Blower Policy which has been amended from time to time. The said policy is available on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance> For further details, please refer to the report on Corporate Governance forming part of this Annual Report.

## Board's Report (Contd.)

### C. POLICY ON MATERIAL SUBSIDIARIES

As required under Regulation 16(1)(c) of SEBI (LODR) Regulations, 2015, the Company has formulated and adopted a policy for determining Material Subsidiaries.

For FY 2023-24, Multi Commodity Exchange Clearing Corporation Limited ("MCXCCL") is the material subsidiary of the Company. As per Regulation 24A of SEBI (LODR) Regulations, 2015, the Secretarial Audit Report of MCXCCL is a part of **Annexure V** of this report.

The policy on Material Subsidiary is available on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>

### D. INSIDER TRADING REGULATIONS

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Conduct for Prevention of Insider Trading ("Insider Trading Code") and Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("UPSI"). The Code of Practices and Procedures for fair disclosure of UPSI is available on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>

### E. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Pursuant to the provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015, a transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

All related party transactions entered into by your Company during the period under review were in the ordinary course of business and at arm's length pricing basis. Also, prior omnibus approval was obtained for related party transactions which were of repetitive nature and entered in the ordinary course of business and are at arm's length. The related party transactions entered into by your Company during the year under review, were approved by the Audit Committee and noted by the Board, as applicable, in accordance with the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other applicable guidelines/directions from the Regulator. Further, transactions entered into between a holding Company and its wholly owned subsidiary whose accounts are consolidated with such holding Company are exempted from the provisions related to omnibus approval, under the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. However, the Company, as a good corporate governance practice, does seek omnibus approval for transactions to be entered into with MCXCCL, wholly owned subsidiary of the Company.

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 referred to in Section 188 (1) of the Companies Act, 2013, in Form AOC-2, is appended as **Annexure VI** to this Report.

Your Company has formulated a policy on materiality of related party transactions and dealing with related party transactions as amended from time to time. The Policy is uploaded on the website of your Company and may be accessed at the weblink: <https://www.mcxindia.com/investor-relations/corporate-governance>

All Related Party Transactions as required under Ind AS 24 – Related Party Disclosures, are reported in **Note 37** of Notes to Accounts of the standalone and consolidated financial statements of your Company.



#### F. DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company had formulated a Dividend Distribution Policy which is available on the Company's website at <https://www.mcxindia.com/investor-relations/corporate-governance>.

#### G. BOARD COMMITTEES

There are various Board constituted Committees as stipulated under the Act and SEBI (LODR) Regulations, 2015 namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year have been enumerated in Corporate Governance Report forming part of this Annual Report.

Additionally, Company being an Exchange, has also constituted other Regulatory Committees as stipulated under SECC Regulations, 2018.

#### AUDIT COMMITTEE

A detailed note on the composition, terms of reference etc., of Audit Committee is covered under the Corporate Governance Report. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

### 33. STATUTORY AUDITORS AND THEIR REPORT

The shareholders, at their 18<sup>th</sup> Annual General Meeting (AGM) held on 31<sup>st</sup> August 2020 have appointed M/s Shah Gupta & Co., Chartered Accountants (Firm Registration No. 109574W) for another term of 5 (five) consecutive years to hold office from the conclusion of the 18<sup>th</sup> AGM until the conclusion of the 23<sup>rd</sup> AGM of the Company, at a remuneration of ₹ 15 lakh (Rupees Fifteen lakh) for the FY 2020-21, plus reimbursement of out-of-pocket expenses and applicable taxes, with an escalation of upto 10% once in two years. The Audit Committee and Board in its meeting held on 04<sup>th</sup> February 2023, considered, and recommended an increase of 6% in the statutory audit fees of M/s Shah Gupta & Co. for the FY 2022-23 & FY 2023-24 amounting to ₹ 15,90,000/- for each year (plus reimbursement of out-of-pocket expenses and applicable taxes). The Audit Committee and Board in its meeting held on July 27, 2024, considered, and recommended an increase of 10% in the statutory audit fees of M/s Shah Gupta & Co. for the FY 2024-25 amounting to ₹ 17,49,000/- (plus reimbursement of out-of-pocket expenses and applicable taxes).

The Report given by the Auditor on Financial Statements of the Company forms part of the Annual Report. There is no qualification, reservation or adverse remark made by the Auditor in their report.

### 34. SECRETARIAL AUDITORS AND THEIR REPORT

M/s. AVS & Associates, Practicing Company Secretaries (FRN: P2016MH054900), were appointed as the Secretarial Auditors by the Board to conduct the secretarial audit of the Company for FY 2023-24. Further, M/s Mayekar & Associates, Practicing Company Secretaries, were appointed as the Secretarial Auditors by the Board of MCXCCL to conduct their secretarial audit for FY 2023-24.

In accordance with Section 204(1) of the Companies Act, 2013 and Regulation 24A of SEBI (LODR) Regulations, 2015 the Secretarial Audit Reports of the Company and MCXCCL for the Financial Year ended 31<sup>st</sup> March 2024 are annexed as **Annexure V** to this Report. The Secretarial Audit Report does not contain any qualifications, reservations, or adverse remarks.

## Board's Report (Contd.)

### **35. INTERNAL AUDITOR**

Internal Audit for the year ended 31<sup>st</sup> March 2024, was conducted by M/s Sarda & Pareek LLP, Chartered Accountants. Internal Audit report at periodic intervals were placed before the Audit Committee. Further, the Board of Directors has approved the appointment of M/s Mittal & Associates, Chartered Accountants as internal auditors for a period of two years beginning from FY 2024-25.

### **36. 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 Act, are not applicable for the business activities carried out by the Company.

### **37. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards ("SS") issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. During the year under review, the Company has complied with the Secretarial Standards i.e. SS-1 and SS-2 relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

### **38. ANNUAL RETURN**

Pursuant to Section 92(3) of the Companies Act, 2013, the Annual Return in form MGT-7 for FY 2023-24 is available at the web link <https://www.mcxindia.com/investor-relations>

### **39. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

Your Company has maintained adequate internal financial controls over financial reporting, which are constantly assessed and strengthened with new/revised standard operating procedures. The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Audit Committee of the Board actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Audit Committee of the Board and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors on the effectiveness of internal controls and the veracity of the financial statements. Such internal financial controls over financial reporting were operating effectively as of 31<sup>st</sup> March 2024.

### **40. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

No fraud has been reported by the Auditors to the Audit Committee or the Board.

### **41. LEGAL UPDATE**

#### **Crude Oil Matters:**

On 20<sup>th</sup> April 2020, the prices of the Crude Oil Futures Contract traded on NYMEX, that was due to expire on the next day i.e. 21<sup>st</sup> April 2020, fell into negative territory i.e. negative \$ 37.63 (Thirty Seven Point Sixty Three Dollars Only) due to the deepest fall in demand on account of the unprecedented COVID-19 pandemic. As Crude Oil Futures settled on the Exchange platform as per NYMEX, by the Circular dated 21<sup>st</sup> April 2020, issued by MCXCCL, the Due Date Rate of Crude Oil Futures contract expiring on 20<sup>th</sup> April 2020 was fixed at a negative value viz. < (-) 2884/- resulting in multiple Writ Petitions being filed against MCX and MCXCCL in various High Courts. It was *inter-alia* prayed to quash and set aside the Impugned Circular 21<sup>st</sup> April 2020.

MCX had filed a Transfer petition before the Hon'ble Supreme Court, *inter-alia* among other grounds that none of the Courts have territorial jurisdiction over the matter and therefore all the Writs ought to be transferred to Mumbai (before Hon'ble Bombay High Court). SEBI also had filed a separate Transfer Petition before the Supreme Court seeking transfer of the Writ Petitions.

Pursuant to the transfer petition of SEBI, the Hon'ble Supreme Court *inter-alia* vide its order dated 24<sup>th</sup> July 2020 stayed the proceedings of all the Writ Petitions filed before various High Courts till the final disposal of the matter and tagged the petition of SEBI with the Company's petition. The Transfer petitions were listed for hearing and final disposal on 01<sup>st</sup> September 2022 wherein the Hon'ble Supreme Court had *inter-alia* directed to transfer all the writ petitions filed before various High Courts to Hon'ble Bombay High Court which is now being heard in the Bombay High Court. In two other Writs, SEBI had in January 2023 filed Transfer Petition before the Supreme Court which shall come up for hearing in due course.

#### **42. HUMAN RESOURCE DEVELOPMENT**

Human Resources plays an instrumental role in securing the future success of the organization. In doing so, HR by its long term vision of working in partnership to create an environment where employees can thrive and are enabled to deliver sustainable organizational performance.

As on 31<sup>st</sup> March 2024, the Exchange had 410 employees (includes employees and trainees/management trainees).

HR principles & priorities have ensured that exchange seeks to retain, develop and continue to attract people with the requisite skills to help shape a better organization and foster employees engagement and motivation throughout the implementation process. Structured 'Internal Job Posting' provides opportunities to deserving employees to be considered for lateral & hierarchical career growth within the organization.

Additionally, Exchange undertakes various staff welfare activities to improve productivity by bringing unity such as the "Annual Employee Event", Family Day, celebrations of various festivals designed to have enhanced interpersonal relationship and team work. Exchange has been rewarding children of our employees for their exceptional efforts that they put in, in passing their 10<sup>th</sup> and 12<sup>th</sup> standard examination with flying colors.

#### **43. DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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 Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013".

No complaint was received during the FY 2023- 24 in relation thereto.

#### **44. EMPLOYEE STOCK OPTION SCHEME**

The stock options granted to the employees of the Company, operate under the "Employee Stock Option Scheme 2008 (ESOP 2008)" of the Company, formulated in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, which was approved by the shareholders at the Extraordinary General Meeting held on 27<sup>th</sup> February 2008. MCX ESOP Trust constituted by the Company is responsible for administration and implementation of the scheme under the directions of the Nomination and Remuneration Committee. There has been no change in the Scheme during the year ended 31<sup>st</sup> March 2024.

There were no grants pending for vesting as at 31<sup>st</sup> March 2024. No new grants were made during FY 2023-24.

The relevant disclosures required under the SEBI Regulations for the year ended 31<sup>st</sup> March 2024 are available on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>.

## Board's Report (Contd.)

### **45. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/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's operations are not energy intensive. However, it undertook 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 Precision Air colling system for Rack servers in the Data Centre, which are fully power saving having Variable Frequency device (VFD) coupled with linear scroll compressors which favors low drive proportional power during low power requirement. Moreover, the system 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 in the Server Racks.

Your Company has Variable Refrigerant Volume (VRV) air-conditioning system for the entire building, which works on inverter compressor i.e during less occupancy the compressor drive have less rotations resulting in low energy requirements promoting 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 the electricity consumption due to lesser requirement of lighting during the day.

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

Your Company maintains 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 ASHRAE (American Society of Heating, Refrigerating and Air Conditioning Engineers) guidelines for Airconditioning and maintains the temperature at 24 degrees in work areas.

You 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.

Your Company has installed password-based printers, which do not print the document unless password is entered on the printer thereby reducing unnecessary printing of papers and waste of energy.

**ii. Steps taken by your Company for utilizing alternate sources of energy:**

No alternate source of energy is utilized by your Company.

**iii. Capital investment on energy conservation equipment:**

Your Company has replaced desktop to energy efficient laptops with the long-term utility to ensure energy saving.

**B) TECHNOLOGY ABSORPTION**

**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 technology. Highest priority and continuous support were given by the senior management to all matters of cyber security and risk management. It is the constant endeavor of your Company to meet the expectations of the Regulators and comply with the guidelines laid down by the national agencies tasked with information security and cyber defense of critical infrastructure. There is a dedicated Security Operations Centre (SOC) staffed with industry experts who are armed with the latest security technologies and 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 27001:2013 Information Security Management & aligns with NIST Cyber Security Framework.

Your Company is not only committed to the protection of assets by deploying security measures for Work from Home (WFH), but also has implemented a long-term strategy to deal with the challenges of teleworking. Security measures have been implemented for on-premises to protect against cyber-attacks.

All staff and members are provided with information security awareness sessions and trainings on cyber-vigilance and cyber security practices to avoid human targeted attacks. The Company has also been classified as a national CII (critical information infrastructure) custodian, through notifications from the Ministry of Finance (MoF) & National Critical Information Infrastructure Protection Center (NCIIPC). Your Company has taken measures to meet the expectations of the agency, keeping in mind the additional due diligence and controls for safeguard of the CII.

**Switchover/switchback between Primary & DR site while conducting un-announced Live trading from DR site**

Your Company ensured smooth running of an un-announced Live Trading Operations from Disaster Recovery Site for two consecutive days, in compliance with regulatory norms, twice in FY 2023-24.

Your Company ensured that staff members working at DRS run the live trading session independent of the PDC staff.

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

## Board's Report (Contd.)

### **Upgrading Information Technology Systems**

Your Company has continued to allocate substantial resources towards upgrading information technology systems. Our overarching goal remains achieving higher capacity, lower latency, improved market efficiency and transparency, enhanced user access, and providing flexibility for future business growth and market needs.

### **Migration to New Technology Platform**

In 2021, Your Company partnered with Tata Consultancy Services Ltd (TCS) to implement an integrated end-to-end Commodities Derivative Platform (CDP). Despite initial delays, we are pleased to report that the new platform went live on 16<sup>th</sup> October 2023. This project represents one of the most complex transformations of a running exchange, handling over 100 million transactions per day, and was executed as a big bang single cutover covering the entire scope of the transformation program including trading, real-time risk management, real-time clearing, and settlement.

The new CDP that TCS implemented for MCX comprises the following three TCS offerings:

- Trading Platform from Deutsche Boerse (T7) for Trading and Market Data Feeds
- Frontend application for Securities Trading (Trader Workstation (TWS))
- TCS BaNCS for Market Infrastructure (MI) for Real-time Clearing, Real-time Risk Management, Collateral Management, Settlement, and Reporting

### **Successful Migration and Implementation**

In a one-of-its-kind implementation, we successfully completed the migration of all core systems covering trading, clearing, risk management, and settlement in a single cutover, compared to the phased implementation typically done in other exchanges. The overall duration of the program, 28 months, is also a record for an implementation of this kind.

As part of the implementation, rigorous testing was carried out, including comprehensive System Integration Testing (SIT), User Acceptance Testing (UAT), member/participant testing through a series of mock sessions, and parallel runs. Additionally, Non-Functional Requirement (NFR) tests were conducted for various scenarios involving spurts and volumes of transactions.

### **Extension of Software Support Services**

To ensure the smooth running of our business during the migration period, your Company extended the existing software support services contract with M/s. 63 moons Technologies Ltd for limited period. We are pleased to report that with the successful implementation of the new technology platform, the extension has been discontinued.

### **Strong Technology Framework**

MCX's technology infrastructure is the foundation of our business and a key contributor to the Exchange's functioning and development. Our trading platform, mission-critical applications, and supporting infrastructure are hosted in a state of the art Data Centre at our headquarters in Mumbai, and replicated at a Near Online Site nearby, and at a Disaster Recovery site in Gift City - Gandhinagar.

Our electronic platform is supported by our infrastructure and advanced technology, allowing fast trade execution, with uptimes exceeding 99.9% since inception, latency in single-digit milliseconds, anonymity between counterparties, price transparency, prompt and reliable order routing, trade reporting, multicast tick-by-tick market data dissemination and market surveillance. The platform is built on state-of-the-art

storage-based technology, using Non-Volatile Memory Express (NVME) technology, one of the fastest storages in the world. This positions MCX as one of the first to deploy such technology, providing a competitive edge.

**(i) The benefits derived like product improvement, cost reduction and product development:**

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

In the fiscal year 2023-24, the Company's internal software development team initiated several key projects to augment and deploy a range of ancillary systems in alignment with organizational needs and in compliance with SEBI's regulations and deadlines. Notable among these initiatives were: 1) Enhancing the surveillance system's architecture and optimization, which led to a threefold increase in message processing capacity. 2) Implementation of new systems for handling client claims against defaulting members, arbitration processes, and PAN verification in conjunction with KRA. 3) Upgrading outdated technology in legacy applications to remain current and reduce the risk of cyber threats.

**(ii) Details of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

Your Company has not directly imported any technology during the last three financial years.

**(iii) Expenditure incurred on Research and Development (during the year under review) - Not applicable**

**C) FOREIGN EXCHANGE EARNINGS / OUTGO DURING THE YEAR UNDER REVIEW**

The details of foreign exchange earnings and outgo during the year under review forms part of the Significant Accounting Policies and **Note no. 34** of Notes to Accounts of the standalone and consolidated financial statements.

**46. CORPORATE GOVERNANCE**

Your Company is committed to good corporate governance aligned with the best corporate practices. The report on Corporate Governance, as stipulated under Regulation 34(3) read with Schedule V of the SEBI (LODR) Regulations, 2015 and the certificate from a Practicing Company Secretary, regarding compliance of conditions of corporate governance, forms part of this Annual Report. The report on Corporate Governance also contains disclosures as required under the Companies Act, 2013.

**47. RESOURCES COMMITTED TOWARDS STRENGTHENING REGULATORY FUNCTIONS AND TOWARDS ENSURING COMPLIANCE WITH APPLICABLE REGULATORY REQUIREMENTS**

The Company being a recognised Stock Exchange is governed by SEBI. The Company ensures compliances with various regulations and guidelines issued by SEBI from time to time and strives to implement the best governance practices.

The disclosure pertaining to resources committed towards strengthening regulatory functions and ensuring compliance with regulatory requirements, backed by an activity based accounting, in terms of Regulation 33 of the SECC Regulations, 2018, is as under.

## Board's Report (Contd.)

During the year under review, the Company's regulatory division comprised of departments, handling various critical aspects of regulatory compliances, as under:

1. CRO's Office
2. Inspection & Audit
3. Investor Protection Fund
4. Investor Services Department
5. Membership
6. Surveillance & Investigation
7. Secretarial & Compliance
8. Enterprise Risk Management

As on 31<sup>st</sup> March 2024, the Company had 109 employees in the overall regulatory function. The Company has dedicated resources to manage the various regulatory functions.

The Company has ensured to make disclosures of various mandatory regulatory requirements along with reporting of the same to various regulatory authorities in addition to informing the same to the Board of Directors and respective Committee.

For the FY ending on 31<sup>st</sup> March 2024, MCX incurred direct and indirect expenses including technology expenses amounting to ₹ 3,637 Lakhs as per activity-based accounting methodology towards strengthening regulatory functions and towards ensuring compliance with regulatory requirements.

### **48. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134 of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures from the same;
- b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March 2024 and of the profit of the Company for the year ended 31<sup>st</sup> March 2024;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a 'going concern' basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **49. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.**

During the year under review, no application has been made under the Insolvency and Bankruptcy Code. Hence, the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 along with their status as at the end of the financial year is not applicable.



**50. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONETIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.**

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

**51. ACKNOWLEDGMENTS**

The Board of Directors wishes to place on record their sincere gratitude for the valuable guidance and continued support extended by the Government of India, Ministry of Finance, SEBI, RBI, Stock Exchanges, Ministry of Corporate Affairs, other government authorities, Banks, trading members, shareholders, members of various committees, auditors and other stakeholders. The Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

**For and on behalf of the Board of Directors**

**Mohan Sheno**  
**Non- Independent Director**  
**(DIN:01603606)**  
**Mumbai**  
**27<sup>th</sup> July 2024**

**Harsh Kumar Bhanwala**  
**Chairman & Public Interest Director**  
**(DIN: 06417704)**  
**Mumbai**  
**27<sup>th</sup> July 2024**

Board's Report - Annexure I

**FORM AOC-1**

*[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]*

**Statement containing salient features of the Financial Statement of subsidiaries or associate companies or Joint Ventures**

**PART "A": SUBSIDIARY**

*₹ in lakh, except % of shareholding*

Sr. No.	Name of the Subsidiary	Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)
1.	The date since when subsidiary was acquired	01 <sup>st</sup> August 2008 (Incorporation date)
2.	Reporting Period	01 <sup>st</sup> April 2023 – 31 <sup>st</sup> March 2024
3.	Reporting Currency	INR
4.	Share Capital	23,999
5.	Reserves & Surplus	(16,868)
6.	Total Assets	1,85,913
7.	Total Liabilities (including Share Capital, Reserves & Surplus and Core Settlement and Guarantee Fund)	1,85,913
8.	Investments	2,507
9.	Turnover	16,884
10.	Profit/(Loss) before taxation	3,282
11.	Provision for taxation	23
12.	Profit / (Loss) after taxation	3,259
13.	Proposed Dividend	-
14.	Extent of Shareholding (in percentage)	100%

**Note:**

*Multi Commodity Exchange Clearing Corporation Limited, a wholly-owned subsidiary of Multi Commodity Exchange of India Limited was incorporated on 01<sup>st</sup> August 2008 and has commenced its operations from 03<sup>rd</sup> September 2018.*

**PART "B": ASSOCIATE**

*₹ in lakh, except % of shareholding*

Sr. No.	Particulars	CDSL Commodity Repository Limited (CCRL)
1.	Latest audited Balance Sheet Date (Financial Year ended)	31 <sup>st</sup> March 2024
2.	Date on which the Associate was associated or acquired	18 <sup>th</sup> May 2018
3.	Shares of Associate or Joint Ventures held by the Company on the year end:	
	No. of Shares	1,200
	Amount of Investment in Associates	120
	Extent of Holding (in percentage)	24%
4.	Description of how there is significant influence	24% of Equity Share Stake
5.	Reason why the associate is not consolidated	Not Applicable
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	5,018.77
7.	Profit or Loss for the year:	
	Considered in Consolidation	(58.74)
	Not Considered in Consolidation	Not Applicable

## Board's Report - Annexure I (Contd.)

Sr. No.	Particulars	India International Bullion Holding IFSC Limited (IIBH)
1.	Latest audited Balance Sheet Date (Financial Year ended)	31 <sup>st</sup> March 2024
2.	Date on which the Associate was associated or acquired	12 <sup>th</sup> August 2022
3.	Shares of Associate or Joint Ventures held by the Company on the year end:	
	No. of Shares	3,000
	Amount of Investment in Associates	3,000
	Extent of Holding (in percentage)	20%
4.	Description of how there is significant influence	20% of Equity Share Stake
5.	Reason why the associate is not consolidated.	Not Applicable
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	12,499.62
7.	Profit or Loss for the year:	
	Considered in Consolidation	(685.00)
	Not Considered in Consolidation	Not Applicable

**Note:**

1. CDSL Group consists of:
  - a) CDSL Ventures Limited
  - b) CDSL Insurance Repository Limited
  - c) CDSL Commodity Repository Limited
2. India International Bullion Holding IFSC Limited is an associate of India International Exchange (IFSC) Limited and India International Clearing Corporation (IFSC) Limited, India International Bullion Holding IFSC Limited group consist of:
  - a) India International Bullion Exchange IFSC Limited
  - b) India International Depository IFSC Limited

**For and on behalf of the Board of Directors**

**Mohan Shenoi**  
**Non- Independent Director**  
**(DIN:01603606)**  
**Mumbai**  
**27<sup>th</sup> July 2024**

**Harsh Kumar Bhanwala**  
**Chairman & Public Interest Director**  
**(DIN: 06417704)**  
**Mumbai**  
**27<sup>th</sup> July 2024**

## Board's Report - Annexure II

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FY 2023-2024

*(Pursuant to section 135 of the Companies Act, 2013 and Companies  
(Corporate Social Responsibility Policy) Rules, 2014)*

**1. A brief outline of the Company's CSR policy, including overview of projects undertaken / programs proposed to be undertaken and a reference to the web-link to the CSR policy:**

**Mission:** To create lasting value for communities in need by promoting and supporting education, livelihood, healthcare, sports, environmental and sustainable development initiatives and others including reducing inequalities faced by socially and economically backward groups, relief and rehabilitation and intervention towards an educated, employed, healthier and a cleaner India with an aim to serve communities at large and to transform their lives in a collaborative manner by partnering with internal and external stakeholders.

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

Accordingly, the thematic focus areas of our MCX policy are:

- (a) Healthcare,
- (b) Education,
- (c) Disabilities,
- (d) Environment,
- (e) Livelihoods

During the year under consideration, your Company as an active corporate citizen, initiated the following projects:

- Supporting transportation facility for commuting to the disabled, marginalised children from far flung villages to the school and vice-e-versa, to reduce the dropout rates of the students and to provide a safe mode of transportation to the students.
- Supporting financial assistance for construction of school/ classrooms for underprivileged children which will help in receiving quality education.
- Supporting running cost of school and education sponsorship program for the underprivileged students to get facilities like uniform, stationaries, books, electricity facility, internet facility, teachers' salary etc.
- Providing financial support for free medical care to underprivileged, destitute women for their medication, investigations and surgery, post operative healthcare.
- Provide funding for laptops, which shall be used to run digital literacy course and develop managerial skills for self-help groups.
- Provide support for skill development programs/Livelihood for person with Intellectual Disabilities.

The interventions during the year epitomize the conviction of your Company to serve and empower the needy communities. Going forward, MCX aims to further strengthen its initiatives and continue to serve the society. Overall, the CSR projects, programs and activities include investing resources in the following CSR thematic areas of:

- Promoting education, including special education and employment enhancing vocation skills, especially among children, women, and the differently abled, livelihood enhancement projects, developing capability and self-reliance of beneficiaries at grass root level.

## Board’s Report - Annexure II (Contd.)

- Installation of drinking water RO plants for affordable access to safe drinking water for communities.
- Installation of solar plant for reliable and sustainable solar power solutions for schools, hospital etc.
- Promoting preventive health care.
- Contributing to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government for socio-economic development.
- Such other activities as may be prescribed in Schedule VII of the Companies Act, 2013, as amended from time to time, or prescribed by the Central Government and approved by the CSR Committee and the Company’s Board, as the case may be.

Your Company has always considered CSR as an opportunity to serve and bring a perceptible change in the society. The CSR outreach has been constantly expanding for the inclusive growth and development of the society. The commitment and desire of the Company to do social good is revealed from its various holistic initiatives to address some of the persistent social challenges in the spheres of education, empowerment of women and differently abled, healthcare, environment and livelihood.

The Company’s CSR policy and the CSR activities are available on the Company’s website at: <https://www.mcxindia.com/about-us/csr>

### 2. The Composition of the CSR Committee:

As on 31<sup>st</sup> March 2024, the CSR Committee comprises of the following members:

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. Arvind Kathpalia	Non-Independent Director and Chairperson	2	1
2	Ms. Sonu Bhasin	Public Interest Director	2	1
3	Mr. Mohan Narayan Shenoi	Non-Independent Director	2	2
4*	Mr. Vivek Krishna Sinha	Non-Independent Director and Chairperson	2	1
5 <sup>#</sup>	Mr. Ved Prakash Chaturvedi	Non-Independent Director	2	1
6 <sup>§</sup>	Mr. Hemang Raja	Non-Independent Director	2	1

\* Mr. Vivek Krishna Sinha ceased to be the member of CSR committee consequent to his resignation as Non-Independent Director of the Company with effect from 31<sup>st</sup> October 2023.

<sup>#</sup> Mr. Ved Prakash Chaturvedi ceased to be the member of CSR committee consequent to his resignation from the position of Public Interest Director of the Company with effect from 11<sup>th</sup> August 2023.

<sup>§</sup> Mr. Hemang Raja Non-Independent Director ceased to be Non-Independent Director of the Company with effect from 26<sup>th</sup> September 2023.

3. Web-link of the website where the Composition of CSR committee, is disclosed [Committees of the Board \(mcxindia.com\)](https://www.mcxindia.com)
- Web-link of the website where CSR Policy approved by the Board, is disclosed [mcx-csr-policy.pdf \(mcxindia.com\)](https://www.mcxindia.com/mcx-csr-policy.pdf)
- Web-link of the website where CSR projects approved by the Board is disclosed [annual-action-plan-csr-for-fy-23-24.pdf \(mcxindia.com\)](https://www.mcxindia.com/annual-action-plan-csr-for-fy-23-24.pdf)  
 [\(mcxindia.com\)](https://www.mcxindia.com)

Board's Report - Annexure II (Contd.)

4. Provide the executive summary along with the web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable. – Not applicable.

5

Particulars:	Amount (₹ in Lakh)
a) Average net profit of the Company as per sub-section (5) of section 135:	14,183
b) Two percent of average net profit of the Company for last three Financial Years, as per section 135(5):	284
c) Surplus arising out of the CSR projects / 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 (7a+7b-7c):	284

6.

- (a) Amount spent on CSR projects (both Ongoing project and against other than ongoing projects for the financial year 2023-24: ₹ 102.39 lakhs
- (b) Amount spent in Administrative Overheads: ₹ 14.20 lakhs
- (c) Amount spent on Impact Assessment, if applicable: Nil
- (d) Total Amount Spent for the FY 2023-24 (a +b + c): ₹ 116.59 lakhs.
- (e) Details for CSR amount spent or unspent for the financial year:

Total Amount Spent for the FY 2023-24. (₹ in Lakh)	Amount Unspent (₹ in Lakh)				
	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 (₹ in Lakh)	Date of Transfer	Name of the Fund	Amount in (₹ in Lakh)	Date of transfer
116.59	167.41	29.04.2024	-	-	-

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

Sr. No.	Particulars	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the Company as per section 135(5)	284
(ii)	Total amount spent for the Financial Year	116.59
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects / 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 spent for the preceding three Financial Years:

Sr. No.	Preceding Financial Years.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakh)	Balance Amount in unspent CSR account under sub-section (6) of section 135 (₹ in Lakh)	Amount spent in the reporting Financial Year (23-24) (₹ in Lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding Financial Years (₹ in Lakh)	Deficiency, if any
					Amount (₹ in Lakh)	Date of Transfer		
1	2022-23	64.29		64.29	18.25	29-09-23		
2	2021-22	307.04	14.10	96.99	-	-	14.10	
3	2020-21	145.35	0	0	-	-	0	

## Board's Report - Annexure II (Contd.)

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes

Sr No	Short particulars of the property or asset(s) (Including complete address and location of the property)	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ in Lakh)	Details of entity / Authority / beneficiary of the registered owner		
					CSR registration Number	Name	Registered address
1	Ambulance Type D	110048	05/04/2023	27.28	CSR00000665	Saint Hardyal Educational and Orphans	B-11, Ground Floor, Greater Kailash Enclave-1, New Delhi-110048
2	Fowler 5 function beds		05/01/2023	2.60			
3	Digital Xray		27/04/2023	12.56			
4	Special School Bus	629163	05/06/2023	35.00	CSR00032753	Health for one Million	9/41, Kuzhithurai & Post Kanyakumari Tamil Nadu 629163
5	Adaptive communication device	400051	15/02/2023	18.12	CSR00002114	Muskan Foundation	15, Prashanti, Kalanagar, Bandra (E), Mumbai – 400051
6	Laptop, printer, tab		24/02/2023	9.47			
7	Canon camera		27/01/2023	2.19			
8	Fridge		27/01/2023	0.20			
9	Special School Bus	431001	27/01/2023	25.41	CSR00003004	Aarambh Society for Autism and Slow Learner Children	Medical Campus No. 57, Shahnnoormiya Darga Parisar, Aurangabad – 431001
10	Ambulance	431005	23/05/2023	19.51	CSR00000181	Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan	F-1628/88 at Hedgewar, Jawahar Colony, Aurangabad, Maharashtra
11	Digital Xray		25/11/2023	11.83			

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).

Your Company has identified various projects, which are On Going Projects. These projects would be completed within the timelines provided.

#### For Multi Commodity Exchange of India Limited

**Arvind Kathpalia**  
**Chairperson of the Corporate Social Responsibility Committee**  
**(DIN: 02630873)**

**Date : 27<sup>th</sup> July 2024**

**Place: Mumbai**

Board's Report - Annexure III

**A. Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:**

Sr. No	Requirements	Disclosure
I	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-2024**	Managing Director – 19.66 Details of sitting fees are placed at point C below.
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 2023-24	Managing Director – 0.24% Company Secretary - NA Chief Financial Officer – 25.49 %
III	The percentage increase in the median remuneration of employees in the Financial Year 2023-24	The median remuneration of the employees in the Financial Year increased by 7.29%. The calculation of % increase in Median Remuneration is done based on comparable employees.
IV	The number of permanent employees on the rolls of Company	There were 404 employees as on 31 <sup>st</sup> March 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	The average percentile increase for the employees has been 26.22 % as against 12.55 % for the managerial personnel in the last financial year. There were no exceptional circumstances for increase in managerial remuneration.
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	Affirmed that the remuneration is as per the remuneration policy of the Company.

\* The employee count includes only employees and excludes 6 Management trainees.

\*\* Other than MD & CEO all other Directors were paid only sitting fees.

# KMPs under the Companies Act, 2013 as well as under Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 are considered as managerial personnel.

**B. Disclosure as per Regulation 27(5) & (6) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 [SECC Regulations, 2018] for the period from 01<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024**

Sr. No	Name of the KMP	Designation of the KMP	Compensation (amount in Rs.)	Ratio of the compensation of Key Management Personnel to median compensation
1	Mr. Padala Subbi Reddy	Managing Director and Chief Operating Officer	2,55,58,121	19.66
2	Mr. Rishi Nathany	Chief Business Officer	1,35,01,263	10.39
3	Mr. Shivanshu Mehta	Head of Department- Bullion	1,08,20,488	8.32
4	Mr. Manoj Jain	Chief Operating Officer	87,59,470	6.74
5	Dr. N Rajendran	Chief Digital Officer	1,53,45,012	11.80
6	Mr. Chittaranjan Rege	Head of Department– Base Metal	98,11,214	7.55
7	Mr. DG Praveen	Chief Risk Officer	98,71,266	7.59
8	Mr. Himanshu Ashar	Head of Department – Market Operations	60,75,694	4.67
9	Mr. Satyajeet Bolar	Chief Financial Officer	85,72,354	6.59
10	Ms. Ruchi Shukla	Head of Department- Energy	48,78,919	3.75
11	Mr. Sambit Patnaik	Head of Department - Financial Institutional Marketing	54,97,427	4.23



## Board's Report - Annexure III (contd.)

Sr. No	Name of the KMP	Designation of the KMP	Compensation (amount in Rs.)	Ratio of the compensation of Key Management Personnel to median compensation
12	Mr. Radheshyam Yadav	Functional Head- Systems	60,56,101	4.66
13	Mr. Pravin Gade	Functional Head - Networking	54,94,732	4.23
14	Ms. Rashmi Nihalani	Head of Department- Investor Services Department/ Investor Protection Fund	61,94,766	4.77
15	Mr. Suresh Raval	Functional Head – DR site	38,81,429	2.99
16	Mr. Ramesh Gurram	Chief Information Security Officer & DPO	69,57,781	5.35
17	Mr. Armaan Gaus	Head of Department – Surveillance and Investigation	62,65,027	4.82
18	Mr. Kaushal Ashok Mehta	Head of Department - Legal	58,62,853	4.51
19	Ms. Manisha Thakur	Company Secretary and Compliance Officer	57,27,453	4.41
20	Mr. Abhishek Suresh Govilkar <sup>1</sup>	Head of Department - Agri	34,93,500	2.69
21	Mr. Naresh Bhuta <sup>2</sup>	Deputy Chief Financial Officer	23,67,000	1.82
22	Ms. Kavita Ravichandran <sup>3</sup>	Chief Regulatory Officer	27,33,665	2.10
23	Mr. Mithun Manjnath Nayak <sup>4</sup>	Deputy Chief Technology Officer	24,92,000	1.92
24	Mr. Harvinder Singh <sup>5</sup>	Head of Department- Inspection and Audit	8,38,709	0.65
25	Mr. Shashank Sathe <sup>6</sup>	Chief Technology Officer	13,65,278	1.05
26	Dr. Ajit Phanse <sup>7</sup>	Vice President - Inspection & Audit	3,28,629	0.25
27	Mr. Chirag Aspi Sodawaterwalla	Functional Head - Membership	31,88,985	2.45
28	Mr. Sanjay Gakhar <sup>5</sup>	Vice President- Business Development	74,31,648	5.72
29	Ms. Komal Kanzaria <sup>5</sup>	Vice President – Business Development	58,10,200	4.47
30	Mr. Muthappa Kaveriappa Nellamakada <sup>5</sup>	Vice President – Business Development	36,17,279	2.78
31	Mr. Vaibhav Pramod Aggarwal <sup>5</sup>	Vice President - Technology	71,06,837	5.47
32	Mr. Vijay Patel <sup>5</sup>	Vice President - Technology	75,50,813	5.81
33	Mr. Prashant Brahmanand Wagh <sup>5</sup>	Vice President - Technology	59,19,804	4.55
34	Mr. Puneet Shadija <sup>5</sup>	Vice President - Technology	75,00,261	5.77

<sup>1</sup> Appointed as Vice President -Agri w.e.f., 21<sup>st</sup> June, 2023

<sup>2</sup> Appointed as Deputy Chief Financial Officer w.e.f., 01<sup>st</sup> November, 2023.

<sup>3</sup> Appointed as Chief Regulatory Officer w.e.f., 10<sup>th</sup> November, 2023

<sup>4</sup> Appointed as Deputy Chief Technology Officer w.e.f., 01<sup>st</sup> December, 2023

<sup>5</sup> Appointed as Head of Department – Inspection & Audit w.e.f., 16<sup>th</sup> January, 2024

<sup>6</sup> Ceased to be Chief Technology Officer w.e.f., 28<sup>th</sup> April, 2023

<sup>7</sup> Ceased to be Vice President – Inspection and Audit w.e.f., 02<sup>nd</sup> May, 2023

<sup>5</sup> Ceased to be Key Managerial Personnel of the Company pursuant to amendment to SECC Regulations, 2018 w.e.f. 28<sup>th</sup> August, 2023

Board’s Report - Annexure III (contd.)

**Note:**

- The Compensation for the KMP’s is the total remuneration for the time that they were part of the organisation / from the time they became KMP’s.
- Total remuneration considered for the purpose of calculating ratios includes the total variable pay pertaining to FY 2022-23 which has been paid during FY 2023-24. It may be noted that 50% of such variable pay will be paid on deferred basis after 3 years as per SECC Regulations, 2018.

**C. RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN REMUNERATION OF ALL THE EMPLOYEES OF YOUR COMPANY FOR THE FINANCIAL YEAR 2023-24 IS AS FOLLOWS:**

Sr. No	Name of Director#	Ratio of Remuneration of Director to median remuneration	%increase/ (decrease) in remuneration in the Financial Year
1.	Dr. Harsh Kumar Bhanwala (Chairman and Non-Executive Independent Director)	2.69	32%
2.	Mr. C S Verma (Non-Executive Independent Director)	2.96	38%
3.	Mr. Ashutosh Vaidya (Non- Executive Independent Director)	3.77	NA (Refer Note 1 below)
4.	Ms. Sonu Bhasin (Non- Executive Independent Director)	2.92	NA (Refer Note 1 below)
5.	Mr. Arvind Kathpalia (Non- Executive Non- Independent Director)	2.75	NA (Refer Note 2 below)
6.	Mr. Mohan Narayan Shenoi (Non- Executive Non-Independent Director)	3.06	71%
7.	Ms. Suparna Tandon (Non- Executive Non-Independent Director w.e.f 15 <sup>th</sup> December 2023) @	0.39	NA
8.	Dr. Navrang Saini (Non- Executive Independent Director w.e.f 14 <sup>th</sup> March 2024) @	0.08	NA
9.	Mr. Shankar Aggarwal (Non- Executive Independent Director upto 30 <sup>th</sup> September 2023) @	1.31	(28%)
10.	Mr. Ved Prakash Chaturvedi (Non- Executive Independent Director upto 11 <sup>th</sup> August 2023) @	0.81	NA
11.	Mr. Hemang Raja (Non- Executive Non-Independent Director upto 26 <sup>th</sup> September 2023) @	1.15	(27%)
12.	Mr. Vivek Krishna Sinha (Non- Executive Non-Independent Director upto 31 <sup>st</sup> October 2023) @	0.42	(52%)

# The ratio of remuneration of is calculated after considering sitting fees for attending the Board and Committee meetings during FY2023-2024.

Note: 1) Mr. Ashutosh Vaidya and Ms. Sonu Bhasin were appointed as Public Interest Director w.e.f 17<sup>th</sup> September 2022 (part of the FY 2022-23)

2) Mr. Arvind Kathpalia was appointed as Non-Executive Non-Independent Director w.e.f 06<sup>th</sup> December 2022 (part of the FY 2022-23)

@ appointed/ceased to be a Public Interest Director/ Non-Independent Director during part of the FY 2023-24.

**For and on behalf of the Board of Directors**

**Mohan Shenoi**  
**Non- Independent Director**  
**(DIN:01603606)**  
**Mumbai**  
**27<sup>th</sup> July 2024**

**Harsh Kumar Bhanwala**  
**Chairman & Public Interest Director**  
**(DIN: 06417704)**  
**Mumbai**  
**27<sup>th</sup> July 2024**

## Board's Report - Annexure IV

**Disclosure pursuant to 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 the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 for the period from 01<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024:**

Sr. No.	Name of the employee	Age (Yrs.)	Qualification & experience of the employee	Designation of the employee	Total Remuneration (in Rs)	Approx. Experience (in years)	Date of Commencement of employment	Last Employment
<b>Employed throughout the Financial Year</b>								
1	Mr. Padala Subbi Reddy	61	Master's degree in Economics, Bachelor's Degree in Economics	Managing Director and Chief Operating Officer	2,55,58,121	37	10 <sup>th</sup> May, 2019	MD & CEO, Central Depository Services(India) Limited
2	Mr. Rishi Nathany	50	Post Graduate Program in Management, Bachelor's degree in Commerce	Chief Business Officer	1,35,01,263	27	02 <sup>nd</sup> July, 2018	Chief - Financial Segment, National Commodity & Derivatives Exchange Limited
3	Mr. Manoj Jain	51	Masters of Business Administration, Bachelors of Technology	Chief Operating Officer	87,59,470	26	01 <sup>st</sup> November, 2021	Deputy Vice President – Axis Bank
4	Mr. Shivanshu Mehta	48	Post Graduate Diploma in Business Management, Bachelors of Engineering	Head of Department- Bullion	1,08,20,488	25	01 <sup>st</sup> March, 2007	Assistant Vice President - Metal, National Commodity & Derivatives Exchange Limited
5	Mr. Chittaranjan Rege	51	Masters of Business Administration, Bachelors of Business Administration	Head of Department – Base Metals	98,11,214	28	01 <sup>st</sup> December, 2006	Manager - Hindalco Industries Ltd.
6	Mr. DG Praveen	47	Chartered Financial Analyst, Masters of Business Administration, Master's Degree in Arts	Chief Risk Officer	98,71,266	24	15 <sup>th</sup> July, 2004	Faculty Team Leader, ICFAI University
7	Mr. Satyajeet Bolar	60	Chartered Accountant, Bachelor's degree in Commerce,	Chief Financial Officer	85,72,354	31	09 <sup>th</sup> April, 2019	Chief Financial Officer, Multi Commodity Exchange Clearing Corporation Limited
8	Dr. N. Rajendran	55	Phd in Computer Science, Masters of Computer Applications, Bachelors of Science	Chief Digital Officer	1,53,45,012	23	03 <sup>rd</sup> November, 2021	Chief Executive Officer - Indian Financial Technology and Allied Services

Board's Report - Annexure IV (contd.)

<b>Sr. No.</b>	<b>Name of the employee</b>	<b>Age (Yrs.)</b>	<b>Qualification &amp; experience of the employee</b>	<b>Designation of the employee</b>	<b>Total Remuneration (in Rs)</b>	<b>Approx. Experience (in years)</b>	<b>Date of Commencement of employment</b>	<b>Last Employment</b>
9	Mr. Himanshu Ashar	52	Chartered Financial Analyst, Bachelor's degree in Commerce	Head of Department- Market Operations	60,75,694	29	15 <sup>th</sup> December, 2014	Vice President – Market Operations, Metropolitan Stock Exchange of India Ltd.
10	Mr. Pravin Gade	49	Bachelor's Degree in Electronics & Telecommunication	Functional Head - Networking	54,94,732	26	1 <sup>st</sup> October, 2015	Assistant Vice President, Financial Technology India Limited
11	Mr. Radheshyam Yadav	51	Bachelor's degree in Science	Functional Head- Systems	60,56,101	24	1 <sup>st</sup> October, 2015	Assistant Vice President, Indian Energy Exchange
12	Mr. Sambit Patnaik	49	Post Graduate Diploma in Management, Bachelor's Degree in Science	Head of Department – Financial Institutions Marketing	54,97,427	24	01 <sup>st</sup> March, 2021	Senior Vice President – Marketing and Business Development, TickerPlant Limited
13	Ms. Ruchi Shukla	45	Chartered Accountant, Diploma in Information Systems Auditor, Post Graduate Diploma in Securities Law, Executive Program in Advanced Business Analytics	Head of Department - Energy	48,78,919	20	29 <sup>th</sup> August, 2016	Independent Practising Chartered Accountant
14	Mr. Suresh Raval	62	Post Graduate Diploma in Data Processing, Masters of Business Management, Bachelor of Science	Functional Head- DR Site	38,81,429	39	30 <sup>th</sup> January, 2017	Proprietor - SunVistas Financial Catalysts
15	Ms. Rashmi Nihalani	49	Post Graduate Diploma in Mass Communications, BA in Economics and Statistics	Head of Department - Investor Services Department/ Investor Protection Fund	61,94,766	26	20 <sup>th</sup> May, 2004	Deputy Editor – Minerals and Metal View , Asian Industries and Information Services
16	Mr. Ramesh Gurram	46	Masters of Business Administration, Masters of Science, Bachelors of Science	Chief Information Security Officer & DPO	69,57,781	24	30 <sup>th</sup> September, 2021	Chief Manager- Information Security – Bank of Baroda

## Board's Report - Annexure IV (contd.)

Sr. No.	Name of the employee	Age (Yrs.)	Qualification & experience of the employee	Designation of the employee	Total Remuneration (in Rs)	Approx. Experience (in years)	Date of Commencement of employment	Last Employment
17	Mr. Armaan Gaus	47	Masters of Financial Management, Bachelors of Commerce	Head of Department – Surveillance and Investigation	62,65,027	21	04 <sup>th</sup> June, 2003	NA
18	Mr. Kaushal Ashok Mehta	41	Post Graduate Diploma in Business and Company Law, Bachelors Degree in Law, Bachelors Degree in Commerce	Head of Department – Legal	58,62,853	21	20 <sup>th</sup> November, 2017	Assistant Vice President – Legal and Compliance, Religare Securities Limited
19	Ms. Manisha Thakur	56	Company Secretary, Bachelors Degree in law, Bachelors Degree in Commerce	Company Secretary and Compliance Officer	57,27,453	27	14 <sup>th</sup> February, 2022	Head – Legal and Company Secretary – Metropolitan Stock Exchange India Ltd.
<b>Employed for part of the Financial Year</b>								
Sr. No.	Name of the employee	Age	Qualification & experience of the employee	Designation of the employee	Total Remuneration (in Rs)	Approx. Experience (in years)	Date of Commencement of employment	Last Employment
1	Dr. Ajit Phanse	56	PhD, Masters of Business Administration, Masters of Commerce, Bachelors Degree of Commerce	Vice President – Inspection and Audit	3,28,629	27	11 <sup>th</sup> July, 2022	Director - Symbiosis Skills & Professional University
2	Mr. Muthappa Kaveriappa Nellamakada <sup>§</sup>	50	Masters of Science, Bachelors of Science	Vice President – Business Development	36,17,279	25	01 <sup>st</sup> October, 2013	Assistant Vice President-Business Development, Bahrain Financial Exchange
3	Mr. Vaibhav Pramod Aggarwal <sup>§</sup>	51	Bachelors of Commerce	Vice President - Technology	71,06,837	19	03 <sup>rd</sup> May, 2021	Vice President – Indian Energy Exchange
4	Mr. Vijay Patel <sup>§</sup>	42	Bachelors of Engineering	Vice President - Technology	75,50,813	17	06 <sup>th</sup> May, 2021	Product Head-ZebPay
5	Ms. Komal Kanzaria <sup>§</sup>	50	Masters of Business Administration, B.E.	Vice President – Business Development	58,10,200	24	02 <sup>nd</sup> May, 2007	Manager-Indusind Bank Ltd.
6	Mr. Prashant Brahmanand Wagh <sup>§</sup>	41	Masters of Science in Information Technology, Post Graduate Diploma in Information Technology, Bachelors Degree in Computer Application	Vice President-Technology	59,19,804	21	15 <sup>th</sup> April, 2014	Senior Manager – Financial Technologies India Ltd.

## Board's Report - Annexure IV (contd.)

Sr. No.	Name of the employee	Age (Yrs.)	Qualification & experience of the employee	Designation of the employee	Total Remuneration (in Rs)	Approx. Experience (in years)	Date of Commencement of employment	Last Employment
7	Mr. Puneet Shadija <sup>s</sup>	41	Masters of Science in Computer Technology, Bachelor's Degree in Software Systems	Vice President - Technology	75,00,261	18	8 <sup>th</sup> February, 2021	Senior Vice President, Yes Securities Ltd
8	Mr. Sanjay Gakhar <sup>s</sup>	55	Post Graduate Diploma in Rural Management, Bachelor's degree in Commerce	Vice President-Business Development	74,31,648	31	01 <sup>st</sup> August, 2005	Manager, National Agricultural Cooperative Marketing Federation of India
9	Mr. Shashank Sathe	52	Post Graduate Diploma in Computer Management, Post Graduate Training in ERP, Bachelor's degree in Science.	Chief Technology Officer	13,65,278	28	01 <sup>st</sup> April, 2022	Senior Vice President -Edelweiss Retail Finance Ltd.
10	Mr. Chirag Sodawater-walla <sup>s</sup>	55	Masters of Business Administration - Finance, Masters degree in Commerce, Bachelors degree in Commerce	Functional Head-Membership	31,88,985	30	21 <sup>st</sup> November, 2016	Consultant
20	Mr. Abhishek Suresh Govilkar	46	Masters of Business Administration – Agri business, Bachelor of Science – Agriculture, Diploma in Marketing Management	Head of Department - Agri	34,93,500	19	21 <sup>st</sup> June, 2023	Central Sales and Operational Planner – Deepak Fertilizers and Petrochemicals Limited.
21	Mr. Naresh Bhuta	37	Chartered Accountant, Bachelors Degree in Commerce	Deputy Chief Financial Officer	23,67,000	17	01 <sup>st</sup> November, 2023	Chief Financial Officer – Invent Assets Securitisation & Reconstruction Private Limited
22	Ms. Kavita Ravichandran	42	Chartered Accountant, Bachelors Degree in Commerce	Chief Regulatory Officer	27,33,665	18	10 <sup>th</sup> November, 2023	Vice President & Chief Compliance Officer -BOB Capital Markets Ltd.
23	Mr. Mithun Manjnath Nayak	45	Post Graduate Diploma in Business Administration – Finance , Bachelor of Engineering - Electronics	Deputy Chief Technology Officer	24,92,000	23	01 <sup>st</sup> December, 2023	Vice President – Engineering – Indian Energy Exchange

## Board's Report - Annexure IV (contd.)

Sr. No.	Name of the employee	Age (Yrs.)	Qualification & experience of the employee	Designation of the employee	Total Remuneration (in Rs)	Approx. Experience (in years)	Date of Commencement of employment	Last Employment
24	Mr. Harvinder Singh	40	Chartered Accountant, Bachelors Degree in Commerce	Head of Department - Inspection & Audit	8,38,709	16	16 <sup>th</sup> January, 2024	Vice President – Inspection & Enforcement – National Commodity & Derivative Exchange Ltd.

*\$ Ceased to be Key Managerial Personnel of the Company pursuant to amendment in SECC Regulations, 2018)*

**Notes:**

- The above list also includes Key Management Personnel as stipulated under Regulation 27(5) of the SECC Regulations, 2018.
- Total Remuneration includes salary, variable pay, reimbursement, taxable value of perquisites & excludes gratuity for the year 2023-24.
- All employees mentioned above are in permanent employment of the Company, governed by employment terms & service rules. However, in terms of the provisions of the SECC Regulations, 2018 the tenure of KMPs is decided by the Nomination and Remuneration Committee or the Board of Directors, which can be suitably extended as per NRC policy.
- None of the above employee is a relative of any Director of the Company within the meaning of relative under the Companies Act, 2013.
- None of the above employee was drawing salary in excess of that drawn by Managing Director / Whole Time Director.
- As of 31<sup>st</sup> March 2024, none of the above employee, by himself/herself or along with his/her spouse and dependent children, held 2% or more of the equity shares in the Company as referred to in sub-clause(iii) of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- As of 31<sup>st</sup> March 2024, none of the employees of the Company are posted and working in a country outside India.

**For and on behalf of the Board of Directors**

**Mohan Sheno**  
**Non- Independent Director**  
**(DIN:01603606)**  
**Mumbai**  
**27<sup>th</sup> July 2024**

**Harsh Kumar Bhanwala**  
**Chairman & Public Interest Director**  
**(DIN: 06417704)**  
**Mumbai**  
**27<sup>th</sup> July 2024**

## FORM NO. MR.3 SECRETARIAL AUDIT REPORT

**For the Financial Year Ended 31<sup>st</sup> March 2024**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**The Multi Commodity Exchange of India Limited,**  
Address: Exchange Square, Chakala,  
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 **M/s. Multi Commodity Exchange of India Limited** (hereinafter called the "**Company or Exchange or MCX**"). 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.

### **Auditor's Responsibility:**

Our responsibility is to express an opinion on compliance with the applicable laws and maintenance of records based on the audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by the Institute of Company Secretaries of India. The Auditing Standards require that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of 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 Standards.

### **Unmodified Opinion:**

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 the secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2024 (**'Audit Period'**) 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 for the financial year ended on 31<sup>st</sup> March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;
- (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 thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment w.r.t. Investment made in IFSC Company. (**Foreign Direct Investment and External Commercial Borrowings are 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'**):



## Board's Report - Annexure V (contd.)

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the audit period)**;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the audit period)**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period)** and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period)**
- (vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on the test-check basis, the Company has generally complied with regulations of the following law specifically applicable to the Company:
- The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 **(‘SECC 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**We further report that:**

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

Except in case of meetings convened at shorter notice, adequate notice is given to all directors to schedule the Board Meetings and agenda items are generally sent at least seven days in advance 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 and Committee Meetings are carried out either unanimously or majority while the dissenting members' views are captured and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

## Board's Report - Annexure V (contd.)

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However, the Company is required to strengthen its processes and systems for capturing the flow of UPSI within the SDD system. Additionally, the Company should endeavour to circulate the complete agenda at least seven days before the meeting.

**We further report that** the Company has 62 shares which are not in dematerialized form. However, the Company has made efforts to identify the shareholders of the non-dematerialized shares to facilitate their dematerialization.

**We further report that** following an examination of issues related to contracts with software vendors, SEBI issued a Show Cause Notice ('SCN') dated 16<sup>th</sup> October 2023 to MCX, four of its Key Management Personnel ('KMPs'), its subsidiary i.e. Multi Commodity Exchange Clearing Corporation Limited ('MCXCCL') and one of the subsidiary's KMP. The SCN alleges that the management of both MCX and MCXCCL failed to implement the SEBI circular dated 13<sup>th</sup> September 2017. MCX, MCXCCL and the concerned KMP's have filed their responses to the matter. Additionally, MCX and MCXCCL have submitted settlement applications under the applicable SEBI regulations, which are pending. Hearings regarding the SCN are also pending.

We further report that during the audit period, SEBI issued various advisory, deficiency, and warning letters to the Company, advising corrective actions regarding operations, technology, and compliance matters. No fines or penalties were imposed on the Company in connection with these letters. Therefore, these instances are not covered in this report. Additionally, the Company has been in the process of incorporating a new Commodity Derivative Platform for the Exchange, which became operational on 16<sup>th</sup> October 2023.

We further report that during the audit period, the Company has paid a compounding fee of ₹ 4,50,000/- to RBI as per the order dated 25<sup>th</sup> January 2024 in the matter of contravention under Regulation 16(i)(vi) read with Regulation 16 (3) of FEMA 120, where the Company divested from its overseas Joint Venture through the automatic route and did not seek prior approval from the RBI for the sale of 500 shares in the Dubai Gold Exchange in the year 2018.

### **For AVS & Associates Company Secretaries**

**Vijay Yadav**

**Partner**

**Membership No. F11990**

**C.P. No: 16806**

**Peer Review No: 1451/2021**

**UDIN: F011990F000841610**

**Place: Navi Mumbai**

**Date: July 27, 2024**

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.

## Board's Report - Annexure V (contd.)

**'Annexure – A'**

To,  
The Members,  
**The Multi Commodity Exchange of India Limited,**  
Address: Exchange Square, Chakala,  
Suren Road, Andheri (East), Mumbai - 400093.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial and other records under applicable laws is the responsibility of the management of the Company. Our responsibility is to issue a Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
2. 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 check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period and in a few instances, procedural delay, not material, has been noticed for the filing of forms with the ROC.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of Management. Our examination was limited to the verification of procedures on a test-check basis for the purpose of issue of the Secretarial Audit Report.
6. The Secretarial Audit report 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 AVS & Associates**  
**Company Secretaries**

**Vijay Yadav**  
**Partner**  
**Membership No. F11990**  
**C.P. No: 16806**  
**Peer Review No: 1451/2021**  
**UDIN: F011990F000841610**

**Place: Navi Mumbai**  
**Date: July 27, 2024**

## Board's Report - Annexure V (contd.)

### **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 **31<sup>st</sup> 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 **31<sup>st</sup> 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)*

## Board's Report - Annexure V (contd.)

- (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) Regulation, 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 15<sup>th</sup> 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.

## Board's Report - Annexure V (contd.)

**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 Registration Number: P2005MH007400**

**PR Certificate No: 4385/2023**

**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 1, 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.

## Board's Report - Annexure V (contd.)

**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 Registration Number: P2005MH007400**

**PR Certificate No: 4385/2023**

**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 1, 2024**

## Board's Report - Annexure VI

### Particulars of contracts/arrangements made with related parties.

#### FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis.
  - (a) Name(s) of the related party and nature of relationship: N.A.
  - (b) Nature of contracts/arrangements/transactions: N.A.
  - (c) Duration of the contracts/arrangements/transactions: N.A.
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
  - (e) Justification for entering into such contracts or arrangements or transactions: N.A.
  - (f) Date of approval by the Board: N.A.
  - (g) Amount paid as advances, if any: N.A.
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: N.A.
  
2. Details of material contracts or arrangements or transactions at arm's length basis.

In terms of policy of Related Party Transactions of the Company, transaction, whether individually or taken together with previous transactions with a related party during a Financial Year, which exceeds ten per cent of the annual consolidated turnover of the Company as per the last audited financial statement of the Company are considered as material related party transactions. Accordingly, the following information is furnished:

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Please see Annexure to AOC-2
b)	Nature of contracts/arrangements/transactions	Please see Annexure to AOC-2
c)	Duration of the contracts/arrangements/transactions	On going transactions (Continuous)
d)	Salient terms of the contracts or arrangements or transactions including the value, if any.	Please see Annexure to AOC-2
e)	Date of approval by the Board	The transactions are on arm's length basis and in ordinary course of business and so the approval of the Board for this purpose is not required.
f)	Amount paid as advances, if any.	NIL

#### ANNEXURE TO AOC-2

##### a) Names of the Related parties and Related party relationship:

Sr. No.	Related Party	Nature of Relationship	Principal Activities	% Holding
1.	Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)	Subsidiary Company	Clearing and Settlement	100%
2.	CDSL Commodity Repository Limited (CCRL)	Associate Company	Commodities Repository	24%
3.	India International Bullion Holding IFSC Limited (IIBH)	Associate Company	Bullion Holding Company	20%



## Board's Report - Annexure VI (Contd.)

## b) Details of transactions with related party are as below:

Name of Related Party	Nature of Transactions	For the FY ended 31 <sup>st</sup> March 2024 (₹ in lakh)	For the FY ended 31 <sup>st</sup> March 2023 (₹ in lakh)
	Re-imbursements charged to the Company	1	11
	Recoveries charged by the Company	15	13
	Clearing & settlement fees	6,996	5,329
	Rent income	251	249
	IT and other infrastructure income	9,852	6,743
	Status report-processing charges recovery	6	6
Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)	Regulatory fees, transactions charges, fines & penalties and other collections by MCXCCL on behalf of MCX	1,35,349	1,20,053
	Contribution to Settlement Guarantee Fund (SGF)	2,452	-
	<b>Balances as at 31<sup>st</sup> March 2024</b>		
	Outstanding balance receivable / (payable)	(324)	(278)
	Investment in Equity Share Capital (Face Value ₹ 10) (Closing balance)	23,999	23,999
	Rent deposit	(61)	(61)

**Note:**

Pursuant to the directions of SEBI to transfer the functions of Clearing and Settlement of trades to a separate clearing corporation, MCX vide its agreement with MCXCCL dated 29<sup>th</sup> May 2017 (amended on 04<sup>th</sup> June 2018) transferred its Clearing and Settlement functions to MCXCCL.

There were no transactions with Associate Company CCRL and IIBH during FY 2023-24.

**For and on behalf of the Board of Directors**

**Mohan Shenoi**  
Non- Independent Director  
(DIN:01603606)  
Mumbai  
27<sup>th</sup> July 2024

**Harsh Kumar Bhanwala**  
Chairman & Public Interest Director  
(DIN: 06417704)  
Mumbai  
27<sup>th</sup> July 2024

# Management Discussion and Analysis

## INDUSTRY STRUCTURE AND DEVELOPMENTS

In the face of numerous challenges over the past four years, the global economy has shown remarkable resilience in 2023 and 2024 so far. Despite experiencing its fastest rise in interest rates in forty years, major economies have largely weathered the storm of a possible economic recession, which could have been abetted by external factors like the war in Ukraine, avoiding typical repercussions such as high unemployment rates or financial crises. Additionally, efforts to rein in global inflation have proven effective without leading economies into recession, which is considered a rare achievement. Commentators and market experts are now hopeful of a 'soft landing' scenario for most major economies of the world.

According to the World Economic Outlook April 2024 report by the International Monetary Fund (IMF) released on 16<sup>th</sup> April 2024, global growth had hit a low point at the close of 2022, registering 2.3 % on a year-over-year basis, shortly after headline inflation reached its peak at 9.4 %. IMF's projections indicate that global growth will remain stable at around 3.2 % for both calendar year (CY) 2024 and CY 2025, with median headline inflation decreasing from 2.8 % at the end of CY 2024 to 2.4 % at the end of CY 2025. Market responses have also been enthusiastic to the possibility of central banks withdrawing from tight monetary policies following petering out of inflationary pressures. This has led to eased financial conditions and buoyant capital flows to most emerging market economies, notes the IMF.

The Fund notes that India's growth trajectory remains strong despite headwinds from the global economy. Their projections indicate that India's economy is expected to maintain robust growth rates, with an anticipated expansion of 6.8 % in 2024 and 6.5 % in 2025. This resilience is credited to sustained strength in domestic demand and the growing working-age population in India.

### Economic outlook

Like the IMF, India's official estimates also project robust economic growth in the current year, following an impressive 8.2 % growth in the financial year (FY) 2023-24, as estimated by the National Statistical Office (NSO). The Reserve Bank of India has projected a 7.2 % growth for Indian GDP in FY 2024-25, as estimated by the Bank's Monetary Policy Committee at their meeting held on 7<sup>th</sup> June 2024. This positive outlook is supported by strong domestic demand, consistently driving growth rates above 7% over the past three years.

Recent remarkable performance of the Indian economy has positioned India as the fastest-growing major economy, propelling the country to a size of USD 3.5 trillion. The optimistic trend is attributed to government reforms and initiatives aimed at boosting domestic demand, especially through investments in infrastructure and manufacturing. Despite volatile food prices and potential disruptions from geopolitical tensions, unstable global financial markets, and climate shocks, the outlook for domestic economic activity remains strong, as noted above, supported by improved macroeconomic fundamentals. The confidence in this outlook is reinforced by manageable inflation levels, political stability, and stability in monetary policy.

### Global Commodity Markets

In the year 2023, global commodity prices displayed a wide range of movements. Soft commodities, except for cotton, saw upward shifts, particularly with notable surges in coffee and cocoa futures. Gold, petroleum, and copper stood out with strong upward price movements. Despite grappling with increased interest rates, gold saw a significant uptrend, fuelled by geopolitical tensions. The CME gold futures price ended 2023 at an unprecedented USD 2,071.8/oz, marking a record high year-end close witnessing to a price surge of 12.46 %. Similarly, silver futures prices, though lower at USD 24.086 by the end of 2023, averaged at USD 24.12, showing a 7.5 % increase over 2022.

Amid rising interest rates, base metals prices could not increase much, with nickel experiencing the most notable decline. LME Copper 3M prices closed near USD 8559 per tonne, slightly up from the previous year, yet the average 2023 copper prices of USD 8569.58 marked a modest 1.7 % decrease from 2022. Conversely, LME Aluminium 3M and LME Zinc 3M prices experienced significant drops, with LME nickel experiencing the most significant decline of 44.75 % in 2023.

In the energy sector, crude oil futures witnessed a decline but performed relatively better compared to other energy commodities. CME WTI Crude oil prices ended the year 2023 at USD 71.65 per barrel, reflecting a 10.96 % decrease from the previous year, with an average 2023 price of USD 77.77, down 17 % from the average price in CY 2022. Conversely, natural gas prices faced a substantial sell-off, with CME US Natural Gas Futures prices ending the year at USD 2.51 per MMBtu, marking a 43.82 % decrease from the previous year.

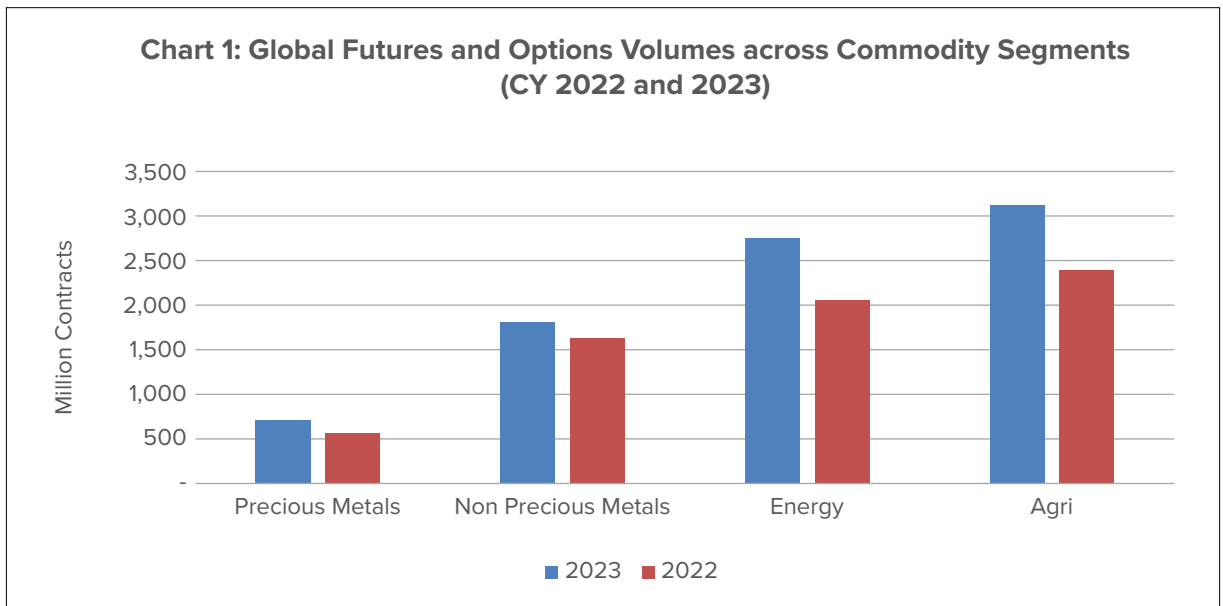
In agricultural commodities, ICE US Cotton Future prices saw a modest decrease, while ICE US Coffee Futures prices experienced a notable increase. However, despite the rise in coffee futures, the average 2023 price was lower compared to 2022. Similarly, ICE Cocoa Futures prices demonstrated a significant increase in 2023 but remained lower on average compared to the previous year.

Lastly, CBOT US Wheat and Soybean Future prices faced declines in 2023, with wheat experiencing a 20.71 % drop and soybeans a 15.12 % decrease compared to the previous year. These trends underscore the varied dynamics that shaped the global commodity markets throughout 2023.

As for global commodity derivatives markets, volumes traded witnessed uptrend in CY 2023. The gain has been witnessed in all the segments and was led by Energy followed by Agri-commodities, Precious Metals and Non-precious metals segments, as per data maintained by the Futures Industry Association (FIA). Aggregate volumes in these segments increased by about 26.6 % year-on-year, to 8.4 billion contracts in CY 2023 according to the data released by the FIA.

Trade volumes in Energy segment was up by 34.2 %, while those in Agri-commodities, Precious Metals and Non-Precious Metals were up by 30.6 %, 27.1 % and 11 % respectively. The trends in global commodity derivatives volumes are presented in **Chart 1**.

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

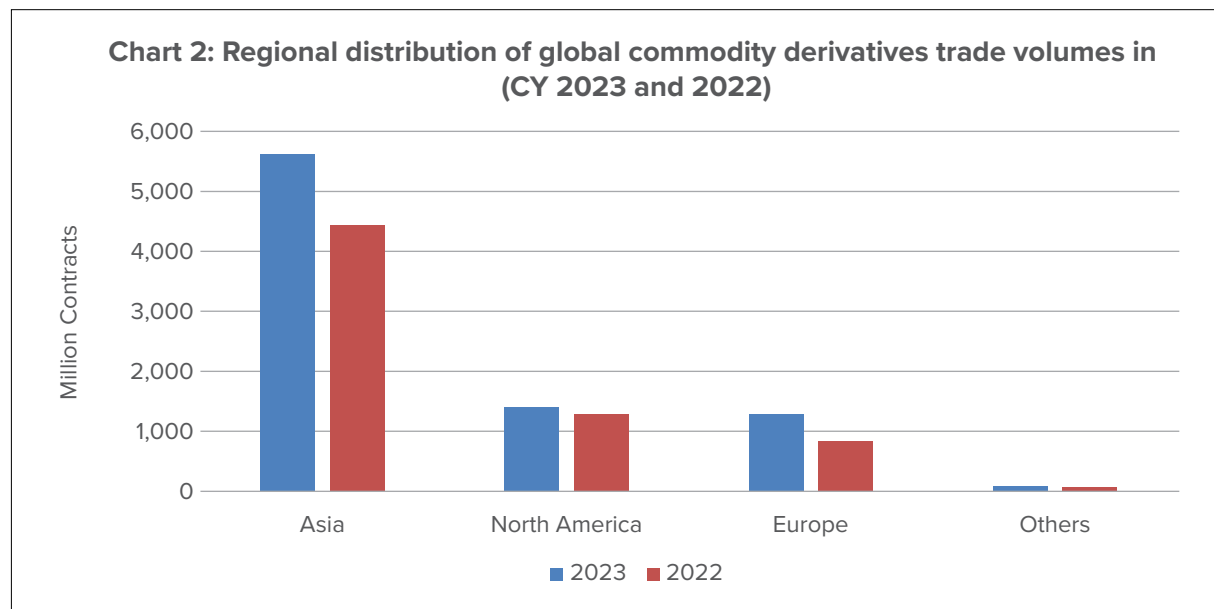


Source: Futures Industry Association

## Management Discussion and Analysis (Contd.)

Trends in region-wise traded volumes of commodity derivatives indicate continued dominance of Asia which contributed for about 67 % of global commodities traded in CY 2023 (**Chart 2**), followed by North America and Europe which accounted for about 17 % and 15 %, respectively, of the traded volumes during the year.

**Chart 2: Regional distribution of global commodity derivatives trade volumes in (CY 2023 and 2022).**



Source: Futures Industry Association

### Domestic Commodity Markets

The Indian Commodity Derivatives markets witnessed positive trend in trading activity in the FY 2023-24 as volume (number of contracts) and turnover (value of trades) both witnessed significant growth in the Options segment, though the turnover witnessed a decline in the Futures segment compared to the financial year 2022-23. Trading in Commodity Derivatives increased in value terms by about 86.9 % to ₹ 280.63 lakh crore and by about 102.8 % to about 52.49 crore contracts in volume terms between the two years, as evident in **Table 1** and **Table 2**.

Commodity futures trading posted a drop in FY'24 by about 16.8 % to ₹ 51.99 lakh crore of traded value, marked by significant drop in turnover in futures of Base Metals, Energy and Agri segments, though there was a 10 % growth in the Bullion segment. In volume terms, Commodity Futures rose by about 4.7 % in FY '24; this was mainly due to increase in the Energy segment, while all other segments showed a negative trend.

Options trading in volume terms increased to 38.45 crore contracts in FY 2023-24 from 12.47 crore traded contracts in FY 2022-23, i.e. an increase of 208.4 %. Similarly, Options trading in value term (notional) increased to ₹ 228.64 lakh crore in FY 2023-24 from ₹ 87.62 lakh crore in the previous financial year, i.e. an increase of 160.9 %.

**Table 1: Volumes of Commodity Derivatives traded on Indian Commodity Exchanges (lakh Contracts)**

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

**Note:** Includes Commodity Index Futures also. Values have been rounded off to the nearest whole numbers

**Source:** SEBI Bulletin April 2024

**Table 2: Turnover of Commodity Derivatives traded on Indian Commodity Exchanges (₹ crore)**

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

**Note:** Includes Commodity Index Futures also. Values have been rounded off to the nearest whole numbers

**Source:** SEBI Bulletin April 2024

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

### MCX BUSINESS OVERVIEW IN FY'24 <sup>1</sup>

MCX remained the market leader in commodities trading among domestic exchanges in India in the year 2023-24, accounting for about 96 % and 99.14 % of total traded value of Commodity Futures and Commodity Options respectively during the year. As per data released by the FIA on global exchange-traded derivatives for the year 2023, MCX was world's 3<sup>rd</sup> largest Exchange by the number of Commodity Options contracts traded in 2023, improving from 5<sup>th</sup> position last year. In terms of the aggregate number of Commodity Futures and Options contracts traded, the Exchange was world's 7<sup>th</sup> largest Exchange in 2023. 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.

During the year 2023-24, the average daily turnover in Futures (including Index Futures) on MCX registered a fall of about 16.5 % to ₹ 19,636 crore from ₹ 23,514 crore in FY'23. However, the average daily (notional) turnover in the Options segment jumped significantly to ₹ 89,244 crore in 2023-24 from ₹ 33,998 crore in the previous year. During FY 2023-24, the Exchange clocked its highest ever daily turnover on 12<sup>th</sup> January 2024 of ₹ 2.67 lakh crore, a record that was subsequently broken by turnover of ₹ 3.77 lakh crore on 15<sup>th</sup> May 2024.

The increase in turnover in the Options segment was associated with a similar rise in trading volumes. Specifically, the volume in Energy, Bullion and Base Metals Options surged by 208 %, 374 %, and 698 %, respectively. Overall, the combined volume across these three segments grew from 4.83 lakh contracts in 2022-23 to 15.01 lakh contracts in 2023-24, marking an approximate 210 % year-on-year increase. Volumes traded in the Futures segment grew by 6 %, the contribution coming from the Energy segment whose traded volume touched 2,18,890 lots in 2023-24. Futures traded volumes in other segments fell during the year.

<sup>1</sup> | In computing Average Daily Turnover and Average Daily Volume, Muhurat Trading day has been excluded in day count.

## Management Discussion and Analysis (Contd.)

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

**Table 3: Average Daily Turnover of Commodity Derivatives on MCX (₹crore)**

	Futures			Options		
	FY'23	FY'24	Change (%)	FY'23	FY'24	Change (%)
Agri	82	22	-73%	-	-	-
Base Metal	3,696	1,891	-49%	2	18	709%
Bullion	10,972	12,249	12%	2,122	9,136	331%
Energy	8,676	5,442	-37%	31,874	80,089	151%
Index	88	32	-64%	-	-	-
<b>Total</b>	<b>23,514</b>	<b>19,636</b>	<b>-16%</b>	<b>33,998</b>	<b>89,244</b>	<b>162%</b>

Source: MCX

**Table 4: Average Daily Volume of Commodity Derivatives on MCX (no. of contracts)**

	Futures			Options		
	FY'23	FY'24	% change	FY'23	FY'24	% change
Agri	999	325	-67%	-	-	-
Base Metal	25,757	19,450	-24%	13	103	698%
Bullion	3,35,224	2,93,689	-12%	8,988	42,597	374%
Energy	1,38,064	2,18,890	59%	4,74,179	14,58,914	208%
Index	1,210	394	-67%	-	-	-
<b>Total</b>	<b>5,01,254</b>	<b>5,32,748</b>	<b>6%</b>	<b>4,83,180</b>	<b>15,01,613</b>	<b>211%</b>

Source: MCX

### PRODUCT-WISE PERFORMANCE

Product-wise performance of your Company during FY 2023-24 is given in **Annexure I**.

### FINANCIAL POSITION AND RESULT OF OPERATIONS

#### Revenue:

The Company derives its revenues from transaction fees, admission fees, annual subscription fees, terminal charges, connectivity income, interest income, gains on sale of investments and other miscellaneous income.

During FY 2023-24, the Company's total income increased to ₹ 67,124 lakh from ₹ 52,147 lakh in FY 2022-23 registering an increase of 29% with a net profit margin of 9%. The operating expenses increased to ₹ 56,601 lakh from ₹ 32,947 lakh in FY 2022-23, registering an increase of 72% due to increase in software support charges, computer technology & communication expenses and contribution to settlement guarantee fund (SGF).

The profit before tax for FY 2023-24 decreased to ₹ 7,061 lakh vis-à-vis ₹ 17,135 lakh in the last financial year, registering a decrease of 59%. During FY 2023-24, the profit after tax decreased by 60% to ₹ 5,196 lakh as against ₹ 12,983 lakh in FY 2022-23.

The Company operates in Commodity Derivatives market segment business. Transaction fees comprise a significant portion (approximately 95%) of the Exchange's revenue from operations. The revenue from transaction fee during FY 2023-24 was ₹ 55,971 lakh as against ₹ 42,636 lakh in the previous year. The Company had deployed surplus funds in assets such as mutual funds, fixed deposits, perpetual bonds, exchange traded funds, state development loans. The investment income was ₹ 6,663 lakh in FY 2023-24 (Previous year ₹ 5,963 lakh) including gain / (loss) on fair valuation of mutual funds (**Table 5**).

**Table 5: MCX's Income (₹ in lakh)**

Particulars	FY 2023-24	FY 2022-23	Change Increase / (Decrease)
Transaction fees	55,971	42,636	31%
Other operating income	2,645	2,286	16%
Investment income	6,663	5,963	12%
Other income	1,845	1,262	46%
<b>Total</b>	<b>67,124</b>	<b>52,147</b>	<b>29%</b>

**Operating revenue:**

The Company's operating revenue stood at ₹ 58,616 lakh for FY 2023-24 as against ₹ 44,922 lakh for previous year. Increase in operating revenue by ₹13,694 lakh is due to increase in revenue from transaction fees by ₹ 13,336 lakh (Increase by 31%).

**Expenses:**

The Company's expenditure consists of employee benefit expenses, clearing and settlement charges, depreciation / amortization charges, expenditure on computer technology, software support charges and other expenses (**Table 6**).

**Table 6: MCX's expenditure (₹ in lakh)**

Particulars	FY 2023-24	FY 2022-23	Change Increase / (Decrease)
Employee benefit expense	8,935	7,470	20%
Clearing and settlement charges	6,996	5,329	31%
Depreciation and amortization	3,439	2,047	68%
Computer technology and software support	33,480	16,112	108%
Contribution to settlement guarantee fund (SGF)	2,452	-	100%
Other expenses*	4,761	4,054	17%
<b>Total</b>	<b>60,063</b>	<b>35,012</b>	<b>72%</b>

\*Other expenses primarily comprise of costs / charges pertaining to regulatory fees & contributions, advertisement, repairs and maintenance, CSR expense, legal and professional charges, etc.

**Operating costs:**

Operating cost of the Company increased by ₹ 23,654 lakh (increase by 72%) from ₹ 32,947 lakh in FY 2022-23 to ₹ 56,601 lakh in FY 2023-24 due to increase in software support charges, computer technology & communication expenses and contribution to settlement guarantee fund (SGF).

**Provision for taxation:**

The Company's provision for tax for FY 2023-24 was ₹ 1,865 lakh (Previous Year ₹ 4,152 lakh).

**Earnings per share (EPS):**

Earnings per share stood at ₹ 10.19 per equity share (of ₹ 10/- each) for FY 2023-24 as against ₹ 25.51 per equity share (of ₹ 10/- each) for previous year. Decrease in earnings per share is mainly due to increase in software support charges.

**Profit analysis:**

The net profit margin stood at 9% in FY 2023-24 (Previous Year: 29%).

## Management Discussion and Analysis (Contd.)

### Financial performance and operational performance parameters:

The transaction fees has increased by 31% to ₹ 55,971 lakh in FY 2023-24 from ₹ 42,636 lakh in FY 2022-23.

### Shareholders' funds:

#### Share capital:

As on 31<sup>st</sup> March 2024, the Company's share capital stood at ₹ 5,099.84 lakh, i.e. 509.98 lakh shares of ₹10 each. (Previous Year: ₹ 5,099.84 lakh i.e., 509.98 lakh shares of ₹10 each).

#### Other equity

The Company's other equity decreased to ₹ 1,49,919 lakh as on 31<sup>st</sup> March 2024 from ₹ 1,54,470 lakh as on 31<sup>st</sup> March 2023. The net worth of the Company as at 31<sup>st</sup> March 2024 stood at ₹ 1,55,019 lakh as compared to ₹ 1,59,570 lakh as at 31<sup>st</sup> March 2023.

#### Secured loans:

The Company had no secured loans in its books as on 31<sup>st</sup> March 2024, as well as, on 31<sup>st</sup> March 2023.

#### Fixed assets:

The Company's fixed assets (including capital work in progress, right of use asset, intangible assets and intangible assets under development) stood at ₹ 38,883 lakh as on 31<sup>st</sup> March 2024, as against ₹ 31,311 lakh as on 31<sup>st</sup> March 2023.

#### Investments:

As on 31<sup>st</sup> March 2024, the Company's investments (non-current and current) stood at ₹ 1,13,691 lakh as against ₹ 1,21,615 lakh as on 31<sup>st</sup> March 2023. Decrease in investment by ₹ 7,924 lakh is mainly due to cash outflow on account of dividend payout and capital expenditure.

#### Current assets and current liabilities:

The current assets consisting of current investments, trade receivables, cash and cash equivalent, bank balances and other current assets is ₹ 43,810 lakh as on 31<sup>st</sup> March 2024, as compared to ₹ 37,286 lakh as on 31<sup>st</sup> March 2023. The above figures include current investments of ₹ 28,635 lakh as on 31<sup>st</sup> March 2024 and ₹ 12,834 lakh as on 31<sup>st</sup> March 2023. Increase in current assets is due to liquidation of long term investments to invest in short term investments.

The current liabilities consisting of trade creditors, security deposits and others stood at ₹ 19,662 lakh as on 31<sup>st</sup> March 2024, as against ₹ 20,763 lakh as on 31<sup>st</sup> March 2023.

### Key Financial Indicators:

#### For Standalone:

Particulars	FY 2023-24	FY 2022-23	Variation (bps)	% Change	Details of change
Debtors Turnover (in times)	16.73	36.32	-	(53.93%)	Due to increase in revenue from operations by 30% in current year and change in billing cycle.
Current Ratio (in times)	2.23	1.80	-	24.18%	-
Operating EBITDA margin (in %)	15.68	36.82	(2,114)	(57.41%)	Mainly due to increase in expense of software support charges and contribution to settlement guarantee fund (SGF).
Net Profit Margin (in %)	8.86	28.90	(2,004)	(69.34%)	Due to increase in overall expenses by 77% and only 30% increase in revenue from operations during current year
Return on Net Worth (in %)	3.30	8.24	(494)	(59.95%)	Due to increase in Software support charges and product license fees by 122% in current year.



**For Consolidated:**

Particulars	FY 2023-24	FY 2022-23	Variation (bps)	% Change	Details of change
Debtors Turnover (in times)	16.56	39.33	-	(57.90%)	Due to increase in revenue from operations by 33% in current year and change in billing cycle.
Current Ratio (in times)	1.22	1.81	-	(32.38%)	Due to additional margin received from members during the year.
Operating EBITDA margin (in %)	18.41	37.40	(1,899)	(50.78%)	Mainly due to increase in expense of software support charges and contribution to settlement guarantee fund (SGF).
Net Profit Margin (in %)	12.16	29.01	(1,685)	(58.09%)	Due to increase in overall expenses by 70% and only 33% increase in revenue from operations during current year.
Return on Net Worth (in %)	5.82	10.28	(446)	(43.44%)	Due to increase in overall expenses by 70% and only 31% increase in total revenue during current year.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Board has put in place various measures to ensure that the internal control mechanisms are adequate and effective. The Exchange has also put in place state-of-the-art technology and has automated most of the key areas of operations and processes, to minimize human intervention.

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

The operational processes are comprehensively documented coupled with well-defined Standard Operating Procedures. The same includes the financial controls in the form of maker and checker.

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 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 and other related activities.

The Audit Committee of the Company, comprising of majority Public Interest Directors, reviews and recommends the unaudited quarterly financial statements and the annual audited financial statements of your Company to the Board for approval.

Your Company has appointed a firm of Chartered Accountants to conduct independent financial and operational internal audit (pre and concurrent) in accordance with the scope as defined by the Audit Committee. The reports from the Internal Auditors are reviewed by the Audit Committee on periodic basis.

Pre-audit by the independent internal audit firm is conducted for various activities including payments made by the Company.

Further, all related party transactions are placed before the Audit Committee and are approved / ratified by it after deliberations. Prior omnibus approval of the Audit Committee is obtained on annual basis for related party transactions which the Company foresees to be in the ordinary course of business and on an arm's length basis.

## Management Discussion and Analysis (Contd.)

### **COMPETITIVE STRENGTHS**

The attributes of your Company that have made it the market leader and sustain its unique position are described in the following paragraphs:

#### **Strong Brand Equity**

MCX has remained the leading Exchange in Commodity Derivatives markets in India, garnering about 96 % of market share in Commodity Futures turnover and nearly 99.14 % in case of commodity Options turnover (notional) in FY 2023-24. The Exchange was world's 3<sup>rd</sup> largest Commodity Options Exchange in 2023, by the number of contracts traded on the platform. MCX enjoys a strong brand equity as it provides a reliable trading platform for commodity derivatives through transparent price discovery and robust risk management processes.

#### **Availability of liquid trading platform**

MCX has the reputation of providing products which are amongst the most liquid commodity derivatives products in India. As a result, the Exchange naturally attracts participation from multiple participant groups, viz. retail traders, corporate houses and financial institutions, including Foreign Portfolio Investors. This is one of the strongest competitive strength of the Exchange.

#### **Domain Expertise**

The human resources at your Company embody the best domain expertise in the fields of commodities, commodity derivatives and related areas, the knowledge being accrued over two decades of operations of the Exchange and close interactions with market stakeholders. The superior domain expertise has helped to develop not only the Exchange and its ecosystem, but also has been in demand from outside the country to help create and develop market institutions in different national jurisdictions.

#### **Efficient Risk Management**

Multi Commodity Exchange Clearing Corporation Limited (MCXCCL), a wholly-owned subsidiary of MCX, provides an efficient platform for clearing and settlement of all the trades executed on MCX. MCXCCL also provides an efficient risk management framework within which the trades are settled, which enables the Exchange to guarantee trade settlements and integrity of trades even in periods of high upheavals in the market.

#### **Linkage with commodity ecosystem**

MCX has close linkage with the broader commodity ecosystem in India, enabling the growth and development of the ecosystem. Apart from the Members and their constituents who participate on the Exchange for fulfilling their risk management and trading requirements, numerous other stakeholders such as warehouse owners/ warehouse service providers, assayers, logistic service providers, collateral management service providers, financiers, are connected to the Exchange and its clearing arm. Numerous physical market stakeholders look up to the MCX-discovered prices as acceptable reference prices in their physical market transactions. The prices discovered on MCX platform serve as a benchmark for trades in physical markets, thereby facilitating the price discovery process in the physical market.

#### **Best Practices in Corporate Governance**

As an Exchange, your Company is subject to a high level of regulatory oversight. MCX is committed to working with all the stakeholders to ensure an orderly, informed, and fair market for the benefit of all concerned. It is also committed to strong and effective internal governance and regulation and believes that a strong corporate governance benefits stakeholders and attracts market participants to trade on the Exchange platform.

The Exchange has a dedicated Regulatory Department, which performs various functions for ensuring compliance with regulations applicable to the Exchange in terms of SEBI Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations") as well as other regulations. The Exchange also

has a dispute resolution mechanism in place for redressal of disputes between Investors / Clients and Members of the Exchange.

### **Awards and Recognition**

MCX's performance and relentless pursuit to serve its stakeholders has earned it several awards and accolades. The Commodity Participants Association of India (CPAI) honoured the Exchange with the Award for the 'Best Exchange in Bullion, Metals and Energy' at its 9<sup>th</sup> International Convention held on 23<sup>rd</sup> September 2023 in New Delhi; while the Exchange received the 'Best Commodity Exchange of the Year 2022-23' award at the India Gold Conference 2023. Your Company was also awarded the "Best Financial Market Technology Implementation of the Year" at The Asian Banker Financial Technology Innovation Awards 2024. The award was in recognition for implementation of an integrated commodity derivatives market platform encompassing trading, risk management, and clearing and settlement.

### **Strong Technology Framework**

MCX's technology infrastructure is the foundation of our business and a key contributor to the Exchange's functioning and development. Our trading platform, mission-critical applications, and supporting infrastructure are hosted in a state of the art Data Centre at our headquarters in Mumbai, and replicated at a Near Online Site nearby, and at a Disaster Recovery site in Gift City - Gandhinagar.

Our electronic platform is supported by our infrastructure and advanced technology, allowing fast trade execution, with uptimes exceeding 99.9% since inception, latency in single-digit milliseconds, anonymity between counterparties, price transparency, prompt and reliable order routing, trade reporting, multicast tick-by-tick market data dissemination and market surveillance. The platform is built on state-of-the-art storage-based technology, using Non-Volatile Memory Express (NVME) technology, one of the fastest storages in the world. This positions MCX as one of the first to deploy such technology, providing a competitive edge.

The Exchange's state-of-art data center is supported by best-in-class network and security infrastructure with high availability at all levels. The Company runs 'Defence-in-depth' strategy to ensure information security at all layers with well-defined Information Security policy and Cyber Security and Cyber Resilience policy & governance structure.

Besides, your Company has also implemented Cyber Security Operation Centre (C-SOC) for monitoring and raising alerts related to cyber-attacks and other security related incidents round the clock. The Exchange has also implemented Privilege Access controls to monitor and manage the access control of the critical assets and has enhanced security by implementing 2-factor authentication (2FA) for remote users.

## **OPPORTUNITIES**

### **Increase in participation**

With spread of education and awareness about commodity derivatives, as well as ease of access to the market platform brought mainly by technology-led innovations, MCX is likely to see increasing participation on its platform in the years ahead. Further, participation by financial institutions is also likely to gain momentum as clients increasingly look forward to gaining exposure to commodity derivatives using the services of institutions like Mutual Funds, Portfolio Managers and Alternate Investment Funds.

During the year 2022-23, SEBI granted permission for Foreign Portfolio Investors (FPIs) to participate in the commodity derivatives market. This move has enabled foreign investors to trade in Exchange-traded commodity derivatives without necessarily having actual exposure to physical commodities. Subsequently, from April 2023, FPIs have started participating on the MCX platform and the average daily turnover clocked by this class of participants was about ₹1925 crore during the year 2023-24. Their turnover on MCX hit a record high of ₹ 8684 crore on 15<sup>th</sup> May 2024. In January 2024, your Company allowed Direct Market Access (DMA) to registered FPIs, following SEBI's permission to extend DMA to FPIs for exchange traded commodity derivatives.

## Management Discussion and Analysis (Contd.)

### **Introduction of New Products**

Following market demand and regulatory approval, your Company launched several new products during the year 2023-24. Regulatory approval has been received for a few new products and the Exchange shall launch these products at an opportune time. Your Company looks forward to launching derivative products on new commodities such as Electricity, and Options contracts on MCX iCOMDEX Indices, subject to regulatory permission, apart from different variants of Futures and Options contracts of existing commodities – the variation being on tenure, lot size etc. The Exchange also is committed to altering the specifications of existing Futures and Options contracts, subject to necessary approvals, on the basis of market feedback and recommendations. In May 2024, the Exchange modified the MCX 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.

### **Trusted Platform for Commodity Hedging**

The MCX platform has proven to be a trusted platform for managing risks arising from commodity price volatility. Independent assessments of the state of global commodity markets indicate that volatility in commodity prices may persist or worsen in the days ahead. Factors such as climate change and geopolitical uncertainties may accentuate the volatility in commodity prices already caused by uneven economic growth and fiscal and monetary policies. An awareness about the impact of such volatility, together with the rise of a culture for Price Risk Management, may encourage more and more firms – large and small – to access the MCX platform for price risk management. This is an opportunity your Company is looking forward to reap.

### **POTENTIAL THREATS**

#### **Concentration in Members and Products**

Your Company has an extensive national reach with 547 registered Members as on 31<sup>st</sup> March 2024. However, for many commodity Futures and Options contracts, there is concentration risk, as significant amount of trade volumes are driven by a few large Members. Similarly, the basket of liquid Futures and Options contracts on MCX is restricted to a few non-agricultural commodity derivative contracts. Such concentration in active Members and liquid contracts can cause over-dependence on these Members and contracts and lead to potential business risks for your Company.

#### **Launch of Mirror Products by Competitors**

Some Exchanges with commodity derivatives segment, which are active in other asset classes, have started offering commodity Futures and Options contracts which are mirror products of MCX's liquid contracts, albeit with little success. The trend of launching products that fully mirror MCX's liquid contracts continued in the year 2023-24, and may pose a threat to the market share of your Company.

#### **Upheavals in the global commodity markets**

Your Company has a high concentration of products which have international reference-able markets. Any upheavals in those markets caused by internal or external factors can adversely affect the ability of Indian participants to take international price references while trading on MCX.

#### **Instability in the Exchange technology platform**

During the year 2023-24, your Company and its clearing arm migrated its technology platform to a new Commodity Derivatives Platform (CDP) developed by a new vendor. Being a new platform, CDP may not be able to display complete efficiency from the initial phase. Instability in the platform, leading to a non-minor technical glitch that affects trading and/ or clearing services being provided to the participants, is a source of potential threat.

#### **Increasing cost of compliance**

Your Company being a regulated and a listed entity, is subject to high scrutiny and compliance on both these fronts. As a result, the cost of compliance is high for your Company.

## Cyber Security Management

Cybersecurity threat is increasingly becoming critical with new threats that seek to exploit any vulnerability in the Exchange's systems. For MCX, being a MII, providing an online trading platform, cybersecurity is of paramount importance for ensuring trust among the market participants, regulators and stakeholders.

In view of such threats, MCX has adopted a defence-in-depth strategy to ensure information security at all layers with well-defined Cyber Security and Cyber Resilience Policy and comprehensive Information Security policy. MCX has established onsite Next Gen Cyber Security Operations Center (C-SOC) which operated on 24/7 for continuous monitoring, detection, quick response and recovery in case of any type of cyber-attacks/incidents. Information Security team has implemented people, process and technology security controls in the form of best-in-class tools and technologies, processes aligned with global standards like ISO 27001:2013, NIST etc., and regular awareness initiatives to strengthen the human firewall for protection against cyber-attacks. The Cyber Security awareness sessions are also being extended to the market participants for creating awareness to build robust cyber security and cyber resilience framework in the commodity market at large.

Constant enhancement and continuous improvement in the Cyber Security Framework and Information Security Management System has been your Company's top priority. Your Company is ISO 27001:2013 certified and organization's Information Security Policy is formulated on the same standard.

To manage cyber security risks associated with processes, information, networks, systems and applications, the Cyber Security and Cyber Resilience Policy of your Company includes the following:

- i. 'Identify' critical IT assets and risks associated with such assets;
- ii. 'Protect' assets by deploying suitable controls, tools and measures;
- iii. 'Detect' incidents, anomalies and attacks through appropriate monitoring tools/processes;
- iv. 'Respond' by taking immediate steps after identification of the incident, anomaly or attack;
- v. 'Recover' from incident through incident management, disaster recovery and business continuity framework.

Your Company has strengthened the Business Continuity Plan (BCP) and Disaster Recovery (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 (RTO), streamlining communication protocols, identifying broad scenarios of disaster, escalation hierarchy among others.

## RISKS AND CONCERNS

Your Company's business performance and financial position depends on various internal and external factors, some of which may give rise to risks and concerns.

### Business Risks:

#### Adverse Economic Conditions

The performance of commodity derivatives markets and your Company's growth are significantly influenced by macro-economic conditions in the domestic and global economy, particularly in terms of growth, production, and consumption activities. Although India's economic growth remains resilient and continues to be one of the fastest growing economies globally, headwinds to global economic growth persist. Some analysts and central bankers warn of threats to global economic recovery, coming from weak productivity, reduced globalization and geopolitical instability, which could lead to significantly diminished global growth by the end of the decade. The persistence of high US inflation and global borrowing costs, coupled with policy uncertainties and fiscal constraints in major economies, can further cloud the economic landscape.

## Management Discussion and Analysis (Contd.)

These conditions encompass a range of factors including economic downturns, inflationary pressures, and disruptions in financial markets, including India's. Such challenges can impact investor confidence and overall market demand for the products and services of your Company.

### **Changes in global commodity market dynamics**

In 2023, commodity markets worldwide experienced significant volatility driven by geopolitical tensions, supply chain disruptions especially in west Asia, and environmental challenges such as extreme weather events. These factors had a profound impact on commodity prices across sectors like energy, agriculture, and metals, necessitating swift adaptation from market participants. Monetary Policy changes by major central banks exacerbated such impacts. The culmination of such real and monetary factors may cause prolonged periods of raised or depressed commodity prices in the future too. As MCX's transaction revenue depends on the value of commodity derivatives contracts traded, the Exchange's revenues could be affected by prolonged price depressions in these scenarios.

### **Competition in identical products**

Your Company operates in an industry characterised by competitive pressures, especially after major exchanges in India started entering the commodity derivatives segment. The introduction of identical/ near-identical products by competitors poses challenges that can impact profitability and sustenance of your Company. Firstly, it can lead to market fragmentation and liquidity dispersion, potentially increasing transaction costs and reducing overall market efficiency. Secondly, competitive pricing pressures could erode profit margins and limit revenue growth.

### **Glitch or disorder in global benchmark exchanges**

Many physical market stakeholders in India, especially for commodities like metals and energy, rely on prices determined at global exchanges or trading hubs for taking reference prices. Disruptions at these global platforms, affecting the price discovery process of international commodities, can consequently destabilize local markets that reference these prices. Such disruptions or disorders not only lead to the risk of lowering market confidence but also have the potential to significantly impact trading volumes on MCX. As stakeholders may hesitate to trade amid uncertain price signals, the Exchange could experience reduced participation and transaction volumes, thereby affecting its revenue streams.

### **Increase in employee turnover**

In the fast-paced and dynamic industry landscape, many organizations, including your Company, may face the issue of high employee turnover. This challenge brings with it both apparent and indirect costs. The process of recruiting and training new employees incurs substantial time and monetary investments, and the departure of seasoned employees results in the loss of valuable skills and institutional knowledge. These factors directly impact organizational productivity, potentially leading to diminished revenue and missed prospects.

### **Market Risks:**

#### **Declining interest rates**

During the fiscal year 2023-24, the Reserve Bank of India (RBI) has maintained a tight monetary policy stance. In its most recent monetary policy meeting held in June 2024, the RBI opted to keep the repo rate unchanged at 6.5 % for the eighth consecutive time. This decision aims to curb inflation and bring it down to the RBI's medium-term target of 4%. Looking ahead, if inflation remains under control, the RBI may consider easing its monetary policy stance, lowering the key Policy Rates. This potential adjustment could directly impact your Company's treasury income, as a reduction in interest rates from their recent highs might decrease interest income on investments in the upcoming quarters.

**Imposition or enhancement of statutory costs**

Imposition of Commodity Transaction Tax (CTT) in July 2013 had a major negative impact in your Company's volumes. Hence, any new tax, increase in a tax or a new statutory levy may dampen volumes, thereby impacting your Company's profitability. An unexpected tax demand or levy of a fee/ fine may also, likewise, affect your Company's profitability. SEBI turnover fees recently changed to notional in options.

**Increasing Cost of physical Infrastructure and Facilities**

Expenses related to procurement and maintenance of infrastructure and facilities for operating a Market Infrastructure Institution (MII) like your Company are significant. As the Exchange expands its operations to meet increasing trading volumes and technological demands, investments in physical infrastructure become indispensable, yet increasingly costly. Firstly, there is a critical need for creating and maintaining a state-of-the-art technology infrastructure. This encompasses upgrading trading platforms, enhancing data centres to achieve faster execution speeds, and implementing robust cybersecurity measures to protect sensitive information. These technological upgrades are necessary not only to enhance operational efficiency but also to ensure compliance with regulatory standards and uphold market integrity. Secondly, the physical facilities themselves, including office spaces in new cities and support facilities like operating from disaster recovery sites, involve significant expenditures. These expenditures could increase exponentially with increasing demands from stakeholders, expansion of business and challenging cyberattacks.

**Technology Risk:****Migration to New Technology Platform**

In 2021, your Company partnered with Tata Consultancy Services Ltd (TCS) to implement an integrated end-to-end Commodities Derivative Platform (CDP). Despite initial delays, the new platform went live on 16<sup>th</sup> October 2023. This project represents one of the most complex transformations of a running exchange, handling over 100 million transactions per day, and was executed as a big bang single cutover covering the entire scope of the transformation program including trading, real-time risk management, clearing and settlement.

The new CDP that TCS implemented for MCX comprises the following three TCS offerings:

- Trading Platform from Deutsche Boerse (T7) for Trading and Market Data Feeds
- Frontend application for Securities Trading (Trader Workstation (TWS))
- TCS BaNCS for Market Infrastructure (MI) for Real-time Clearing, Real-time Risk Management, Collateral Management, Settlement, and Reporting

Our business environment is marked by constant and rapid technological advancements. To maintain our competitive edge, we must consistently upgrade, enhance and improve the performance, capacity, accessibility and features of our trading and clearing, systems and technologies.

**Vulnerability to obsolescence and cyber-attacks**

The successful operations of your Company's business and operations are dependent in part on the use and deployment of technology. However, technology is susceptible to obsolescence and increasing cyber-attacks from across the globe. To continue to be the 'exchange of choice' to its stakeholders, your Company needs to continuously invest resources to have cutting edge technological infrastructure and connectivity.

## Management Discussion and Analysis (Contd.)

### **Financial Risk**

The Company's operations expose it to a variety of financial risks, including liquidity risks, market risks such as interest rate fluctuations, and other uncertainties. The Company's primary focus is to monitor the developments in financial markets and try to minimize potential adverse effects on its financial performance.

### **Regulatory Risk**

#### **Suspension/ Ban on Trading in Derivative Contracts**

On 20<sup>th</sup> December 2021, SEBI suspended derivatives trading in several commodities, including Crude Palm Oil (CPO) Futures which was a highly liquid contract on MCX. Although the suspension was initially announced for a year, it was extended multiple times, the latest being till 20<sup>th</sup> December 2024. Before its suspension, MCX CPO Futures had clocked an average daily turnover of around ₹380 crore during April-November 2021. Its suspension resulted in a loss in trade volumes and income for the Exchange over the past three years. Your Company faces risks of such abrupt suspensions/ bans on commodity derivative contracts in the future too. Such suspensions can have direct and indirect consequences. Directly, they result in an unexpected and unplanned loss of transaction revenue for the Company. Indirectly, they can undermine the confidence of market participants in the continuity of other derivative contracts as well. These acts of suspension or ban may pose risks to your Company's business.

#### **Outages in the Exchange and its impact**

The Exchange platform being fully dependent on its technological systems, any glitch or outage can have several adverse repercussions on the credibility, reputation and finances of the Exchange.

#### **Adverse Regulatory and Policy Decisions**

All aspects of your Company's operations are subject to regulatory oversight. Changes in Laws, Regulations, Taxation etc., or new Rules, Regulations or Policies may necessitate the Company to allocate more resources for compliance, in turn increasing operational expenses. This may impede the Company's ability to operate and grow its business. Besides, changes in policies or introduction of new policies can also compel your Company to significantly alter its business strategy, involving significant costs.

### **RISK MITIGATION PLAN**

Your Company regularly reviews the risks it faces and takes appropriate action to minimize the likelihood of such occurrences or their impact.

Your Company, being the market leader, has been seeking to expand the overall market by introducing new products and bringing more participants. Further, your Company believes in introducing products after thorough market research and feedback and intends to capitalize on its large network and physical market connect. This gives your Company a competitive edge over others and helps to meet challenges posed by competitors. Further, your Company has been seeking to diversify its product basket, by adding more products in futures, as well as options across commodity segments. A well-diversified product basket should help the Company to counter over dependence on single product / segment in prices.

To minimize the effect of interest rate volatility on treasury income, your Company continuously monitoring its portfolio to be in line with the market trends. Your Company has adopted amortization method for investments held till maturity.

As a part of the risk mitigation and containment plan for avoiding business disruption, your Company has focused on strengthening its core technology infrastructure so that there is no single point of failure, thereby, ensuring uninterrupted trading operations. As a backup plan, your Company has a DR Site which has a robust infrastructure and accessibility. Further, your Company has a Near Online Site (NOS) in Mumbai with data replication to achieve near zero data loss in case of any eventuality. Your Company regularly conducts mock drills to test the readiness and effectiveness of IT infrastructure at its Data Centre and DR Site as part of BCP DR preparedness. Your Company had



carried out unannounced live trading twice from its DR Site in FY 2023-24 as a part of regulatory compliance. All the trading & surveillance operations were carried out from the DR Site. Post live trading from DR site, your Company recommenced its operations from its Primary Site smoothly.

### **SETTLEMENT RISK MANAGEMENT**

Subsequent to operationalization of MCXCCL in 2018, risk management, clearing and settlement, warehousing functions are being undertaken by the clearing corporation. MCXCCL ensures that within the regulatory framework, an efficient and effective clearing and settlement activity along with an effective funds settlement mechanism, commodities delivery mechanism are adhered to. Above all, it maintains a robust risk management system by levying margins real time and to that effect carries out daily stress tests and maintains a Settlement Guarantee Fund. Further, it has laid down various margin requirements to safeguard members and the ecosystem against adverse market movements. It has necessitated all its clearing members to have a certain minimum net worth and confirm their net worth on a half-yearly basis, which enables it to monitor and ensure their financial strength. It has also implemented additional risk mitigation measures as part of member monitoring like Margin Shortfall Block Amount, Risk Reduction Mode, Square off Mode, Exposure Free Deposit for MTM Shortage, etc.

### **STRATEGY**

Your Company aims to further consolidate its position as the leading exchange providing a wide array of Commodity Derivatives with increased focus on enhancing overall market size, expanding its product and service offerings and integrating exchange eco-system with domestic physical industry. Your Company also constantly look for new product innovation and development, and offers state-of-art services to all its stakeholders. Your Company will also continue to make relentless efforts in tapping the opportunities unfolding in India's commodity market.

#### **Focusing on physical market integration, wider participation and in expanding product suite**

To make the Exchange's bullion derivative contracts more relevant to the physical market players and in line with the broader national objective of 'Atmanirbhar Bharat', the Company established Good Delivery norms for BIS standard gold and embarked upon the path of recognizing domestic bullion refiners for good delivery of gold bars against Gold Mini (100 grams) contracts. The empanelled refineries include those of Kundan Care Products Ltd, Augmont Enterprises Pvt Ltd, Titan Company Limited, Parker Precious Metals LLP and Sovereign Metals Ltd. Delivery of 3,980 kgs of Indian refined gold valued at 2,371 crore was successfully seen under this route during FY 2023-24 and total delivery of 9,223 kg valued at 5,170 crore till May 2024 since introduction of Good Delivery norms in April 2021. This initiative of empanelling domestic refiners by MCX may serve the nation by reducing disparities, encouraging quality gold recycling and reducing import dependence.

In our commitment to Atmanirbhar Bharat, your Company has extended recognition to four domestic Refined Lead producers as eligible 'Good Delivery' brands on the Exchange. Those are Gravita India's Phagi plant, Ardee Industries Pvt. Ltd. (Nellore, Andhra Pradesh), POCL Enterprises Limited (Kanchipuram, Tamil Nadu), and Gravita India's Mundra plant. This brings the total count of approved domestic refined lead producers to six. Responding to suggestions from physical market participants, the minimum purity specifications for MCX Lead and Lead Mini Futures Contracts have been revised up to 99.98%. This adjustment ensures that all MCX and LME approved brands with a minimum purity of 99.98% are considered 'Good Delivery' for settlement. Further, in a strategic move to facilitate risk mitigation for participants in the ferrous market, the Exchange has introduced Steel Rebar Futures Contracts (5 MTs) with primary centre at Raipur.

Furthermore, your Company remains dedicated to fostering integration with the physical market and reducing regional price disparities. Pursuing the vision of One Nation One Price, designated warehouses have been established in Thane, Raipur, Chennai, Kolkata, Durgapur, and the National Capital Region (NCR) to serve all regions of the country. The influx of metal across various locations reflects the industry's adaptability to the Exchange's delivery mechanism.

## Management Discussion and Analysis (Contd.)

Noteworthy, base metal contracts have been experiencing significant deliveries since their transition to compulsory deliveries in the year 2019, underscoring their enduring appeal and utility in the market landscape. MCX has witnessed cumulative delivery of 4,00,849 MTs Base Metals Deliveries via MCXCCL, till April 2024. The deliveries during FY 2023-24 for all Base Metals was 94,036 MT.

The recent regulatory enablements have permitted institutional participation in Exchange Traded Commodity Derivatives market. Your Company has enabled participation of Category I and II of Foreign Portfolio Investors and allowed Direct Market Access facilities to the market participants. Exchange has on-boarded around 75 FPIs on its platform. Your Company is looking forward to a more enhanced participation from institutional players which is expected to enhance market depth, liquidity, and price efficiency.

The Exchange launched the crude oil mini options (10 bbl) and natural gas mini options (250 MMBtu) on 23<sup>rd</sup> April 2024. These smaller denominated options contracts shall effectively cater to the needs of the SME/ MSMEs for price risk management and on other hand provide for ease of trading to the retail participants. The mini options contracts would aid small firms to mitigate the price risk exposure through hedging and thus safeguard their margins and protect their bottom-lines. The retail segment would be able to diversify their portfolio, by trading through these mini options contracts.

### **Institutional Participation**

Following regulatory enablements, your Company is making efforts to encourage increasing participation of financial institutions on the Exchange platform. Your Company has enabled participation of Category I and II of Foreign Portfolio Investors (FPIs) and allowed Direct Market Access facilities to these market participants. The Exchange has on-boarded large number of FPIs on its platform and is looking forward to enhanced participation from institutional players which is expected to enhance market depth, liquidity, and price efficiency.

### **Focus on strengthening technological and information security capabilities**

As a part of the commitment to our stakeholders and the partner ecosystem, your Company undertakes proactive audits to strengthen its core processes, cyber security posture and adherence to regulatory guidelines. Since most of the cyber incidents happen on account of human errors, Information Security (IS) team is taking proactive IS awareness initiatives through regular cyber-vigilance sessions and trainings, publishing awareness magazines, conducting phishing exercise and cyber drills to take care of the human element of cyber security.

Your Company has comprehensive Information Security (IS) policy in line with the global security standards like ISO 27001:2013, incorporating regulatory guidelines from SEBI and NCIIPC and is being adhered for Compliance. The Exchange has a Security Operations Centre (SOC) to provide 24x7x365 days vigilance against cyber threats and the SOC is being upgraded to NextGen Cyber Security Operations Centre (C-SOC) with advanced tools and professional services in a dedicated setup built for onsite operations. Your Company has implemented continuous threat exposure measures to protect the organization from potential internal & external cyber threats. Your Company has also prioritized and ensured strong data security measures by leveraging cutting-edge technologies.

### **INITIATIVES**

Your Company remains committed to strengthening its processes and creating products to uphold the trust bestowed by its stakeholders. During the FY'24, your Company undertook several initiatives to remain at the forefront in product and process innovation and facilitate the development of the Commodity Derivatives market.

#### **Launch of new products**

During the year 2023-24, your Company launched a number of new products. 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 with effect from 23<sup>rd</sup> April 2024. On 15<sup>th</sup> January 2024, MCX launched the Steel Rebar futures contract to meet the hedging needs of domestic producers and consumers of Steel. This

futures contract, featuring a trading unit of 5MT and a quotation/base value of 1MT, operates from ex-Warehouse at Raipur district, Chhattisgarh.

### **Knowledge-sharing beyond borders**

Your Company is undertaking a consultancy project for Chittagong Stock Exchange (CSE), Bangladesh, which involves sharing of knowledge and expertise for CSE to set up a Commodity Derivatives Platform, which would be Bangladesh's first Commodity Derivatives Exchange Segment. Work on the consultancy assignment was initiated in the year 2022-23 and continued in 2023-24.

### **Cyber Security Awareness Month**

MCX observed October 2023 as the Cyber Security Awareness Month, an initiative under the aegis of Indian Computer Emergency Response Team (CERT-In). Activities such as Mandatory awareness training for all employees, Sessions & Tabletop exercises by External Expert, Trainings by NCIIPC, poster & slogan making competition, quizzes, cyber games, awards & recognition etc., were conducted by the Exchange throughout the month to create awareness on cyber security and enhance preparedness among employees against cyber-attacks.

### **Outreach initiatives**

Your Company has been proactively taking initiatives to raise awareness among diverse stakeholders about the significance and advantages of a well-operating, transparent commodity derivatives market. To promote a culture of risk management, the Company has implemented various measures to educate potential hedgers on the essentiality, benefits, and mechanisms of price risk management using exchange-traded commodity derivatives. Additionally, your Company launched multiple investor awareness campaigns to educate potential investors on investing in commodity asset class through exchange-traded derivatives. MCX conducted various awareness programmes for stakeholders in the commodity markets, collaborating with Exchange members, media, industrial associations, banks, broker associations, among others. The Exchange has also been conducting online outreach programmes to reach out to distant stakeholders who cannot attend these programmes in person to further promoting of awareness and understanding of commodity derivatives.

The details of some of such outreach initiatives are given below:

- a) Your Company conducted 2703 awareness programmes across various stakeholders for commodities and products during FY 2023-24. A number of these programmes were conducted in partnership with industry associations, media and professional bodies. The Exchange partnered with industry associations like PHDCCI, CPAI, ANMI, ASSOCHAM, India Bullion and Jewellers Association, All India Gems and Jewellery Domestic Council, India Lead Zinc Development Association, Confederation of Indian Textile Industry, Fertilizer Association of India, Institute of Company Secretaries of India, The Institute of Chartered Accountants of India, etc. with the aim to create awareness about commodity hedging/ investment among diverse stakeholder groups.
- b) A variety of media activities were conducted during FY 2023-24 using different modes such as print, TV, radio, digital, OOH and social media campaigns on Youtube, Facebook, LinkedIn, Twitter and Instagram with the aim to create awareness about commodity derivatives markets among stakeholders and general investors.
- c) MCX conducted 602 events during the year exclusively focused on Farmer Producer Organizations (FPOs) and farmers. This was done to spread awareness amongst the farming community about how price discovery and price dissemination by exchanges can enable them to realize better prices while selling their agricultural produce. Similarly, the Exchange conducted 291 events exclusively for women participants.
- d) MCX observed 'World Investor Week' during 9<sup>th</sup> October 2023 – 15<sup>th</sup> October 2023 spreading awareness and information about investment in safe and regulated marketplaces. As many as 187 investor awareness programs were conducted by the Exchange across the country, apart from undertaking several other initiatives for

## Management Discussion and Analysis (Contd.)

knowledge dissemination through quiz, crosswords, videos, podcasts, etc. The Commodity Insights Yearbook 2023, an initiative at building knowledge in commodity market and created by MCX Investor Protection Fund in association with Indian Institute of Management Bangalore, was also released during the week.

- e) To recognize and honour the performance of commodity market stakeholders and acknowledge their contribution in the growth and development of the Indian commodity derivatives market, MCX hosted the Fifth MCX Awards on 24<sup>th</sup> January 2024. A large number of awards were given out to stakeholders for their outstanding contribution under 27 different categories.
- f) Protecting investors from mis-information and fraud, especially on electronic and social media channels, is an initiative your Company has taken up on priority. The Exchange is cognizant of the ease of investors' access to markets and information through digital channels, as also the fact that digital access is accompanied with challenges like online frauds, mis-information through social media and new types of scams using technological channels and behavioural techniques. To deal with these challenges, MCX has regularly been publishing alerts to caution the public of sources providing illegal trading tips or indulging in illegitimate transactions. The Exchange has also requested concerned authorities to close down illegal websites where there was mis-use of MCX brand.

### **Educational Initiatives**

Your Company engaged with numerous educational institutions to spread knowledge about commodity markets among students and academicians. One of the effective initiatives to spread knowledge among the student community has been 'COMQUEST' – the annual commodity quiz that witnesses participation of college students from across India. Under the supervision of the MCX Investor Protection Fund, the Exchange successfully wrapped up COMQUEST 2024, the 6<sup>th</sup> edition of this quiz, which saw the engagement of approximately 6000 students, representing 485 colleges across 148 cities and towns in India. Over 43% of the participants were female students. Additionally, the introduction of zonal level quiz competition helps in greater penetration and financial literacy among student and academic community on exchange traded commodity derivatives market.

### **Publications**

MCX publishes various articles in print media and engages with the electronic media to create awareness about the benefits of the commodity derivatives markets. Officials of your Company write articles on issues relevant for commodity markets which are published in trade journals, newspapers, online media, and magazines with wide outreach. Awareness about commodity markets, including hedging using commodity derivatives is also created through various channels of the electronic media including regional channels.

Apart from the annual 'Commodity Insights Yearbook' mentioned above, a monthly newsletter 'Commodity Connect' is widely circulated and uploaded on the website, which is another effective tool used to regularly communicate with the Exchange's stakeholders.

In addition, various commodity-specific brochures providing information on hedging, investment, disclosures, etc. are published in multiple languages to spread awareness about opportunities for hedging and investment in the commodity derivatives market.

### **Research Studies**

Your Company took up a number of research studies on various themes connected to the commodity derivatives market. Details are provided in the Director's Report section of the Annual Report.

## **OUTLOOK**

The broad outlook for your Company in the near to medium term is discussed below:

**Rising demand from a growing economy**

Data released by the National Statistical Office (NSO) showed that India's GDP grew by an impressive 8.2 % in FY 2023-24, propelling the economy to a size of USD 3.5 trillion. The Reserve Bank of India projects the country's growth momentum to continue and has estimated 7 % growth rate for India's GDP in FY 2024-25, as stated in its Annual Report (2023-24), which was revised to 7.2 % by the RBI's Monetary Policy Committee on 7<sup>th</sup> June 2024.

Market experts and economists estimate that India can aim for a sustained annual growth rate exceeding 8 %, supported by investments, improved corporate credit quality, and productivity gains, particularly in the services sector. With the potential boost in commodity demand following the economic upswing, there could be new opportunities for your Company to innovate and introduce new derivative products that fulfil the requirements of stakeholders in both agricultural and non-agricultural commodities. Therefore, the outlook for your Company is positive, primarily due to expanding demand from the improvement in economic activities and the increasing need for commodity price risk management.

**Expansion of products basket**

The constantly evolving demand from market participants, reinforced by supportive policies and regulatory actions, provide many opportunities for your Company for growth. These opportunities lie in the realm of expansion of products, inclusion of more participant categories and developing partnerships to expand business opportunities. Among new products, the Exchange looks forward to introducing derivatives on new commodities such as Electricity, subject to regulatory approval, as also innovating on parameters like providing products with variations in expiries. Option contracts on commodity indices, which has been permitted by SEBI, shall also be launched at the opportune time after receiving due approvals.

**Enhanced participation**

Financial institutions such as Mutual Funds, Portfolio Managers and Category III Alternate Investment Funds are allowed to participate in the exchange-traded commodity derivatives. However, their entry in this market has been tardy so far, a trend that could reverse in the times ahead. Multiple other financial institutions like banks, insurance companies and pension funds, etc. could also be permitted in the coming days, providing a positive outlook to your Company. Financial institutions, by leveraging on their geographical reach, research expertise and capital strength can enable more efficient price discovery and take the benefits of the commodity derivatives market to more participants. Further, their long-term strategies have high potential to improve the liquidity in the farther month contracts, which will be of immense benefit to physical market participants looking forward to hedge using long-dated contracts.

**Enabling policy and regulatory environment**

The growth of India's commodity derivatives market, in which your Company has a leadership position, has continuously been enabled and supported by policy and regulatory actions aimed at deepening and broadening the market. These actions have led to not only expansion of products and eligible participants in this market, but also introduction and modification of systems and processes that encourage participation. Vide Gazette Notification dated 1<sup>st</sup> March 2024, Government of India has enhanced the list of notified commodities in which Stock Exchanges with Commodity Derivatives segment can launch derivative products, from 91 to 104. Apart from new commodities included in this enhanced list, the scope under some commodities was also enhanced, e.g. alloys included within many metals. This provides your Company with the opportunity to introduce new products in tune with the evolving needs of an expanding market.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

As on 31<sup>st</sup> March 2024, the Exchange has 410 employees (includes confirmed employees and trainees/management trainees). Your Company continues to attract, retain and nurture talented workforce in its endeavour to be an employer of choice.

## Management Discussion and Analysis (Contd.)

Cultural integration being an integral part of management philosophy, the Exchange launched multiple employee initiative. The primary focus was on delivering a premium employee experience and building organisational capabilities.

Structured 'Internal Job Posting' provides opportunities to deserving employees to be considered for lateral & hierarchical career growth within the organization. Human Resources continues to undertake staff welfare initiatives that include mandatory leave, Compensatory offs, shift allowances for those employees who work on various shifts, Birthday cake's for the employee's, contests of the month, MCX Annual Event, Diwali, Ganpati, Navratri, Christmas celebration and most important is the constant review of work policies & practices in order to make the Exchange the best place to work for. The Exchange has been rewarding employee's children for their exceptional efforts in passing 10<sup>th</sup> and 12<sup>th</sup> standard examination with excellence. The Company provides Crèche facility for female employees. Company also has tie- ups with diagnostic centres and hospitals for Health screening of employees. Company also have a in - house medical practitioner who visits the premises everyday. We also conduct different health related camps so that the employees follow a healthy lifestyle.

The policies were reviewed and Human Resources Manual for all employees was updated.

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

HR Continues to run online HR Portal called 'HR-Connect', for enhanced transparency in Employee Lifecycle Management, Training 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.

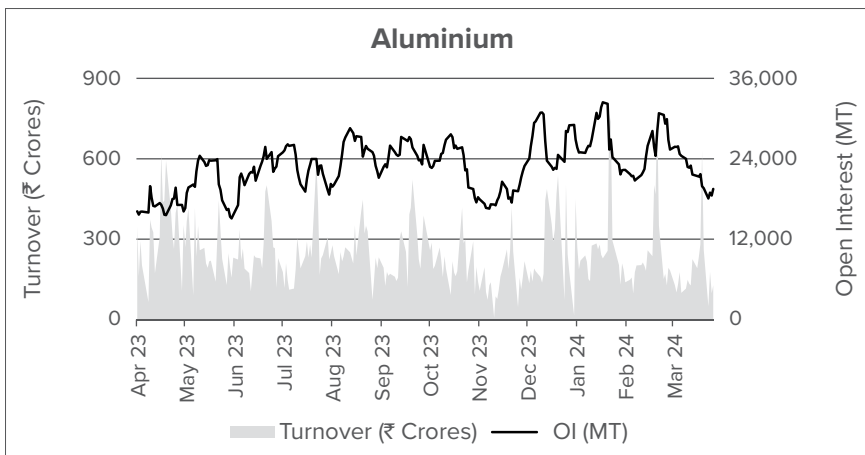
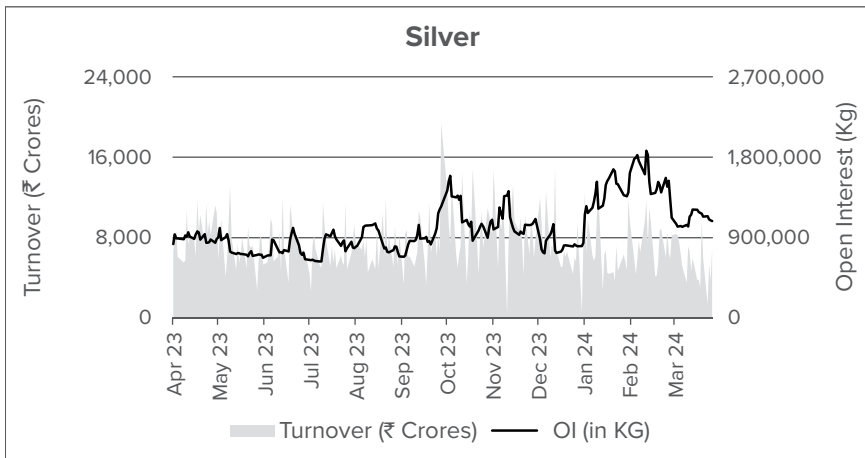
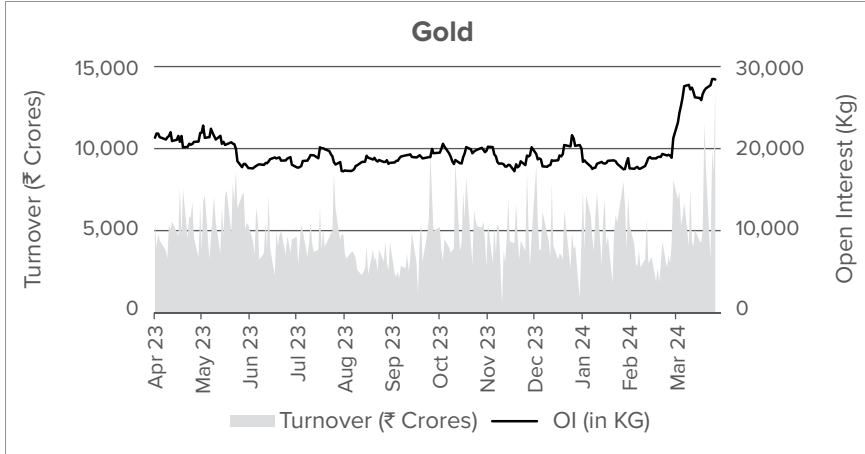
### **CAUTIONARY STATEMENT**

In this annual report some future developments which are expected to be implemented have been given. This has been done with a view to help investors better understand the Company's future prospects and make informed decisions while interacting with the Exchange. This annual report and other written and oral statements made from time to time may contain such forward looking statements based on management's current plans and assumptions. It cannot be guaranteed 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 when 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.

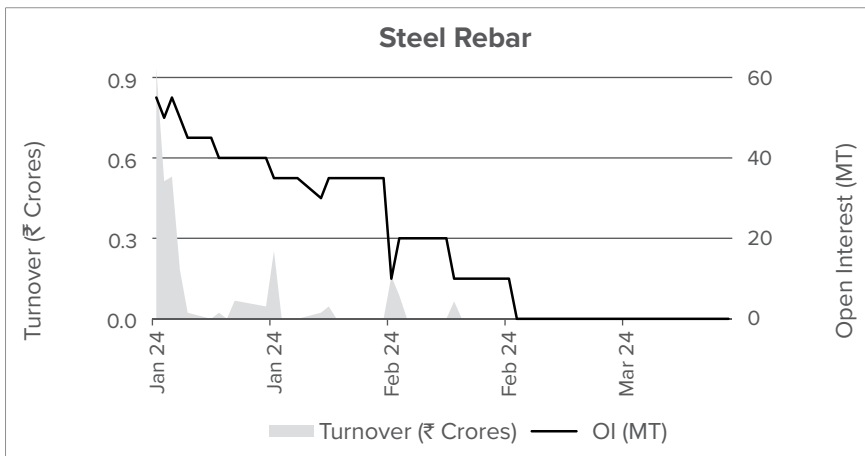
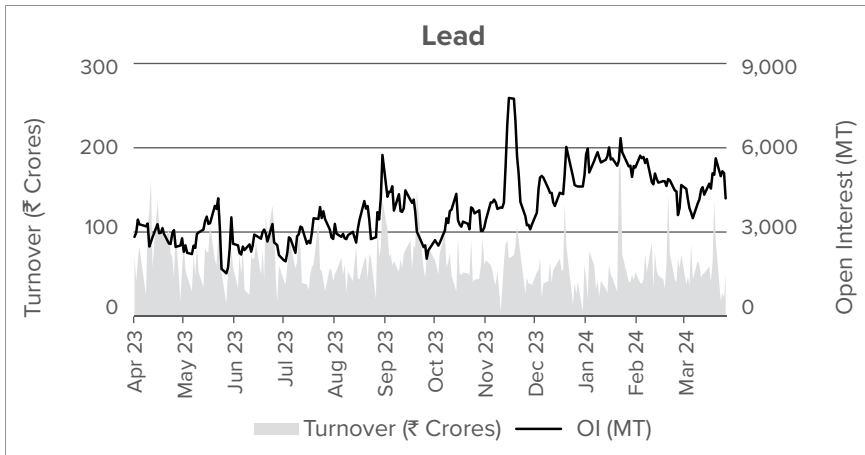
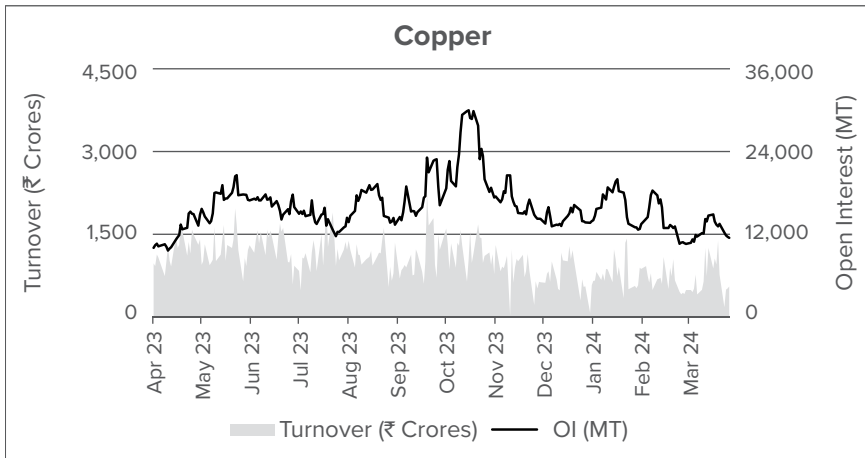
**ANNEXURE I**

**Turnover and Open Interest of Commodity Futures Contracts in MCX in FY 2023-24**

(All variants of each commodity combined)

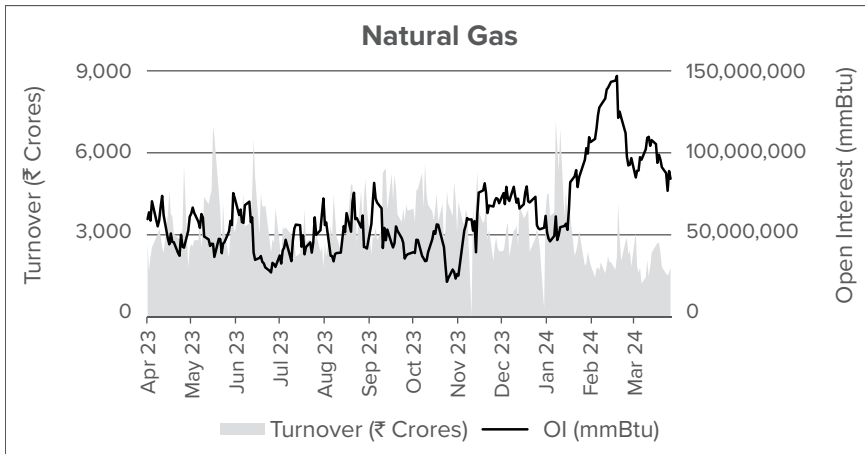
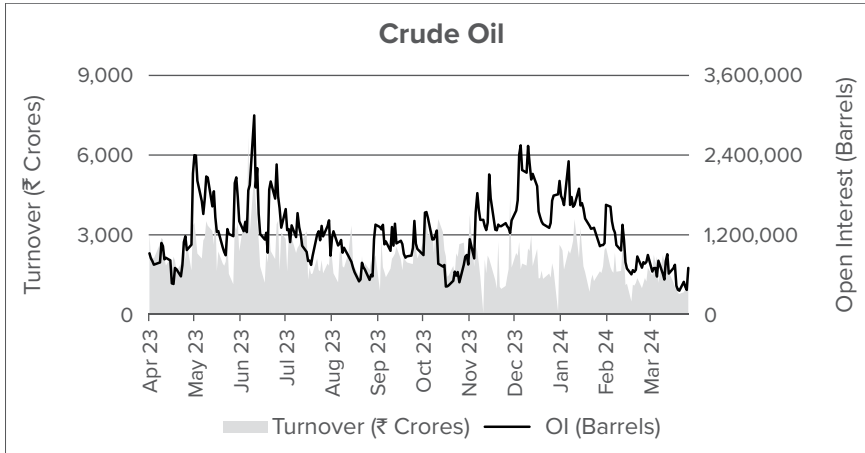
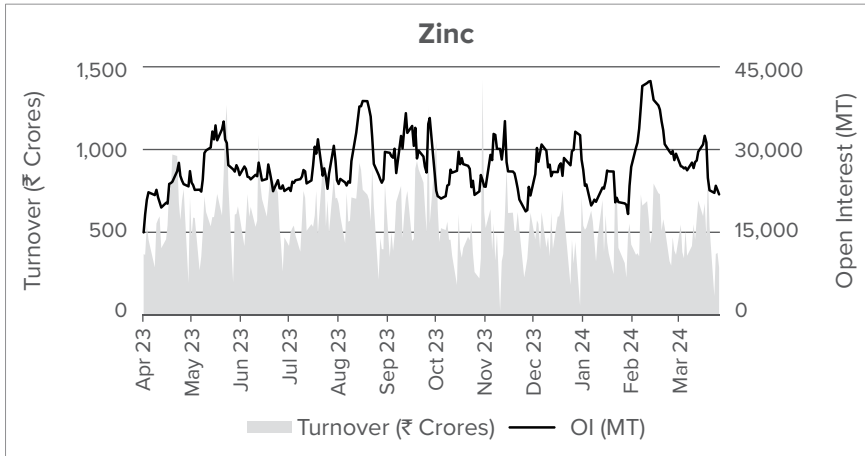


Management Discussion and Analysis (Contd.)

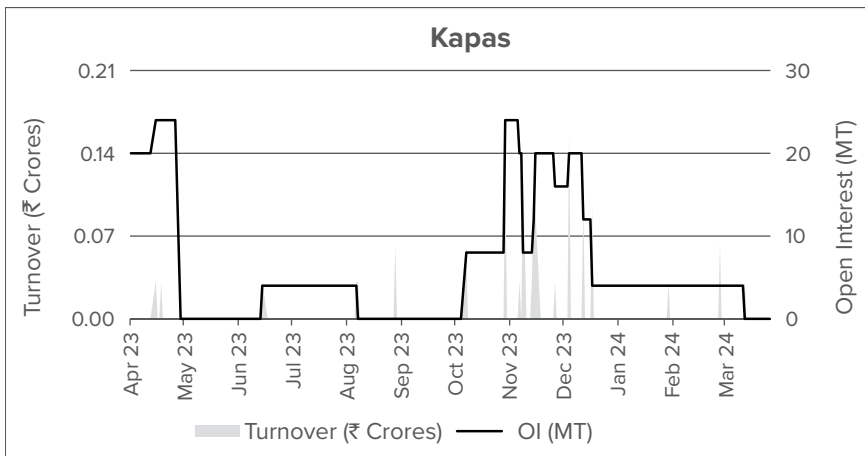
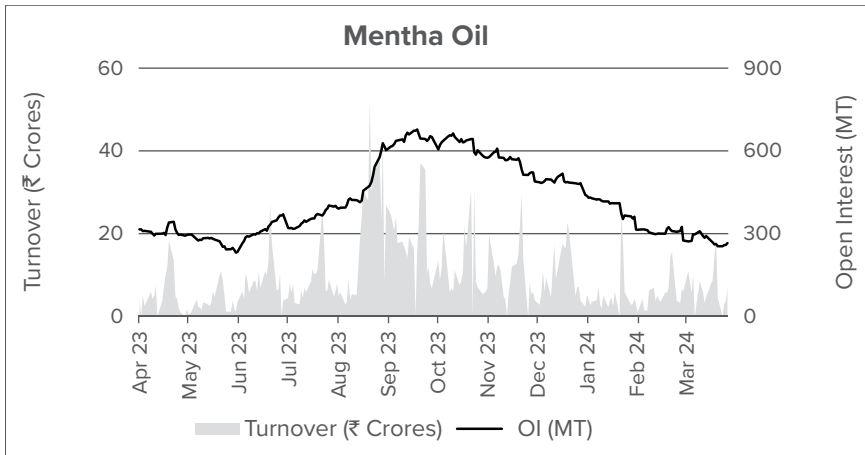
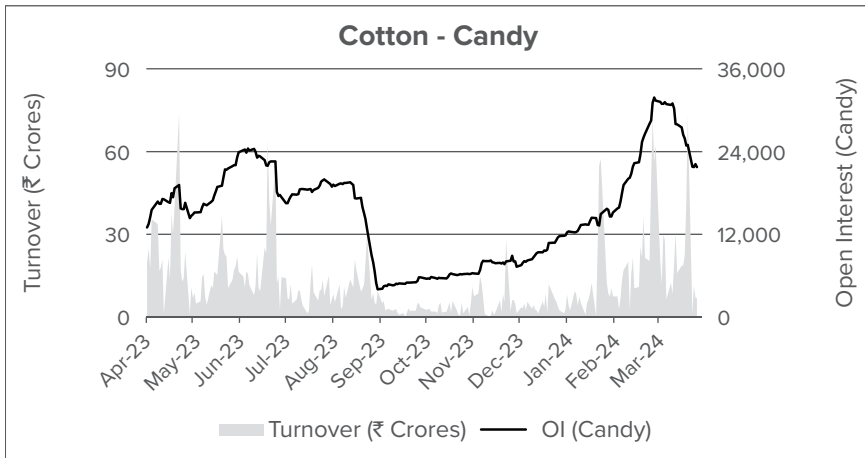


\*Steel Rebar Launched on 15<sup>th</sup> January 2024



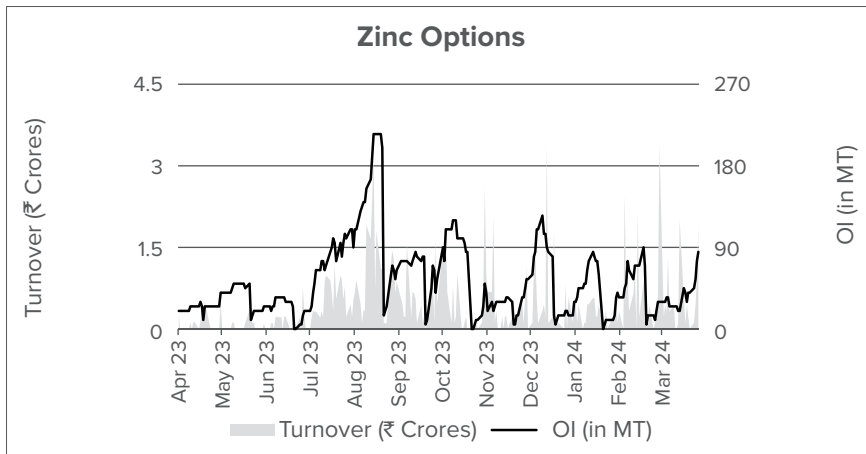
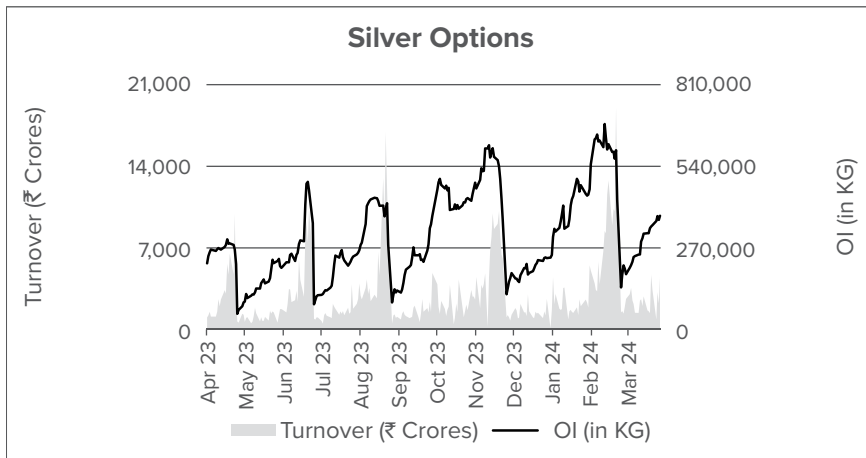
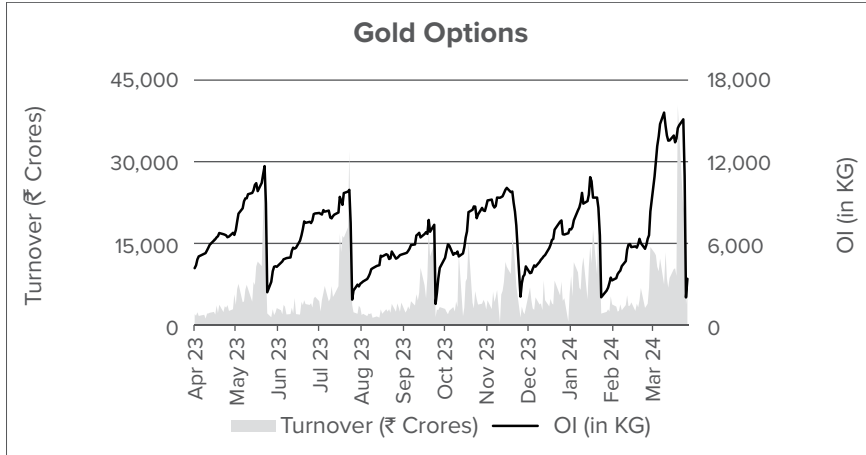


Management Discussion and Analysis (Contd.)

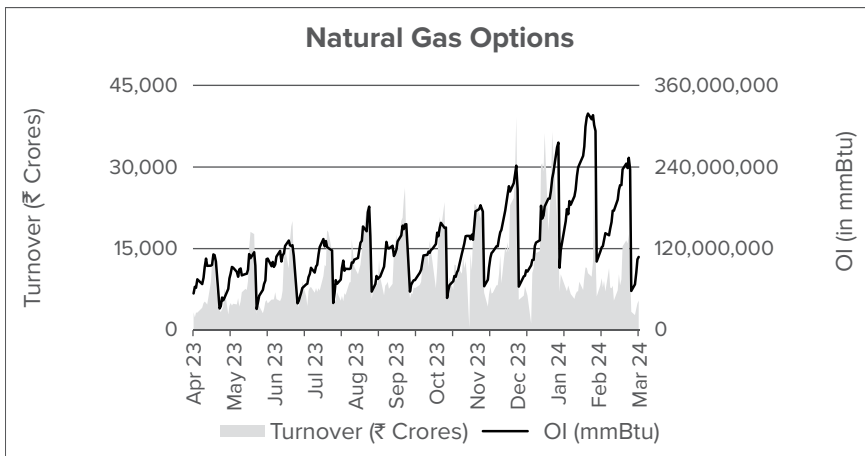
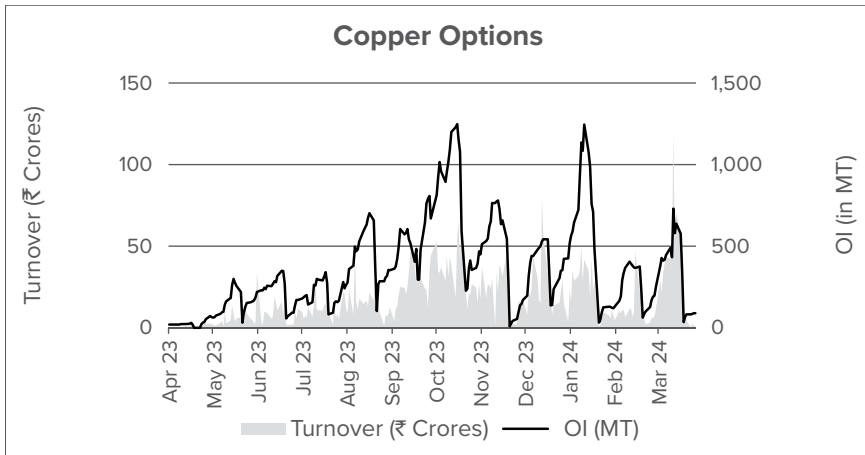
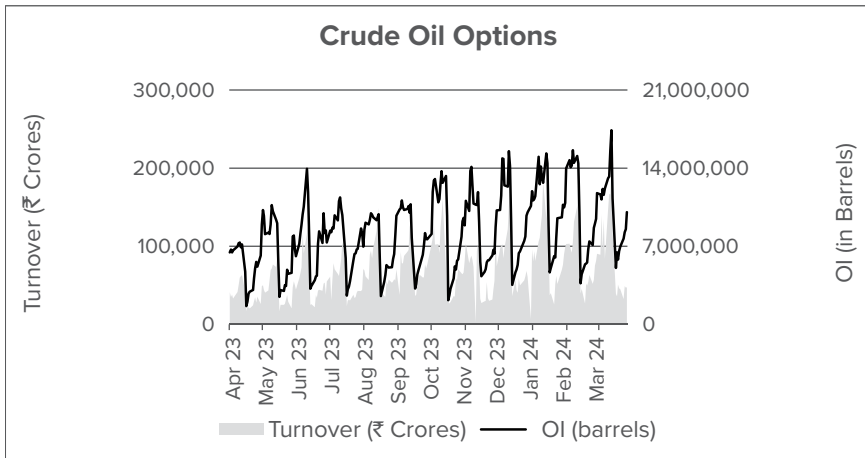


**Notional Turnover and Open Interest of Commodity Options Contracts in MCX in FY 2023-24**

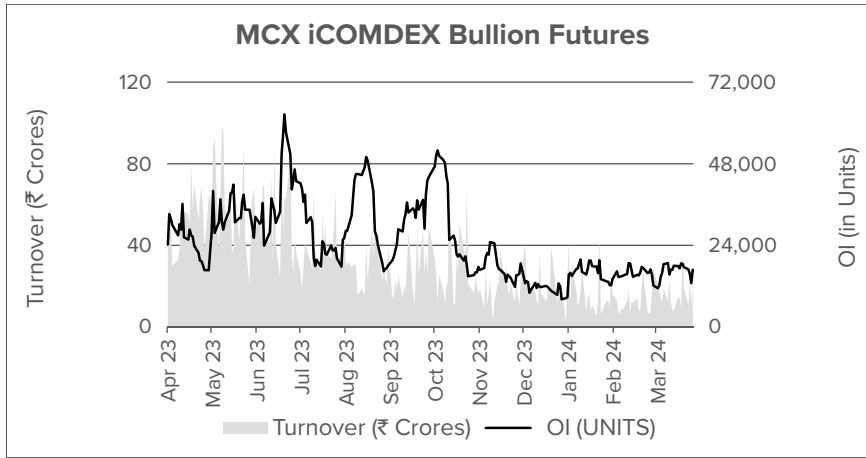
(All variants of each commodity combined)



Management Discussion and Analysis (Contd.)



**Turnover and Open Interest of Commodity Indices in MCX in FY 2023-24**



# Corporate Governance Report

A detailed Report on Corporate Governance for the Financial Year (FY) 2023-24, in terms of the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations, 2015'), demonstrating the Company's accountability to its stakeholders is set out hereunder.

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

We, at Multi Commodity Exchange of India Limited (hereinafter referred to as 'the Company' or 'Your Company' or 'MCX'), believe in adopting and adhering to the best recognized corporate governance practices and continuously benchmarking ourselves against each such practice.

The philosophy of your Company on Corporate Governance is to ensure transparency, accountability, integrity and equity in all its operations, provide disclosures, and enhance stakeholder value without compromising in any way on compliance with the applicable laws and regulations.

MCX understands and respects its role and responsibility towards its stakeholders and strives hard to meet their expectations. Our corporate governance practices are reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

The Company with the intention to have the best corporate governance practices has also adopted the Code of Conduct for Board of Directors and Key Managerial Personnel, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information.

The Company is in compliance with the applicable corporate governance requirements, as stipulated under Regulations 17 to 27, read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations, 2015. During the year under review, the Company complied with SS-1 and SS-2 relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

## 2. BOARD OF DIRECTORS:

### (A) Composition of the Board:

As per Regulations 23(1) and 23(3) of SECC Regulations, the Board of the Company shall comprise of Public Interest Directors ("PIDs"), Non-Independent Directors ("NIDs") and Managing Director ("MD"), and the number of PIDs shall not be less than the number of NIDs on the governing Board of the Company. Further, Regulation 23(4) of SECC Regulations prescribes that the MD shall be included in the category of Non-Independent Directors. As on 31<sup>st</sup> March 2024 the Company's Board had an optimum combination of Executive and Non-Executive Directors with 1 (one) Woman Independent Director. All Directors being professionals having requisite qualifications and experience in the areas of capital markets, finance and accountancy, legal and regulatory practice, technology, risk management and management or administration. The said composition of the Board was in compliance with the Companies Act, 2013 ("the Act"), Listing Regulations and SECC Regulations. All the Directors of the Company are fit and proper persons in terms of Regulation 20 of SECC Regulations.

### Changes in Composition During the Year:

Mr. Hemang Raja, Non-Independent Director, who was liable to retire by rotation at the 21<sup>st</sup> Annual General Meeting ("AGM"), was re-appointed by the shareholders at the 21<sup>st</sup> AGM held on 26<sup>th</sup> September, 2023. Subsequently, Mr. Raja has withdraw his re-appointment as NID due to personal reason.

Mr. Ved Prakash Chaturvedi, resigned as a Public Interest Director (PID) of the Company w.e.f. 11<sup>th</sup> August 2023.

Mr. Vivek Krishna Sinha, ceased to be the Non-Independent Director w.e.f. 31<sup>st</sup> October 2023 upon his retirement from NABARD.

Ms. Suparna Tandon was appointed as the Non-Independent Director of the Company at the 21<sup>st</sup> AGM of the Company held on 26<sup>th</sup> September 2023, which was latter approved by SEBI vide its letter dated 15<sup>th</sup> December 2023. The Board approved her appointment w.e.f. 15<sup>th</sup> December 2023.

Dr. Navrang Saini was appointed as Public Interest Director (“PID”) w.e.f. 14<sup>th</sup> March 2024.

Subsequent to year end, Mr. P. S. Reddy ceased to be the MD & CEO of the Exchange w.e.f 9<sup>th</sup> May 2024 upon completion of his tenure.

As on 31<sup>st</sup> March 2024, the Board comprised of 9 (nine) directors, of which 5 (five) were Public Interest Directors, 3 (three) Non-Independent Directors and 1 (one) Executive Director i.e. Mr. P.S. Reddy, MD & CEO. Except for the MD & CEO, all other Directors including the Chairman of the Board are Non-Executive Directors.

The composition of the Board, the category of each director, the number of Board Meetings attended during the year, attendance at the last AGM, number of directorship(s) in other companies, names of listed entities where he/she is a director, chairmanship(s) and membership(s) of Committees held by him/her in other public limited companies are given below:

Sr. No.	Name and DIN of the Director	Category of Directorship	Board Meetings		Attendance at the last AGM held on 26 <sup>th</sup> September 2023	Number of Directorship(s) in other Companies (*) as on 31 <sup>st</sup> March 2024	Names of other listed entities where serving as a Director (**) as on 31 <sup>st</sup> March 2024	Chairmanship(s) and Membership(s) of Board Committees in other Companies (***) as on 31 <sup>st</sup> March 2024	
			Held#	Attended				Chairman	Member
1.	Dr. Harsh Kumar Bhanwala (DIN: 06417704)	Chairman, Non-Executive, Public Interest Director	18	18	Yes	1	1. HDFC Bank Limited	0	1
2.	Mr. Ashutosh Vaidya (DIN: 06751825)	Non-Executive, Public Interest Director	18	18	Yes	1	-	0	0
3.	Mr. Chandra Shekhar Verma (DIN: 00121756)	Non-Executive, Public Interest Director	18	18	Yes	4	1. SML Isuzu Limited 2. IKIO Lighting Limited	1	1
4.	Ms. Sonu Bhasin (DIN: 02872234)	Non-Executive, Public Interest Director	18	18	Yes	8	1. Sotlej Textiles And Industries Limited 2. Whirlpool Of India Limited 3. Berger Paints India Limited 4. Indus Towers Limited 5. NIIT Limited	1	6

Corporate Governance Report (Contd.)

Sr. No.	Name and DIN of the Director	Category of Directorship	Board Meetings		Attendance at the last AGM held on 26 <sup>th</sup> September 2023	Number of Directorship(s) in other Companies (*) as on 31 <sup>st</sup> March 2024	Names of other listed entities where serving as a Director (**) as on 31 <sup>st</sup> March 2024	Chairmanship(s) and Membership(s) of Board Committees in other Companies (***) as on 31 <sup>st</sup> March 2024	
			Held#	Attended				Chairman	Member
5.	Dr. Navrang <sup>1</sup> Saini (DIN: 09650867)	Non-Executive, Public Interest Director	1	1	NA	-	-	-	-
6.	Mr. Arvind Kathpalia (DIN: 02630873)	Non-Executive, Non-Independent Director	18	18	Yes	-	-	-	-
7.	Mr. Mohan Narayan Shenoi (DIN: 01603606)	Non-Executive, Non-Independent Director	18	18	Yes	-	-	-	-
8.	Ms. Suparna <sup>2</sup> Tandon (DIN: 08429718)	Non-Executive, Non-Independent Director	5	5	NA	1	-	-	-
9.	Mr. Shankar <sup>3</sup> Aggarwal (DIN: 02116442)	Non-Executive, Public Interest Director	11	11	Yes	NA	NA	NA	NA
11.	Mr. Ved <sup>4</sup> Prakash Chaturvedi (DIN: 00030839)	Non-Executive, Public Interest Director	6	6	Yes	NA	NA	NA	NA
12.	Mr. Hemang <sup>5</sup> Raja (DIN: 00040769)	Non-Executive, Non-Independent Director	11	10	No	NA	NA	NA	NA
13.	Mr. Vivek <sup>6</sup> Krishna Sinha (DIN: 08667163)	Non-Executive, Non-Independent Director	11	5	No	NA	NA	NA	NA
14.	Mr. P.S. Reddy (DIN: 01064530)	Executive, MD & CEO	18	18	Yes	-	-	-	-

Note: (a) All Directors, excluding Mr. P. S. Reddy, MD & CEO, are Non-Executive Director. None of the Directors of your Company are inter-se related to each other. None of the Director hold any equity shares of the Company except Mr. Arvind Kathpalia, Non-Independent Director who holds 8 (eight) no. of equity shares.

\* While calculation of number of other Directorship as per Regulation 17A of Listing Regulations, MCX and other Companies i.e. private limited companies, foreign companies and section 8 companies under the Act are not considered.

\*\*All Directors are Non-Executive Directors in other listed Company.

\*\*\*For the purpose of determination of committee position, Chairmanship and Membership of the Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies has been considered as per Regulation 26 (1) (b) of SEBI Listing Regulations, 2015.



The number of Directorship(s), Committee Membership(s)/Chairmanship(s) of all Directors is within the respective limits prescribed under the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

1. Dr. Navrang Saini was appointed as Public Interest Director w.e.f. 14<sup>th</sup> March 2024.
2. Ms. Suparna Tandon was appointed as Non-Independent Director w.e.f 15<sup>th</sup> December 2023.
3. Mr. Shankar Aggarwal, upon completion of tenure ceased to be an Public Interest Director w.e.f. 30<sup>th</sup> September 2023.
4. Mr. Ved Prakash Chaturvedi resigned as an Public Interest Director w.e.f. 11<sup>th</sup> August 2023.
5. Mr. Hemang Raja ceased to be the Non-Independent Director w.e.f. 26<sup>th</sup> September 2023.
6. Mr. Vivek Krishna Sinha ceased to be the Non-Independent Director w.e.f. 31<sup>st</sup> October 2023, pursuant to his retirement from NABARD.

**(B) Number of Board Meetings held, the dates thereof, and the information provided to the Board:**

The Board Meetings are convened to consider matters critical to the business of the Company, including important policy issues, compliance with regulatory stipulations etc. Except in case of emergency meetings, convened to take care of exigencies of business, the Company gives adequate notice of meetings to the Board of Directors. The meetings held at a shorter notice were attended by adequate number of Independent Directors and were in compliance with the provisions of the Companies Act, 2013 and Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018 (“SECC Regulations, 2018”). During the FY 2023-24, 18 (eighteen) meetings of the Board of Directors were held. The gap between any two successive meetings did not exceed one hundred and twenty days. The said Board meetings were held on 20<sup>th</sup> May 2023, 13<sup>th</sup> June 2023, 20<sup>th</sup> June 2023, 24<sup>th</sup> June 2023, 28<sup>th</sup> June 2023, 19<sup>th</sup> July 2023, 29<sup>th</sup> July 2023, 28<sup>th</sup> August 2023, 30<sup>th</sup> August 2023, 26<sup>th</sup> September 2023, 29<sup>th</sup> September 2023, 08<sup>th</sup> November 2023, 25<sup>th</sup> November 2023, 17<sup>th</sup> January 2024, 10<sup>th</sup> February 2024, 12<sup>th</sup> February 2024, 04<sup>th</sup> March 2024 and 18<sup>th</sup> March 2024. For certain matters, the Board’s approval was taken by passing resolution/s through circulation, as permitted by law, which were noted in the subsequent meeting(s) of the Board of Directors.

During the financial year under review, the information mentioned in Part A of Schedule II of the SEBI Listing Regulations, 2015, was placed before the Board, from time to time, for their consideration, to the extent applicable and deemed appropriate by the Management. This information was made available as a part of the agenda papers or only in exceptional cases, tabled at the Board Meeting(s).

**(C) Independent Directors:**

The appointment of Independent Directors (also referred as ‘Public Interest Directors’) are approved by SEBI on the recommendation of Board of Directors of the Company in accordance with the provisions of the SECC Regulations, 2018 and the guidelines/directions/circulars etc. issued by SEBI in this regard. The Independent Directors have considerable experience and varied expertise in their respective field/profession, which they bring to all the deliberations at the Board/Committee meetings. The Company issues a formal letter of appointment to all Independent Directors which, *inter-alia*, sets out the expectation of the Board from the Directors so appointed, their fiduciary duties and the accompanying liabilities. The terms and conditions of their appointment have been disclosed on the website of the Company. The Independent Directors are complying with the provisions relating to limit of directorships as required under Regulation 17A of the SEBI Listing Regulations, 2015.

Each Independent Director, at the first meeting of the Board in which he/she participates as a Director post appointment, and thereafter at the first meeting of the Board in every financial year, gives a declaration that

## Corporate Governance Report (Contd.)

he/she meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) and 25(8) of the SEBI Listing Regulations, 2015. The Board has received declarations from the Independent Directors and in its opinion, the Independent Directors satisfy the criteria of independence as specified in the SEBI Listing Regulations, 2015, SECC, 2018 as well as Companies Act, 2013 and are independent of the management.

The meetings of the Independent Directors' Committee/Public Interest Directors' Committee were held on 27<sup>th</sup> July 2023 and 15<sup>th</sup> December 2023.

### **(D) Familiarisation Program for Directors:**

The Company had arranged for a familiarisation program for the Directors to familiarise them on various perspectives. Updates on relevant statutory changes, cybersecurity, PMLA, technology and important letters received from SEBI are placed before the Board/Committee, as the case may be. The Board is regularly updated on the regulatory changes, its applicability to the Company and the compliance status thereof. The Board Members are also provided with the information/documents sought by them, from time-to-time, to enable them to have an understanding of the Company, its operations, procedures and practices. The details of familiarisation program conducted for Directors during FY 2023-24 attended by the Directors has been posted on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>.

### **(E) Compliance reports of applicable laws:**

The Board periodically reviews the compliance certificate placed before it by MD & CEO affirming compliance to all laws applicable to the Company, backed up with confirmations furnished by the respective heads of departments, as well as, steps taken by the Company to rectify instances of non-compliances, if any.

### **(F) Code of Conduct:**

The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors and Key Managerial Personnel of the Company which is available on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>. The Board Members and KMPs affirm compliance with the Code of Conduct at the time of their appointment and thereafter on an annual basis. Further, all employees of the Company, at the time of joining, undertake to abide by the Code of Conduct of the Company.

The declaration by the MD & CEO, as required under Regulation 34(3) read with Schedule V(D) of the SEBI Listing Regulations, 2015, stating that the members of the Board of Directors and Key Managerial Personnel have affirmed compliance with the Code of Conduct for the FY 2023-24 and forms part of this Annual Report.

### **(G) Code of Conduct for Prevention of Insider Trading and Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information:**

The Company has adopted the 'Code of Conduct for Prevention of Insider Trading' in accordance with requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013, with a view to regulate trade in securities by the Designated Persons of the Company.

The Company has also adopted the 'Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information' under the aforesaid SEBI Regulations for preserving the confidentiality of Unpublished Price Sensitive Information (UPSI) preventing misuse of such information and also ensuring timely, fair and adequate disclosure of events and occurrences that could impact price discovery in the market for the Company's securities.

The above Codes are available on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>. Further, the Company has also formulated a 'Policy for inquiry in case of leak or suspected leak of UPSI'.

**(H) Directors' Remuneration and Shareholding:****i. Remuneration of the Executive Directors and their Shareholding**

The aggregate value of salary and perquisites paid/payable for the year ended 31<sup>st</sup> March 2024 along with the shareholding as at 31<sup>st</sup> March 2024 is as below:

Particulars	Mr. P. S. Reddy (former MD & CEO) (Amount in ₹)
<b>Remuneration</b>	
<b>Fixed Component:</b>	
Salary and allowances	2,04,22,968
Monetary value of perquisites	3,98,400
Retiral Benefits (PF Contribution + Gratuity)	15,53,028
Reimbursement of expenses	-
<b>Variable Component:</b>	
Commission	-
Bonus/Incentive/ Variable pay #	27,09,879
<b>Total</b>	<b>2,50,84,275</b>
Leave Encashment	4,73,846
<b>Gross Total</b>	<b>2,55,58,121</b>
<b>Directors Sitting Fees for FY 2023-24</b>	<b>N.A.</b>
<b>Shareholding as at 31<sup>st</sup> March 2024 (in Nos.)</b>	<b>N.A.</b>

# Variable Pay includes only the amount paid out during the Financial Year for previous financial years.

Note: In terms of the provisions of the SECC Regulations, 2018, 50% of the variable pay to Key Management Personnel is to be paid on a deferred basis after 3 years.

Mr. Reddy has completed his tenure as MD & CEO on 9<sup>th</sup> May 2024.

In terms of the provisions of the SECC Regulations, 2018, ESOPs and other equity linked instruments in the Stock Exchange shall not be offered or provided as part of the compensation for the Key Management Personnel. Accordingly, the MD & CEO, being a KMP is not granted any ESOPs by the Company.

Further, the Managing Director of a recognised stock exchange shall not be a shareholder or an associate of a shareholder of a recognised stock exchange or recognised clearing corporation or shareholder of an associate of a recognised stock exchange or recognised clearing corporation, as the case may be.

Corporate Governance Report (Contd.)

**ii. Remuneration paid to the Non-Executive Directors for attending the Board and Committee Meetings during the year ended 31<sup>st</sup> March 2024 and their shareholding as at 31<sup>st</sup> March 2024 is as below:**

Name of the Director	Gross Sitting Fees (Amount in ₹)		Outstanding Stock options (in Nos.)	Shareholding in the Company as at 31 <sup>st</sup> March 2024 (in Nos.)
	Board Meetings	Committee Meetings		
Dr. Harsh Kumar Bhanwala	18,00,000	17,00,000	N.A.	NIL
Mr. Ashutosh Vaidya	18,00,000	31,00,000	N.A.	NIL
Mr. Chandra Shekhar Verma	18,00,000	20,50,000	N.A.	NIL
Ms. Sonu Bhasin	18,00,000	20,00,000	N.A.	NIL
Mr. Arvind Kathpalia	18,00,000	17,75,000	N.A.	8
Mr. Mohan Narayan Shenoi	18,00,000	21,75,000	N.A.	NIL
Ms. Suparna Tandon*	5,00,000	0	N.A.	NIL
Dr. Navrang Saini**	1,00,000	0	N.A.	NIL
Mr. Ved Prakash Chaturvedi***	6,00,000	4,50,000	N.A.	NIL
Mr. Hemang Raja****	10,00,000	5,00,000	N.A.	NIL
Mr. Shankar Aggarwal*****	11,00,000	6,00,000	N.A.	NIL
Mr. Vivek Krishna Sinha*****	5,00,000	50,000	N.A.	NIL

\* Appointed as Non-Independent Director on the Board of the Company w.e.f. 15<sup>th</sup> December 2023.

\*\* Appointed as Public Interest Director on the Board of the Company w.e.f. 14<sup>th</sup> March 2024.

\*\*\* Resigned from the Board w.e.f. 11<sup>th</sup> August 2023.

\*\*\*\* Ceased to be the Non - Independent Director w.e.f. 26<sup>th</sup> September 2023.

\*\*\*\*\* Completed his tenure on the Board of the Company w.e.f. 30<sup>th</sup> September 2023.

\*\*\*\*\* Ceased to be the Non-Independent Director w.e.f. 31<sup>st</sup> October 2023 pursuant to his retirement from NABARD.

There were no pecuniary relationships or transactions between the Non-Executive Directors and the Company during FY 2023-24, except for sitting fees paid to the Non-Executive Directors.

The sitting fees paid to the Non-Executive Directors including the Independent Directors is within the limits prescribed under the Companies Act, 2013. The criteria of making payments to Non-Executive Directors is available on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>.

Pursuant to the provisions of SECC Regulations, 2018, Independent External Experts are appointed on certain Statutory Committees of the Board. The Board/respective Committees may also induct Experts on other Committees as may be permitted under applicable regulations, where it is considered appropriate for value addition/smooth functioning. The Experts were entitled to the same sitting fees as the Non-Executive Directors for attending the Committee Meetings during FY 2023-24.

**(i) Matrix of Skills/Expertise/Competence of the Board of Directors:**

The Board of Director have identified the following skills required as per the regulation 23 (14) (a) of amended SECC Reg. 2018:

- Capital Markets;
- Finance and Accountancy;
- Legal and Regulatory practice;

- Technology;
- Risk Management;
- Management or Administration.

Name of the Director	Area of expertise					
	Capital Markets	Finance and Accountancy	Legal and Regulatory practice	Technology	Risk Management	Management or Administration
Dr. Harsh Kumar Bhanwala (PID)	✓	✓				✓
Mr. Ashutosh Vaidya, (PID)		✓		✓		✓
Mr. Chandra Shekhar Verma, (PID)	✓	✓	✓		✓	✓
Ms. Sonu Bhasin (PID)	✓	✓			✓	✓
Mr. Arvind Kathpalia (NID)	✓	✓		✓	✓	✓
Mr. Mohan Narayan Shenoi (NID)	✓	✓			✓	✓
Ms. Suparna Tandon (NID)*		✓			✓	✓
Dr. Navrang Saini (PID)**		✓	✓		✓	✓
Mr. P.S. Reddy*** (MD & CEO)	✓	✓	✓		✓	✓

\* appointed as a Non-Independent Director w.e.f 15<sup>th</sup> December 2023

\*\* appointed as a Public Interest Director w.e.f. 14<sup>th</sup> March 2024.

\*\*\* ceased to be the MD & CEO w.e.f. 9<sup>th</sup> May 2024 upon completion of tenure.

(J) The Company has formulated the criteria for performance evaluation of individual Directors, Chairperson of the Board, Board Committees and the Board as a whole. The annual evaluation process and the criteria for the same are set out in the Directors' Report.

### 3. BOARD COMMITTEES:

The Board has constituted 11 (eleven) Statutory Committees in accordance with the provisions of the Companies Act, 2013, the SEBI Listing Regulations, 2015 the SECC Regulations, 2018 and the circulars, guidelines etc. issued thereunder. For effective exercise of its powers and to enable detailed review of matters, the Board has constituted/may constitute other non-statutory Committees as well. These Committees are re-constituted from time to time, wherever necessary.

The Chairman of the Board/Chairman of the respective Committees, in consultation with the MD & CEO, determine the schedule for the Committee Meetings in accordance with Company's Policy for Frequency of Committee Meetings framed pursuant to the provisions of SECC Regulations, 2018. The minutes of all the Committee Meetings are placed at its subsequent meeting for confirmation and also before the Board for its noting. The recommendations of the Committees are placed before the Board for approval, wherever required. During the Financial Year, all mandatory recommendations made by the Committees, were accepted by the Board.

## Corporate Governance Report (Contd.)

The details with respect to the composition, terms of reference, meetings and attendance for Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Risk Management Committee are given below:

### **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:**

The terms of reference of the Audit Committee are as follows, and shall include such other functions as may be prescribed in the Companies Act, 2013 and the SEBI Listing Regulations, 2015 and/or such other applicable laws, rules, regulations, guidelines and circulars, as may be issued or amended from time to time:

- i. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- ii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii. Examination of the financial statement and the auditors' report thereon;
- iv. 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:

- v. Scrutiny of inter-corporate loans and investments;
- vi. Valuation of undertakings or assets of the Company, wherever it is necessary;
- vii. Evaluation of internal financial controls and risk management systems;
- viii. Monitoring the end use of funds raised through public offers and related matters;
- ix. Review the financial statements, in particular, the investments made by unlisted subsidiary;
- x. The role of the Audit Committee and the information to be reviewed by the Audit Committee shall be as specified in the SEBI (LODR) Regulations, 2015 or as may be amended from time to time.

#### **II. Powers of the Committee:**

The Audit Committee has powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The Committee may also call for the comments of the

auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.

### III. Role of the Committee:

The role of the Audit Committee and the information to be reviewed by the Audit Committee are as specified in the SEBI Listing Regulations, 2015 (as may be amended from time to time).

Further, the Committee reviews compliance with the provisions of the Code of Conduct for Prevention of Insider Trading of MCX at least once in a financial year and verifies that the systems for internal control are adequate and are operating effectively.

### IV. Composition, meetings and attendance during the financial year:

During the FY 2023-24, 8 (Eight) Audit Committee meetings were held and the gap between any two successive meetings did not exceed one hundred and twenty days. The said meetings were held on 20<sup>th</sup> May 2023, 05<sup>th</sup> July 2023, 29<sup>th</sup> July 2023, 22<sup>nd</sup> August 2023, 08<sup>th</sup> November 2023, 16<sup>th</sup> November 2023, 10<sup>th</sup> February 2024 and 28<sup>th</sup> February 2024.

The constitution and the number of meetings attended by the members are as under:

Members*	Category	Meetings held	Meetings attended
Mr. Ashutosh Vaidya <sup>®</sup>	Public Interest Director, Chairman	8	8
Dr. Harsh Kumar Bhanwala	Public Interest Director, Member	4	4
Mr. Mohan Shenoi	Non-Independent Director, Member	8	8
Mr. Ved Prakash Chaturvedi <sup>^</sup>	Public Interest Director, Member	3	3
Mr. Shankar Aggarwal <sup>&amp;</sup>	Public Interest Director, Chairman	4	4

\* During the year, Audit Committee was re-constituted on 25<sup>th</sup> October 2023.

<sup>®</sup> Appointed as the Chairman of the Committee on 25<sup>th</sup> October 2023

<sup>^</sup> Resigned from the Board of the Exchange w.e.f. 11<sup>th</sup> August 2023

<sup>&</sup> Ceased to be the member & Chairman due to completion of tenure on 30<sup>th</sup> September 2023.

Invitees to the Audit Committee meetings included the Chief Financial Officer, MD & CEO, and Partners/ Representatives of the Statutory Auditors and the Internal Auditors. Executives from various departments were invited to attend the Audit Committee Meetings where matters relating to their respective departments are discussed. The Company Secretary is the Secretary to the Committee.

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

Mr. Shankar Aggarwal, Chairman of the Audit Committee, attended the last Annual General Meeting of the Company on 26<sup>th</sup> September 2023.

### NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee deals with such matters as required to be dealt by it under applicable law, rules and regulations, *inter alia*, recruitment, selection, remuneration of Directors (Executive & Non-Executive) and Key Management Personnel of the Company, particularly the matters pertaining to employment, remuneration, retirement benefits, performance appraisals, key succession planning and to make recommendations to the Board.

## Corporate Governance Report (Contd.)

### I. Terms of Reference:

The terms of reference of the Committee *inter-alia* includes:

- i. 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;
- ii. Identify a Key Management Personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018;
- iii. 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;
- iv. Determine the tenure of a Key Management Personnel, other than a Director, to be posted in a regulatory department;
- v. Selecting the Managing Director;
- vi. Recommend to the Board, all remuneration, in whatever form, payable to Key Management Personnel in terms of the Compensation/Nomination and Remuneration Policy of the Company;
- vii. Recommend to the Board, the Performance Evaluation/Review Policy for effective evaluation of performance of Board, its Committees and individual Directors, and to review the Policy atleast once in 3 years;
- viii. Recommend to the Board, the extension or otherwise of the tenure of a Public Interest Director, on the basis of his/her internal/external performance evaluation;
- ix. Devise a policy on diversity of Board of Directors;
- x. Administration and superintendence of the ESOP Schemes.

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as **Annexure V** to the Directors' Report and is also available at the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>.

### II. Composition, meetings and attendance during the financial year:

During the FY 2023-24, 13 (Thirteen) meetings of the Nomination and Remuneration Committee were held. The said meetings were held on 10<sup>th</sup> May 2023, 20<sup>th</sup> July 2023, 24<sup>th</sup> August 2023, 6<sup>th</sup> November 2023, 21<sup>st</sup> November 2023, 11<sup>th</sup> December 2023, 14<sup>th</sup> December 2023, 16<sup>th</sup> January 2024, 27<sup>th</sup> January 2024, 31<sup>st</sup> January 2024, 1<sup>st</sup> February 2024, 12<sup>th</sup> February 2024 and 29<sup>th</sup> March 2024.

The constitution and the number of meetings attended by the members are as under:

Members	Category	Meetings held	Meetings attended
Mr. C. S Verma	Public Interest Director, Chairman	12	12
Mr. Ashutosh Vaidya	Public Interest Director, Member	12	12
Dr. Harsh Kumar Bhanwala	Public Interest Director, Member	12	12
Ms. Sonu Bhasin	Public Interest Director, Member	12	12

Mr. C. S. Verma, Chairman of the Committee, attended the last Annual General Meeting of the Company held through Video Conferencing on 26<sup>th</sup> September 2023.



### III. Performance evaluation criteria of the Board

The policy is framed in compliance of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and the SEBI circular ref. no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/26 dated 05<sup>th</sup> February 2019.

The Policy has been framed with an objective to ensure individual Directors of the Company (“Directors”) and the Board as a whole, work efficiently and effectively in achieving their functions, for the benefit of the Company and its stakeholders. Also, to improve performance on three levels - the organisational, board and individual director level. A properly executed Board evaluation shall benefit across these levels in terms of improved leadership, improved teamwork, greater accountability, better decision making, improved communication, greater clarity of roles and responsibilities, and more efficient Board operations.

Accordingly, the Policy provides a framework for evaluation/review of the performance of:

- (i) individual Directors (including Independent Directors seeking extension for another term);
- (ii) the Board as a whole;
- (iii) Chairperson of the Board (taking into account the views of executive Directors and non-executive Directors); and
- (iv) various committees of the Board (“Board Committees”).

#### **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 all the individual directors, 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 Public Interest Directors (whose term is due to expire and seeking extension for a further term as specified in SECC Regulations) by a ‘Management or Human Resources Consulting Firm’.

#### **Disclosures as prescribed under SEBI circular dated 10<sup>th</sup> May 2018 are given below:**

- **Observations of Board evaluation carried out for the year**  
No observations.
- **Previous year’s observations and actions taken**  
Since no observations were received, no actions were taken.
- **Proposed actions based on current year observations**  
Since no observations were received, no actions were taken.

## Corporate Governance Report (Contd.)

### STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders' Relationship Committee constituted by the Board oversees matters relating to the interest of the Stakeholders as well as quality of investor services provided by the Company.

#### I. Terms of reference:

The terms of reference of the Committee, *inter-alia*, includes:

- i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Transfer Agent (RTA);
- iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

#### II. Composition, meetings and attendance during the year:

During the FY 2023-24, 2 (Two) meeting of the Stakeholders' Relationship Committee was held. The said meeting was held on 29<sup>th</sup> June 2023 and 4<sup>th</sup> December 2023. The constitution and the attendance of the members at the said meeting is as under:

Members*	Category	Meetings held	Meetings Attended
Mr. C S Verma	Public Interest Director, Chairman	1	1
Mr. Mohan Shenoi	Non-Independent Director, Member	1	1
Mr. Arvind Kathpalia	Non-Independent Director, Member	2	2
Mr. Hemang Raja <sup>®</sup>	Non-Independent Director, Member	1	1
Mr. Vivek Krishna Sinha <sup>§</sup>	Non-Independent Director, Member	1	0
Mr. Shankar Aggarwal <sup>^</sup>	Public Interest Director, Member	1	1
Mr. Ved Prakash Chaturvedi <sup>#</sup>	Public Independent Director, Chairman	1	1
Ms. Suparna Tandon <sup>†</sup>	Non-Independent Director, Member	0	0

\* During the year, the Committee was re-constituted by the Board on 25<sup>th</sup> October 2023 and 17<sup>th</sup> January 2024.

Mr. C. S. Verma was appointed as member & Chairman w.e.f 25<sup>th</sup> October 2023.

Mr. Mohan Shenoi was appointed as member w.e.f. 25<sup>th</sup> October 2023 and ceased to be the member w.e.f. 17<sup>th</sup> January 2024.

<sup>®</sup> Mr. Hemang Raja ceased to be the Non Independent Director w.e.f. on 26<sup>th</sup> September 2023.

<sup>§</sup> Mr. Vivek Krishna Sinha ceased to be the member w.e.f. 31<sup>st</sup> October 2023, pursuant to his retirement from NABARD.

<sup>^</sup> Mr. Shankar Aggarwal ceased to be the member due to completion of his tenure on 30<sup>th</sup> September 2023.

<sup>#</sup> Mr. Ved Prakash Chaturvedi ceased to be Chairman of the Committee due to his resignation w.e.f. 11<sup>th</sup> August 2023.

<sup>†</sup> Ms. Suparna Tandon was appointed as the NID w.e.f. 15<sup>th</sup> December 2023.

Mr. Shankar Aggarwal, member of the Committee, attended the last Annual General Meeting of the Company held through Video Conferencing on 26<sup>th</sup> September 2023.

Ms. Manisha Thakur, Company Secretary and Compliance Officer of the Company, is the Secretary to the Committee. She can be reached out at the registered office address of the Company (email: [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com), Tel: +91-22-6731 8888).

Details of the number of complaints received from shareholders and attended during the financial year ended 31<sup>st</sup> March 2024 are given below:

Number of complaints pending as on 01 <sup>st</sup> April 2023	Number of Shareholder complaints received during FY 2023-24	Number of Shareholder complaints attended during FY 2023-24	Number of complaints not solved to the satisfaction of the shareholders	Number of complaints pending as on 31 <sup>st</sup> March 2024
0	09*	09	09	0

\*Includes queries on unclaimed dividend during the AGM which were resolved immediately.

Details of shares lying in the suspense account as at 31<sup>st</sup> March 2024 (Pursuant to Regulation 34(3) and Schedule V Part F of the SEBI Listing Regulations, 2015):

Sr. No.	Particulars	No. of shareholders	No. of shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 01 <sup>st</sup> April 2023	0	0
2.	Number of shareholders who approached the issuer for transfer of shares from suspense account during the year	0	0
3.	Number of shareholders to whom shares were transferred from suspense account during the year	0	0
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 31 <sup>st</sup> March 2024	0	0

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Corporate Social Responsibility Committee (CSR) is constituted in compliance with the requirements of Section 135 of the Act.

**I. Terms of reference:**

The terms of reference of the CSR Committee shall, *inter-alia*, include:

- i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII to the Companies Act 2013, specifying modalities of execution in the areas/sectors chosen, implementation schedules and monitor the same from time to time;
- ii. Recommend the amount of expenditure to be incurred on the activities referred above;
- iii. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

## Corporate Governance Report (Contd.)

### II. Composition, meetings and attendance during the year:

During the FY 2023-24, 2 (Two) meetings of the Corporate Social Responsibility Committee were held. The said meetings were held on 2<sup>nd</sup> August 2023 and 10<sup>th</sup> January 2024. The constitution and the attendance of the members at the said meetings is as under:

Members*	Category	Meetings held	Meetings Attended
Mr. Arvind Kathpalia <sup>^</sup>	Non-Independent Director, Chairman	1	1
Mr. Vivek Krishna Sinha <sup>®</sup>	Non-Independent Director, Chairman	1	1
Mr. Hemang Raja <sup>£</sup>	Non-Independent Director, Member	1	1
Mr. Mohan Shenoi	Non-Independent Director, Member	2	2
Mr. Ved Prakash Chaturvedi <sup>§</sup>	Public Interest Director, Member	1	1
Ms. Sonu Bhasin	Public Interest Director	1	1
Ms. Suparna Tandon <sup>*</sup>	Non-Independent Director, Member	0	0

\* During the year, Corporate Social Responsibility Committee was re-constituted on 25<sup>th</sup> October 2023 and 17<sup>th</sup> January 2024.

<sup>^</sup>Mr. Arvind Kathpalia was appointed as member w.e.f. 25<sup>th</sup> October 2023.

<sup>\*</sup> Ms. Suparna Tandon was appointed as member w.e.f. 17<sup>th</sup> January 2023.

<sup>®</sup> Mr. Vivek Krishna Sinha ceased to be the member & Chairman of the Committee pursuant to his retirement from NABARD w.e.f. 31<sup>st</sup> October 2023.

<sup>£</sup>Mr. Hemang Raja ceased to be the member of the Committee due to his cessation from the Board at the 21<sup>st</sup> Annual General Meeting held on 26<sup>th</sup> September 2023.

<sup>§</sup>Mr. Ved Prakash Chaturvedi ceased to be the member of the Committee pursuant to his resignation from the Board effective from 11<sup>th</sup> August 2023.

### RISK MANAGEMENT COMMITTEE:

The Risk Management Committee formulates and monitors implementation of the risk management policy, reviews the risk management framework and risk mitigation measures from time to time.

#### I. Terms of reference:

The terms of reference of the Committee, *inter-alia*, includes:

- i. To formulate a detailed risk management policy which shall be approved by the Governing Board.
- ii. To review the Risk Management Framework & Risk Mitigation measures from time to time.
- iii. To monitor and review enterprise-wide risk management plan and such other functions as it may deem fit which shall specifically cover cyber security function and lay down procedures to inform Board members about the risk assessment and minimization procedures.
- iv. The Risk Management Committee shall monitor implementation of the Risk Management policy and keep the Board and the governing Board informed about its implementation and deviation, if any.

#### II. Composition, meetings and attendance during the year:

During the FY 2023-24, 3 (Three) meetings of the Risk Management Committee were held. The said meetings were held on 22<sup>nd</sup> May 2023, 31<sup>st</sup> July 2023 and 24<sup>th</sup> November 2023. The constitution and the attendance of the members at the said meetings is as under:

Members*	Category	Meetings held	Meetings Attended
Ms. Sonu Bhasin	Public Interest Director, Chairperson	3	3
Mr. Shankar Aggarwal <sup>®</sup>	Public Interest Director, Chairman	2	2
Mr. Ashutosh Vaidya <sup>§</sup>	Public Interest Director, Member	1	1
Mr. Ved Prakash Chaturvedi <sup>#</sup>	Public Interest Director, Member	2	2
Dr. Anil Kumar Sharma	Independent External Expert	3	3

\*During the year, Risk management Committee was re-constituted on 25<sup>th</sup> October 2023.

<sup>§</sup> Mr. Ashutosh Vaidya was appointed as member w.e.f. 25<sup>th</sup> October 2023.

<sup>®</sup> Mr. Shankar Aggarwal ceased to be the member & Chairman due to completion of tenure on 30<sup>th</sup> September 2023.

<sup>#</sup> Mr. Ved Prakash Chaturvedi ceased to be a member pursuant to his resignation on 11<sup>th</sup> August 2023.

The broad terms of reference & constitution as at 31<sup>st</sup> March 2024, of other Board Committees are as under:

**STANDING COMMITTEE ON TECHNOLOGY:**

The Committee, *inter-alia*, monitors the adequacy of systems capacity and efficiency, looks into the changes being suggested by the Exchange to the existing software/ hardware of the Exchange, investigates into problems of computerized trading system such as hanging/ slowdown/ breakdown, ensures that transparency is maintained in disseminating information regarding slowdown/ breakdown in Online Trading System and performs such other functions as prescribed by the Regulator and the Board. During the FY 2023-24, 14 (fourteen) meetings of the Committee were held. The members of the Standing Committee on Technology are given below:

- Mr. Ashutosh Vaidya (Chairman)
- Mr. C S Verma
- Mr. Mohan Shenoi
- Ms. Sonu Bhasin
- Mr. Arvind Kathpalia (Non-Independent Director-Special Invitee)
- Mr. K M Madhusudhan (Independent External Expert)
- Mr. Moiz Hussain Ali (Independent External Expert)

**INDEPENDENT DIRECTORS'/PUBLIC INTEREST DIRECTORS' MEETING:**

The PIDs, *inter-alia*, review the performance of the Chairperson, Non-Independent Directors and the Board as a whole, assesses the quality, quantity and timeliness of flow of information between the Management and the Board, reviews status of compliance with SEBI letters and circulars, and performs such other functions as prescribed in the Companies Act, 2013, the SEBI LODR, 2015 and the SECC Regulations, 2018 and the circulars/guidelines etc. issued thereunder. The Committee comprises of all Independent Directors on the Board of MCX. During the FY 2023-24, 2 (two) meetings of the Committee were held. The list of PIDs are given below:

- Dr. Harsh Kumar Bhanwala (Chairman)
- Mr. C S Verma
- Ms. Sonu Bhasin
- Mr. Ashutosh Vaidya
- Dr. Navrang Saini

**MEMBER AND CORE SETTLEMENT GUARANTEE FUND COMMITTEE (RENAMED MEMBER SELECTION COMMITTEE):**

The Committee, *inter-alia*, looks into applications for admission of members and transfer as well as withdrawal of membership, formulates policy for regulatory actions including declaring a member as defaulter, imposes appropriate regulatory measures, makes recommendation to the MCX IPF Trust regarding payment of claims, oversees contribution towards Core Settlement Guarantee Fund (SGF) of the Clearing Corporation and performs such other functions as prescribed in the SECC Regulations, 2018 and the circulars/guidelines etc. issued thereunder. During the FY 2023-24, 5 (five) meetings of the Committee were held. The members of the Committee are given below:

- Ms. Sonu Bhasin (Chairman)
- Dr. Harsh Kumar Bhanwala
- Mr. S V Krishnamohan (Independent External Expert)
- Mr. P.S. Reddy (uptill 9<sup>th</sup> May 2024)
- Mr. Manoj Jain (w.e.f. 7<sup>th</sup> May 2024)

## Corporate Governance Report (Contd.)

### **REGULATORY OVERSIGHT COMMITTEE:**

The Committee, *inter-alia*, oversees matters related to member regulation, trading & surveillance related functions, product design and SEBI inspection observations in respect of each of these, supervises functioning of the investor services cell and the investor service fund, oversees implementation of the Code of Conduct prescribed for Directors and performs such other functions as prescribed in the SECC Regulations, 2018 and the circulars/guidelines etc. issued thereunder. During the FY 2023-24, 4 (four) meetings of the Committee were held. The members of the Committee are given below:

Mr. C S Verma (Chairman)

Dr. Harsh Kumar Bhanwala

Mr. Ashutosh Vaidya

Mr. R Anand (Independent External Expert)

### **ADVISORY COMMITTEE:**

The Committee advises the Governing Board on non-regulatory and operational matters including product design, technology, charges and levies. It comprises of trading members of the Stock Exchange, and the Chairperson of the Board is the head of the Committee. MD & CEO is a permanent invitee to the meetings. During the FY 2023-24, 2 (Two) meetings of the Committee were held.

### **MCX INVESTOR PROTECTION FUND (IPF) TRUST:**

The Trust has been created, *inter-alia*, for the management and administration of the Investor Protection Fund which is utilized primarily for protecting and safeguarding the interest of the investors/clients of the Exchange, in such manner as may be permitted by the Regulator and decided by the Trustees from time to time. During the FY 2023-24, 4 (four) meetings of the Trust were held. The members of the Trust are given below:

Mr. Ashutosh Vaidya (Chairman)

Dr. Harsh Kumar Bhanwala

Mr. C S Verma

Mr. Dhruv Patil (Representative from Investor Association recognized by SEBI)

Ms. Kavita Ravichandran Chief Regulatory Officer (CRO)

### **INVESTMENT COMMITTEE:**

The Investment Committee approves the overall investment policy of the Company as well as any subsequent changes therein, within the overall scope and framework of the policy, and oversees the implementation of the policy. During the FY 2023-24, 3 (three) meetings of the Committee were held. The members of the Committee are given below:

Ms. Sonu Bhasin (Chairman)

Mr. C S Verma

Mr. Mohan N Shenoi

Mr. Arvind Kathpalia

**Note:** The terms of reference of all the Committee under SEBI SECC Regulations, 2018 were revised w.e.f. 24<sup>th</sup> July 2024 as per SEBI circular SEBI/HO/MRD/MRD-PoD-3/2024/088 dated 25<sup>th</sup> June 2024.

#### 4. GENERAL BODY MEETINGS:

##### (A) Details of the last three Annual General Meetings (AGMs) held:

Financial Year	Date	Time	Venue of the meeting
2022-23 21 <sup>st</sup> AGM	26 <sup>th</sup> September 2023	11:30 a.m.	Held through Video Conferencing
2021-22 20 <sup>th</sup> AGM	27 <sup>th</sup> September 2022	11:30 a.m.	Held through Video Conferencing
2020-21 19 <sup>th</sup> AGM	03 <sup>rd</sup> September 2021	11.30 a.m.	Held through Video Conferencing

##### (B) Particulars of Special Resolutions passed in the last three AGMs:

Date	Particulars
26 <sup>th</sup> September 2023	No Special Resolutions were passed.
27 <sup>th</sup> September 2022	To change Object Clause of the Memorandum of Association of the Company. To amend the Articles of Association as per Companies Act, 2013.
03 <sup>rd</sup> September 2021	No Special Resolutions were passed.

- (C) **Postal Ballot:** During the FY 2023-24, no special resolution was passed through postal ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing of resolution through Postal Ballot process.

Currently, no special resolution is proposed to be conducted through Postal Ballot. Further, Postal Ballot whenever conducted by the Company will be carried out as per the provisions of the Companies Act, 2013 read with rules made there under SEBI Listing Regulations, 2015 and applicable laws, rules and regulations, as amended from time to time.

- (D) **Extra-ordinary General Meeting:** No Extra-ordinary General Meeting was held during the FY 2023-24.

#### 5. DISCLOSURES:

##### (A) Disclosures on materially significant related party transactions:

A note on related party transactions is provided in the Directors' Report. Particulars of material contracts or arrangements with related parties are provided in **Annexure III** to the Directors' Report. The transactions with related parties have been disclosed in **Note 37** of Notes to Accounts of the Standalone and Consolidated Financial Statements of your Company. Further, the Company's Policy on Related Party Transactions is available on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>.

Further, in terms of the provisions of Regulation 23 (9) of the SEBI Listing Regulations, 2015 disclosure of related party transactions on a consolidated basis, is made to the Stock Exchange (i.e. BSE Ltd.) where the securities of the Company are listed, on a half-yearly basis. The same is also uploaded on the website of the Company.

##### (B) Non-compliance by the Company, penalties or strictures imposed by Stock Exchanges, SEBI or any statutory authority, on any matter related to the capital markets during the last three years:

- SEBI issued various advisory, deficiency, and warning letters to the Company, advising corrective actions regarding operations, technology, and compliance matters. No fines or penalties were imposed on the Company in connection with these letters. Therefore, these instances are not covered in this report. Additionally, the Company has been in the process of incorporating a new Commodity Derivative Platform for the Exchange, which became operational on October 16, 2023.

## Corporate Governance Report (Contd.)

- SEBI issued a Show Cause Notice ('SCN') dated October 16, 2023 to MCX, four of its Key Management Personnel ('KMPs'), its subsidiary i.e. Multi Commodity Exchange Clearing Corporation Limited ('MCXCCL') and one of the subsidiary's KMP. The SCN, inter alia, alleges that the management of both MCX and MCXCCL failed to implement the SEBI circular dated September 13, 2017 on outsourcing of activities. MCX, MCXCCL and the concerned KMP's have filed their responses to the matter. The matter was heard by SEBI and the Regulator opined that in the event the settlement application filed by the Noticees is rejected, another hearing may be scheduled. MCX and MCXCCL have also submitted a settlement applications for an Indicative Amount (IA) for settlement of Rupees Twenty-Five Lakhs (Rs.19 Lakhs for MCX and Rs.6 Lakhs for MCXCCL). The Exchange has made a provision for the same. The Internal Committee (IC) of SEBI advised to re-compute the IA. Accordingly, a revised IA of Rs. One Crore Thirty Seven Lakh Eight Thousand was proposed to IC. Subsequently, the IC suggested an IA, which was much higher than the IA submitted by the Exchange. Accordingly, the Exchange may consider to submit Revised Settlement Term.
- The Company has paid a compounding fee of Rs. 4,50,000/- to RBI as per the order dated January 25, 2024 in the matter of contravention under Regulation 16(i)(vi) read with Regulation 16 (3) of FEMA 120, where the Company divested from its overseas Joint Venture through the automatic route and did not seek prior approval from the RBI for the sale of 500 shares in the Dubai Gold Exchange in the year 2018.
- SEBI has passed an order dated 04<sup>th</sup> January 2023, against the Company imposing a penalty of Rs. 2,00,000/- for indirectly engaging itself in unrelated/non-incidental activity which is allegedly in violation of the regulation 41(3) and 38(2) of SECC Regulations 2012 and 2018 respectively. The said order of SEBI was challenged by the Company before Securities Appellate Tribunal (SAT). SAT by the way of interim relief inter-alia had stayed the effect and operation of the impugned order till the disposal of the appeal. The matter was finally heard on July 25, 2024 and reserved for judgment.
- SEBI has passed an order dated 28<sup>th</sup> February 2023, against MCX imposing a penalty of Rs. 6,00,000/- for the following alleged violations:
  - o As per Clause 4 of SEBI circular dated September 16, 2016, MCX did not have systems in place for verification of Sikkim based clients, who are exempted from submission of PAN. A special audit was carried out to verify the allegation and it was observed that there was no malafide intent on the part of the Management.
  - o It was purported that MD & CEO was not the Relevant Authority for levying of penalty according to the ToR of MCSGFC as prescribed in SEBI circular dated January 10, 2019 and that penalty ought to have been levied by MCSGFC by formulating a policy.

The Company has paid the penalty of Rs 6,00,000/- on 12<sup>th</sup> April 2023.

- The Company delayed by a day, for the first time, in uploading the disclosure pertaining to related party transactions on a consolidated basis for half year ended 30<sup>th</sup> September 2021 with BSE in terms of Regulation 23(9) of SEBI Listing Regulations, 2015. On request made by MCX, BSE vide email dated 14<sup>th</sup> March 2022 granted waiver of fine.

Except the above, there were no instances of non-compliances, penalties or strictures imposed by Stock Exchanges, SEBI or any statutory authority, on any matter related to the capital markets, during the last three years.



**(C) Whistle Blower Policy:**

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable Directors, Stakeholders, including individual employees and their representative bodies to report, in good faith, unethical, unlawful or improper practices, acts or activities. The said mechanism ensures that the whistle blowers are protected against victimization/any adverse action and/or discrimination as a result of such a reporting and provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no one including personnel of the Company have been denied access to the Audit Committee.

The Whistle Blower Policy has been disclosed on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>.

**(D) Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of financial year	Nil

**(E) Management's Discussion and Analysis:**

The Management's Discussion and Analysis forms part of this Annual Report.

**(F) Disclosure of Loans/Advances to firms/companies in which Directors have interest.**

There are no loans and advances in the nature of loans given by the Company or Multi Commodity Exchange Clearing Corporation of India Limited (subsidiary of the Company) to the firms/companies in which Directors are interested.

**(G) CEO/CFO Certification:**

The certificate signed by the CEO and CFO in terms of Regulation 17(8) of the SEBI Listing Regulations, 2015 was placed before the Board of Directors at its meeting held on 23<sup>rd</sup> April 2024. This certificate is attached as **Annexure A**.

**(H) Certificates from Practicing Company Secretary:**

A certificate has been received from M/s Prajot Vaidya & Co., Practicing Company Secretaries, that none of the Directors on the Board of the Company as on 31<sup>st</sup> March 2024, has been debarred or disqualified from being appointed or continuing as a Director of Companies, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. This certificate forms part of this Annual Report as **Annexure C**.

The certificate regarding the compliance of conditions of Corporate Governance is annexed as **Annexure B**.

**(I) Statutory Auditors:**

The particulars of fees paid by the Company to the Statutory Auditors, M/s. Shah Gupta & Co., Chartered Accountants (Firm Registration No. 109574W), during FY 2023-24 on a consolidated basis are as under:

Particulars	Amount in lakh (₹ in lakhs)
For audit	15.90
For taxation matters	-
For other services	
Reimbursement of out of pocket expenses	01.00
<b>Total</b>	<b>16.90</b>

## Corporate Governance Report (Contd.)

**(J) Compliance with Regulation 34(3) read with Schedule V of the SEBI (LODR) Reg., 2015:  
Mandatory Requirements**

The Company has complied with all mandatory requirements of corporate governance report as mentioned in sub para (2) to (10) of Schedule V(C) of the SEBI Listing Regulations, 2015.

**Non-Mandatory Requirements**

- **Shareholder Rights** - The Quarterly /half yearly and Annual financial results as well as all significant information/events disseminated to BSE Ltd. are uploaded on the website of the Company, are available to all the shareholders and are published in newspapers.
- **Modified opinion(s) in Audit Report** - The Auditors' Report on statutory financial statements of the Company is unmodified.
- **Separate posts of Chairman and CEO** - The Company has separate posts of Chairman and CEO. Chairman's office is maintained at Company's expenses.
- **Reporting of Internal Auditor** - The Internal Auditor makes quarterly presentations to the Audit Committee on their reports.

**(K) Subsidiary:**

The Audit Committee/Board periodically reviews significant developments, transactions and arrangements entered into with the Unlisted Subsidiary Company, Multi Commodity Exchange Clearing Corporation Limited (MCXCCL). The Audit Committee/Board also reviews the Financial Statements of the Subsidiary Company, including investments made by the Company. The minutes of Board meetings of the Subsidiary Company are periodically placed before the Board of Directors of the Company.

The Company has formulated a Policy on Material Subsidiaries which has been disclosed on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>. During the FY 2023-24, MCXCCL was a material subsidiary of MCX.

Details of Material Subsidiary:

- Name of Subsidiary: Multi Commodity Exchange Clearing Corporation Limited (MCXCCL).
- Date & Place of Incorporation: 01<sup>st</sup> August 2008, Mumbai
- Name of Statutory Auditors: MSKA & Associates, Chartered Accountants (FRN: 105047W)
- Date of Appointment of Statutory Auditors : 16<sup>th</sup> August 2018

**(L) Senior management:**

The details of changes in the senior management are mentioned under Note no. 16 of Director's report.

**(M) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): NIL**

**(N) Disclosure of certain types of Agreements binding listed entities: There are no agreements that require disclosure under clause A of paragraph A of Part A of Schedule III of the Listing regulations.**

## 6. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual results of the Company are generally published in the newspapers, namely, Business Standard English daily newspapers with circulation in the whole or substantially the whole of India and Navshakti, Marathi daily newspapers. The financial results, shareholding pattern, press releases, stock information, annual reports, investor presentations etc. are uploaded on the website of the Company [www.mcxindia.com](http://www.mcxindia.com). The same are also disseminated to the Stock Exchange (i.e. BSE Ltd.) where the securities of the Company are listed, as required/prescribed under the SEBI Listing Regulations, 2015.

Significant events, if any, during the financial year, are reported to the Stock Exchange and also posted on the website of the Company from time-to-time. The Company's website gives information on trading, clearing & settlement, circulars issued by the Exchange, market data, Exchange Rules, Bye-Laws, Business Rules, products & their contract specifications, membership related information etc.

### Go Green Initiative:

As a part of its green initiative, the Company has taken necessary steps to send documents viz. notice of the general meeting, annual report, etc. at the registered email addresses of shareholders. Those who have not yet registered their email ids are requested to register the same with the Registrar & Transfer Agent (RTA) in case of physical holdings and Depository Participants in case of electronic holdings with Depositories, to enable the Company to send the documents by the electronic mode.

Physical copies of the said documents are sent to all those members who have requested the Company that they wish to receive the documents in physical mode. In view of the relaxation provided by the Securities and Exchange Board of India, no physical copies of the annual report for FY 2023-24 will be issued by the Company. Members can access the documents at the website of the Company [www.mcxindia.com](http://www.mcxindia.com); website of BSE Ltd. [www.bseindia.com](http://www.bseindia.com) and the website of RTA [www.kfintech.com](http://www.kfintech.com)

## 7. GENERAL SHAREHOLDER INFORMATION:

1.	Day, Date, Time and Mode of Annual General Meeting (FY 2023-24)	<b>Thursday, 26<sup>th</sup> September 2024 at 11:30 a.m.</b> through video conferencing (VC) or other audio visual means (OAVM)  For details, please refer to the Notice convening this AGM.  The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of AGM.
2.	Financial year	01 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024
3.	Record date for such dividend	Record date (i.e. Cut off date) to determine shareholders who will be eligible to receive final dividend, subject to shareholder's approval, will be <b>19<sup>th</sup> September 2024</b> .
4.	Dividend payment date	Dividend for the Financial Year ended 31 <sup>st</sup> March 2024, as recommended by the Board of Directors of the Company, if approved at the AGM, will be paid to the Members within thirty days of declaration, electronically through various online transfer modes and other method as per applicable regulations, to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants/cheques will be sent to their registered addresses.
5.	Mode of payment of dividend	Dividend is remitted through electronic mode where the requisite details are available with the Company. In case of non-updating of PAN and KYC details, no dividend will be paid to physically shareholders by way of issuance of physical warrants with effect from April 01, 2024.  It may be noted that dividend for FY 2023-24 shall be electronically credited to Members whose bank account details are updated with the Depository Participants/RTA.

## Corporate Governance Report (Contd.)

6.	Listing on Stock Exchanges	<p>The equity shares of the Company are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. The applicable annual listing fee has been paid to BSE Limited.</p> <p>Further, in pursuance of Regulation 3.1.1 of the National Stock Exchange (Capital Market) Trading Regulations Part A and other relevant provisions, National Stock Exchange of India Limited (NSE) vide its Circular Ref. No.: 202/2012 dated 07<sup>th</sup> March 2012 notified that, with effect from 09<sup>th</sup> March 2012, the Company's equity shares were permitted to be traded and admitted to dealings on NSE (Capital Market segment).</p>
7.	Stock Market Code	<p>BSE 534091</p>
8.	Registrar & Transfer Agent	<p>Kfin Technologies Limited Selenium Tower B, Plot Nos. 31-32, Gachibowli, Financial District Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana – 500 032. Ph: 040-67162222, Fax: 040-23001153 Toll Free no.: 1-800-309-4001 Email: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a></p>
9.	Share Transfer system	<p>99.99% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the Depositories with no involvement of the Company.</p> <p>Regulation 40 of the SEBI Listing Regulations, 2015 provides that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Further transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialized form.</p> <p>Further, as per Regulation 46 of the SECC Regulations, 2018, securities of a Recognised Stock Exchange shall be in dematerialised form. Therefore, shareholders holding shares in physical form are requested to dematerialise the same.</p>
10.	Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	<p>As at 31<sup>st</sup> March 2024, the Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.</p>
11.	Commodity price risk or foreign exchange risk and hedging activities	<p>The Company does not have any exposure in commodities nor any foreign exchange exposure and therefore no hedging activities are carried out. There is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/ CIR/P/2018/000000141 dated 15<sup>th</sup> November 2018.</p>
12.	Exchange operations are located at	<p>The registered and corporate office is located at Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai - 400 093, India.</p> <p>The Disaster Recovery Site is situated at Gift City, Gandhinagar, Gujarat.</p>
13.	Address for Correspondence	<p>Company Secretary Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai - 400 093, India. Tel: +91-22-6731 8888 Website: <a href="http://www.mcxindia.com">www.mcxindia.com</a></p>

14.	Depository for Equity shares	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
15.	International Securities Identification Number (ISIN) allotted to the equity shares of the Company under the Depository System	INE745G01035
16.	Corporate Identification Number (CIN) of the Company	L51909MH2002PLC135594

**Unclaimed Dividend:**

As per the provisions of Sections 124 and 125 the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, dividend which are unpaid/unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, all shares (except when there is a specific order of Court, Tribunal or any Statutory Authority restraining any transfer of shares), in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the IEPF Authority.

Details of unpaid/unclaimed dividends transferred to IEPF during FY 2023-24, are as under:

Sr. No.	Transaction Type		Amount (₹)	Date of Transfer
1	Dividend for FY 2015-16	Final	3,79,002	17 <sup>th</sup> November 2023

Shares with respect to dividends lying unpaid/unclaimed for 7 consecutive years, were also transferred to the IEPF Authority. Details of the same are available on our website at <https://www.mcxindia.com/investor-relations/details-of-transfer-of-shares-to-iepf>.

Further, details of the unpaid/unclaimed amounts lying with the Company are also available on the website of the Company at <https://www.mcxindia.com/investor-relations/iepf-unclaimed-unpaid-amount>.

Shareholders whose dividend/shares are transferred to the IEPF Authority, may claim the same by making an application in prescribed form to the IEPF Authority in this regard, details of which are available on [www.iepf.gov.in](http://www.iepf.gov.in). No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

**Dematerialisation of Shares and Liquidity:**

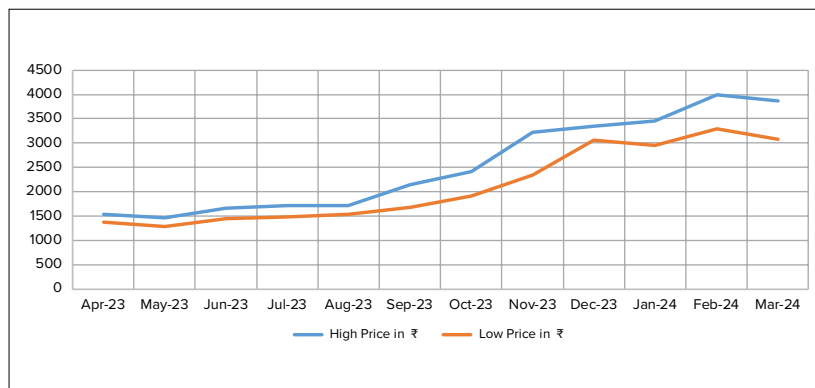
The shares of the Company are tradable compulsorily in dematerialised (electronic) form, and through KFin Technologies Limited, Registrar & Transfer Agent, we have established connectivity with both the depositories viz. NSDL and CDSL. The bifurcation of the category of shares in physical and electronic mode as on 31<sup>st</sup> March 2024 is given below:

Category	No. of shareholders	% of shareholders	Total Shares	% of Equity
<b>Physical (A)</b>	4	0.00	62	0.00
Demat				
- NSDL	81502	45.13	46696744	91.57
- CDSL	99103	54.87	4301563	8.43
<b>Total</b>	180605	100.00	50998369	100.00

Corporate Governance Report (Contd.)

**Month-Wise Stock Market Data:**

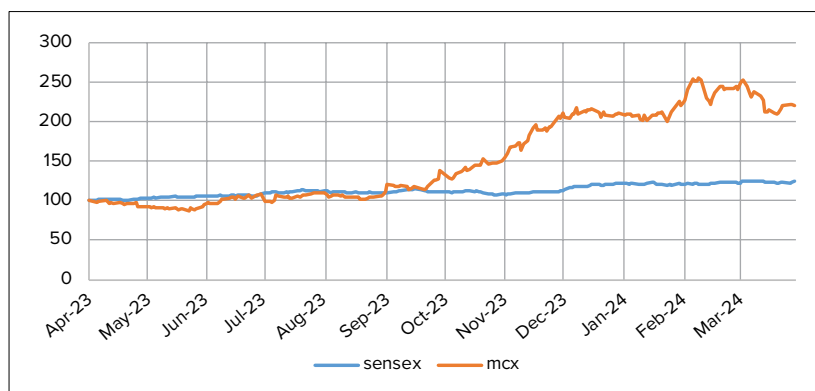
The monthly high and low quotations as well as the volume of shares traded at the BSE Ltd. are given below:



Month	Share price of MCX on BSE Limited		
	High Price in ₹	Low Price in ₹	No. of shares traded during the month
April-23	1,542.00	1,372.10	2,22,212
May-23	1,463.00	1,289.20	6,93,356
June-23	1,664.55	1,437.00	5,99,418
July-23	1,720.05	1,476.85	8,38,634
August-23	1,717.90	1,539.10	2,75,425
September-23	2,139.95	1,677.00	17,36,608
October-23	2,417.50	1,913.30	18,71,821
November-23	3,222.25	2,338.00	19,49,802
December-23	3,343.05	3,057.05	8,72,287
January-24	3,451.00	2,958.05	5,85,845
February-24	3,990.20	3,293.55	7,01,191
March-24	3,875.00	3,076.55	5,44,840

**Share Price Performance in Comparison to Broad Based Indices:**

Performance of the Company’s closing price of share vis-à-vis the sensx at a common base of 100 is given below:



**Distribution of Shareholding as on 31<sup>st</sup> March 2024:**

Sr. No.	Category (No. of shares)	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1	1-5000	1,78,084	98.60	50,55,580	9.91
2	5001-10000	1,275	0.71	9,40,477	1.84
3	10001-20000	531	0.29	7,43,762	1.46
4	20001-30000	182	0.10	4,53,433	0.89
5	30001-40000	77	0.04	2,71,158	0.53
6	40001-50000	62	0.03	2,85,589	0.56
7	50001-100000	123	0.07	8,50,002	1.67
8	100001& Above	275	0.15	4,23,98,368	83.14
	<b>Total</b>	<b>1,80,609</b>	<b>100.00</b>	<b>5,09,98,369</b>	<b>100.00</b>

**Shareholding pattern as on 31<sup>st</sup> March 2024:**

Sr. No.	Category	No. of shares held	% of shareholding
1.	Foreign Portfolio Investors	11,840,396	23.22
2.	Mutual Funds	1,76,71,988	34.65
3.	Resident Individuals	81,58,064	16.00
4.	Financial Institutions /Banks	1,03,19,128	20.23
5.	Employee Benefit Trust (under SEBI (Share Based Employee Benefit) Regulations, 2014)	95,551	0.19
6.	NBFC	4,153	0.01
7.	Others	29,09,089	5.70
	<b>Total</b>	<b>5,09,98,369</b>	<b>100.00</b>

Detailed shareholding pattern is provided in the Annual Return which is available on the website of the Company: at <https://www.mcxindia.com/investor-relations>

**Reconciliation of Share Capital Audit:**

Pursuant to Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31<sup>st</sup> December 2002, a qualified Practicing Company Secretary, carries out on a quarterly basis, a Share Capital Audit to reconcile the total admitted equity share capital with NSDL and CDSL, the total issued and listed capital and the report thereon is submitted to BSE Limited, where the Company's shares are listed. Based on the audit report, it is certified/confirmed that the total listed and issued /paid-up capital is in agreement with the aggregate of the total number of shares held in physical form and dematerialised form held with NSDL and CDSL.

**For Multi Commodity Exchange of India Limited**

**Mohan Sheno**  
**Non-Independent Director**  
**01603606**  
**Mumbai**  
**27<sup>th</sup> July 2024**

**Harsh Kumar Bhanwala**  
**Chairman & Public Interest Director**  
**06417704**  
**Mumbai**  
**27<sup>th</sup> July 2024**

**CERTIFICATE FROM THE CEO & CFO FOR THE FY 2023-24**

The Board of Directors

**Multi Commodity Exchange of India Limited**

Exchange Square, CTS No. 255,  
Suren Road, Andheri- East,  
Mumbai -400 093.

We, P. S. Reddy, Chief Executive Officer and Satyajeet Bolar, Chief Financial Officer of Multi Commodity Exchange of India Limited, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March 2024 and to the best of our knowledge and belief -
  - (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 in 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 we are 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, read along with the notes to accounts in the financial statements.

**For Multi Commodity Exchange of India Limited**

**P. S. Reddy**

**MD & CEO**

**Satyajeet Bolar**

**Chief Financial Officer**

Mumbai

23<sup>rd</sup> April 2024



**DECLARATION BY CHIEF EXECUTIVE OFFICER UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, IN RESPECT OF COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT.**

This is to confirm that the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Multi Commodity Exchange of India Limited, as applicable to them, for the Financial Year ended 31<sup>st</sup> March 2024.

Mumbai  
23<sup>rd</sup> April 2024

**P. S. Reddy**  
**MD & CEO**

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**ANNEXURE B**

**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
**Multi Commodity Exchange of India Limited**

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

I have examined the compliance of conditions of corporate governance by Multi Commodity Exchange of India Limited ('the Company') for the year ended 31<sup>st</sup> March 2024 as stipulated in 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time-to-time, of the said Company with stock exchange.

The Compliance with the conditions of corporate governance is the responsibility of the Company's management. My examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the management, I certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Prajot Vaidya & Co.**  
**Company Secretaries**

**Prajot Vaidya**  
Proprietor  
Membership No. A38969  
C.P. No: 24558  
Peer Review No: 4055/2023  
UDIN: A038969F000634245

Place: Thane  
Date : 28/06/2024

Corporate Governance Report (Contd.)

ANNEXURE C

**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 of India Limited,**  
Exchange Square, Chakala,  
Suren Road, Andheri (East),  
Mumbai - 400093

I have examined the relevant records, information, forms, returns, and disclosures received from the Directors of **M/s. Multi Commodity Exchange of India Limited** having **CIN: L51909MH2002PLC135594** and having registered office at **Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai - 400093** (hereinafter referred to as **'the Company'**) produced before me 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my knowledge and based on (a) Documents available on the website of the Ministry of Corporate Affairs (**"MCA"**); (b) Verification of Directors Identification Number (**"DIN"**) status at the website of the MCA (c) Disclosures provided by the Directors (as enlisted in below Table) to the Company; and (d) SEBI Debarment list available at BSE Limited, I hereby certify that none of the Directors on the Board of the Company (as enlisted in below Table) have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India, MCA or any such other statutory authority for the financial year ending on 31<sup>st</sup> March 2024.

No.	Name of the Directors	DIN	Date of appointment in Company*
1	Dr. Harsh Kumar Bhanwala	06417704	08-08-2021
2	Mr. Subbi Reddy Venkatrama Padala#	01064530	10-05-2019
3	Mr. Arvind Kathpalia	02630873	06-12-2022
4	Mr. Mohan Narayan Shenoi	01603606	30-09-2021
5	Mr. Chandra Shekhar Verma	00121756	22-05-2021
6	Mr. Ashutosh Moreshwar Vaidya	06751825	17-09-2022
7	Ms. Sonu Halan Bhasin	02872234	17-09-2022
8	Ms. Suparna Tandon~	08429718	15-12-2023
9	Dr. Navrang Saini~	09650867	14-03-2024
10	Mr. Hemang Harish Raja#	00040769	30-06-2016
11	Mr. Shankar Aggarwal#	02116442	01-10-2017
12	Mr. Vivek Krishna Sinha#	08667163	30-09-2021
13	Mr. Ved Prakash Chaturvedi#	00030839	17-09-2022

\*The date of appointment is as per the MCA Portal

~Appointments during the Financial year 2023-24:

- Ms. Suparna Tandon has been appointed as a Non-Independent Director of the Company w.e.f. 15/12/2023; and
- Dr. Navrang Saini has been appointed as a Public Interest Director of the Company w.e.f. 14/03/2024.

#Cessations during/after the Financial year 2023-24:

1. Mr. Subbi Reddy Venkatrama Padala ceased to be the Managing Director of the Company w.e.f. 09/05/2024;
2. Mr. Hemang Harish Raja ceased to be a Non-Independent Director of the Company w.e.f. 26/09/2023;
3. Mr. Shankar Aggarwal ceased to be a Public Interest Director of the Company w.e.f. 30/09/2023;
4. Mr. Vivek Krishna Sinha ceased to be a Non-Independent Director of the Company w.e.f. 31/10/2023; and
5. Mr. Ved Prakash Chaturvedi ceased to be a Public Interest Director of the Company w.e.f. 11/08/2023.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification.

This Certificate 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 Prajot Vaidya & Co.**  
**Company Secretaries**

**Prajot Vaidya**  
**Proprietor**  
**Membership No. A38969**  
**C.P. No: 24558**  
**Peer Review No: 4055/2023**  
**UDIN: A038969F000634181**

**Place: Thane**  
**Date : 28/06/2024**

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. DETAILS

1.	<b>Corporate Identity Number (CIN) of the Company</b>	L51909MH2002PLC135594
2.	<b>Name of the Listed entity</b>	Multi Commodity Exchange of India Limited
3.	<b>Year of Incorporation</b>	2002
4.	<b>Registered office address</b>	Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai – 400093, Maharashtra, India.
5.	<b>Corporate office address</b>	Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai – 400093, Maharashtra, India.
6.	<b>E-mail ID</b>	info@mcxindia.com
7.	<b>Telephone</b>	+91-22-6731 8888 / +91-22-6649 4000
8.	<b>Website</b>	<a href="http://www.mcxindia.com">www.mcxindia.com</a>
9.	<b>Financial year for which reporting is being done</b>	01 <sup>st</sup> April 2023 – 31 <sup>st</sup> March 2024
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	BSE
11.	<b>Paid-up capital</b>	₹ 5,099.84 Lakh
12.	<b>Name and contact details of the person who may be contacted in case of any queries on the BRSR report</b>	Name: Mr. Praveen DG, Chief Risk Officer Email ID: praveen.d@mcxindia.com Contact no.: +91-22-6731 8888 / +91-22-6649 4000
13.	<b>Reporting boundary</b>	Disclosures made in this report are on standalone basis.
14.	<b>Name of assurance provider</b>	NA
15.	<b>Type of assurance obtained</b>	NA

### II. PRODUCTS / SERVICES

#### 16. Details of business activities

S.No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1.	Offers platform for trading in varied commodity derivative contracts across product segments including	Facilitates online trading of commodity futures and options, data feed subscription and membership.	87%
2.	bullion, industrial metals, energy, agricultural commodities, and indices.	Investment income through deployment of surplus funds in assets such as fixed deposits, perpetual bonds, various debt schemes of mutual funds, tax-free bonds, and government securities.	10%

#### 17. Products/services sold by the entity.

Sr No.	Product/Service	NIC Code	% of total Turnover contributed
1	Administration of Financial Markets	6611	87%
2	Income from investment activities	-	10%

### III. OPERATIONS

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not Applicable *	11	11
International	-	-	-

\* The Company does not undertake any manufacturing activity

**19. Markets served by the entity:**

**a. Number of locations**

Locations	Number
National (No. of States)	Pan-India
International (No. of Countries)	-

**b. What is the contribution of exports as a percentage of the total Turnover of the entity?**

Not applicable.

**c. A brief on types of customers:**

MCX provides a secured, efficient and transparent platform for trading in commodity derivatives contracts. The customers of the Company are its members and their clients. The types of customers (participants) include participants from commodity value chain (hedgers), financial institutions, foreign portfolio investors, proprietary traders, investors, Farmer Producer Organizations (FPOs) / farmers among others.

**IV. EMPLOYEES**

**20. Details as at the end of Financial Year: 31<sup>st</sup> March 2024**

**a. Employees and workers\* (including differently abled)**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	353	285	81%	68	19%
2.	Other than Permanent (E)	57	44	77%	13	23%
3.	<b>Total employees (D + E)</b>	<b>410</b>	<b>329</b>	<b>80%</b>	<b>81</b>	<b>20%</b>

**b. Differently abled employees and workers\***

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	2	1	50%	1	50%
2.	Other than permanent (E)	-	-	-	-	-
3.	<b>Total differently abled employees (D + E)</b>	<b>2</b>	<b>1</b>	<b>50%</b>	<b>1</b>	<b>50%</b>

\*Note: The Company does not have any 'worker', as defined in the guidance note on BRSR, issued by SEBI (Securities Exchange Board of India).

**21. Participation/Inclusion/Representation of women (as on 31<sup>st</sup> March 2024).**

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	2	22.22%
Key Management Personnel (other than BOD)	25	4	16.00%

Business Responsibility & Sustainability Report (Contd.)

22. Turnover rate for permanent employees

Particulars	FY24 (Turnover rate in current FY)			FY23 (Turnover rate in previous FY)			FY22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	28%	18%	26%	30%	30%	30%	23%	31%	24%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCL. JOINT VENTURES)

23. (a) Names of holding / subsidiary / associate companies / joint ventures as of 31<sup>st</sup> March 2024:

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / subsidiary / associate / joint venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Multi Commodity Exchange Clearing Corporation Ltd.	Subsidiary	100%	No, these entities have their own business responsibility initiatives and generally do not participate in business responsibility initiatives of the Company.
2	CDSL Commodity Repository Limited	Associate	24%	
3	India International Bullion Exchange	Associate	20%	

VI. CSR DETAILS

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) ₹ 67,124 Lakhs

(iii) Net worth (in ₹) ₹ 1,55,019 Lakhs

VII. TRANSPARENCY AND DISCLOSURE COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy) #	FY24 Current Financial Year			FY23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	9	-	-	8	-	-
Employees & Workers	Yes	-	-	-	-	-	-
Customers (Members)	Yes	Member Calls:578 Emails:29	-	-	Member Calls:1029 Emails:46	-	-
Customer (Investor - Client Grievances)	Yes	329	32*	-	234	12*	-
Customer (Arbitration)	Yes	17	0	-	43	13*	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy) #	FY24 Current Financial Year			FY23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customer (Appellate Arbitration)	Yes	5	0	-	8	2*	-
Value Chain Partners	Yes	-	-	-	-	-	-
Others	Yes	-	-	-	-	-	-

**Note:** #Grievance redressal policies are available on the Company’s website at <https://www.mcxindia.com/investor-relations/corporate-governance>

The Grievance Redressal Policy relating to Employees is available on the Company’s intranet.

\*Complaints pending as at the financial year end, but subsequently resolved.

**26. Overview of the entity’s material responsible business conduct issues**

**Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:**

Sr No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Enlisting commodity derivatives	Opportunity	<ul style="list-style-type: none"> <li>Price risk management provides a key social objective.</li> <li>Enlisting of more commodity derivatives provides for transparent pricing and equal opportunity for all sections of participants.</li> <li>Empanelling of domestic refiners as good delivery brands supports the government’s Atmanirbhar Bharat mission.</li> <li>Encourages physical market participants to pass on benefits of price hedging &amp; transparency to consumers.</li> <li>Ready availability of reference rates to pan Indian markets</li> </ul>	<ul style="list-style-type: none"> <li>Continuous price dissemination through various channels helps in mitigating disinformation.</li> <li>Enhancement of participation, market liquidity and depth, products, and improvements in ease of doing business.</li> </ul>	Positive <ul style="list-style-type: none"> <li>Setting of standards for domestic entities boosts quality consciousness.</li> <li>Encourages efficient and transparent pricing pan India.</li> <li>Given the unorganized and fragmented physical commodity markets, there is immense scope to improve efficiencies, competitiveness and support infrastructure through Spot and Derivatives market integration.</li> </ul>
2.	Social responsibility	Opportunity	The Company had formalized a process of earmarking a portion of its profits each year to support projects, which fulfil a social obligation. Key areas of CSR activities in FY23-24 were: <ol style="list-style-type: none"> <li>Healthcare</li> <li>Education</li> <li>Persons with disabilities</li> <li>Livelihood</li> </ol>	<ul style="list-style-type: none"> <li>Kindly refer to the Annual Report FY23-24 – Report on Corporate Social Responsibilities Activities for further details.</li> </ul>	Positive <ul style="list-style-type: none"> <li>The Company recognizes the importance of being socially responsible and plays a part in helping to uplift the less fortunate.</li> </ul>

## Business Responsibility & Sustainability Report (Contd.)

### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1- P9 as given below:

<b>P1</b>	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable
<b>P2</b>	Businesses should provide goods and services in a manner that is sustainable and safe
<b>P3</b>	Businesses should respect and promote the well-being of all employees, including those in their value chains
<b>P4</b>	Businesses should respect the interests of and be responsive towards all its stakeholders
<b>P5</b>	Businesses should respect and promote human rights
<b>P6</b>	Businesses should respect, protect, and make efforts to restore the environment
<b>P7</b>	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
<b>P8</b>	Businesses should promote inclusive growth and equitable development
<b>P9</b>	Businesses should engage with and provide value to their consumers in a responsible manner

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. Whether your entity's policy /policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes. Policies are approved by Board/ Board Committees as applicable and internal policies are approved by MD & CEO.								
c. Web Link of the Policies, if available	<a href="https://www.mcxindia.com/investor-relations/corporate-governance">https://www.mcxindia.com/investor-relations/corporate-governance</a> Some policies may also include a combination of internal policies of the Company which are accessible to all internal stakeholders and the policies are placed on the website or Company's intranet.								
2. Whether the Company has translated the policy into procedures. (Yes / No)	Yes, the Company has translated the policies as applicable and imbibed the same into procedures and practices.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, relevant policies are applicable to stakeholders/value chain partners.								
4. Name of the national and international codes / certifications/ labels / standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001 Quality Management System, ISO 14001 Environment Management System, ISO/IEC 27001 Information Security Management System, IOSCO Principles for Financial Benchmarks, BIS IS 17278 2019, etc.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	Yes, as applicable, and relevant.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by various Committees/Board/ MD &CEO and /or senior management of the Company.								



## Governance, Leadership and Oversight

### 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements:

#### Environmental Responsibility

The Company is committed to minimizing its environmental impacts through efficient use of natural resources, including electricity, which is the key touch point of the Company's technology driven business. The Company is governed by an effective Environmental Policy. It believes that in order to meet the objectives of its Environmental Policy, employee commitment is imperative. The Company constantly endeavours to create awareness amongst employees and encourages them to adopt conservation practices on an ongoing basis. The Company is ISO 14001 certified and continues to monitor its Environment Management Plan, developed based on the Environment Review conducted annually, to assess the impact of the Company's activities.

The Company has also developed an E-Waste Policy for the safe disposal of e-waste from its premises and has tie-ups with authorized e-waste recyclers to dispose off the e-waste in an eco-friendly manner. Further, the e-waste disposal is minimized by adopting best practices in maintenance and re-use of resources. Other initiatives implemented by the Company to save the environment are Installation of Emission Control device on DGs. Environment monitoring through Smoke emission test, Ambient air Quality noise pollution test & water test, cold fogging and password enabled printer to minimize wastage of paper.

#### Corporate Social Responsibility (CSR)

The key focus areas are identified by the CSR Committee, the Company regularly aligns its CSR focus and strategy and strives to constantly expand its CSR outreach, for the inclusive growth and development of the less privileged in society. The Company stresses upon the need for executing CSR projects in improving health, promoting education, and improving the quality of life for the elderly and differently abled.

The Company has made specific allocations towards supply of medical support to provide timely and affordable healthcare to destitute women. Other interventions include support for classroom construction, students' education material like books, stationery, school dress for underprivileged students and also running cost of the school like salary, electricity bill, internet bill etc. Further Company has provided modified school bus to Non-Governmental Organizations (NGOs) which cater to disabled/ marginalized students for traveling from their respective homes to the centers/ school. The interventions during the year epitomize the conviction of the Company to serve and empower the needy communities and in turn help them also to contribute towards the development of the nation.

### 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy.

MD & CEO (as on 31<sup>st</sup> March 2024)

### 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes. The MD & CEO (executive director) and senior management of the Company monitor various aspects of social, environmental, governance and economic responsibilities on a continuous basis. The same is assessed by the respective Committees of the Board such as:

- a) The Audit Committee.
- b) The Corporate Social Responsibility Committee; and
- c) The Stakeholders Committee.

## Business Responsibility & Sustainability Report (Contd.)

In addition, the Risk Management Committee also assesses risks pertaining to certain principles of BRSR as identified by the Chief Risk Officer of the Company.

### 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee					Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)			
	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Performance against above policies and follow up action</b>	Policies and procedures are reviewed periodically or on a need basis by the department heads and the management. During this assessment period, policies are reviewed and necessary changes to policies and procedures are accordingly implemented.								
<b>Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances</b>	The Company is in compliance with the regulations as applicable except: <ol style="list-style-type: none"> <li>The Company has complied with the applicable regulations pertaining to corporate governance and disclosures as specified under Companies Act, 2013, SEBI LODR (Listing Obligations and Disclosure Requirement) Regulations, 2015 and SEBI Securities Contracts (Regulations) (Stock Exchanges &amp; Clearing Corporation) Regulation, 2018.</li> <li>The Exchange is in the process of appointing the Managing Director &amp; Chief Executive Officer. Until the appointment of MD &amp; CEO, the Board has <i>delegated / entrusted powers of the management of the affairs of the Company to an Executive Committee</i> comprising of Mr. Manoj Jain - Chief Operating Officer, Mr. Rishi Nathany – Chief Business Officer, Mr. Sunil Batra – Chief Technology Officer and Ms. Kavita R – Chief Regulatory Officer.</li> </ol>								

### 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?

The evaluation of the working of policies is generally done through an internal mechanism. The Company is a regulated entity, SEBI being our regulator, it carries out inspection for each financial year, wherein, besides the operations of the Company, an independent evaluation of the working of the Statutory Committees and policies is undertaken by them.

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURES

### Principle 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

#### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% Of persons in respective category covered by the awareness programmes
Board of Directors	8	During the year, the Board of Directors of the Company spent approximately 24 hours on various familiarisation programmes, attended by multiple directors, comprising organisations history and its operations, information about all the products, segments, etc.; functioning of various departments of the Company. Training sessions were also held for Cyber Security, Prevention of Money Laundering Act, 2002, among others. In addition, a monthly newsletter is shared with all the Board members apprising them on developments in the International and Domestic Commodity Derivatives Market.	Not quantifiable, as trainings were scheduled at different point in time for Directors

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% Of persons in respective category covered by the awareness programmes
Key managerial Personnel (KMP)	29	Fire and safety Awareness training, Cyber security awareness, ISO 9001 Quality Management System, ISO 14001 Environment Management System, ISO 22301 Business Continuity Management System, ISO/IEC 27001 Information Security Management System Awareness training, etc.	56%
Employees other than Board of Directors or KMPs	29	Fire and safety Awareness training, Cyber security awareness, ISO 9001 Quality Management System, ISO 14001 Environment Management System, ISO 22301 Business Continuity Management System, ISO/IEC 27001 Information Security Management System Awareness training, etc.	63%

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):**

Monetary					
Particulars	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount in INR	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty			Nil		
Settlement			Nil		
Compounding Fee	P1	Reserve Bank of India (RBI)	4,50,000	MCX had divested its balance stake of 500 shares in Dubai Gold Exchange (DGCX) in 2018. RBI had observed that the Company had sold the shares under automatic route and not under prior approval route, a contravention under Regulation 16 (i)(vi) read with Regulation 16 (3) of FEMA 120 and the same has been compounded by RBI with a compounding fee of ₹ 4,50,000/- vide order dated 25/01/2024	NA
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial Institutions		Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment			Nil		
Punishment			Nil		

Business Responsibility & Sustainability Report (Contd.)

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Nil.

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Company's Code of Ethics, and Anti-Corruption and Anti-Bribery Policy describe Company's zero tolerance towards bribery and corruption. Further, anti-bribery aspects are also covered in our HR manual. Anti-Corruption and Anti-Bribery Policy is available on the Company's website under Corporate Governance section of Investor Relations (<https://www.mcxindia.com/investor-relations/corporate-governance>).

**5. Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Nil.

**6. Details of complaints with regard to conflict of interest:**

Particulars	FY24 (Current Financial Year)		FY23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of KMPs	Nil	Nil	Nil	Nil

**7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Nil.

**8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Number of days of accounts payables	45	32

**9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil*	Nil*
	b. Number of trading houses where purchases are made from	Nil*	Nil*
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil*	Nil*

Parameter	Metrics	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.15	0.21
	b. Sales (Sales to related parties / Total Sales)	0.15	0.13
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	NA	NA
	d. Investments (Investments in related parties / Total Investments made)	0.25	0.23

\*Excludes purchases if any from MCXCCL

## LEADERSHIP INDICATORS

### 1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

MCX conducts different programmes across India on diverse themes to reach out to stakeholders and educate them about commodity markets, hedging and investment using exchange traded commodity derivatives.

During the year, the Company spent a great deal of time and effort in digital as well as physical training programmes for its various stakeholders to assist them to effectively use the Company’s platform. The digital training programmes proved to be cost effective, efficient, and convenient for stakeholders and also helped reduce paper consumption by the Company.

In FY23-24, MCX has conducted around 2700+ awareness programmes.

### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes. The Company has in place a Policy relating to avoidance of conflict of interest by Directors and KMPs. Further, the Company takes necessary disclosures from each Director in relation to the same. Also, when a director is appointed, the Company conducts due diligence which includes details of conflict of interest, if any. Important issues if any, relating to conflict of interest are also placed in the Public Interest Directors (PID) meeting.

## Principle 2 Business should provide goods and services in a manner that is sustainable and safe

### Essential indicators

#### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Not applicable.

#### 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. As per the nature of the business materials purchased for operation is not significant. Company emphasizes on local suppliers to reduce the carbon footprint. Products are selected which are having minimum 5+ years of lifespan, wherever possible Company emphasizes on energy efficient products – desktops, servers, storages, lighting etc.

Business Responsibility & Sustainability Report (Contd.)

**b. If yes, what percentage of inputs were sourced sustainably?**

23% with 5+Years product life.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Not applicable.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not applicable.

**LEADERSHIP INDICATORS**

**1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details:**

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
6611	Administration of Financial Markets (Commodity derivatives)	87%	The Commodity / Product life cycle is governed by the guidelines and policies laid by the regulator, SEBI which is listed out in the circular No SEBI/HO/CDMRD/DMP/CIR/P/2017/6 dated 20 <sup>th</sup> January 2017. Approval for renewal of contracts launch calendar are also granted by SEBI as per the SEBI policy & Regulations for relevant products	NA	Yes, Performance Review report of the commodity contracts are published annually as per SEBI guidelines on the Company's website in the Products section.

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not applicable.

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Not applicable.

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.**

Not applicable.

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable.

**Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

**ESSENTIAL INDICATORS**

**1. Details of measures for the well-being of employees**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>PERMANENT EMPLOYEES</b>											
Male	285	285	100%	285	100%	-	-	7	2%	-	-
Female	68	68	100%	68	100%	5	7%	-	-	-	0%
<b>Total</b>	<b>353</b>	<b>353</b>	<b>100%</b>	<b>353</b>	<b>100%</b>	<b>5</b>	<b>7%</b>	<b>7</b>	<b>2%</b>	<b>-</b>	<b>-</b>
<b>OTHER THAN PERMANENT EMPLOYEES</b>											
Male	44	44	100%	44	100%	-	-	-	-	-	-
Female	13	13	100%	13	100%	-	-	-	-	-	-
<b>Total</b>	<b>57</b>	<b>57</b>	<b>100%</b>	<b>57</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**2. Details of retirement benefits for the Current and Previous Financial Year.**

Benefits	FY24 (Current Financial Year)		FY23 (Previous Financial Year)	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
<b>PF</b>	85.1%	Y	81.2%	Y
<b>Gratuity</b>	99.7%	Y	99.7%	Y
<b>Employee State Insurance (ESI)</b>	-	Not applicable	-	Not applicable
<b>Others</b>	-	-	-	-

**3. Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, there is a provision for ramp, wheelchair, and cloakroom for differently abled people.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, Equal Opportunity Policy is available on the Company’s intranet portal.

**5. Return to work and retention rates of permanent employees that took parental leave.**

Gender	Permanent Employees	
	Return to work rate	Retention rate
Male	100%	100%
Female	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Business Responsibility & Sustainability Report (Contd.)

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees? If yes, give details of the mechanism in brief.**

Particulars	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Employees	Yes
Other than Permanent Employees	

The Company has believed in open and transparent communication. Employees are encouraged to share their concerns with their department heads, HR or the members of the senior management. The Whistle blower Policy provides a formal platform for sharing grievances on various matters. New recruits are also sensitised on the whistle blower mechanism during the employee induction programme.

The Company has a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The policy on the same is available on the Company’s website. Members of the Company’s ICC are responsible for conducting inquiries pertaining to such complaints. The Company on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programmes which are held on a regular basis.

Human Rights Policy is available on Company’s website under Corporate Governance section of Investor Relations (<https://www.mcxindia.com/investor-relations/corporate-governance>).

**7. Membership of employees in association(s) or Unions recognized by the Listed entity:**

Nil

**8. Details of training given to employees: (As on 31<sup>st</sup> March 2024).**

Category	FY24 (Current Financial Year)					FY23 (Previous Financial Year)				
	Total (A)	On health and safety measures		On skill up gradation		Total (A)	On health and safety measures		On skill up gradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>										
Male	329	33	10	232	71	313	99	31%	177	56%
Female	81	12	15	68	84	65	28	43%	51	78%
<b>Total</b>	<b>410</b>	<b>45</b>	<b>11</b>	<b>300</b>	<b>73</b>	<b>378</b>	<b>127</b>	<b>34%</b>	<b>228</b>	<b>60%</b>

**9. Details of performance and career development reviews of employees**

Category	FY24 (Current Financial Year)			FY23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A) *	Total (C)	No. (D)	% (D/C) *
<b>EMPLOYEES</b>						
Male	329	260	79%	313	240	77%
Female	81	64	79%	65	57	88%
<b>Total</b>	<b>410</b>	<b>324</b>	<b>79%</b>	<b>378</b>	<b>297</b>	<b>79%</b>

\*As per Performance Management Policy of the Company, all employees on the Company’s rolls as on 30<sup>th</sup> September are only eligible for annual performance assessment.



**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Owing to the nature of the business, per se there are no occupational health and safety risks. For safety measures Company provides fire safety training to its employees and conducts evacuation drill. The Company has guidelines to ensure safety of its employees and property.

The Company has on-boarded a doctor, who visits the office premises daily. Further the doctor also provides online consultation in case of any urgency. The employees are also provided with an annual medical check-up facility.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

There are no direct work-related hazards affecting the daily routine of employees. Company carry out fire safety and electrical safety audit on annual basis to mitigate any risk. Company carry out Air Quality Test, Water Test, Noise Test etc.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Not applicable.

- d. Do the employees have access to non-occupational medical and healthcare services? (Yes/ No)**

The Company has on-boarded a doctor, who visits the office premises daily. Further the doctor also provides online consultation in case of any urgency. The employees are also provided with an annual medical check-up facility at various locations.

**11. Details of safety related incidents of employees:**

Safety Incident/Number	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	-	-
Total recordable work-related injuries	-	-
No. of fatalities	-	-
High consequence work-related injury or ill-health (excluding fatalities)	-	-

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company assesses the health, safety, and environmental performance of its offices. All employees are given fire safety training including evacuation drill. Fire drills and audits are conducted in the office premises to ensure maintenance of safety standards.

Safety at the workplace is one of the highest priorities. Systems have been established, including work permits, training, LOTO (lockout / tagout), safety inspections, operational controls, monitoring, audits and assessments. Gaps, learnings, deviations and findings, if any, are identified, controls implemented and tracked for effective closure. A process for incident management exists including incident reporting, investigation and implementation of appropriate corrective measures.

Business Responsibility & Sustainability Report (Contd.)

**13. Number of complaints on the following made by employees:**

	FY24 (Current Financial Year)			FY23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	-	Nil	Nil	-
Health and safety	Nil	Nil	-	Nil	Nil	-

**14. Assessments for the year:**

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	-

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.**

Not applicable.

**LEADERSHIP INDICATORS**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees (Y/N).**

Yes. The Company extends support to families in the event of an employee’s death. This includes Term Life Cover, and Retiral benefits (PF, gratuity, and Employees Deposit Linked Insurance Scheme).

In the event of death, gratuity is paid even if the employee had not completed five years of continuous service with the Company.

An opportunity of employment is also extended to the spouse or age eligible child of the deceased employee on case-to-case basis.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

Yes. The Company is compliant with respect to deduction of statutory dues of employees towards income tax, provident fund, professional tax, etc. as applicable from time to time. Value chain partners (vendors) are equally responsible to comply as per the contract with the Company. The Company has statutory and internal audit mechanism to ensure the above.

**3. Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY24	FY23	FY24	FY23
Employees	Not applicable. There were no work-related injuries.			

**4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

No

**5. Details on assessment of value chain partners:**

	% Of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	-
Working conditions	

**6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No corrective actions pertaining to Question 5 was necessitated by the Company during the year under review.

**Principle 4 Businesses should respect the interests of and be responsive to all its Stakeholders**

**ESSENTIAL INDICATORS**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

The Company engages with myriad stakeholders and has mapped its key stakeholder’s viz. Members, Employees, Physical Market Participants, Shareholders and Investors, Regulatory Authorities, Suppliers/ Vendors, Communities and (NGOs) etc.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly / others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	Direct & other communication mechanisms	Ongoing	The Company follows an open-door policy
2	Shareholders/ Investors	No	Email, SMS, newspaper advertisement, notice board, website, Annual General Meetings, intimation to stock exchanges, annual/ quarterly financials, and investor meetings/ conferences	Ongoing	To stay abreast of developments in the Company
3	Customers	Yes	Multiple channels – physical and digital	Ongoing	Separate investor grievance mechanism is in place for addressing any concerns/ issues
4	Channel Partners and Key partners	No	Multiple channels – physical and digital	Ongoing	Helps to increase reach and enhance business
5	Regulators	No	Email, one-on-one meetings, conference calls, video-conference calls.	Ongoing	Discussions with regard to various regulations and amendments, inspections, approvals
6	Communities and NGOs	Yes	Directly/indirectly	Ongoing	Support socially high impact projects

## Business Responsibility & Sustainability Report (Contd.)

### LEADERSHIP INDICATORS

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company has always maintained that a constant and proactive engagement with key stakeholders enables the Company to better communicate its strategies and performance. A continuous engagement helps align expectations, thereby enabling the Company to better serve its stakeholders. The Board is kept abreast on various developments and feedback on the same is sought from the Directors.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

No

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

The Company's representatives always hear and address the concerns of the communities with an approach and mindset to resolve the issue. It completely depends on the nature of projects and implementation models through which the mitigation process is decided.

The Company's CSR activities focus on the disadvantaged, vulnerable and marginalised segments of society. Kindly refer to the Annual Report on Corporate Social Responsibility Activities at <https://www.mcxindia.com/about-us/csr>

### Principle 5 Businesses should respect and promote Human Rights

#### ESSENTIAL INDICATORS

- 1. Employees who have been provided training on human rights issues and policy.**

Category	FY24 (Current Financial Year)			FY23 (Previous Financial Year)		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
<b>EMPLOYEES</b>						
Permanent	353	135	38%	333	224	67%
Other than permanent	57	42	74%	45	33	73%
<b>Total Employees</b>	<b>410</b>	<b>177</b>	<b>43%</b>	<b>378</b>	<b>257</b>	<b>68%</b>

The Company is an equal opportunity employer. It does not differentiate over caste, religion, or gender. The Company does not engage child labour on rolls nor on third party. The Company provides a harassment free work environment. Equal Opportunity Policy and HR manual are available on intranet. Human Rights Policy is available on Company's website under Corporate Governance section (<https://www.mcxindia.com/investor-relations/corporate-governance>).

**2. Details of minimum wages paid to employees:**

Category	FY24 (Current Financial Year)					FY23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.	%	No.	%		No.	%	No.	%
		(B)	(B/A)	(C)	(C/A)		(E)	(E/D)	(F)	(F/D)
<b>EMPLOYEES</b>										
<b>Permanent</b>	353					333				
Male	285	-	-	285	100%	270	-	-	270	100%
Female	68	-	-	68	100%	63	-	-	63	100%
<b>Other than Permanent</b>	57	-	-	57	100%	45				
Male	44	-	-	44	100%	43	-	-	43	100%
Female	13	-	-	13	100%	2	-	-	2	100%

**3. Details of remuneration/salary: (As on 31<sup>st</sup> March 2024).**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	9	Refer note	2	Refer note
Key Managerial Personnel (other than BOD)	21	57,00,000	4	52,21,000
Employees other than BOD and KMP*	308	11,75,000	77	10,20,000

Note: The ratio of remuneration of each director to the median remuneration of the employees of the Company for the FY23 and FY24 is 21.16% and 19.66% respectively. The aggregate value of salary and perquisites paid and payable to MD & CEO for FY23 and FY24 was ₹ 2,54,96,319/- and ₹ 2,55,58,121/- respectively. For further details please refer the Annual Report FY23-24.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. As per the Human Rights Policy, the Redressal Committee comprising of Chief Operating Officer (COO) and Chief Financial Officer (CFO) looks into the matters relating to human rights.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and / or harassment based on race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation, gender identification and expression (including transgender identity), political opinion, medical condition, language as protected by applicable laws.

The Company has a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Members of the Company's ICC are responsible for conducting inquiries pertaining to any complaint. The Company on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programme which are held on a regular basis. Human Rights Policy is available on Company's website under Corporate Governance section of Investor Relations (<https://www.mcxindia.com/investor-relations/corporate-governance>).

Business Responsibility & Sustainability Report (Contd.)

**6. Number of Complaints on the following made by employees:**

No complaints received.

	FY24 (Current Financial Year)			FY23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Prevention of Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY24 Current Financial Year	FY23 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	NA	NA
Complaints on POSH upheld	NA	NA

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

As part of Whistle-blower Policy, Prevention, Prohibition and Redressal of Sexual Harassment of Women Policy and Human Rights Policy, the Company protects the identity of the complainant. All such matters are dealt with strict confidentiality.

**9. Do human rights requirements form part of your business agreements and contracts?**

Yes, in certain business agreements and contracts, where relevant.

**10. Assessments for the year**

	% Of offices that were assessed (by entity or statutory authorities or third parties)
Child labor	The Company is in compliance with the laws, as applicable
Forced/involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others	

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

No corrective action pertaining to Question 9 was necessitated by the Company during the year under review.

**LEADERSHIP INDICATORS**

**1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.**

None.

**2. Details of the scope and coverage of any human rights due diligence conducted.**

As above

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, there is provision for ramp, wheelchair, and cloakroom for differently abled people.

**4. Details on assessment of value chain partners**

	<b>% Of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour /Involuntary Labour	The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by it in all their dealings.
Wages	
Others	

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

No corrective action pertaining to Question 4 was necessitated by the Company during the year under review.

**Principle 6 Businesses should respect and make efforts to protect and restore the environment**

**ESSENTIAL INDICATORS**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

<b>Parameter</b>	<b>FY24 (Current Financial Year)</b>	<b>FY23 (Previous Financial Year)</b>
<b>From renewable sources</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
<b>From non-renewable sources</b>		
Total electricity consumption (D)	11300170 Mega Joules	9756331 Mega Joules
Total fuel consumption (E)	30 Mega Joules	62 Mega Joules
Energy consumption through other sources (F)		-

Business Responsibility & Sustainability Report (Contd.)

Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	11300200 Mega Joules	9756393 Mega Joules
<b>Total energy consumed (A+B+C+D+E+F)</b>	11300200 Mega Joules	9756393 Mega Joules
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	1683	1871
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	1683	1871
<b>Energy intensity in terms of physical output</b>	1683	1871
Energy intensity (optional) – the relevant metric may be selected by the entity		NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not applicable.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	7308	3507
(ii) Groundwater	2584	4008
(iii) Third party water		
(iv) Seawater / desalinated water		-
(v) Others		-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	9892	7515
<b>Total volume of water consumption (in kilolitres)</b>	9892	7515
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	0.001	0.001
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)		
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)		
<b>Water intensity in terms of physical output</b>		
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency?



**4. Provide the following details related to water discharged:**

Parameter	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) To Surface water</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>(ii) To Groundwater</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>(iii) To Seawater</b>		
- No treatment	7699	6463
- With treatment – please specify level of treatment	-	-
<b>(iv) Sent to third parties</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>(v) Others</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>7699</b>	<b>6463</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency?

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Not applicable.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.**

Parameter	Unit	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1359 Metric ton	1173 Metric ton
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		<b>0.000202</b>	<b>0.00022</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency?

No

Business Responsibility & Sustainability Report (Contd.)

**8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

No.

**9. Provide details related to waste management by the entity:**

Parameter (in metric tonnes)	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	0.151	0.09
E-waste recycled (B)	0.0044	0.7
Bio-medical waste (C)		-
Construction and demolition waste (D)		-
Battery waste (E)	0.14	0.14
Radioactive waste (F)		-
Other Hazardous waste. Please specify, if any. (G)	0.162	0.19
Other Non-hazardous waste generated (H). (Break-up by composition i.e. by materials relevant to the sector)	5.084	4.23
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>5.54</b>	<b>5.35</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	<b>5.54</b>	<b>5.35</b>
(ii) Re-used		-
(iii) Other recovery operations		-
<b>Total</b>	<b>5.54</b>	<b>5.35</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	-	-

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

The Company segregates the daily waste as per municipal norms and the same is cleared on daily basis. All Hazardous and Non-Hazardous wastes are segregated and disposed off through recycling agency approved by State Pollution Control Board (SPCB). Lithium Ion Battery is used for UPS, which has a life of 10 years and this minimizes the battery waste. All cleaning chemicals are environment friendly and purchased from approved manufacturers only.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, regulation zones etc.) where environmental approvals / clearances are required, please specify details.**

No.

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not applicable

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules there under (Y/N). If not, provide details of all such non-compliances.**

Yes

**LEADERSHIP INDICATORS**

**1. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters)**

**For each facility / plant located in areas of water stress, provide the following information:**

**(i) Name of the area**

**(ii) Nature of operations**

**(iii) Water withdrawal, consumption, and discharge**

Not applicable (None of the Company’s offices are in water stressed area)

**2. Please provide details of total Scope 3 emissions & its intensity:**

Not applicable.

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not applicable.

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
01	Your Company has installed Retrofit Emission Control Device (RECD) on DG sets which will capture the particulate matter (PM) and reduces the emissions during the DG operation.	Retrofit Emission Control Device (RECD) is an equipment which is installed in place of the traditional exhaust system. RECD has an oxidation chamber which captures unburnt Hydrocarbon and due to oxidation convert it to water and carbon dioxide. The Passive regenerative trap captures the particulate matter (PM) and reduce the emission of PM particles. This will improve the air quality.	After installation of RECD we tested and found that the particulate matter (PM) was reduced by 86%. RECD captures the PM and further lowers the emissions compared to old one. And, thus contributes to the clean air initiative. Moreover the RECD has long life of 10 years and do not run on any power which also saves energy.

## Business Responsibility & Sustainability Report (Contd.)

**5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

The Organisation has in place Business Continuity Plan and Disaster Recovery (BCP-DR) Policy and Business Continuity Plan to minimize the impact of any unexpected occurrence or disaster; not only to business, but also to the entire organization and its people and to restore services to the widest extent possible in minimum period.

The Business Continuity and Disaster Management plan addresses various types of contingencies. This plan identifies the action plan and responsibilities of various teams within the organization to restore operations in the event of a disaster.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Not applicable

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not applicable

**Principle 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

### ESSENTIAL INDICATORS

1. a. **Number of affiliations with trade and industry chambers/ associations.**
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to:**

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1.	International Organization of Securities Commissions (IOSCO)	International

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not Applicable

### LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity.**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others)	Web Link, if available
1.	Regulatory and economic reforms with the objective of deepening the Indian Commodity derivatives market	Through Industry associations, joint representation with peer exchanges, sharing findings of evidence-based research with regulator/ policymakers	Findings of evidence-based research available on the Company's website	As and when required	<a href="https://www.mcxindia.com/investor-relations/corporate-governance">https://www.mcxindia.com/investor-relations/corporate-governance</a>

**Principle 8 Businesses should promote inclusive growth and equitable development.**

**Essential Indicators**

- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not applicable.

- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

Not applicable.

- 3. Describe the mechanisms to receive and redress grievances of the community.**

The Company has mechanism to receive and redress grievances of various stakeholders. General Grievance Redressal Policy is available on the Company’s website under Corporate Governance section of Investor Relations (<https://www.mcxindia.com/investor-relations/corporate-governance>).

- 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

Particulars	FY24 (Current Financial Year)	FY23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	11%	27%
Sourced directly from within the district and neighbouring districts	96%	73%

- 5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

Not Applicable

**LEADERSHIP INDICATORS**

- 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)**

Not Applicable.

- 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.**

None.

- A) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No.

- B) From which marginalized /vulnerable groups do you procure?**

Not applicable

- C) What percentage of total procurement (by value) does it constitute?**

Not applicable

## Business Responsibility & Sustainability Report (Contd.)

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Not applicable.

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

No corrective action pertaining to Question 4 was necessitated by the Company during the year under review.

**6. Details of beneficiaries of CSR Projects**

S. No.	CSR Project	No. of persons benefitted from CSR projects	% Of beneficiaries from vulnerable and marginalized groups
1.	Scholarships to under privileged girl students to pursue Nursing courses and other courses of regular discipline	30+	100%
2.	Destitute women are provided medical related Services	2000+	100 %
3.	Providing modified school bus to disabled students of some NGOs to travel from their respective villages to centres.	270+	95%
4	Skill Development program for Tribal women and Disabled person	180+	90%

**Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner**

### ESSENTIAL INDICATORS

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

**Members:**

The Company has a mechanism in place to handle grievances/ complaints/ queries raised by any of the customers (members) through its Customer Service and Quality (CSQ) desk. CSQ department plays an important role in providing voice support on dedicated landlines and giving email support to members and market participants. Additionally, the CSQ department provides support to all the members and market participants through Online Chat.

Under CSQ desk, the Company sorts queries/ complaints/ suggestions under following categories:

- i. Queries: Calls/Emails, which do not hamper trading activities of the Member.
- ii. Complaints: Calls/Emails pertaining to issues which hamper trading activities of the Member.
- iii. Suggestions: Calls/Emails pertaining to suggestion or improvement required in the Company's Operations.

**Investors (Client):**

Investors/Clients can approach the Investor Services Department of the Company for redressal of their grievance against the registered Members of the Company. Investors/ Clients may lodge complaints in the format prescribed along with supporting documents/ by sending an email to [grievance@mcxindia.com](mailto:grievance@mcxindia.com) / submitting their complaint to the nearest Investor Service Centre.

Investor can file complaint through SCORES Portal (<https://scores.sebi.gov.in/>).

After exhausting all above options for resolution of the grievance, if the investor/client is still not satisfied with the outcome, he/she may initiate dispute through the SMARTODR Portal - by clicking on <https://smartodr.in/>.

Generally, the complaints which falls within the purview of the Company are taken up for resolution by the Company. Details of the same are also provided on the Company's website.

**Arbitration:**

Arbitration is a quasi-judicial process of settlement of disputes between Members and their clients/investors. Arbitration aims at quicker resolution of the disputes. When either of the party is not satisfied with the complaint resolution process or the complaint is not resolved amicably between parties, the parties may choose the route of Arbitration as per Rules, Byelaws and Business Rules of the Company.

**Appellate Arbitration:**

A party aggrieved by an Arbitral Award may appeal\* to the Appellate panel of Arbitrators of the Company against such Award.

*\* Applicable only for matters or references under consideration of the IGRC or in arbitration (sole, panel or arbitration) up to 15<sup>th</sup> August 2023.*

The investor (client) grievance redressal mechanism is in accordance with the SEBI guidelines and details are made available on Company’s website. Grievance Redressal Policy for Customers (Members and Clients) is available on Company’s website under Corporate Governance section of Investor Relations (<https://www.mcxindia.com/investor-relations/corporate-governance>).

**Member’s feedback**

The Company rolls out an online annual feedback survey through its CSQ department to all its members, encompassing service standards of various departments of the Company. The feedback mechanism is used to derive a Customer Satisfaction Index both at an overall Company level as well as at individual department level. The CSQ department monitors trends and seeks an Action Taken Report from all the department heads based on the feedback, concerns and suggestions shared by members. On the basis of the feedback, corrective actions are taken to better serve the members and information is shared with the senior management and incorporated in the FAQs that are updated on the Company’s website, as and when required.

The Company constituted a Member Advisory Committee chaired by the Chairman of the Board. The Committee meetings are conducted to interact with and gather feedback from members on various issues related to non-regulatory, as well as, operational matters including product design, technology, charges, and levies, etc.

**Physical market participant’s feedback:**

The Company also constituted commodity specific Product Advisory Committee (PAC) comprising of members from the physical value chain of the commodity and other stakeholders. The Committee gives its feedback on various aspects pertaining to the product including design, contract specifications, delivery, etc.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not applicable to our products and services
Recycling and/or safe disposal	

**3. Number of consumer complaints in respect of data privacy, advertising, cyber security, delivery of essential services, restrictive trade practices, unfair trade practices, others:**

No complaints received during FY23-24

## Business Responsibility & Sustainability Report (Contd.)

**4. Details of instances of product recalls on account of safety issues:**

Not applicable

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes. Cyber Security and Cyber Resilience Policy is available on the Company's intranet portal.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

**Product:** The commodity / product recall (delisting / non-renewal of contracts) is governed by the guidelines and policies laid down by the regulator, SEBI which is listed out in the circular no. SEBI/HO/CDMRD/DMP/CIR/P/2017/6 dated 20<sup>th</sup> January 2017. The primary reason for delisting / non-renewal of contracts is insufficient liquidity in contracts. There are no penalty/ actions taken by the regulatory authorities for the same.

**Cyber Security:** The Company has adopted a defence-in-depth strategy to ensure information security at all layers with well-defined Cyber Security and Cyber Resilience Policy. The Company's Information Security Policy is based on the ISO 27001 controls and is also ISO 27001 certified. To manage cyber security risk associated with processes, information, networks and systems, the Cyber Security and Cyber Resilience Policy of the Company includes the following:

- i) 'Identifying' critical IT assets and risks associated with such assets,
- ii) 'Protecting' assets by deploying suitable controls, tools, and measures,
- iii) 'Detecting' incidents, anomalies, and attacks through appropriate monitoring tools / processes,
- iv) 'Responding' by taking immediate steps after identification of the incident, anomaly or attack,
- v) 'Recovering' from incident through incident management, disaster recovery and business continuity framework.

The Company has also implemented 24/7 Cyber Security Operation Centre (C-SOC) for security monitoring and incident management. The Information Security Policy is documented and available on the Company's intranet.

**7. Provide the following information relating to data breaches:**

- a. **Number of instances of data breaches**
- b. **Percentage of data breaches involving personally identifiable information of customers**
- c. **Impact, if any, of the data breaches**

No such instances were reported during FY 23-24

### LEADERSHIP INDICATORS

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

[www.mcxindia.com](http://www.mcxindia.com)



**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Product Management team conducts awareness programs for the market participants, in which awareness is spread on safe and responsible usage of services including information on Do's and Don'ts.

The Company has also set up Multi Commodity Exchange Investor Protection Fund (IPF), to protect and safeguard the interest of investors/ clients, in respect of eligible/legitimate claims arising out of the default of a member on the Company. The interest income on investment of surplus funds of IPF is used for imparting investor/ client education, awareness, undertaking research activities or such other programs as may be specified by SEBI. For more details refer the Annual Report FY23-24.

**3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.**

The Company has a comprehensive Business Continuity Plan (BCP) with capabilities to restore seamlessly the trading operations from the Disaster Recovery Site and has Real time data replication to Near Online Site facility to achieve near zero data loss. Besides, the Company has also implemented 24/7 Cyber Security Operation Centre (C-SOC) for security monitoring and incident management.

The Company keeps the market participants informed about disruption/ discontinuation, if any, of its services through various channels such as circulars, emails.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, apart from the contract specifications, which is mandatory as per regulatory norms, product information is also displayed in marketing materials on the website such as product leaflet, hedging brochure etc. Every year CSQ department does the online annual member feedback survey. The feedback mechanism is used to derive a Customer Satisfaction Index both at Company level and at individual department level.

# Independent Auditors' Report

**To the Members of MULTI COMMODITY EXCHANGE OF INDIA LIMITED**

## **Report on the Standalone Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of **MULTI COMMODITY EXCHANGE OF INDIA LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2024, 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 standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 the 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, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the standalone 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 standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Legal and Taxation Matters:</b></p> <p>Refer note 1.3, note 1.2.P. and note 31 of standalone financial statements.</p> <p>There are legal and tax cases against the Company and demand is raised against the Company. The Company has disputed such demands by litigating at relevant statutory forum.</p> <p>For pending litigations against the Company, high level of management judgement is required to determine whether an obligation exists and a provision is required or disclosures, if any.</p> <p>The measurement of the provision is based on the best estimate of the expenditure required to settle the present obligation.</p> <p>Considering the judgement and estimate involved, matter is considered as a key audit matter.</p>	<p><b>Principal Audit Procedures:</b></p> <p>For legal and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtain list of legal and tax cases against the Company and gained understanding thereof.</li> <li>• Testing key controls surrounding litigation and tax procedures;</li> <li>• Performing substantive procedures on the underlying calculations supporting the provisions recorded;</li> <li>• Considering external legal/tax consultants opinions obtained by the management on possible outcome of litigation;</li> <li>• Meeting with the management and reading subsequent Companies correspondence;</li> <li>• Discussing open matters with the Companies litigation and tax teams;</li> <li>• Assessing the Management's conclusions through understanding precedents set in similar cases; and</li> <li>• For the significant provisions made, understood and assessed the provisioning methodology. Tested the underlying data and assumptions used in the determination of the provisions recorded.</li> <li>• For cases where a provision was not recognized, evaluated the adequacy of disclosure made in the Ind AS financial statements.</li> </ul>
2.	<p><b>Valuation of Investments and its impairment:</b></p> <p>Quoted investments and unquoted investments represent the most significant amount on the balance sheet. The total of these investments aggregating to ₹ 1,13,691 Lakh represented 62.77% of total assets of the Company as at March 31, 2024.</p> <p>There is inherent uncertainty relating to the assumptions supporting such estimates and risk that the fair value of investments is not determined appropriately and hence valuation of investments and its impairment is considered as a key audit matter.</p>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>• We assessed the design and implementation of controls over valuation and existence of investments.</li> <li>• For the fair valuation models, we understood and assessed the methodology used. We tested the underlying data and assumptions used in the determination of the fair value.</li> <li>• We traced the quantity held from the independent confirmation provided by the Custodian and Fund houses.</li> <li>• We tested the valuation of the quoted and unquoted investments to independent pricing sources.</li> <li>• Assessed appropriateness and arithmetical accuracy of fair value disclosures pertaining to investments.</li> </ul>
3.	<p><b>Extension of Software Support Service:</b></p> <p>The Company had entered into an agreement with Tata Consultancy Services Limited (TCS), according to which the new Commodity Derivative Platform (CDP) was to be developed, tested and delivered by TCS by September 30, 2022.</p> <p>Since the new platform is under development, the Company considering the exigency to ensure continuity of the existing commodity trading and clearing platform, continued with the services of the existing vendor, 63 Moons Technologies Limited, initially for a period for quarter ending December 2022 for ₹ 60 crore (plus applicable taxes). Later these services were extended for another two quarters ending June 30, 2023 for ₹ 81 crore per quarter (plus applicable taxes) as per the minimum period of services offered by the vendor.</p>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>• We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to procurement to pay cycle of this expenditure.</li> <li>• We tested the internal approval notes, purchase order and other documentation to ensure that the expenditure/ payment on extension of software support service contract was appropriately approved by the MD &amp; CEO, Chief Financial Officer and other concerned HOD's as per the delegated authority matrix.</li> <li>• We obtained an understanding of the Company's policies and procedures in respect of extension of software support service and approval process by the board of directors.</li> </ul>

## Independent Auditors' Report (contd.)

Sr. No.	Key Audit Matter	Auditor's Response
	<p>Further, due to delay of the CDP platform, the Company had decided to extend the support services being rendered by the vendor 63 Moons Technologies Limited for further two quarters, being the minimum period of services offered by the vendor, beginning from July 01, 2023 at a consideration of ₹ 125 crore per quarter.</p> <p>We considered extension of software support service expenditure as key audit matter due to significance of amount involved on such item during the year ended March 31, 2024.</p>	<ul style="list-style-type: none"> <li>Assessed the disclosures made by the Company in this regard.</li> </ul>
4.	<p><b>Development of New Commodity Derivatives Platform (Intangible Assets Under Development, Intangible Assets and Property Plant and Equipment):</b></p> <p>The Company has awarded the contract of implementation of the new commodity derivatives platform project to Tata Consultancy Services Limited (TCS) on February 04, 2021. Since implementation/development of new commodity derivatives platform took a substantial period of time to get ready for intended use and due to their materiality in the context of the Balance Sheet of the Company, this is considered to be an area with significant effect on the overall audit strategy and allocation of resources in planning and completion our audit. With regard to above capital project, management has identified specific expenditure including employee costs and other overheads relating to each of the assets in the above capital project and has applied judgement to assess if the costs incurred in relation to new commodity derivative platform meet the recognition criteria of Intangible Assets and Property, Plant and Equipment in accordance with Ind AS 38 and Ind AS 16.</p> <p>This has been determined as a key audit matter, as the Company has incurred significant expenditure on the new commodity derivatives platform and elements of cost that are eligible for capitalization are appropriately capitalized in accordance with the recognition criteria provided in Ind AS 38 and Ind AS 16, as referred by the total value of additions in intangible assets under development, intangible assets and property, plant and equipment in note 2A, 3A &amp; 3B of the standalone financial statements.</p>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>We obtained an understanding of the Company's capitalization policy and assessed for compliance with the relevant accounting standards.</li> <li>We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalization of assets.</li> <li>We tested the internal approval notes and other documentation to ensure that the projects were appropriately approved by the MD &amp; CEO, Chief Financial Officer and other concerned HOD's as per the delegated authority matrix.</li> <li>We Assessed whether initial assumptions applied in determining project feasibility continues to hold true and whether sufficient economic benefits are likely to flow from the projects to support the values to be capitalised.</li> <li>We obtained understanding on management assessment relating to progress of project and their intention to bring the assets to its intended use.</li> <li>Ensured adequacy of disclosures in the standalone financial statements on the management judgements in such cases.</li> <li>Testing a sample of projects to ensure appropriate capitalisation of qualifying employee cost and cost of external contractors/parties with underlying supporting documents to ascertain nature of costs and basis for allocation, where applicable, and evaluated whether they meet the recognition criteria provided in the India Accounting Standard (Ind AS) 38 Intangible Assets and (Ind AS) 16 Property, Plant and Equipment.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, statement of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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's 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 standalone 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.

## Independent Auditors' Report (contd.)

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 the '**ANNEXURE A**' a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, statement of profit and loss including other comprehensive income, the statement of cash flows and statement of changes in equity dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is 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 over financial reporting of the Company with reference to these standalone financial statements and the operating effectiveness of such controls,

refer to our separate report in **“ANNEXURE B”**. Our report expresses an unmodified opinion on adequacy and operative effectiveness of the Company’s internal financial controls over financial reporting;

- (g) With respect to the other matters to be included in the auditor’s report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act;

- (h) 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 31 to the standalone financial statements;
  - ii. The Company was not required to recognise a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2024 – Refer note 50 to the standalone financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company – Refer note 51 to the standalone financial statements;
  - iv.
    - A) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 46.c.v to the financial statements, 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 persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, 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, as disclosed in the note 46.c.v to the financial statements, no funds have been received by the company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub-clause (A) and (B) contain any material misstatement.
  - v. The final dividend paid by the Company during the year which was declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 45 to the standalone Ind AS financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

## Independent Auditors' Report (contd.)

- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For **SHAH GUPTA & Co.**

Chartered Accountants

Firm Registration No.: 109574W

**Vedula Prabhakar Sharma**

Partner

Membership No.: 123088

UDIN: 24123088BKARNX4399

Place : Mumbai

Date : April 23, 2024



## Annexure A to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (B) According to the information and explanations given to us and the records of the Company examined by us, the Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were verified during the year by the Management. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds, of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company as at the balance sheet date.
- (d) According to the information and explanations given to us and the records examined by us, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) The Company's nature of business does not require holding of any inventories. Accordingly, the clause 3(ii)(a) of the Order is not applicable to the Company.
  - (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, provided guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3(iii)(a) of the Order is not applicable to the Company.
  - (b) The investments made by the Company, during the year, are not prejudicial to its interest. During the year the Company has not provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
  - (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of the investments made by it.

## Annexure A to the Independent Auditors' Report (contd.)

The Company has not granted any loans, provided any guarantee or security to the parties covered under section 185 and has not granted any loans, provided any security or guarantee under section 186 of the Companies Act, 2013.

- (v) According to the information and explanations given to us, the Company has neither accepted any deposit from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and rules made thereunder, to the extent applicable. Accordingly, clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, for the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including provident fund, Income-Tax, Cess, Goods and Service Tax and other material statutory dues applicable to it to the appropriate authorities.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, Income-Tax, Cess, Goods and Service Tax and other material statutory dues, in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the dues of Income tax which have not been deposited as at March 31, 2024 on account of any disputes, are as follows:

Name of the statute	Nature of Dues	Amount (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	5,160.00	A.Y. 2010-2011	CIT (Appeals)
Income Tax Act, 1961	Tax	2,258.00 <sup>#</sup>	A.Y. 2013-2014	High Court and CIT (Appeals)
Income Tax Act, 1961	Tax	2,573.00 <sup>##</sup>	A.Y. 2014-2015	ITAT
Income Tax Act, 1961	Tax	644.00	A.Y. 2015-2016	CIT (Appeals)
Income Tax Act, 1961	Tax	105.00	A.Y. 2016-2017	CIT (Appeals)
Income Tax Act, 1961	Tax	1,065.00	A.Y. 2018-2019	CIT (Appeals)
Income Tax Act, 1961	Tax	42.00	A.Y. 2021-2022	Demand by CPC
Income Tax Act, 1961	Tax	10.03	A.Y. 2022-2023	Demand by AO
GST Act, 2017	Tax	8.23	A.Y. 2018-2019	Demand by AO

<sup>#</sup>Net of Deposit of ₹ 293 Lakh

<sup>##</sup>Net of Deposit of ₹ 643 Lakh

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961, as income during the year. Accordingly, clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

- (c) The Company did not have any term loans outstanding during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year. Accordingly, clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or associates. The Company did not have any joint ventures during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary or associate companies. The Company did not have any joint ventures during the year. Accordingly, clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The company has not raised moneys by way of initial public offer or further public offer including debt instruments. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) During the course of 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 have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) During the course of 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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is 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 standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on the information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with its directors or persons connected to its directors. Accordingly, 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. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.

## Annexure A to the Independent Auditors' Report (contd.)

- (b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.
  - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.
  - (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs. Accordingly, clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer note 46.a to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone 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) (a) In respect of other than ongoing projects, there are no unspent amounts in respect of CSR that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 40 to the standalone financial statements.
- (b) All amounts that are unspent under sub section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 40 to the standalone financial statements.

For **SHAH GUPTA & Co.**

Chartered Accountants

Firm Registration No.: 109574W

**Vedula Prabhakar Sharma**

Partner

Membership No.: 123088

UDIN: 24123088BKARNX4399

Place : Mumbai

Date : April 23, 2024

## Annexure B to the Independent Auditors' Report

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

The Annexure referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

We have audited the internal financial controls over financial reporting of **MULTI COMMODITY EXCHANGE OF INDIA LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (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 Companies Act, 2013 ("the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, 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 over financial reporting 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 system over financial reporting with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to standalone 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 auditors' judgment, 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 system over financial reporting with reference to standalone financial statements.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone 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 standalone 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

## Annexure B to the Independent Auditors' Report (contd.)

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 standalone financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **SHAH GUPTA & Co.**

Chartered Accountants

Firm Registration No.: 109574W

**Vedula Prabhakar Sharma**

Partner

Membership No.: 123088

UDIN: 24123088BKARNX4399

Place : Mumbai

Date : April 23, 2024

# Standalone Balance Sheet

as at March 31, 2024

Particulars	Note No.	₹ in Lakh	
		As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2A	18,380	12,965
(b) Capital work-in-progress	2B	794	5,187
(c) Right of use assets	2C	144	150
(d) Intangible assets	3A	18,803	1,364
(e) Intangible assets under development	3B	762	11,645
(f) Financial assets			
(i) Non-current investments	4	85,056	1,08,781
(ii) Other non-current financial assets	5	4,472	2,453
(g) Deferred tax assets (net)	32	-	43
(h) Income tax assets (net)	6	8,755	5,381
(i) Other non-current assets	7	153	471
<b>Total non-current assets</b>		<b>1,37,319</b>	<b>1,48,440</b>
<b>(2) Current assets</b>			
(a) Financial assets			
(i) Current investments	8	28,635	12,834
(ii) Trade receivables	9	5,847	1,161
(iii) Cash and cash equivalents	10	16	41
(iv) Bank balances other than cash and cash equivalents (iii) above	11	1,680	1,324
(v) Other current financial assets	12	2,756	8,710
(b) Other current assets	13	4,876	13,216
<b>Total current assets</b>		<b>43,810</b>	<b>37,286</b>
<b>Total assets</b>		<b>1,81,129</b>	<b>1,85,726</b>
<b>Equity and liabilities</b>			
<b>(1) Equity</b>			
(a) Equity share capital	14	5,100	5,100
(b) Other equity	15	1,49,919	1,54,470
<b>Total equity</b>		<b>1,55,019</b>	<b>1,59,570</b>
<b>Liabilities</b>			
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Other non-current financial liabilities	16	5,152	5,082
(ii) Lease liabilities	35	91	113
(b) Deferred tax liabilities (net)	32	980	-
(c) Non-current provisions	17	225	198
<b>Total non-current liabilities</b>		<b>6,448</b>	<b>5,393</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		127	30
- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,509	2,204
(ii) Lease liabilities	35	75	42
(iii) Other current financial liabilities	19	5,423	8,298
(b) Other current liabilities	20	8,465	9,484
(c) Current provisions	21	63	237
(d) Income tax liabilities (net)	22	-	468
<b>Total current liabilities</b>		<b>19,662</b>	<b>20,763</b>
<b>Total liabilities</b>		<b>26,110</b>	<b>26,156</b>
<b>Total equity and liabilities</b>		<b>1,81,129</b>	<b>1,85,726</b>
Material accounting policies, key accounting estimates and judgements	1		

See accompanying notes to the Standalone Financial Statements

As per our report of even date attached

For Shah Gupta &amp; Co.

Chartered Accountants

Firm Registration Number: 109574W

For and on behalf of the Board of Directors

Vedula Prabhakar Sharma

Partner

Membership No. 123088

Place: Mumbai

Date: April 23, 2024

P.S. Reddy

Managing Director &amp; CEO

DIN: 01064530

Manisha Thakur

Company Secretary

Place: Mumbai

Date: April 23, 2024

Dr. Harsh Kumar Bhanwala

Chairman

DIN: 06417704

Satyajeeet Bolar

Chief Financial Officer

Ashutosh Vaidya

Director

DIN: 06751825

# Standalone Statement of Profit and Loss

for the year ended March 31, 2024

₹ in Lakh, except EPS

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
<b>I Income</b>			
Revenue from operations	23	58,616	44,922
Other income	24	8,508	7,225
<b>Total income</b>		<b>67,124</b>	<b>52,147</b>
<b>II Expenses</b>			
Employee benefits expense	25	8,935	7,470
Clearing and settlement charges	26	6,996	5,329
Finance costs	27	23	18
Depreciation and amortization expense	2A, 2C, 3A	3,439	2,047
Software support charges and product license fees	28	31,102	14,014
Computer technology and communication expenses	29	2,378	2,098
Contribution to settlement guarantee fund (refer note 41)		2,452	-
Other expenses	30	4,738	4,036
<b>Total expenses</b>		<b>60,063</b>	<b>35,012</b>
<b>III Profit before tax</b>		<b>7,061</b>	<b>17,135</b>
<b>IV Tax expenses</b>			
(1) Current tax	32	712	5,099
(2) Short provision for tax relating to previous years	32	122	66
(3) Deferred tax	32	1,031	(1,013)
<b>Total tax expenses</b>		<b>1,865</b>	<b>4,152</b>
<b>V Profit for the year</b>		<b>5,196</b>	<b>12,983</b>
<b>VI Other comprehensive income</b>			
A) Items that will not be reclassified to profit or loss (net of tax)			
i) Changes in fair value of equity instruments		57	(46)
ii) Remeasurement of employee benefits obligations		(68)	(23)
<b>VII Total comprehensive income for the year</b>		<b>5,185</b>	<b>12,914</b>
<b>VIII Earnings per equity share (of ₹ 10/- each)</b>			
(1) Basic	36	10.19	25.51
(2) Diluted	36	10.19	25.51
Material accounting policies, key accounting estimates and judgements	1		

See accompanying notes to the Standalone Financial Statements

As per our report of even date attached

**For Shah Gupta & Co.**

Chartered Accountants

Firm Registration Number: 109574W

**For and on behalf of the Board of Directors**

**Vedula Prabhakar Sharma**

Partner

Membership No. 123088

Place: Mumbai

Date: April 23, 2024

**P.S. Reddy**

Managing Director & CEO

DIN: 01064530

**Manisha Thakur**

Company Secretary

Place: Mumbai

Date: April 23, 2024

**Dr. Harsh Kumar Bhanwala**

Chairman

DIN: 06417704

**Satyajeet Bolar**

Chief Financial Officer

**Ashutosh Vaidya**

Director

DIN: 06751825



# Standalone Cash Flow Statement

for the year ended March 31, 2024

₹ in Lakh

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>A Cash flow from operating activities</b>		
Profit before tax	7,061	17,135
<b>Adjustments for:</b>		
Depreciation and amortization expense	3,439	2,047
Finance costs	23	18
Gain arising on financial assets measured at FVTPL (net)	(1,437)	(3,010)
Provision for expected credit loss & write off	5	44
Provisions no longer required written back	(243)	(73)
Interest income	(5,227)	(2,809)
Remeasurement of employee benefit	(68)	(23)
<b>Operating cash flows before working capital changes</b>	<b>3,553</b>	<b>13,329</b>
<b>Adjustments for (increase) / decrease in assets:</b>		
Other non-current financial assets	(4)	(1)
Other non-current assets	318	(127)
Trade receivables	(4,691)	108
Other current financial assets	6,066	(2,550)
Other current assets	8,340	(10,965)
<b>Adjustments for increase / (decrease) in liabilities:</b>		
Other non-current financial liabilities	70	(47)
Non-current provisions	27	(24)
Trade payables	3,483	(771)
Other current financial liabilities	338	535
Other current liabilities	(931)	(207)
Current provisions	(174)	34
<b>Cash generated / (used) in from operations</b>	<b>16,395</b>	<b>(686)</b>
Income tax paid (net of refunds)	(4,683)	(5,691)
<b>Net cash generated / (used) in from operating activities (A)</b>	<b>11,712</b>	<b>(6,377)</b>
<b>B Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment including capital advances	(14,083)	(6,894)
Purchase of non-current investments	-	(52,750)
Proceeds from sale of non-current investments	12,347	17,068
Investment in associates	-	(1,650)
Purchase of current investments	(1,42,060)	(1,12,863)
Proceeds from sale of current investments	1,40,431	1,71,332
Payment for investment in fixed deposits	(3,064)	(10,191)
Bank balances other than classified as cash and cash equivalents / proceeds from Fixed Deposits	693	9,067
Interest received	3,814	1,999
<b>Net cash (used) in / generated from investing activities (B)</b>	<b>(1,922)</b>	<b>15,118</b>

Standalone Cash Flow Statement (contd.)

₹ in Lakh

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>C Cash flow from financing activities</b>		
Dividend paid	(9,736)	(8,874)
Payment of lease liabilities including interest on lease liabilities	(79)	(71)
<b>Net cash (used) in financing activities (C)</b>	<b>(9,815)</b>	<b>(8,945)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(25)</b>	<b>(204)</b>
Cash and cash equivalents at the beginning of the year	41	245
<b>Cash and cash equivalents at the end of the year (refer note 10)</b>	<b>16</b>	<b>41</b>
<b>Non-cash investing activities</b>		
Acquisition of Right-of-use assets	66	128

**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".
- 2 Previous years' figures have been regrouped wherever necessary.

As per our report of even date attached  
**For Shah Gupta & Co.**  
 Chartered Accountants  
 Firm Registration Number: 109574W

**Vedula Prabhakar Sharma**  
 Partner  
 Membership No. 123088

Place: Mumbai  
 Date: April 23, 2024

**For and on behalf of the Board of Directors**

**P.S. Reddy**  
 Managing Director & CEO  
 DIN: 01064530

**Manisha Thakur**  
 Company Secretary

Place: Mumbai  
 Date: April 23, 2024

**Dr. Harsh Kumar Bhanwala**  
 Chairman  
 DIN: 06417704

**Satyajeet Bolar**  
 Chief Financial Officer

**Ashutosh Vaidya**  
 Director  
 DIN: 06751825

# Standalone Statement of Changes in Equity

for the year ended March 31, 2024

## A. Equity share capital

### (1) For the year ended March 31, 2024

₹ in Lakh

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2024
5,100	-	-	-	5,100

### (2) For the year ended March 31, 2023

₹ in Lakh

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2023
5,100	-	-	-	5,100

## B. Other equity

### For the year ended March 31, 2024

₹ in Lakh

Particulars	Reserves and surplus			Re-measurements gain/(loss) on the defined employee benefit plans and equity instruments	Total
	Securities premium	Retained earnings	General reserve		
<b>Balance as at April 1, 2022</b>	<b>21,684</b>	<b>1,16,306</b>	<b>16,449</b>	<b>(4,009)</b>	<b>1,50,430</b>
Profit for the year	-	12,983	-	-	12,983
Dividend	-	(8,874)	-	-	(8,874)
Equity instruments through other comprehensive income (net of tax)	-	-	-	(46)	(46)
Re-measurement of employee benefits obligation (net of tax)	-	-	-	(23)	(23)
<b>Balance as at March 31, 2023</b>	<b>21,684</b>	<b>1,20,415</b>	<b>16,449</b>	<b>(4,078)</b>	<b>1,54,470</b>
Profit for the year	-	5,196	-	-	5,196
Dividend	-	(9,736)	-	-	(9,736)
Equity instruments through other comprehensive income (net of tax)	-	-	-	57	57
Re-measurement of employee benefits obligation (net of tax)	-	-	-	(68)	(68)
<b>Balance as at March 31, 2024</b>	<b>21,684</b>	<b>1,15,875</b>	<b>16,449</b>	<b>(4,089)</b>	<b>1,49,919</b>

As per our report of even date attached

**For Shah Gupta & Co.**

Chartered Accountants

Firm Registration Number: 109574W

**Vedula Prabhakar Sharma**

Partner

Membership No. 123088

Place: Mumbai

Date: April 23, 2024

**For and on behalf of the Board of Directors**

**P.S. Reddy**

Managing Director & CEO

DIN: 01064530

**Manisha Thakur**

Company Secretary

Place: Mumbai

Date: April 23, 2024

**Dr. Harsh Kumar Bhanwala**

Chairman

DIN: 06417704

**Satyajeet Bolar**

Chief Financial Officer

**Ashutosh Vaidya**

Director

DIN: 06751825

## Notes forming part of the Standalone financial statements (contd.)

### Company overview

Multi Commodity Exchange of India Limited (the “Company” or the “Exchange”) is a deemed Stock Exchange recognised under the Securities Contracts (Regulation) Act, 1956. The Company is a demutualised Exchange and has permanent recognition from the Government of India to facilitate nationwide online trading, clearing and settlement operations of commodity derivatives. Pursuant to SEBI approval to the Company’s wholly owned subsidiary, Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) to act as the clearing corporation, the clearing and settlement division of the Company has been transferred to MCXCCL with effect from September 01, 2018.

The Company is a public limited Company incorporated and domiciled in India and has its registered office at ‘Exchange Square’, Suren Road, Chakala, Andheri (East), Mumbai 400093, India. Its shares are listed on the BSE Limited. Further, in pursuance of Regulation 3.1.1 of the National Stock Exchange (Capital Market) Trading Regulations Part A and other relevant provisions, National Stock Exchange of India Limited (NSE) vide its Circular Ref No. 202/201 dated March 7, 2012 notified that with effect from March 09, 2012 the Company’s equity shares were permitted to be traded and admitted to dealings on NSE.

The Standalone financial statements for the year ended 31 March 2024 were approved by Board of Directors and authorized for issue on April 23, 2024.

### 1. Material accounting policies, key accounting estimates and judgements

#### 1.1 Basis of preparation of financial statements

These standalone 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 (as amended) and presentation requirements of Division II of Schedule III of the Companies Act, 2013, (Ind AS Compliant Schedule III), as applicable to standalone financial statements.

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 consolidated financial statements.

#### 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 the management.

Freehold land is carried at historical cost of acquisition. Freehold land is not depreciated.

## Notes forming part of the Standalone financial statements (contd.)

**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 lives
Buildings	60 years
Office equipment	5 years
Servers & network equipment	3-6 years
Furniture and fittings	10 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

Repairs and maintenance costs are recognised in the Statement of Profit and Loss when incurred.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss.

**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 intended use. Amortization methods and useful lives are reviewed at each financial year end, with the effect of any changes in estimate, accounted for on a prospective basis.

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 account whenever the carrying amount of an asset exceeds its recoverable amount.

The estimated useful lives of intangible assets are as follows:

Asset class	Useful life
Computer software & licence fees	5-10 years
Trademark and copyright	6-8 years

**Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognized.

Purchase of any property, plant and equipment including intangible assets below ₹ 1,00,000/- is capitalised and fully depreciated in the same financial year.

## Notes forming part of the Standalone financial statements (contd.)

### **C. Capital work-in-progress ('CWIP') and intangible assets under development**

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses, and less impairment losses if any. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

### **D. 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.

### **E. Cash and cash equivalents**

Cash and short-term deposits in the Balance Sheet comprises cash at banks, cheques on hand, 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.

### **F. Trade receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

### **G. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before 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.

### **H. Settlement guarantee funds**

The Company contributes to Settlement Guarantee Fund in accordance with Securities Exchange Board of India ('SEBI') (Stock Exchanges and Clearing Corporations) Regulation 2018. The Company contributes 25% of its annual profits as per Regulation 33 of SECC 2012, and also contributes amounts pertaining to Minimum Required Contribution (MRC) to the Settlement Guarantee Fund maintained by MCX Clearing Corporation Limited (subsidiary of the Company), which is determined as per SEBI guidelines. The contribution to Settlement Guarantee Fund is recorded as an expense. Effective August 29, 2016, SEBI has amended Regulation 33 of SECC Regulations, 2012, and the Company is now required to contribute only towards the MRC of Settlement Guarantee Fund.

## Notes forming part of the Standalone financial statements (contd.)

**I. 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 by 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.

**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)

## Notes forming part of the Standalone financial statements (contd.)

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).

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.

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest rate (EIR) method, less any impairment loss.

### **Target maturity funds**

The Company intends to hold its investment in open ended target maturity funds till maturity. It may be noted that these funds have a pre-determined maturity date. These funds follow a passive buy and hold strategy; in which the existing underlying investment bonds are expected to be held till maturity unless sold for meeting redemptions or rebalancing requirements as stated in the scheme document. In our view, such strategy mitigates intermittent price volatility in open ended target maturity funds' underlying investments; and investors who remain invested until maturity are expected to mitigate the market/volatility risk to a large extent. These funds can invest only in plain vanilla INR bonds with fixed coupon and maturity; and cannot invest in floating rate bonds. Based on this, the Company believes that the investments in open ended target maturity funds meet the requirements of SPPI test as per the requirements of Ind AS 109.

### **Earmarked funds**

Earmarked funds represent deposits, margins, etc. held for specific purposes. These amounts are invested and the same are earmarked in the Balance Sheet. Investment income earned on financial instrument is credited to respective earmarked liabilities and not credited to the Statement of Profit and Loss. The gain/ (loss) on Fair Value of the investments from these earmarked funds are shown as liabilities/asset and are not routed through 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



## Notes forming part of the Standalone financial statements (contd.)

- 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 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 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.

## Notes forming part of the Standalone financial statements (contd.)

All non-current financial liabilities of the Company are measured at amortized cost using the effective interest rate (EIR) method. Under the effective interest rate 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 rate 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 rate method is recognized as an 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 and 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. Equity investments (in subsidiary and associates)**

Investments in associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

### **Equity instruments at FVTOCI and FVTPL**

All equity instruments are measured at fair value other than investment in associates. Equity instruments held for trading are classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to the Statement of Profit and Loss.

## **L. Revenue recognition**

The Company has applied Ind AS 115 Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues depends on the nature of services rendered. Revenue is recognised on accrual basis and when no significant uncertainty as to measurement and realization exists.

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Company expects to be entitled to in exchange for transferring of promised services to the customer after deducting allowances and incentives such as discounts, volume rebates etc. Revenue excludes any taxes and duties collected on behalf of the government.

## Notes forming part of the Standalone financial statements (contd.)

- a. **Transaction charges:** Transaction fee is charged based on the volume of transactions entered into by the respective member or client of the member through the Exchange. Revenue is recognized on transactions in accordance with the Company's fees scales as and when the transaction occurs.
- b. **Interest income:** Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate. The amounts disclosed as revenue are net of taxes and amounts collected on behalf of third parties.
- c. **Profit on sale of investments:** Profit on sale of investments is determined as the difference between the sales price and carrying value of investments at the time of disposal of these investments.

In respect of members who have been declared as defaulters by the Company, all amounts (dues) remaining to be recovered from such defaulters, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

**M. Foreign currency translation**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency. Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

**N. Current and non-current classification**

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.

**Operating Cycle:**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**O. 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 the Statement of Profit and Loss.

**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.

## Notes forming part of the Standalone financial statements (contd.)

### **P. Taxes on Income (current and deferred)**

Income tax expense comprises both current and deferred 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 the Statement of Profit and Loss except to the extent that it relates to items recognized in other comprehensive income (OCI).

Deferred income tax is recognised using the Balance Sheet approach. 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 carrying forward of unused tax credits and unused 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 (OCI) or directly in equity.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

### **Q. Ind AS 116 “Leases”**

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **a. As a lessee**

The Company, as a lessee, recognizes a right-of-use asset (ROU) and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset.

The Company recognizes a ROU and a lease liability at the lease commencement date. The ROU is initially measured at cost which comprise the initial amount of lease liability adjusted for any lease payments made before the commencement date. The ROU is subsequently depreciated using the straight-line method of the balance lease term. In addition, the right of use asset is periodically reduced by impairment loss, if any and adjusted for certain remeasurements of lease liability.

## Notes forming part of the Standalone financial statements (contd.)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the amounts expected to be payable over the period of lease. The lease liability is measured at amortized cost using effective interest rate (EIR) method. It is remeasured when there is a change in future lease payments arising from change in the index or rate.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments (including interest) have been classified as cash flows from financing activities in Cash Flow Statement.

### **Short-term leases and leases of low-value assets**

The Company has elected not to recognize right-to-use assets and lease liabilities for short term lease that have a lease term of 12 months or less and leases of low-value assets. The Company recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **b. Lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term. Contingent rents are recognised as revenue in the period in which they are earned.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

### **R. Provisions, contingent liabilities, contingent assets and commitments**

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.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### **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;

## Notes forming part of the Standalone financial statements (contd.)

- 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.

Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

### **S. Exceptional items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the standalone financial statements.

### **T. Earnings per share**

Basic earnings per share are computed by dividing the profit after tax 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.

### **U. Dividend**

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### **V. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

### **W. 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.

## Notes forming part of the Standalone financial statements (contd.)

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### **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.

#### **Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation / amortization is derived after determining an estimate of an asset's expected useful lives 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.

#### **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.

#### **Fair value measurement of financial instruments**

When the fair values of financial 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.

#### **Provisions**

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Notes forming part of the Standalone financial statements (contd.)

**2A. Property, plant and equipment**

₹ in Lakh

Particulars	Freehold land	Buildings	Office equipments (including computer hardware)	Furniture and fittings	Vehicles	Total
<b>Gross carrying amount</b>						
<b>Balance as at April 1, 2022</b>	<b>5,061</b>	<b>6,268</b>	<b>8,894</b>	<b>604</b>	<b>120</b>	<b>20,947</b>
Additions	-	-	581	16	45	642
Disposals / adjustments	-	-	12	-	-	12
<b>Balance as at March 31, 2023</b>	<b>5,061</b>	<b>6,268</b>	<b>9,463</b>	<b>620</b>	<b>165</b>	<b>21,577</b>
Additions	-	-	6,998	175	90	7,263
Disposals / adjustments	-	-	52	4	14	70
<b>Balance as at March 31, 2024</b>	<b>5,061</b>	<b>6,268</b>	<b>16,409</b>	<b>791</b>	<b>241</b>	<b>28,770</b>
<b>Accumulated depreciation</b>						
<b>Balance as at April 1, 2022</b>	-	<b>770</b>	<b>6,095</b>	<b>395</b>	<b>46</b>	<b>7,307</b>
Additions	-	115	1,129	41	32	1,317
Disposals / adjustments	-	-	12	-	-	12
<b>Balance as at March 31, 2023</b>	-	<b>885</b>	<b>7,212</b>	<b>436</b>	<b>78</b>	<b>8,612</b>
Additions	-	115	1,599	52	33	1,799
Disposals / adjustments	-	-	12	4	5	21
<b>Balance as at March 31, 2024</b>	-	<b>1,000</b>	<b>8,799</b>	<b>484</b>	<b>106</b>	<b>10,390</b>
<b>Net carrying amount</b>						
<b>Balance as at March 31, 2023</b>	<b>5,061</b>	<b>5,383</b>	<b>2,251</b>	<b>184</b>	<b>87</b>	<b>12,965</b>
<b>Balance as at March 31, 2024</b>	<b>5,061</b>	<b>5,268</b>	<b>7,610</b>	<b>307</b>	<b>135</b>	<b>18,380</b>

**Assets given on operating lease:**

Category of asset	Area in sq. feet	Period
Exchange Square, 3 <sup>rd</sup> floor A Wing & 1 cabin at 1 <sup>st</sup> Floor A Wing	9,070	01.09.2022-31.08.2025
17 <sup>th</sup> floor, Gift City	877	01.04.2023-29.02.2024 & 01.03.2024-31.01.2025
Office no. 2	3,399	01.08.2020-31.07.2023 & 01.08.2023-31.07.2026
Office no. 3	3,377	01.08.2020-31.07.2023 & 01.08.2023-31.07.2026
Office no. 4A	1,862	01.08.2021-31.07.2023



## Notes forming part of the Standalone financial statements (contd.)

**2B. Capital work-in-progress****As at March 31, 2024**

	₹ in Lakh
<b>Balance as at April 1, 2023</b>	<b>5,187</b>
Additions during the year	2,870
Capitalised during the year	7,263
<b>Balance as at March 31, 2024</b>	<b>794</b>

**Capital work-in-progress ageing schedule (as on March 31, 2024)**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in process	794	-	-	-	<b>794</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>794</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>794</b>

**Capital work-in-progress: Projects with timeline delayed (as on March 31, 2024)**

As on March 31, 2024, there were no capital work-in-progress, where the actual cost of an asset/project has already exceeded the estimated cost as per original plan or actual timelines for completion of an asset/project have exceeded the estimated timelines as per original plan. Accordingly, no additional disclosure was required.

**As at March 31, 2023**

	₹ in Lakh
<b>Balance as at April 1, 2022</b>	<b>4,337</b>
Additions during the year	1,492
Capitalised during the year	642
<b>Balance as at March 31, 2023</b>	<b>5,187</b>

**Capital work-in-progress ageing schedule (as on March 31, 2023)**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in process	1,131	4,056	-	-	<b>5,187</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,131</b>	<b>4,056</b>	<b>-</b>	<b>-</b>	<b>5,187</b>

**Capital work-in-progress: Projects with timeline delayed (as on March 31, 2023)**

Particulars	To be completed in				Total
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	
Commodity Derivative Platform (CDP)	5,172	-	-	-	<b>5,172</b>
<b>Total</b>	<b>5,172</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,172</b>

Notes forming part of the Standalone financial statements (contd.)

**2C. Right of use assets**

			₹ in Lakh
Particulars	Lease of office premises	Total	
<b>Gross carrying amount</b>			
<b>Balance as at April 1, 2022</b>	<b>275</b>	<b>275</b>	
Additions (refer note 35)	128	128	
Disposals	-	-	
<b>Balance as at March 31, 2023</b>	<b>403</b>	<b>403</b>	
Additions (refer note 35)	66	66	
Disposals	-	-	
<b>Balance as at March 31, 2024</b>	<b>469</b>	<b>469</b>	
<b>Accumulated depreciation</b>			
<b>Balance as at April 1, 2022</b>	<b>200</b>	<b>200</b>	
Additions (refer note 35)	53	53	
Disposals	-	-	
<b>Balance as at March 31, 2023</b>	<b>253</b>	<b>253</b>	
Additions (refer note 35)	72	72	
Disposals	-	-	
<b>Balance as at March 31, 2024</b>	<b>325</b>	<b>325</b>	
<b>Net carrying amount</b>			
<b>Balance as at March 31, 2023</b>	<b>150</b>	<b>150</b>	
<b>Balance as at March 31, 2024</b>	<b>144</b>	<b>144</b>	

**3A. Intangible assets**

				₹ in Lakh
Particulars	Computer software & license fees	Trademark and copyright	Total	
<b>Gross carrying amount</b>				
<b>Balance as at April 1, 2022</b>	<b>7,338</b>	<b>9</b>	<b>7,347</b>	
Additions	497	-	497	
Disposals	-	-	-	
<b>Balance as at March 31, 2023</b>	<b>7,835</b>	<b>9</b>	<b>7,844</b>	
Additions	19,007	-	19,007	
Disposals	-	-	-	
<b>Balance as at March 31, 2024</b>	<b>26,842</b>	<b>9</b>	<b>26,851</b>	
<b>Accumulated amortization</b>				
<b>Balance as at April 1, 2022</b>	<b>5,802</b>	<b>1</b>	<b>5,803</b>	
Additions	676	1	677	
Disposals	-	-	-	
<b>Balance as at March 31, 2023</b>	<b>6,478</b>	<b>2</b>	<b>6,480</b>	
Additions	1,567	1	1,568	
Disposals	-	-	-	
<b>Balance as at March 31, 2024</b>	<b>8,045</b>	<b>3</b>	<b>8,048</b>	
<b>Net carrying amount</b>				
<b>Balance as at March 31, 2023</b>	<b>1,357</b>	<b>7</b>	<b>1,364</b>	
<b>Balance as at March 31, 2024</b>	<b>18,797</b>	<b>6</b>	<b>18,803</b>	

**3.1 Capital and other contractual commitment (refer note 31)**

## Notes forming part of the Standalone financial statements (contd.)

- 3.2** Significant estimate: Useful life of intangible assets. As at 31 March 2024, the net carrying amount of the software & license fees was ₹ 18,797 lakh (as on March 31, 2023: ₹ 1,357 lakh). The Company estimates the useful life of the software based on the expected technical obsolescence of such assets. However, the actual useful life may deviate, depending on future technical innovations and competitor action.

**3B. Intangible assets under development****As on March 31, 2024**

	₹ in Lakh
Balance as at April 1, 2023	11,645
Additions during the year	8,124
Capitalised during the year	19,007
<b>Balance as at March 31, 2024</b>	<b>762</b>

**Intangible assets under development ageing schedule (as on March 31, 2024)**

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in process	735	1	-	-	736
Projects temporarily suspended	-	26	-	-	26
<b>Total</b>	<b>735</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>762</b>

**Intangible assets under development: Projects with timeline delayed (as on March 31, 2024)**

As on March 31, 2024, there were no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan. Accordingly, no additional disclosure was required.

**As at March 31, 2023**

	₹ in Lakh
Balance as at April 1, 2022	5,091
Additions during the year	7,051
Capitalised during the year	497
<b>Balance as at March 31, 2023</b>	<b>11,645</b>

**Intangible assets under development ageing schedule (as on March 31, 2023)**

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in process	3,335	8,284	-	-	11,619
Projects temporarily suspended	26	-	-	-	26
<b>Total</b>	<b>3,361</b>	<b>8,284</b>	<b>-</b>	<b>-</b>	<b>11,645</b>

**Intangible assets under development: Projects with timeline delayed (as on March 31, 2023)**

Particulars	To be completed in				Total
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	
Commodity Derivative Platform (CDP)	11,531	-	-	-	11,531
<b>Total</b>	<b>11,531</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,531</b>

Notes forming part of the Standalone financial statements (contd.)

**4. Non-current investments**

Particulars	Face Value Per share	As at March 31,2024		As at March 31,2023	
		No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
<b>A Investments in equity instruments (unquoted fully paid up)</b>					
(i) of Subsidiary - FVTOCI					
Multi Commodity Exchange Clearing Corporation Limited	₹ 10	23,99,85,000	24,317	23,99,85,000	23,999
(ii) of Associate - cost					
CDSL Commodity Repository Limited	₹ 10	1,20,00,000	1,200	1,20,00,000	1,200
India International Bullion Holding IFSC Limited	₹ 1	30,00,00,000	3,000	30,00,00,000	3,000
			<b>28,517</b>		<b>28,199</b>
<b>B Investment in mutual funds - FVTPL (unquoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
Axis Money Market Fund - Direct - Growth	₹ 1,000	-	-	87,036	1,060
DSP Ultra Short Fund - Direct - Growth	₹ 1,000	-	-	67,692	2,117
HDFC Money Market Fund - Direct - Growth	₹ 1,000	-	-	32,329	1,591
ICICI Prudential Money Market Fund - Direct - Growth	₹ 100	-	-	3,26,703	1,060
Invesco India Ultra Short Term Fund - Direct - Growth	₹ 1,000	-	-	43,423	1,058
Kotak Money Market Fund - Direct - Growth	₹ 1,000	-	-	27,689	1,060
Kotak Savings Fund - Direct - Growth	₹ 10	-	-	27,82,926	1,059
SBI Magnum Ultra Short Duration Fund - Direct - Growth	₹ 1,000	-	-	20,468	1,056
SBI Savings Fund - Direct - Growth	₹ 10	-	-	28,18,452	1,059
Tata Money Market Fund - Direct - Growth	₹ 1,000	-	-	26,237	1,062
					<b>12,182</b>
<b>C Investment in exchange traded funds - FVTPL (quoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
BHARAT Bond FOF - April 2025	₹ 1,000	3,30,320	3,955	-	-
Nippon India ETF Nifty CPSE Bond Plus SDL Sep 2024 50:50	₹ 100	-	-	13,80,000	1,545
			<b>3,955</b>		<b>1,545</b>
<b>D Investment in target maturity funds - amortised cost (unquoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund - Direct - Growth	₹ 10	2,42,48,266	2,709	2,42,48,266	2,525
Edelweiss Nifty PSU Bond Plus SDL Apr 2027 50:50 Index Fund - Direct - Growth	₹ 10	2,40,92,626	2,709	2,40,92,626	2,525
ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund - Direct - Growth	₹ 10	2,41,83,757	2,710	2,41,83,757	2,525
Kotak Nifty SDL Apr 2032 Top 12 Equal Weight Index Fund - Direct - Growth	₹ 10	4,81,25,884	5,426	4,81,25,884	5,044
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund - Direct - Growth	₹ 10	2,45,30,464	2,710	2,45,30,464	2,525
SBI CRISIL IBX Gilt Index April 2029 Fund - Direct - Growth	₹ 10	2,39,91,814	2,679	2,39,91,814	2,500
			<b>18,943</b>		<b>17,644</b>

## Notes forming part of the Standalone financial statements (contd.)

<b>E</b>	<b>Investment in PSU bank bonds - amortised cost (quoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
	State Bank of India perp AT 1 8.75% (series 1) 30 August, 2024 (Call)	₹ 10,00,000	-	-	200	2,015
	Bank of Baroda 8.70% (perpetual basel III tier I ATI Series X) C 28 November,2024	₹ 10,00,000	-	-	450	4,502
	SBI 8.50% Series II perpetual AT1 bonds basel- III 22 November,2024 (Call)	₹ 10,00,000	-	-	550	5,531
	SBI 7.73% series II perpetual AT1 bonds basel- III 24 November, 2025 (Call)	₹ 10,00,000	200	2,013	200	2,020
	Bank of Baroda 8.00% ( perpetual basel III tier I ATI Series XVIII) C 31 January,2027	₹ 1,00,00,000	25	2,509	25	2,512
	Bank of Baroda 7.88% ( perpetual basel III tier I ATI Series XIX) C 02 September,2027	₹ 1,00,00,000	15	1,499	25	2,499
	SBI 7.55% series III perpetual AT1 bonds basel- III 14 December, 2026 (Call)	₹ 1,00,00,000	25	2,495	25	2,494
	SBI 7.75% series 2022-I perpetual AT1 bonds basel- III 09 September, 2027 (Call)	₹ 1,00,00,000	-	-	25	2,501
				<b>8,516</b>		<b>24,074</b>
<b>F</b>	<b>Investment in State Development Loan - amortised cost (quoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
	7.80% Gujarat SDL 2032	₹ 100	25,00,000	2,513	25,00,000	2,514
	7.77% Gujarat SDL 2032	₹ 100	15,00,000	1,513	15,00,000	1,514
	7.73% Gujarat SDL 2032	₹ 100	10,00,000	1,002	10,00,000	1,002
	7.75% Gujarat SGS 2032	₹ 100	5,00,000	500	5,00,000	500
	7.81% Gujarat SGS 2032	₹ 100	5,00,000	502	5,00,000	502
	8.32% Karnataka SDL 2029	₹ 100	5,00,000	514	5,00,000	517
	7.83% Maharashtra SDL 2030	₹ 100	5,00,000	504	5,00,000	505
	7.60% Maharashtra SDL 2030	₹ 100	5,00,000	500	5,00,000	500
	7.86% Maharashtra SDL 2030	₹ 100	10,00,000	1,010	10,00,000	1,012
	7.89% Maharashtra SDL 2032	₹ 100	15,00,000	1,527	15,00,000	1,529
	7.76% Maharashtra SGS 2030	₹ 100	15,00,000	1,503	15,00,000	1,503
	7.78% Maharashtra SGS 2030	₹ 100	15,00,000	1,502	15,00,000	1,503
	7.70% Maharashtra SGS 2030*	₹ 100	25,00,000	2,498	25,00,000	2,498
	7.64% Tamilnadu SDL 2032	₹ 100	10,00,000	1,003	10,00,000	1,003
	7.79% Tamilnadu SGS 2032	₹ 100	5,00,000	501	5,00,000	501
	7.75% Tamilnadu SDL 2032*	₹ 100	30,00,000	3,012	30,00,000	3,012
	7.80% Tamilnadu SDL 2032*	₹ 100	5,00,000	505	5,00,000	505
	7.82% Tamilnadu SGS 2032*	₹ 100	45,00,000	4,516	45,00,000	4,517
				<b>25,125</b>		<b>25,137</b>
	<b>Total</b>			<b>85,056</b>		<b>1,08,781</b>

\* Pledged with Kotak Mahindra Bank against bank guarantee - aggregate value ₹ Nil (as at March 31, 2023: ₹ 10,532 lakh) which was extinguished on March 31, 2023 and related pledged removed on April 05, 2023.

Aggregate amount of quoted investments	36,500	50,428
Aggregate market value of quoted investments	37,596	50,756
Aggregate amount of unquoted investments	45,699	57,178
Aggregate fair value of unquoted investments	47,460	58,025

Notes forming part of the Standalone financial statements (contd.)

**5. Other non-current financial assets**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
<b>Unsecured, considered good:</b>		
Security deposits	1,052	1,048
Bank deposits with more than 12 months maturity (refer note 11)		
- Earmarked*	661	1,178
- Others	2,759	227
<b>Total</b>	<b>4,472</b>	<b>2,453</b>

\* Earmarked deposits are restricted and includes deposits towards defaulter members, investor services fund and other restricted deposits.

**6. Income tax assets (net)**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Advance income tax [net of provisions ₹ 85,037 lakh (as at March 31, 2023: ₹ 79,038 lakh)]	8,755	5,381
<b>Total</b>	<b>8,755</b>	<b>5,381</b>

6.1: The Company is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to such matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities. Refer also note 31 for details of contingent liabilities and litigations.

**7. Other non-current assets**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Capital advances	-	227
<b>Others</b>		
Prepaid expenses	153	244
<b>Total</b>	<b>153</b>	<b>471</b>

## Notes forming part of the Standalone financial statements (contd.)

**8. Current investments**

Particulars	Face Value Per share	As at March 31,2024		As at March 31,2023	
		No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
<b>A Investments in equity instruments (unquoted fully paid up)</b>					
<b>of other Entities - FVTOCI</b>					
Metropolitan Clearing Corporation of India Limited	₹ 10	27,58,941	213	27,58,941	275
Metropolitan Stock Exchange of India Limited	₹ 1	33,17,77,008	1,128	33,17,77,008	1,327
			<b>1,341</b>		<b>1,602</b>
<b>B Investment in mutual funds - FVTPL (unquoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
Aditya Birla Sun Life Liquid Fund - Direct - Growth	₹ 100	71,961	280	-	-
Aditya Birla Sun Life Arbitrage Fund - Direct - Growth	₹ 10	39,16,585	1,020	-	-
Axis Arbitrage Fund - Direct - Growth	₹ 10	27,11,699	501	-	-
Axis Liquid Fund - Direct - Growth	₹ 1,000	78,774	2,114	10,410	260
Bandhan Arbitrage Fund - Direct - Growth	₹ 10	63,55,006	2,029	-	-
ICICI Prudential Equity - Arbitrage Fund - Direct - Growth	₹ 10	14,96,864	501	-	-
ICICI Prudential Liquid - Direct - Growth	₹ 100	3,71,430	1,328	-	-
ICICI Prudential Liquid - Direct - Growth *	₹ 100	-	-	5,488	18
Mirae Asset Arbitrage Fund - Direct - Growth	₹ 10	82,11,118	1,010	-	-
Nippon India Arbitrage Fund - Direct - Growth	₹ 10	19,17,634	501	-	-
Nippon India Overnight Fund - Direct - Growth	₹ 100	-	-	83,095	100
Nippon India Liquid Fund - Direct - Growth	₹ 1,000	33,970	2,007	-	-
Nippon India Low Duration Fund - Direct - Growth	₹ 1,000	-	-	66,362	2,217
Tata Arbitrage Fund - Direct - Growth	₹ 10	1,47,81,272	2,030	-	-
Tata Liquid Fund - Direct - Growth	₹ 1,000	7,784	297	-	-
Tata Money Market Fund - Direct - Growth	₹ 1,000	-	-	27,288	1,105
UTI-Liquid Cash Plan - Direct - Growth	₹ 1,000	-	-	1,03,770	3,829
UTI-Liquid Cash Plan - Direct - Growth *	₹ 1,000	-	-	438	16
			<b>13,618</b>		<b>7,545</b>
<b>C Current maturities of long-term investments</b>					
<b>i. Investment in exchange traded funds - FVTPL (quoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
BHARAT bond ETF - April 2023	₹ 1,000	-	-	3,00,000	3,687
Nippon India ETF Nifty CPSE Bond Plus SDL Sep 2024 50:50	₹ 100	13,80,000	1,659	-	-
			<b>1,659</b>		<b>3,687</b>

Notes forming part of the Standalone financial statements (contd.)

**8. Current investments (contd.)**

ii. Investment in PSU bank bonds - amortised cost (quoted)	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
State Bank Of India perp AT 1 8.75% (series 1) 30 August, 2024 (Call)	₹ 10,00,000	200	2,004	-	-
Bank of Baroda 8.70% (perpetual basel III tier I ATI Series X) C 28 November,2024	₹ 10,00,000	450	4,501	-	-
SBI 8.50% Series II perpetual AT1 bonds basel- III 22 November,2024 (Call)	₹ 10,00,000	550	5,512	-	-
			<b>12,017</b>		-
<b>Total</b>			<b>28,635</b>		<b>12,834</b>

\* Earmarked towards the Investor Service Fund - aggregate value ₹ Nil (as at March 31, 2023: ₹ 34 lakh)

Aggregate amount of quoted investments	13,429	3,000
Aggregate market value of quoted investments	13,676	3,687
Aggregate amount of unquoted investments	20,204	13,944
Aggregate fair value of unquoted investments	14,959	9,147

**9. Trade receivables**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Secured, considered good*	4,800	-
Unsecured, considered good#	497	579
Unsecured, considered doubtful	568	628
	5,865	1,207
Less: Allowance for doubtful trade receivables (refer note 39.c.vii)	(18)	(46)
<b>Total</b>	<b>5,847</b>	<b>1,161</b>

\* secured by bank guarantees / fixed deposit receipts from members (refer note 16 & 19).

# includes trade receivables from related parties (refer note 37).

**9.1** Trade receivables are dues in respect of services rendered in the normal course of business.

**9.2** The normal credit period allowed by the company ranges from 0 to 30 days.

**9.3** There are no dues from directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively, in which any director is a partner or a director or a member.

**9.4** Credit risk management regarding trade receivables has been described in note 39.c.vii.

**9.5** Trade receivables have a short credit period and does not have any significant financing component.

**Trade receivables ageing schedule (as at March 31, 2024)**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – secured considered good	4,800	-	-	-	-	4,800
(ii) Undisputed trade receivables – considered good	485	-	-	-	12	497



## Notes forming part of the Standalone financial statements (contd.)

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(iii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(v) Disputed trade receivables – considered good	-	-	-	-	-	-
(vi) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vii) Disputed trade receivables – credit impaired	1	-	-	133	434	568
<b>Total</b>	<b>5,286</b>	<b>-</b>	<b>-</b>	<b>133</b>	<b>446</b>	<b>5,865</b>
<b>Allowance for doubtful trade receivables (refer note 39.c.vii)</b>						(18)
<b>Total trade receivables</b>						<b>5,847</b>

## Trade receivables ageing schedule (as at March 31, 2023)

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – secured considered good	-	-	-	-	-	-
(ii) Undisputed trade receivables – considered good <sup>#</sup>	579	-	-	0	-	579
(iii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Undisputed trade receivables – credit impaired <sup>#</sup>	-	0	0	1	8	9
(v) Disputed trade receivables – considered good	-	-	-	-	-	-
(vi) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vii) Disputed trade receivables – credit impaired	-	2	191	78	348	619
<b>Total</b>	<b>579</b>	<b>2</b>	<b>192</b>	<b>79</b>	<b>356</b>	<b>1,207</b>
<b>Allowance for doubtful trade receivables (refer note 39.c.vii)</b>						(46)
<b>Total trade receivables</b>						<b>1,161</b>

# figures are below rounding off norms adopted by the Company.

## 10. Cash and cash equivalents

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
	Balances with banks	
- in current accounts	16	41
<b>Total</b>	<b>16</b>	<b>41</b>

Notes forming part of the Standalone financial statements (contd.)

**11. Bank balances other than cash and cash equivalents**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Bank deposits	4,866	2,529
Less: Bank deposits with more than 12 months maturity (refer note 5)	(3,420)	(1,405)
Bank deposits with less than 12 months maturity*	1,447	1,124
In current accounts		
- Earmarked fund	159	125
- unpaid dividend accounts	75	75
<b>Total</b>	<b>1,680</b>	<b>1,324</b>

\* includes earmarked Bank Deposits of ₹ 1,256 lakh (as at March 31, 2023: ₹ 890 lakh)

**12. Other current financial assets**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Unbilled revenue*	289	4,294
<b>Unsecured, considered good (unless stated otherwise)</b>		
Other receivables	957	3,027
Less: Provision for doubtful receivables	-	(9)
	957	3,018
Interest accrued but not due on fixed deposits	240	29
Interest accrued but not due on PSU bank bonds	616	715
Interest accrued but not due on state development loan - bonds	654	654
<b>Total</b>	<b>2,756</b>	<b>8,710</b>

\* secured by bank guarantees / fixed deposit receipts from members (refer note 16 & 19).

**13. Other current assets**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
<b>a) Unsecured, considered good (unless stated otherwise)</b>		
Prepaid expenses	906	969
Balance with government authorities	3,224	3,342
Advances for supply of services other than capital advances	653	8,892
Gratuity fund (refer note 38)	68	-
Other advances	25	13
<b>Total (A)</b>	<b>4,876</b>	<b>13,216</b>
<b>b) Unsecured, considered doubtful</b>		
Other recoverable	282	282
Less : Provision for doubtful advance	(282)	(282)
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B)</b>	<b>4,876</b>	<b>13,216</b>

## Notes forming part of the Standalone financial statements (contd.)

**14. Equity share capital**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
<b>Authorized</b>				
Equity shares of ₹ 10/- each	7,00,00,000	7,000	7,00,00,000	7,000
<b>Issued</b>				
Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
<b>Subscribed and paid-up</b>				
Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
	<b>5,09,98,369</b>	<b>5,100</b>	<b>5,09,98,369</b>	<b>5,100</b>

**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	₹ in Lakh	Number of shares	₹ in Lakh
Opening balance at the beginning of the year	5,09,98,369	5,100	5,09,98,369	5,100
Add: Shares issued during the year	-	-	-	-
<b>Closing balance at the end of the year</b>	<b>5,09,98,369</b>	<b>5,100</b>	<b>5,09,98,369</b>	<b>5,100</b>

**b. Rights, preferences and restrictions attached to equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the proportion of equity shares held.

**c. 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
Kotak Mahindra Bank Limited	76,49,755	15%	76,49,755	15%

d. During the year ended March 31, 2009, the shareholders of the company approved the 'Employee Stock Options Plan 2008 ('ESOP – 2008'). Under the said scheme, 1,625,000 equity shares of ₹ 10 each have been allotted to ESOP trust who will administer the ESOP scheme on behalf of the company. Lapsed options available for reissuance are 95,551 (As at March 31, 2023: 95,551) shares. During the year, there are no shares granted under Employee Stock Option Scheme.

e. There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments.

f. There are no bonus shares issued or bought back during the period of five years immediately preceding the reporting date.

g. Shares allotted as fully paid-up pursuant to contract without payment being received in cash during the year of five years immediately preceding the date of the Balance Sheet as under: Nil

Notes forming part of the Standalone financial statements (contd.)

**15. Other equity**

Particulars	Reserves and surplus			Re-measurements gain/(loss) on the defined employee benefit plans and equity instruments	Total
	Securities premium	Retained earnings	General reserve		
<b>Balance as at April 1, 2022</b>	<b>21,684</b>	<b>1,16,306</b>	<b>16,449</b>	<b>(4,009)</b>	<b>1,50,430</b>
Profit for the year	-	12,983	-	-	12,983
Dividend	-	(8,874)	-	-	(8,874)
Equity instruments through other comprehensive income (net of tax)	-	-	-	(46)	(46)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	(23)	(23)
<b>Balance as at March 31, 2023</b>	<b>21,684</b>	<b>1,20,415</b>	<b>16,449</b>	<b>(4,078)</b>	<b>1,54,470</b>
Profit for the year	-	5,196	-	-	5,196
Dividend	-	(9,736)	-	-	(9,736)
Equity instruments through other comprehensive income (net of tax)	-	-	-	57	57
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	(68)	(68)
<b>Balance as at March 31, 2024</b>	<b>21,684</b>	<b>1,15,875</b>	<b>16,449</b>	<b>(4,089)</b>	<b>1,49,919</b>

**Notes:**

**General reserve**

The general reserve created from time to time transfer profits from retained earnings for appropriation purposes. As the general reserve created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified to the Statement of Profit and Loss.

**Retained earnings**

The same reflects surplus/deficit after taxes in the Statement of Profit and Loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**Other comprehensive income**

- a. **Equity instruments through other comprehensive income** – This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.
- b. **Re-measurements gain/(loss) on the defined employee benefit plan** – This represents the cumulative gains and losses arising on re-measurements on the defined employee benefit plan.

## Notes forming part of the Standalone financial statements (contd.)

**16. Other non-current financial liabilities**

₹ in Lakh

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Trade / security deposits from members*	4,691	4,850
Employee benefits payable	461	232
<b>Total</b>	<b>5,152</b>	<b>5,082</b>

\*includes base minimum capital from members; in addition to the cash component of base minimum capital, the amount of bank guarantees/fixed deposits receipts (non cash component) forming part of base minimum capital as on March 31, 2024 ₹ 1,852 lakhs (as on March 31, 2023: ₹ 5,460 lakh).

**17. Non-current provisions**

₹ in Lakh

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Provision for compensated absences (refer note 38)	225	198
<b>Total</b>	<b>225</b>	<b>198</b>

**18. Trade payables**

₹ in Lakh

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	127	30
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 37)	5,509	2,204
<b>Total</b>	<b>5,636</b>	<b>2,234</b>

Payables are generally settled within 0 - 30 days

**Trade payables ageing schedule (as at March 31, 2024)**

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Accrued expense	
(i) MSME	123	4	-	-	-	-	127
(ii) Others	1,350	139	-	-	-	4,020	5,509
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>1,473</b>	<b>143</b>	-	-	-	<b>4,020</b>	<b>5,636</b>

**Trade payables ageing schedule (as at March 31, 2023)**

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Accrued expense	
(i) MSME	20	10	-	-	-	-	30
(ii) Others	667	93	-	-	-	1,444	2,204
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>687</b>	<b>103</b>	-	-	-	<b>1,444</b>	<b>2,234</b>

## Notes forming part of the Standalone financial statements (contd.)

**19. Other current financial liabilities**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Advance received from members and applicants towards		
- Member's security deposits *	2,236	2,048
- Application money (pending admission)	26	26
SEBI regulatory fund (Agri)	7	7
Employee benefits payable	1,268	1,199
Payable for purchase of fixed assets	1,704	4,843
Unclaimed dividends (refer note 51)	75	75
Security deposits	93	98
Others	14	2
<b>Total</b>	<b>5,423</b>	<b>8,298</b>

\* includes base minimum capital from members; in addition to the cash component of base minimum capital, the amount of bank guarantees/fixed deposits receipts (non cash component) forming part of base minimum capital as on March 31, 2024 ₹ 4,249 lakhs (as on March 31, 2023: ₹ 163 lakh).

**20. Other current liabilities**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Statutory remittances	6,438	7,320
Payable to Multi Commodity Exchange Investor Protection Fund (IPF) (refer note 49)	669	676
Investor Services Fund (ISF)*	871	989
Advance received from members and applicants	296	405
Income received in advance	191	94
<b>Total</b>	<b>8,465</b>	<b>9,484</b>

\* SEBI vide its circular CIR/CDMRD/DEICE/CIR/P/2017/53 dated June 13, 2017 has mandated to set up Investor Service Fund (ISF) for providing basic minimum facilities at various Investor Service Centres. Accordingly, Contribution during the year ₹ 559 lakh (March 31, 2023: ₹ 426 lakh), investment income ₹ 59 lakh (March 31, 2023: ₹ 53 lakh), and utilized ₹ 736 Lakh (March 31, 2023: ₹ 490 lakh).

**21. Current provisions**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Provision for compensated absences (refer note 38)	63	65
Provision for gratuity (refer note 38)	-	172
<b>Total</b>	<b>63</b>	<b>237</b>

**22. Income tax liabilities (net)**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Provision for tax [net of advance tax ₹ Nil (March 31, 2023: ₹ 4,074 lakh)] (refer note 6.1)	-	468
<b>Total</b>	<b>-</b>	<b>468</b>

## Notes forming part of the Standalone financial statements (contd.)

**23. Revenue from operations**

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Revenue from contracts with customers:</b>		
<b>Sale of services</b>		
Transaction fees	55,971	42,636
Annual subscription fees	176	187
Membership admission fees	120	195
Terminal charges	28	28
	<b>56,296</b>	<b>43,046</b>
<b>Other operating revenues</b>		
Connectivity income	642	508
Others recoveries from members	705	543
Data feed income	973	825
	<b>2,320</b>	<b>1,876</b>
<b>Total</b>	<b>58,616</b>	<b>44,922</b>
<b>Revenue Recognised</b>		
Point in time	56,679	43,251
Over the period of time	1,937	1,671
<b>Total</b>	<b>58,616</b>	<b>44,922</b>

**Reconciliation of revenue recognised with contract price :**

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contract Price	58,807	45,016
Adjustments for contract liabilities	(191)	(94)
<b>Revenue from contracts with customers</b>	<b>58,616</b>	<b>44,922</b>

**24. Other income**

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Investment income</b>		
<b>Interest income from financial assets at amortised cost:</b>		
- on bank deposits	199	99
- on PSU bank bonds	1,793	1,646
- on state development loans	1,934	1,064
- on target maturity funds	1,300	144
Gain arising on financial assets measured at FVTPL (net)	1,437	3,010
<b>Total (A)</b>	<b>6,663</b>	<b>5,963</b>
<b>Other income:</b>		
Rental income from operating lease	321	347
Provisions / liability no longer required written back	243	73
Consultancy fees	93	477
IT support service charges (refer note 37)	879	273
Miscellaneous income	130	91
Interest income		
- on income tax refund	179	-
- from others	-	1
<b>Total (B)</b>	<b>1,845</b>	<b>1,262</b>
<b>Total (A) + (B)</b>	<b>8,508</b>	<b>7,225</b>

Notes forming part of the Standalone financial statements (contd.)

**25. Employee benefits expense**

₹ in Lakh		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, allowances and bonus	8,236	6,889
Contribution to provident and other funds (refer note 38)	478	432
Compensated absences (refer note 38)	109	80
Staff welfare expenses	112	69
<b>Total</b>	<b>8,935</b>	<b>7,470</b>

**26. Clearing and settlement charges**

₹ in Lakh		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Clearing and settlement fees (refer note 37)	6,996	5,329
<b>Total</b>	<b>6,996</b>	<b>5,329</b>

**27. Finance costs**

₹ in Lakh		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expenses on :		
- Interest on lease liabilities (refer note 35)	23	2
- Others	-	16
<b>Total</b>	<b>23</b>	<b>18</b>

**28. Software support charges and product license fees**

₹ in Lakh		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Software support charges (refer note 47)	27,138	11,358
Product license fees	3,964	2,656
<b>Total</b>	<b>31,102</b>	<b>14,014</b>

**29. Computer technology and communication expenses**

₹ in Lakh		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Computer technology expenses	1,674	1,417
Communication expenses	704	681
<b>Total</b>	<b>2,378</b>	<b>2,098</b>



## Notes forming part of the Standalone financial statements (contd.)

**30. Other expenses**

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Advertisement	62	119
Electricity charges (net of recoveries)	395	337
Rent	4	31
Repairs and maintenance - others	112	133
Insurance	60	38
Rates and taxes	24	24
Travelling and conveyance	418	268
Printing and stationery	21	17
Business promotion	107	101
CSR related expenses (refer note 40)	284	300
Legal and professional charges	966	674
Sponsorships and seminar expenses	93	86
Membership fees and subscriptions	65	60
Security service charges	130	114
Provision for doubtful trade receivables <sup>#</sup>	5	44
SEBI - exchange regulatory fees	156	164
<b>Payment to the auditors</b>		
- For audit	16	16
- For taxation matters	-	-
- For other services	-	1
- Reimbursement of out of pocket expenses	1	1
	<b>17</b>	<b>18</b>
Contribution to Multi Commodity Exchange Investor Protection Fund (IPF) (refer note 49)	560	426
Contribution to Investor Service Fund (ISF)	560	426
Net loss on foreign currency transactions and translations	10	3
Directors sitting fees	284	225
Office expenses	261	250
Miscellaneous expenses	144	178
<b>Total</b>	<b>4,738</b>	<b>4,036</b>

<sup>#</sup> Net of bad debts written off ₹ 41 lakh (March 31, 2023: ₹ 30 lakh)

Notes forming part of the Standalone financial statements (contd.)

**31. Contingent liabilities and commitments (to the extent not provided for)**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
<b>Contingent liabilities :</b>		
Claims against the company not acknowledged as debts :		
- Income tax demands against which the company is in appeals (including interest upto date of order) (net of rectification orders)	13,786	12,705
- Others (excluding interest)	13	18
<b>Capital commitments:</b>		
The estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	6,506	10,453

The Company is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to such matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities.

In addition to the matters as specified in contingent liabilities above, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business, the impact of which is unascertainable. The Company's management does not expect that the legal actions, when ultimately concluded and determined, will have adverse effect on the Company's financial statements.

The Company received various correspondences on matters relating to operations of the Company, including inspections from SEBI which have been replied to by the Company. Basis the replies filed; the Company's management do not expect any material impact on the financial statements of the Company.

## Notes forming part of the Standalone financial statements (contd.)

**32. Taxation**

The major component of tax expenses for the year are as under :

₹ in Lakh

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Current income tax	712	5,099
Short provision for tax relating to previous years	122	66
Deferred tax	1,031	(1,013)
<b>Total income tax expense</b>	<b>1,865</b>	<b>4,152</b>

**Reconciliation of tax expenses:**

₹ in Lakh (except as otherwise stated)

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>Reconciliation:</b>		
Profit before tax	7,061	17,135
Applicable tax rate	25.17%	25.17%
Computed expected tax expense	1,777	4,313
<b>Add:</b>		
Expenses disallowed	923	655
Income from other source	1,058	720
<b>Less:</b>		
Expenses allowed	(1,790)	(547)
Exempt income/other income offered separately	(1,256)	(42)
<b>Income tax liability</b>	<b>712</b>	<b>5,099</b>
Short provision for tax relating to previous years	122	66
<b>Income tax expense as per the Statement of Profit and Loss</b>	<b>834</b>	<b>5,165</b>

**Note:**

The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year and re-measured its deferred tax assets basis the rate prescribed in the said section.

The applicable Indian statutory income tax rate for year ended March 31, 2024 is 25.168% (March 31, 2023: 25.168%).

**Deferred tax relates to the following:**

₹ in Lakh

Particulars	Balance Sheet	
	As at March 31, 2024	As at March 31, 2023
Expenses allowable on payment basis	165	270
Other items giving rise to temporary differences (including impact on fair value of investments)	626	780
Difference between WDV of property, plant and equipment as per books of accounts & income tax	(1,776)	(1,009)
Difference between WDV of right of use assets as per books of accounts & income tax	(36)	(38)
Lease liability	41	39
<b>Deferred tax (liability) / asset</b>	<b>(980)</b>	<b>43</b>

Notes forming part of the Standalone financial statements (contd.)

**Reconciliation of deferred tax assets / (liabilities) net:**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Opening deferred tax (liabilities) / asset	43	(984)
Tax income / (expense) during the year recognized in profit & loss account	(1,031)	1,013
Differences on other comprehensive income	8	14
<b>Closing deferred tax (liabilities) / asset</b>	<b>(980)</b>	<b>43</b>

**33. Segment reporting**

IND AS 108 establishes standards for the way that Companies report information about operating segments and related disclosures about products and services, and geographical areas. 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 trading in commodities and incidental activities thereto” is considered as the only primary reportable business segment. Further, since the Company renders services only in the domestic market in India and there is no geographical segment.

**34. Foreign currency transactions**

Particulars	₹ in Lakh	
	Year ended	
	March 31, 2024	March 31, 2023
<b>Expenditure in foreign currency</b>		
- License fees	1,972	2,495
- Membership fees and subscriptions	-	1
- Professional charges	5	7
- Foreign travelling	2	-
- Computer technology and communication expenses	121	148
- Software license fees expenses	22	14
- Sponsorships and seminar expenses	11	2
- Bank charges <sup>#</sup>	0	1
<b>Earnings in foreign exchange</b>		
- Consultancy fees	93	477
- Data feed income	628	360

<sup>#</sup> figures are below rounding off norms adopted by the Company.

## Notes forming part of the Standalone financial statements (contd.)

**35. Lease:**

The company's leasing arrangements are in respect of operating leases for office premises. The rent period range between 2 years to 9 years and usually renewable on mutually agreed terms.

**a. The movement in lease liabilities during the year:**

Particulars	₹ in Lakh	
	March 31, 2024	March 31, 2023
<b>Opening balance</b>	155	86
Additions during year	66	120
Finance costs incurred during the year	23	2
Payment of lease liabilities	(78)	(53)
<b>Closing balance</b>	<b>166</b>	<b>155</b>

**b. The carrying value of the right of use asset and depreciation charged during the year**

Particulars	₹ in Lakh	
	March 31, 2024	March 31, 2023
<b>Opening balance</b>	150	75
Additions during year	66	128
Depreciation charged during the year	72	53
<b>Closing balance</b>	<b>144</b>	<b>150</b>

**c. Amounts recognised in statement of profit and loss:**

Particulars	₹ in Lakh	
	March 31, 2024	March 31, 2023
Depreciation on right of use asset	72	53
Finance costs incurred during the year	23	2
Rent expense	4	31
<b>Total amounts recognised in the statement of profit and loss</b>	<b>99</b>	<b>86</b>

**d. Maturity analysis of lease liabilities**

Particulars	₹ in Lakh	
	March 31, 2024	March 31, 2023
<b>Maturity analysis of contractual undiscounted cash flows</b>		
Less than one year	88	113
More than one year	99	105
<b>Total undiscounted lease liability</b>	<b>187</b>	<b>218</b>
Non-current lease liability	91	113
Current lease liability	75	42
<b>Total lease liability</b>	<b>166</b>	<b>155</b>

**e. Extension and termination options**

Extension and termination options are included in many of the leases. In determining the lease term, the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.

Notes forming part of the Standalone financial statements (contd.)

**36. Earnings per share**

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Weighted average shares outstanding - basic & diluted	5,09,98,369	5,09,98,369
<b>Weighted average shares outstanding - basic &amp; diluted</b>	<b>5,09,98,369</b>	<b>5,09,98,369</b>

Net profit available to equity shareholders of the company used in the basic and diluted earnings per equity share was determined as follows:

Particulars	₹ in Lakh, except EPS	
	Year ended March 31, 2024	Year ended March 31, 2023
Earnings available to equity shareholders	5,196	12,983
Earnings available for equity shareholders for diluted earnings per share	5,196	12,983
Basic earnings per share	10.19	25.51
Diluted earnings per share	10.19	25.51

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Company remain the same.

**37. Related party information**

**Names of related parties and nature of relationship:**

Nature of relationship	Name of related party
Subsidiary company	Multi Commodity Exchange Clearing Corporation Limited (MCX CCL)
Associate companies	CDSL Commodity Repository Limited (CCRL) <sup>®</sup>
	India International Bullion Holding IFSC Limited (IIBH)
Key managerial personnel (KMP)	Mr. Mohan Narayan Shenoi (non independent director)
	Mr. Arvind Kathpalia (non independent director)
	Mr. Vivek Sinha, Nominee of NABARD (upto October 31, 2023) (non independent director) <sup>§</sup>
	Ms. Suparna Tandon, Nominee of NABARD (w.e.f. December 15, 2023) (non independent director) <sup>§</sup>
	Dr. Harsh Kumar Bhanwala (independent Director)
	Mr. Shankar Aggarwal (upto September 30, 2023) (independent Director)
	Mr. Chandra Shekhar Verma (independent Director)
	Mr. Hemang Raja (upto September 26, 2023) (non independent Director)
	Mr. Ved Prakash Chaturvedi (upto August 10, 2023) (independent Director)
	Mr. Ashutosh Vaidya (independent Director)
	Ms. Sonu Bhasin (independent Director)
	Mr. Navrang Saini (w.e.f. March 14, 2024) (independent Director)
	Mr. P.S. Reddy, MD & CEO
	Ms. Manisha Thakur, Company Secretary <sup>##</sup>
Mr. Satyajeet Bolar, Chief Financial Officer <sup>##</sup>	
<b>Others:</b>	
	Mr. Manoj Jain <sup>#</sup>
	Mr. Rajendran Narayanan <sup>#</sup>

## Notes forming part of the Standalone financial statements (contd.)

Nature of relationship	Name of related party
Key managerial personnel (KMP)	Mr. Shashank Sathe <sup>#</sup> (upto April 28, 2023)
	Mr. Praveen Dalvani Ganapathi <sup>#</sup>
	Mr. Chittaranjan Rege <sup>#</sup>
	Mr. Shivanshu Mehta <sup>#</sup>
	Mr. Rishi Nathany <sup>#</sup>
	Mr. Himanshu Ashar <sup>#</sup>
	Mr. Sanjay Gakhar <sup>#</sup> (upto August 27, 2023)
	Mr. Pravin Gade <sup>#</sup>
	Mr. Radheshyam Yadav <sup>#</sup>
	Mrs. Ruchi Shukla <sup>#</sup>
	Mr. Puneet Shadija <sup>#</sup> (upto August 27, 2023)
	Mr. Sambit Patnaik <sup>#</sup>
	Mr. Vaibhav Aggarwal <sup>#</sup> (upto August 27, 2023)
	Mr. Vijay Patel <sup>#</sup> (upto August 27, 2023)
	Mr. Suresh Raval <sup>#</sup> (upto March 27, 2024)
	Ms. Rashmi Nihalani <sup>#</sup>
	Ms. Komal Kanzaria <sup>#</sup> (upto August 27, 2023)
	Mr. NK Muthappa <sup>#</sup> (upto August 27, 2023)
	Mr. Ramesh Gurram <sup>#</sup>
	Mr. Ajit Phanse <sup>#</sup> (upto May 02, 2023)
	Mr. Prashant Wagh <sup>#</sup> (upto August 27, 2023)
	Mr. Kaushal Mehta <sup>#</sup>
	Mr. Armaan Gaus <sup>#</sup>
	Mr. Abhishek Govilkar <sup>#</sup> (w.e.f. June 21, 2023)
	Mr. Chirag Aspi Sodawaterwalla <sup>#</sup> (w.e.f. August 28, 2023)
	Mr. Naresh Bhuta <sup>#</sup> (w.e.f. November 01, 2023)
Ms. Kavita Ravichandran <sup>#</sup> (w.e.f. November 10, 2023)	
Mr. Mithun Nayak <sup>#</sup> (w.e.f. December 01, 2023)	
Mr. Harvinder Singh <sup>#</sup> (w.e.f. January 16, 2024)	
KMP's of subsidiary	Mr. M Ramalingam
	Mr. Rajesh Doshi
	Mr. Narendra Alhawat
	Mr. S. Ganesh Kumar
Others Close Member of KMPs or company in which KMP is interested and where transaction exists	Mr. Prasad Dalavai Ganapathi
	Ms. Maya Ashar
	Ms. Shilpa Gade
	Mr. Dhrushit Raval
	Mr. Nitin Agarwal
	Ms. Zarin Gaus
	Ms. Rashmi Mithun Nayak
Mr. Manjnath Baburay Nayak	
Ms. Neeta Manjnath Nayak	
Company in which director is interested and where transaction exists	-
Kotak Mahindra Bank*	Dividend in case of shareholding (w.e.f. April 01, 2023)
Employee welfare trust	MCX ESOP Trust

@CDSL Commodity Repository Limited is considered as an associate w.e.f. 26.10.2018 being date of appointment of MCX nominee Director on it's board.

#Identified as KMP's under SECC Regulations, 2018 by the nomination and remuneration committee.

##Identified as KMP's under Section 2(51) of The Companies Act, 2013.

\$ Directors sitting fees paid to NABARD.

\* Identified as related party under SECC Regulations

Notes forming part of the Standalone financial statements (contd.)

**37. Related party information**  
**Transactions with related parties:**

The details of transactions with related parties for the year ended March 31, 2024 are as follows:

Particulars	March 31, 2024										Total
	Subsidiary	Associate		Others				Close member of KMPs or company in which KMP is interested	Total		
		MCX CCL	CDSL Commodity Repository Limited	India International Bullion Holding IFSC Limited (IIBH)	Kotak Mahindra Bank	MCX ESOP Trust	KMPs & KMPs of subsidiary				
<b>Transactions</b>											
Re-imburements charged to the Company	1	-	-	-	-	-	-	38	-	-	39
Recoveries charged by the Company	15	-	-	-	207	-	-	-	-	-	222
Clearing & settlement fees	6,996	-	-	-	-	-	-	-	-	-	6,996
Rent income	251	-	-	-	-	-	-	-	-	-	251
IT and other infrastructure income	9,852	-	-	-	-	-	-	-	-	-	9,852
Status report processing charges recovery	6	-	-	-	-	-	-	-	-	-	6
Regulatory fees, transactions charges, fines & penalties and other collections by MCXCCL on behalf of MCX	1,35,349	-	-	-	-	-	-	-	-	-	1,35,349
Contribution to Settlement Guarantee Fund (SGF)	2,452	-	-	-	-	-	-	-	-	-	2,452
Professional fees for Committee Meeting	-	-	-	-	-	-	-	7	-	-	7
Deferred Variable payment	-	-	-	-	-	-	-	13	-	-	13
Sitting fees paid	-	-	-	-	-	-	-	290	-	-	290
Dividend paid	-	-	-	-	18	18	5	0.21	-	-	1,484
Bank charges	-	-	-	-	0.02	0.02	-	-	-	-	0.02
<b>Balances as at March 31, 2024</b>											
Outstanding balance receivable / (payable)	(324)	-	-	-	118	-	-	-	-	-	(206)
Investments	23,999	1,200	3,000	-	-	-	-	-	-	-	28,199
Rent deposit	(61)	-	-	-	-	-	-	-	-	-	(61)

₹ in Lakh



## Notes forming part of the Standalone financial statements (contd.)

The details of transactions with related parties for the year ended March 31, 2023 are as follows:

Particulars	Subsidiary	March 31, 2023						Total
		Associate		Others				
		CDSL Commodity Repository Limited	India International Bullion Holding IFSC Limited (IBH) (w.e.f. May 4, 2022 upto July 14, 2022 and w.e.f. August 12, 2022 to March 31, 2023)	Kotak Mahindra Bank	MCX ESOP Trust	KMPs	Close member of KMPs or company in which KMP is interested	
<b>Transactions</b>								
Re-imbursements charged to the Company	11	-	-	1	22	-	34	
Recoveries charged by the Company	13	-	-	47	-	-	60	
Clearing & settlement fees	5,329	-	-	-	-	-	5,329	
Rent income	249	-	-	-	-	-	249	
IT and other infrastructure income	6,743	-	-	-	-	-	6,743	
Status report processing charges recovery	6	-	-	-	-	-	6	
Regulatory fees, transactions charges, fines & penalties and other collections by MCXCCL on behalf of MCX	1,20,053	-	-	-	-	-	1,20,053	
Sitting fees paid	-	-	-	-	222	-	222	
Dividend paid	-	-	-	17	4	0.18	21	
<b>Investments in:</b>								
Equity share capital (face value ₹ 1)	-	-	1,650	-	-	-	1,650	
<b>Balances as at March 31, 2023</b>								
Outstanding balance receivable / (payable)	(278)	-	-	-	-	-	(278)	
Investments	23,999	1,200	3,000	-	-	-	28,199	
Rent deposit	(61)	-	-	-	-	-	(61)	

**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 free and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payable.

### 37. Related party information

#### Compensation of key managerial personnel of the company

₹ in Lakh

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Short-term employment benefits	2,157	1,833
Post-employment benefits	140	131

#### Transactions with key managerial personnel :

₹ in Lakh

Nature of transactions	Year ended	
	March 31, 2024	March 31, 2023
<b>1. Salary and allowances paid/payable*:</b>		
Mr. P.S. Reddy	256	240
Ms. Manisha Thakur (w.e.f. December 22, 2022)	58	11
Mr. Ajay Puri (upto December 6, 2022)	-	67
Mr. Satyajeet Bolar	87	66
Others	1,896	1,449
<b>2. Dividend paid</b>	<b>5</b>	<b>4</b>

\* Excludes gratuity and long term compensated absences, if any, which are actuarially valued at company level and where separate amounts are not identifiable.

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. Amount paid to ex-employee who were erstwhile KMP's are not included above.
4. 50% of variable pay is payable after 3 years subject to certain conditions.

## Notes forming part of the Standalone financial statements (contd.)

**38. Employee benefit plans:****1.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 on 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.

Particulars	₹ in Lakh	
	Year ended	
	March 31, 2024	March 31, 2023
<b>Change in benefit obligations</b>		
Present value of benefit obligation at the beginning of the year	1,144	1,040
Interest cost	86	75
Current service cost	129	119
Benefits paid from the fund	(92)	(109)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	38	(31)
Actuarial (gains)/losses on obligations - due to experience	43	50
<b>Present value of benefit obligations at the end of the year</b>	<b>1,348</b>	<b>1,144</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	972	890
Interest income	73	65
Return on plan assets excluding interest income	(9)	(12)
Contributions by the employer	472	138
Benefits paid from the fund	(92)	(109)
<b>Fair value of plan assets at the end of the year</b>	<b>1,416</b>	<b>972</b>
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>68</b>	<b>(172)</b>

Amount for the year ended March 31, 2024 and March 31, 2023 recognized under employee benefits expenses.

Recognized in Profit and Loss	₹ in Lakh	
	Year ended	
	March 31, 2024	March 31, 2023
Current service cost	129	119
Net interest cost	13	11
<b>Expenses recognized</b>	<b>142</b>	<b>130</b>

Amount for the year ended March 31, 2024 and March 31, 2023 recognized in statement of other comprehensive income (OCI):

Recognized in other comprehensive income (OCI)	₹ in Lakh	
	Year ended	
	March 31, 2024	March 31, 2023
<b>Actuarial (gains) / losses on obligation for the year</b>	<b>82</b>	<b>19</b>
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	9	12
<b>Net (income)/expense for the year recognized in OCI</b>	<b>91</b>	<b>31</b>

Notes forming part of the Standalone financial statements (contd.)

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	As at March 31, 2024	As at March 31, 2023
Discount rate	7.22%	7.50%
Weighted average rate of increase in compensation levels	7.50%	7.50%
Weighted average duration of defined projected benefit obligation	14	15

₹ in Lakh		
Sensitivity analysis	As at March 31, 2024	As at March 31, 2023
Projected benefit obligation on current assumptions	1,348	1,144
Delta effect of +1% change in rate of discounting	(129)	(113)
Delta effect of -1% change in rate of discounting	149	132
Delta effect of +1% change in rate of salary increase	147	130
Delta effect of -1% change in rate of salary increase	(130)	(114)
Delta effect of +1% change in rate of employee turnover	6	(3)
Delta effect of -1% change in rate of employee turnover	7	3

**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 (2012-14) Urban.

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 ₹ 88 lakh to the plan assets during financial year 2024-25.

Actuarial gains/losses are recognized in the period of occurrence under other comprehensive income (OCI). All above reported figures of OCI are gross of taxation.

## Notes forming part of the Standalone financial statements (contd.)

Maturity profile of projected benefit obligation:

₹ in Lakh

Projected benefits payable in future years from the date of reporting	March 31, 2024	March 31, 2023
Within 1 year	50	65
1-2 year	36	26
2-3 year	60	33
3-4 year	44	54
4-5 year	41	39
5-10 years	616	402
11 years and above	2,374	2,327

**1.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 ₹ 323 lakh (previous year ₹ 313 lakh). (refer note 25)

₹ in Lakh

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Contribution to provident and family pension fund	320	310
Contribution to labour welfare fund <sup>#</sup>	0	0
Contribution to employees deposit linked insurance (EDLI)	3	3

# figures are below rounding off norms adopted by the Company.

**2. Other long term employee benefits :****Privilege leave and sick leave assumptions**

The liability towards compensated absences (privilege leave and sick leave) for the year ended March 31, 2024 is based on actuarial valuation carried out by using projected accrual benefit method which resulted in increase in liability by ₹ 25 lakh. (previous year - decrease by ₹ 12 lakh).

**a. Financial assumptions**

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.22% p.a.	7.50% p.a.
Salary escalation rate	7.50% p.a.	7.50% p.a.

**b. Demographic assumptions**

Particulars	As at March 31, 2024	As at March 31, 2023
Employee turnover		
For service 4 years and below	10.00% p.a.	10.00% p.a.
For service 5 years and above	2.00% p.a.	2.00% p.a.
Mortality rate	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban

Notes forming part of the Standalone financial statements (contd.)

**39. Financial instruments**

**a. Financial instruments by category**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The carrying value and fair value of financial instruments by categories as at March 31, 2024 were as follows:

Particulars	₹ in Lakh			
	As at March 31, 2024		As at March 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets at amortized cost:</b>				
Cash and cash equivalents (refer note 10)	16	16	41	41
Bank balances other than cash and cash equivalents (refer note 11)	1,680	1,680	1,324	1,324
Bank deposits with original maturity of more than twelve months (refer note 5)	3,420	3,420	1,405	1,405
Unbilled revenue (refer note 12)	289	289	4,294	4,294
Trade receivables (refer note 9)	5,847	5,847	1,161	1,161
Other financial assets (refer note 5 & 12)	3,519	3,519	5,464	5,464
Investment in PSU bank bonds (refer note 4 & 8)	20,533	20,533	24,074	24,074
Investment in state development loan (refer note 4)	25,125	25,125	25,137	25,137
Investment in target maturity funds (refer note 4)	18,943	18,943	17,644	17,644
Investment in associates (refer note 4)	4,200	4,200	4,200	4,200
<b>Financial liabilities at amortized cost:</b>				
Trade payables (refer note 18)	5,636	5,636	2,234	2,234
Other financial liabilities (refer note 16, 19 & 35)	10,742	10,742	13,535	13,535
<b>Financial assets at FVTPL:</b>				
Mutual funds (refer note 4 & 8)	13,618	13,618	19,727	19,727
Exchange traded funds (refer note 4 & 8)	5,614	5,614	5,232	5,232
<b>Financial assets at FVTOCI:</b>				
Investments in unquoted equity shares of subsidiary (refer note 4)	24,317	24,317	23,999	23,999
Investments in unquoted equity shares of other entities (refer note 8)	1,341	1,341	1,602	1,602

**Notes:-**

1. Investment in equity instrument are not held for trading. The Company has chosen to measure these at FVTOCI irrevocably as the management believes that presently fair value gains and/or losses relating to these investments in the Statement of Profit and Loss may not be indicative of the performance of the Company.
2. The fair value of mutual funds is based on quoted price.
3. The fair value of unlisted equity shares is based on the valuation provided by the certified valuer on half yearly basis.

## Notes forming part of the Standalone financial statements (contd.)

**b. Fair value measurement**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

₹ in Lakh				
Particulars	As at March 31, 2024	As at March 31, 2023	Level	Hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
<b>Financial assets</b>				
Investments in mutual funds (FVTPL)	13,618	19,727	1 & 2	1. Quoted prices (unadjusted) in active markets for identical assets or liabilities. 2. Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Investments in equity instruments (FVTOCI)*	25,658	25,601	3	Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
Investments in ETF (FVTPL)	5,614	5,232	1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.

\* The carrying amount of financial asset measured at FVTOCI in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**c. Financial risk management****i. 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.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Company's management.

**ii. 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.

**iii. 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. Since the Company has no borrowings, exposure to risk of change in market interest rate is nil.

**iv. Foreign currency risk**

The Company periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the company has not entered in foreign exchange forward exchange contracts.

Notes forming part of the Standalone financial statements (contd.)

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	₹ in Lakh	Amount in foreign currency	₹ in Lakh	Amount in foreign currency
<b>Trade receivables</b>				
In USD <sup>#</sup>	0	13	92	1,11,360
<b>Trade Payables</b>				
In USD	4	4,317	242	2,94,583
In EURO	2	1,759	-	-
In GBP	-	-	22	24,608

# figures are below rounding off norms adopted by the Company.

v. **Sensitivity analysis**

A change of 5% in foreign currency would have following impact on profit before tax

Particulars	₹ in Lakh			
	2023-24		2022-23	
	5% Increase	5% decrease	5% Increase	5% decrease
<b>Trade receivables</b>				
USD <sup>#</sup>	0	(0)	5	(5)
<b>Trade Payables</b>				
USD <sup>#</sup>	0	(0)	12	(12)
EURO <sup>#</sup>	-	-	1	(1)

# figures are below rounding off norms adopted by the Company.

vi. **Derivative financial instruments**

The company has not entered into any forward exchange contract being derivative instruments.



## Notes forming part of the Standalone financial statements (contd.)

**vii. Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. To manage this, the company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 5,865 lakh and ₹ 1,207 lakh as at March 31, 2024 and March 31, 2023 respectively, unbilled revenue amounting to ₹ 289 lakh and ₹ 4,294 lakh as at March 31, 2024 and March 31, 2023 respectively, non-current investments amounting to ₹ 85,056 lakh and ₹ 1,08,781 lakh as at March 31, 2024 and March 31, 2023 respectively, current investments amounting to ₹ 28,635 lakh and ₹ 12,835 lakh as at March 31, 2024 and March 31, 2023 respectively, other non-current financial assets amounting to ₹ 4,472 lakh and ₹ 2,453 lakh as at March 31, 2024 and March 31, 2023 respectively, cash and cash equivalents amounting to ₹ 16 lakh and ₹ 41 lakh as at March 31, 2024 and March 31, 2023 respectively and Bank balances other than cash and cash equivalents amounting to ₹ 1,680 lakh and ₹ 1,324 lakh as at March 31, 2024 and March 31, 2023 respectively.

Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the Statement of Profit and Loss.

The Company measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Investment in mutual fund, target maturity funds, ETF, state development loans and bonds is with financial institutions with credit rating assigned by credit rating agencies.

<b>Ageing of account receivables</b>		<b>₹ in Lakh</b>	
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	
Trade receivables			
< 1 Year	5,286	581	
1 - 5 Year	579	626	
> 5 Year	-	-	
<b>Total</b>	<b>5,865</b>	<b>1,207</b>	

<b>Movement in provisions of doubtful trade receivables</b>		<b>₹ in Lakh</b>	
<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	
Opening provision	46	69	
Add: Additional provision made	13	7	
Less: Bad trade receivable written off	(41)	(30)	
<b>Closing provision</b>	<b>18</b>	<b>46</b>	

Notes forming part of the Standalone financial statements (contd.)

**viii. Financial arrangements**

The table below provides details regarding the contractual maturities of significant financial assets and financial liabilities as at March 31, 2024 and March 31, 2023:

Particulars	₹ in Lakh			
	As at March 31, 2024		As at March 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets at amortized cost:</b>				
Cash and cash equivalents (refer note 10)				
< 1 Year	16	16	41	41
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Bank balances other than cash and cash equivalents (refer note 11)				
< 1 Year	1,680	1,680	1,324	1,324
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Trade receivables (refer note 9)				
< 1 Year	5,286	5,286	579	579
1 - 5 Year	579	579	628	628
> 5 Year	-	-	-	-
Other financial assets (refer note 5 & 12)				
< 1 Year	2,871	2,871	8,821	8,821
1 - 5 Year	3,420	3,420	1,405	1,405
> 5 Year	937	937	1,405	1,405
Investments* (refer note 4 & 8)				
< 1 Year	28,635	28,635	11,232	11,232
1 - 5 Year	23,309	23,309	46,978	46,978
> 5 Year	33,231	33,231	35,206	35,206
<b>Financial liabilities at amortized cost:</b>				
Trade payables (refer note 18)				
< 1 Year	5,636	5,636	2,234	2,234
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Other financial liabilities (refer note 16, 19 & 35)				
< 1 Year	5,498	5,498	8,340	8,340
1 - 5 Year	5,243	5,243	5,195	5,195
> 5 Year	-	-	-	-

\*Investment does not include investment in equity investment of subsidiary and associates.

## Notes forming part of the Standalone financial statements (contd.)

**ix. Capital risk management**

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**x. Regulatory risk**

The Company requires a number of regulatory approvals, licenses, registrations and permissions to operate our business For example, the Company have licenses from SEBI in relation to, among others, introducing derivatives contracts on various commodities. The Company's operations are subject to continued review and the governing regulations changes. The Company's regulatory team constantly monitors the compliance with these rules and regulations. The Company's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to the functioning of the Company.

**40. Corporate social responsibility**

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.

₹ in Lakh		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Gross amount required to be spent by the Company during the year.	284	300
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	117	198
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	167	102
The total of previous years' shortfall amounts	14	126
Amount sanctioned and provision made in books as per notification issued by The Ministry of Corporate Affairs dated January 22, 2021, amending the Companies (Corporate Social Responsibility Policy) Rules, 2014.	284	300
Reason for shortfall	Pertain to ongoing projects	Pertain to ongoing projects
Nature of CSR activities	Healthcare, Support to Disabled students, Education support to underprivileged students and Running cost of school, Empowerment of women with skill training, Financial assistance to needy patients for treatment of major diseases	Healthcare, Education support, Empowerment of women with skill training, Financial assistance to needy patients for treatment of major diseases at Government/Prime Minister's National Relief Fund empanelled hospitals.

Unspent CSR amount is being transferred to a separate bank account.

Notes forming part of the Standalone financial statements (contd.)

**41. Contribution to Core Settlement Guarantee Fund (SGF):**

In accordance with Securities and Exchange Board of India (SEBI) Circular dated August 27, 2014, the Exchange during the year ended March 31, 2024, has contributed ₹ 2,452 lakh to the Settlement Guarantee Fund (SGF) maintained by MCXCCL.

**42.** Upon examination of the issues relating to the contracts executed with the software vendors, SEBI had issued a Show Cause Notice (SCN) dated October 16, 2023, to the Company and its four Key Managerial Personnel's. SEBI has, inter alia, alleged in the SCN that the Management did not implement the SEBI outsourcing circular dated 13<sup>th</sup> September 2017. The Company along with its KMP's have filed their individual response in the matter. Separately, the Exchange has also filed settlement application under the applicable SEBI Regulations, which is pending for disposal. Hearings in respect of SCN is pending.

**43.** Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2023-24, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	₹ in Lakh	
	As at	
	March 31, 2024	March 31, 2023
i. Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act).		
- Principal amount due to micro and small enterprise.	127	30
- Interest due on above.	-	-
ii. Interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iii. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

## Notes forming part of the Standalone financial statements (contd.)

**44. A. Disclosure as per Regulation 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations:**

Loans and advances in the nature of loans given to subsidiaries, associates and others and investments in shares of the Company by such parties:

- i. Details of investments made are given in note 4 & 8.
- ii. There are no loans or guarantees issued in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

**B. Disclosure as per Section 186 of the Companies Act, 2013**

The details of loans, guarantees and investments under section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 are as follows:

- i. Details of investments made are given in note 4 & 8.
- ii. There are no loans or guarantees issued in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

**45. Events occurring after Balance Sheet date**

The Board of Directors has recommended equity dividend of ₹ 7.64 per share for the financial year 2023-24 (previous year ₹ 19.09).

Particulars	₹ in Lakh, except equity shares	
	As at March 31, 2024	As at March 31, 2023
Equity shares	5,09,98,369	5,09,98,369
Final dividend for the year ended March 31, 2024 of ₹ 7.64 (March 31, 2023 : ₹ 19.09) per fully paid share	3,896	9,736
Dividends not recognized at the end of the reporting period	3,896	9,736

Notes forming part of the Standalone financial statements (contd.)

**46. Additional regulatory information required by Schedule III**

**a. Financial ratio disclosure**

₹ in Lakh

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% variance	Reason for variance
Current ratio (in times)	Current assets	Current liabilities	2.23	1.80	24.18%	
Return on equity ratio (in %)	Net profit for the year	Average shareholder's equity	3.30%	8.24%	(59.95%)	Due to increase in Software support charges and product license fees by 122% in current year.
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	16.73	36.32	(53.93%)	Due to increase in revenue from operations by 30% in current year and change in billing cycle.
Trade payables turnover ratio	Other expenses	Average trade payable	12.11	9.59	26.22%	Due to increase in Clearing & Settlement fees, software support charges, computer technology & communication expenses in current year and corresponding increase in average trade payables.
Net capital turnover ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	2.43	2.72	(10.62%)	
Net profit ratio (in %)	Net profit for the year	Revenue from operations	8.86%	28.90%	(69.34%)	Due to increase in overall expenses by 77% and only 30% increase in revenue from operations during current year.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed (Networth + Deferred tax liabilities / (asset))	4.54%	10.75%	(57.78%)	Due to increase in overall expenses by 77% and only 29% increase in total revenue during current year.
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	7.59%	5.93%	28.00%	Due to shifting of treasury from Mutual Funds accounted under MTM to Fixed income securities accounted under amortised cost.

## Notes forming part of the Standalone financial statements (contd.)

**46. Additional regulatory information required by Schedule III****b. Relation with struck off Companies**

₹ in Lakh

Name of Struck off Company	Nature of Transactions with Struck off Company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023	Relationship with the Struck off company, if any, to be disclosed
A.J. Commodities Private Limited	Trade Receivable	(12)	(12)	Member
Chaitanya Commodities Private Limited	Trade Receivable	(11)	(11)	Member
Blue Chip Commodities Broking Private Limited <sup>#</sup>	Trade Receivable	0	0	Member
Skyline Tradecom Private Limited <sup>#</sup>	Trade Receivable	(0)	(0)	Member
Aadya Commodities Private Limited	Trade Receivable	52	34	Member
Orion Broking Services (India) Private Limited	Trade Receivable	(1)	(1)	Member
Dreams Comtrade Private Limited <sup>#</sup>	Trade Receivable	(0)	(0)	Member
F6 Commodities Private Limited	Trade Receivable	(108)	(103)	Member
Fair Commodities Trading Private Limited <sup>#</sup>	Trade Receivable	(0)	(0)	Member
Altos Advisory Services Limited	Trade Receivable	(23)	(22)	Member
Indhu Commodities Private Limited	Trade Receivable	(4)	(4)	Member
Moneyhouse Commodity Private Limited	Trade Receivable	(97)	(97)	Member
Omji Commotrade Private Limited <sup>#</sup>	Trade Receivable	(0)	(0)	Member
Silverline Commodities Private Limited	Trade Receivable	(15)	(15)	Member
Broadway Commodities Private Limited	Trade Receivable	(1)	(1)	Member
G. S. V. Commodities Private Limited	Trade Receivable	1	-	Member
PCS Securities Limited	Trade Receivable	(5)	(5)	Member
RVI Commodity Services Private Limited	Trade Receivable	2	2	Member
SAS Commodities Private Limited <sup>#</sup>	Trade Receivable	(0)	(0)	Member
SRV Commodities Private Limited <sup>#</sup>	Trade Receivable	(0)	(1)	Member
Informatic Value Research Private Limited	Trade Payable	282	282	Vendor

# figures are below rounding off norms adopted by the Company.

**c. Other information:**

- (i) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) The Company does not have number of layers of Companies.
- (iv) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (v) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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.

## Notes forming part of the Standalone financial statements (contd.)

- (vi) 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.
- (vii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (viii) All the title deeds of immovable properties are held in the name of Company.
- (ix) There are no promoters for the Company.
- (x) The Company has not revalued its property plant and equipment or intangible assets or both during current year or previous year.
- (xi) The Company does not have any borrowings from bank and / or financial institutions.
- (xii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (xiii) There are no Core Investment Companies (CIC) in the group.
- (xiv) The Company has not granted any loans or advances to Directors', KMPs and related parties either severally or jointly with any other persons that are:
  - a) repayable on demand or
  - b) without specifying any terms or period for repayment.

**47.** The Company had entered into an agreement with Tata Consultancy Services Ltd. (TCS), according to which the new Commodity Derivative Platform (CDP) was to be developed, tested and delivered by TCS by September 30, 2022.

However, since the new platform was under development, the Company considering the exigency to ensure continuity of the commodity trading and clearing platform, continued with the services of the vendor, 63 Moons Technologies Ltd., initially for a period for quarter ended December 2022 for ₹ 6,000 lakh (plus applicable taxes). Accordingly, for the quarter ended December 31, 2022, Company had incurred ₹ 4,020 lakh (net of recoveries from MCXCCL, excluding applicable taxes). Later, these services were extended for another two quarters ending June 30, 2023 for ₹ 8,100 lakh per quarter (plus applicable taxes) as per the minimum period of services offered by the vendor. Accordingly, for the quarter ended March 31, 2023 and June 30, 2023, Company has incurred ₹ 5,427 lakh (net of recoveries from MCXCCL, excluding applicable taxes) each.

Further, due to delay in the delivery of the CDP platform, the Company had decided to extend the support services being rendered by the vendor, 63 Moons Technologies Ltd. for further two quarters, being the minimum period of services offered by the vendor, beginning from July 01, 2023 at a consideration of ₹ 12,500 lakh (plus applicable taxes) per quarter. Accordingly, for the quarter ended September 30, 2023, Company has incurred ₹ 8,375 lakh (net of recoveries from MCXCCL excluding applicable taxes) and for the quarter ended December 31, 2023 has incurred ₹ 11,827 lakh (net of recoveries from MCXCCL, excluding applicable taxes only till October 15, 2023 on "pay for use basis" as per the existing resources sharing agreement).

TCS has completed development of CDP and the Company has gone live with CDP with effect from October 16, 2023 after requisite approvals.



## Notes forming part of the Standalone financial statements (contd.)

- 48.** The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment, received Presidential assent in September 2020. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 49.** MCX has established an Investor Protection Fund with the objective of compensating investors in the event of defaulters' assets not being sufficient to meet the admitted claims of investors, promoting investor education, awareness and research. The Investor Protection Fund is administered by way of a registered Trust created for the purpose. In order to enhance the effectiveness of Investor Protection Fund (IPF) of Stock Exchange, SEBI comprehensively reviewed the existing framework. The Company recognizes a provision for contribution payable to IPF, which is estimated by assessing maximum amount which can be paid to the individual claimant as per the extent regulations. As on March 31, 2024, the corpus with the IPF was ₹ 22,776 lakh (Unaudited) (March 31, 2023: ₹ 21,962 Lakh). During the previous year, the Company had made a contribution of ₹ 560 lakh (March 31, 2023: ₹ 426 lakh) recognized as an expense.
- 50.** In accordance with the relevant provisions of the Companies Act, 2013, the Company has long term contracts as of March 31, 2024, and March 31, 2023, for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2024, and March 31, 2023.
- 51.** For the year ended March 31, 2024, and March 31, 2023, the Company is not required to transfer any amount to the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.
- 52.** The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) Amendment Rules, 2021) which is effective from April 01, 2023, states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.
- The Company uses SAP as a primary accounting software for maintaining books of account, which has a feature of recording audit trail edit logs facility.
- The audit trail features was enabled and operative throughout the financial year for the transactions recorded in the software impacting books of account at application level.
- 53.** Previous year figures have been regrouped/reclassified wherever necessary to conform to current year figures.
- 54.** The Financial Statements were approved by the Audit Committee and Board of Directors on April 23, 2024.

## For and on behalf of the Board of Directors

**P.S. Reddy**  
 Managing Director & CEO  
 DIN: 01064530

**Manisha Thakur**  
 Company Secretary

**Dr. Harsh Kumar Bhanwala**  
 Chairman  
 DIN: 06417704

**Satyajeet Bolar**  
 Chief Financial Officer

**Ashutosh Vaidya**  
 Director  
 DIN: 06751825

Place: Mumbai  
 Date: April 23, 2024

# Independent Auditors' Report

**To the Members of MULTI COMMODITY EXCHANGE OF INDIA LIMITED**

## **Report on the Audit of the Consolidated Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **MULTI COMMODITY EXCHANGE OF INDIA LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which includes the Group's share of loss in its associates, which comprise the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on standalone/consolidated financial statements of the subsidiary and associates referred in the Other Matter section below, the aforesaid consolidated 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing, as specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the consolidated financial statements section of our report. We are independent of the Group 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 consolidated financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Legal and Taxation and matter:</b></p> <p>Refer note 1.4, note 1.3.O. and note 31 of consolidated financial statements.</p> <p>There are legal and tax cases against the Holding Company and demand is raised against the Holding Company. The Holding Company has disputed such demands by litigating at relevant statutory forum.</p> <p>For pending litigations against the Holding Company high level of management judgement is required to determine whether an obligation exists and a provision required or disclosures, if any.</p> <p>The measurement of the provision is based on the best estimate of the expenditure required to settle the present obligation.</p> <p>Considering the judgement and estimate involved, matter is considered as a key audit matter.</p>	<p><b>Principal Audit Procedures:</b></p> <p>For legal and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtain list of legal and tax cases against the Holding Company and gained understanding thereof.</li> <li>• Testing key controls surrounding litigation and tax procedures;</li> <li>• Performing substantive procedures on the underlying calculations supporting the provisions recorded;</li> <li>• Considering external legal/tax consultants opinions obtained by the management on possible outcome of litigation;</li> <li>• Meeting with the Holding Company's management and reading subsequent Companies correspondence;</li> <li>• Discussing open matters with the Holding Companies litigation and tax teams;</li> <li>• Assessing the Holding Company Management's conclusions through understanding precedents set in similar cases; and</li> <li>• For the significant provisions made, understood and assessed the provisioning methodology. Tested the underlying data and assumptions used in the determination of the provisions recorded.</li> <li>• For cases where a provision was not recognized, evaluated the adequacy of disclosure made in the Ind AS financial statements.</li> </ul>
2.	<p><b>Valuation of Investments and its impairment:</b></p> <p>Quoted investments and unquoted investments of Group represent the most significant amount on the balance sheet. The total of these investments aggregating to ₹ 91,395 Lakh represented 26.81% of total assets of the Company as at March 31, 2024.</p> <p>There is inherent uncertainty relating to the assumptions supporting such estimates and risk that the fair value of investments is not determined appropriately and hence valuation of investments and its impairment is considered as a key audit matter.</p>	<p><b>Principal Audit Procedures:</b></p> <p>Audit procedures of the group includes the following:</p> <ul style="list-style-type: none"> <li>• We assessed the design and implementation of controls over valuation and existence of investments.</li> <li>• For the fair valuation models, we understood and assessed the methodology used. We tested the underlying data and assumptions used in the determination of the fair value.</li> <li>• We traced the quantity held from the independent confirmation provided by the Custodian and Fund houses.</li> <li>• We tested the valuation of the quoted and unquoted investments to independent pricing sources.</li> <li>• Assessed appropriateness and arithmetical accuracy of fair value disclosures pertaining to investments.</li> </ul>

Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	Auditor's Response
3.	<p><b>Extension of Software Support Service:</b></p> <p>The Holding Company had entered into an agreement with Tata Consultancy Services Limited (TCS), according to which the new Commodity Derivative Platform (CDP) was to be developed, tested and delivered by TCS by September 30, 2022.</p> <p>Since the new platform is under development, the Holding Company considering the exigency to ensure continuity of the existing commodity trading and clearing platform, continued with the services of the existing vendor, 63 Moons Technologies Limited, initially for a period for quarter ending December 2022 for ₹ 60 crore (plus applicable taxes). Later these services were extended for another two quarters ending June 30, 2023 for ₹ 81 crore per quarter (plus applicable taxes) as per the minimum period of services offered by the vendor.</p> <p>Further, due to delay of the CDP platform, the Company had decided to extend the support services being rendered by the vendor 63 Moons Technologies Limited for further two quarters, being the minimum period of services offered by the vendor, beginning from July 01, 2023 at a consideration of ₹ 125 crore per quarter.</p> <p>We considered extension of software support service expenditure as key audit matter due to significance of amount involved on such item during the year ended March 31, 2024.</p>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to procurement to pay cycle of this expenditure.</li> <li>We tested the internal approval notes, purchase order and other documentation to ensure that the expenditure/ payment on extension of software support service contract was appropriately approved by the MD &amp; CEO, Chief Financial Officer and other concerned HOD's as per the delegated authority matrix.</li> <li>We obtained an understanding of the Holding Company's policies and procedures in respect of extension of software support service and approval process by the board of directors.</li> <li>Assessed the disclosures made by the Company in this regard.</li> </ul>
4.	<p><b>Development of New Commodity Derivatives Platform (Intangible Assets Under Development, Intangible Assets and Property Plant and Equipment):</b></p> <p>The Holding Company has awarded the contract of implementation of the new commodity derivatives platform project to Tata Consultancy Services Limited (TCS) on February 04, 2021. Since implementation/ development of new commodity derivatives platform took a substantial period of time to get ready for intended use and due to their materiality in the context of the Balance Sheet of the Holding Company, this is considered to be an area with significant effect on the overall audit strategy and allocation of resources in planning and completion our audit. With regard to above capital project, management has identified specific expenditure including employee costs and other overheads relating to each of the assets in the above capital project and has applied judgement to assess if the costs incurred in relation to new commodity derivative platform meet the recognition criteria of Intangible Assets and Property, Plant and Equipment in accordance with Ind AS 38 and Ind AS 16.</p>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>We obtained an understanding of the Holding Company's capitalization policy and assessed for compliance with the relevant accounting standards.</li> <li>We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalization of assets.</li> <li>We tested the internal approval notes and other documentation to ensure that the projects were appropriately approved by the MD &amp; CEO, Chief Financial Officer and other concerned HOD's as per the delegated authority matrix.</li> <li>We Assessed whether initial assumptions applied in determining project feasibility continues to hold true and whether sufficient economic benefits are likely to flow from the projects to support the values to be capitalised.</li> <li>We obtained understanding on management assessment relating to progress of project and their intention to bring the assets to its intended use.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
	This has been determined as a key audit matter, as the Holding Company has incurred significant expenditure on the new commodity derivatives platform and elements of cost that are eligible for capitalization are appropriately capitalized in accordance with the recognition criteria provided in Ind AS 38 and Ind AS 16, as referred by the total value of additions in intangible assets under development, intangible assets and property, plant and equipment in note 2A, 3A & 3B of the consolidated financial statements.	<ul style="list-style-type: none"> <li>• Ensured adequacy of disclosures in the consolidated financial statements on the management judgements in such cases.</li> <li>• Testing a sample of projects to ensure appropriate capitalisation of qualifying employee cost and cost of external contractors/parties with underlying supporting documents to ascertain nature of costs and basis for allocation, where applicable, and evaluated whether they meet the recognition criteria provided in the India Accounting Standard (Ind AS) 38 Intangible Assets and (Ind AS) 16 Property, Plant and Equipment.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company's, as aforesaid. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group and of its associates is also responsible for overseeing the financial reporting process of the Group and of its associates.

## Independent Auditors' Report (Contd.)

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 financial 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 Holding Company has adequate internal financial controls system 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's 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 ability of the Group and its associates 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 consolidated 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 Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in 'Other Matters' section below in this audit report.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified

misstatements in the Consolidated Financial Statements. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

We did not audit the financial statements/financial information of a subsidiary, whose financial statements reflect total assets of ₹ 1,85,913 Lakh as at March 31, 2024, total revenues of ₹ 16,884 Lakh and net cash outflows amounting to ₹ 133 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor, whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

The consolidated financial statements also include the Group's share of net loss of ₹ 152 Lakh and total comprehensive loss ₹ 118 Lakh for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of two associates, of which one associate has not been audited by its independent auditor. The independent auditors report on financial statements of other associate has been furnished to us and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

#### **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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary and associates, incorporated in India, as noted in the 'Other Matter' paragraph we give in the **"ANNEXURE A"** a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on standalone/consolidated financial statements of subsidiary and its associates incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

## Independent Auditors' Report (Contd.)

- (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 of the aforesaid consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary and associate companies incorporated in India, none of the directors of the Holding Company, its subsidiary and associate companies incorporated in India is 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 over financial reporting of the Group and associate companies covered under the Act, 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 the requirements of section 197(16) of the Act, as amended, In our opinion, and to the best of our information and according to the explanations given to us, and based on the reports of the statutory auditors of such subsidiary company and associate company incorporated in India which were not audited by us the remuneration paid / provided by the Holding Company, Subsidiary company and associate company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

In our opinion, and to the best of our information and according to the explanations given to us, and based on the reports of the statutory auditors of another associate company, with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in terms of notification no. G.S.R. 08(E) dated January 04, 2017 issued by the Ministry of Corporate Affairs under section 462 of the Act and in pursuance of sub-section (2) of the said section of Companies Act 2013 (18 of 2013), the provisions of section 197 in respect of the remuneration paid by the Company to its directors are not applicable to the associate company.

- (h) With respect to the other matters to be included in the auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the auditors on standalone/consolidated financial statements of the subsidiary and associates, as noted in the 'Other Matters' section above:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates- Refer note 31 to the consolidated financial statements;
  - ii. The Group and its associates were not required to recognize a provision as at March 31, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable



- losses on long-term contracts. The Group and its associates did not have any derivative contracts as at March 31, 2024- Refer note 52 to the consolidated financial statements; and
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the subsidiary and its associates- Refer note 53 to the consolidated financial statements.
  - iv.
    - A) The respective management of the Holding Company and its subsidiary and associate companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and other auditors of such subsidiary and associate companies respectively that, to the best of its knowledge and belief, as disclosed in the note 48.c.v to the financial statements, no funds have been advances or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of subsidiary and associate companies to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any such subsidiary and associate companies (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - B) The respective management of the Holding Company and its subsidiary and associate companies which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary and associate companies respectively that, to the best of its knowledge and belief, as disclosed in the note 48.c.v to the financial statements, no funds have been received by the Holding Company or any of such subsidiary and associate companies from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary and associate companies shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditor of the subsidiary and associate companies which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representation under sub-clause (A) and (B) contain any material misstatement.
  - v. The final dividend paid by the Holding Company during the year which was declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 47 to the consolidated Ind AS financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. The subsidiary and associate companies incorporated in India neither declared nor paid any dividend during the year.
  - vi. Based on our examination, which included test checks and that performed by respective auditors of the subsidiary and one associate, companies which are incorporated in India, whose financial statements have been audited under the Act, the Holding Company, subsidiary and one associate have used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has

## Independent Auditors' Report (Contd.)

operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above subsidiary and associate did not come across any instance of the audit trail feature being tampered with.

The financial statements of another associate that is not material to the Consolidated Financial Statements of the Group, have not been audited under the provisions of the Act as of the date of this report. Therefore, we are unable to comment on the reporting requirement under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 in respect of said associate.

For **SHAH GUPTA & Co.**

Chartered Accountants

Firm Registration No.: 109574W

**Vedula Prabhakar Sharma**

Partner

Membership No.: 123088

UDIN: 24123088BKARNY8594

Place: Mumbai

Date : April 23, 2024

## Annexure A to the Independent Auditors' Report of even date

The Annexure referred to in paragraph1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Following are points highlighted by the auditors in the respective reports, reference of the same are as under:

Entity name	CIN	Holding Company/ associate	Clause number of the CARO report
Multi Commodity Exchange of India Limited	L51909MH2002PLC135594	Holding Company	3. vii(c)
India International Bullion Holding IFSC Limited	U67100GJ2021PLC123076	Associate Company	1 of Annexure B to the Independent Auditor's report of consolidated financial Statements

For **SHAH GUPTA & Co.**

Chartered Accountants

Firm Registration No.: 109574W

**Vedula Prabhakar Sharma**

Partner

Membership No.: 123088

UDIN: 24123088BKARNY8594

Place: Mumbai

Date : April 23, 2024

## Annexure B to the Independent Auditors' Report of even date

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of **MULTI COMMODITY EXCHANGE OF INDIA LIMITED** ("the Company" or "the Holding Company") and its subsidiary and its associates, which are incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary and its associates which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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"). 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 respective 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 Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary and its associates, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 over financial reporting 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 system over financial reporting with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to consolidated 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 and the audit evidence obtained by the other auditors of the subsidiary and associates, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary and its associates which are companies incorporated in India.

## Annexure B to the Independent Auditors' Report of even date (Contd.)

**Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting with reference to consolidated 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 over financial reporting with reference to consolidated 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting with reference to consolidated 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 over financial reporting with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and based on the consideration of the audit reports of the other auditors on internal financial controls with reference to, standalone/consolidated financial statements, of its subsidiary company and its associate companies, the Holding Company, its subsidiary company and associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one subsidiary and one associate, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For **SHAH GUPTA & Co.**

Chartered Accountants

Firm Registration No.: 109574W

**Vedula Prabhakar Sharma**

Partner

Membership No.: 123088

UDIN: 24123088BKARNY8594

Place: Mumbai

Date : April 23, 2024

# Consolidated Balance Sheet

as at March 31, 2024

₹ in Lakh

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2A	18,396	12,990
(b) Capital work-in-progress	2B	794	5,187
(c) Right of use assets	2C	144	150
(d) Intangible assets	3A	19,401	1,878
(e) Intangible assets under development	3B	793	11,666
(f) Investment in associate	4	3,712	3,831
(g) Financial assets			
(i) Non-current investments	4	56,541	80,582
(ii) Other non-current financial assets	5	86,198	16,796
(h) Deferred tax assets (net)	32	-	43
(i) Income tax assets (net)	6	9,709	6,087
(j) Other non-current assets	7	154	471
<b>Total non-current assets</b>		<b>1,95,842</b>	<b>1,39,681</b>
<b>(2) Current assets</b>			
(a) Financial assets			
(i) Current investments	8	31,142	20,240
(ii) Trade receivables	9	6,791	1,464
(iii) Cash and cash equivalents	10	17,951	18,108
(iv) Bank balances other than cash and cash equivalents (iii) above	11	78,612	99,678
(v) Other current financial assets	12	5,114	9,829
(b) Other current assets	13	5,427	13,275
<b>Total current assets</b>		<b>1,45,037</b>	<b>1,62,594</b>
<b>Total assets</b>		<b>3,40,879</b>	<b>3,02,275</b>
<b>Equity and liabilities</b>			
<b>(1) Equity</b>			
(a) Equity share capital	14	5,100	5,100
(b) Other equity	15	1,32,747	1,42,830
<b>Total equity</b>		<b>1,37,847</b>	<b>1,47,930</b>
<b>(2) Core settlement guarantee fund (Core SGF)</b>	16	78,056	58,976
<b>Liabilities</b>			
<b>(3) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Other non-current financial liabilities	17	5,373	5,250
(ii) Lease liabilities	35	91	113
(b) Deferred tax liabilities (net)	32	819	-
(c) Non-current provisions	18	278	246
<b>Total non-current liabilities</b>		<b>6,561</b>	<b>5,609</b>
<b>(4) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		138	33
- Total outstanding dues of creditors other than micro enterprises and small enterprises		6,020	2,102
(ii) Lease liabilities	35	75	42
(iii) Other current financial liabilities	20	1,02,535	75,836
(b) Other current liabilities	21	9,573	10,996
(c) Current provisions	22	73	283
(d) Income tax liabilities (net)	23	-	468
<b>Total current liabilities</b>		<b>1,18,417</b>	<b>89,760</b>
<b>Total liabilities</b>		<b>2,03,035</b>	<b>1,54,345</b>
<b>Total equity and liabilities</b>		<b>3,40,879</b>	<b>3,02,275</b>
Material accounting policies, key accounting estimates and judgements	1		

See accompanying notes to the Consolidated Financial Statements

As per our report of even date attached

For **Shah Gupta & Co.**

Chartered Accountants

Firm Registration Number: 109574W

For and on behalf of the Board of Directors

**Vedula Prabhakar Sharma**

Partner

Membership No. 123088

Place: Mumbai

Date: April 23, 2024

**P.S. Reddy**

Managing Director & CEO

DIN: 01064530

**Manisha Thakur**

Company Secretary

Place: Mumbai

Date: April 23, 2024

**Dr. Harsh Kumar Bhanwala**

Chairman

DIN: 06417704

**Satyajeet Bolar**

Chief Financial Officer

**Ashutosh Vaidya**

Director

DIN: 06751825

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

₹ in Lakh, except EPS

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
<b>I Income</b>			
Revenue from operations	24	68,355	51,351
Other income	25	7,539	6,766
<b>Total income</b>		<b>75,894</b>	<b>58,117</b>
<b>II Expenses</b>			
Employee benefits expense	26	11,233	9,190
Finance costs	27	27	21
Depreciation and amortization expense	2A, 2C, 3A	3,593	2,159
Software support charges and product license fees	28	39,288	19,606
Computer technology and communication expenses	29	3,223	2,703
Contribution to settlement guarantee fund (refer note 44)		2,452	-
Other expenses	30	5,728	4,883
<b>Total expenses</b>		<b>65,544</b>	<b>38,562</b>
<b>III Profit before tax and share of profit / (loss) of associates</b>		<b>10,350</b>	<b>19,555</b>
<b>IV Add: Share of loss of associates</b>		(152)	(498)
<b>V Profit before tax</b>		<b>10,198</b>	<b>19,057</b>
<b>VI Tax expenses</b>			
(1) Current tax	32	723	5,106
(2) Short / (excess) provision for tax relating to previous years	32	133	67
(3) Deferred tax	32	1,031	(1,013)
<b>Total tax expenses</b>		<b>1,887</b>	<b>4,160</b>
<b>VII Profit for the year</b>		<b>8,311</b>	<b>14,897</b>
<b>VIII Other comprehensive income</b>			
A) Items that will not be reclassified to profit or loss			
i) Changes in fair value of equity instruments (net of tax)		(101)	(46)
ii) Remeasurement of employee benefits obligations (net of tax)		(84)	(27)
iii) Share of profit in associates		34	169
<b>IX Total comprehensive income for the year</b>		<b>8,160</b>	<b>14,993</b>
<b>Net profit attributable to:</b>			
a) Owner of the company		8,311	14,897
b) Non-controlling interest		-	-
<b>Other comprehensive income attributable to:</b>			
a) Owner of the company		(151)	96
b) Non-controlling interest		-	-
<b>Total comprehensive income attributable to:</b>			
a) Owner of the company		8,160	14,993
b) Non-controlling interest		-	-
<b>Earnings per equity share (of ₹ 10/- each)</b>			
(1) Basic	36	16.30	29.27
(2) Diluted	36	16.30	29.27
Material accounting policies, key accounting estimates and judgements	1		

See accompanying notes to the Consolidated Financial Statements

As per our report of even date attached

**For Shah Gupta & Co.**

Chartered Accountants

Firm Registration Number: 109574W

**For and on behalf of the Board of Directors**

**Vedula Prabhakar Sharma**

Partner

Membership No. 123088

**P.S. Reddy**

Managing Director & CEO

DIN: 01064530

**Dr. Harsh Kumar Bhanwala**

Chairman

DIN: 06417704

**Ashutosh Vaidya**

Director

DIN: 06751825

Place: Mumbai

Date: April 23, 2024

**Manisha Thakur**

Company Secretary

Place: Mumbai

Date: April 23, 2024

**Satyajeet Bolar**

Chief Financial Officer

# Consolidated cash flow statement

for the year ended March 31, 2024

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>A Cash flow from operating activities</b>		
Profit before tax	10,198	19,057
<b>Adjustments for:</b>		
Depreciation and amortization expense	3,593	2,159
Finance costs	27	21
Gain arising on financial assets measured at FVTPL (net)	(1,437)	(3,010)
Provision for expected credit loss & write off	5	44
Provisions no longer required written back	(342)	(95)
Interest income	(5,227)	(2,809)
Share of loss of associates	152	498
Remeasurement of employee benefit	(84)	(27)
<b>Operating cash flows before working capital changes</b>	<b>6,885</b>	<b>15,838</b>
<b>Adjustments for (increase) / decrease in assets:</b>		
Other non-current financial assets	1	-
Other non-current assets	317	(128)
Trade receivables	(951)	(361)
Other current financial assets	(195)	(304)
Other current assets	7,848	(11,052)
<b>Adjustments for increase/ (decrease) in liabilities:</b>		
Other non-current financial liabilities	123	(24)
Non-current provisions	32	(28)
Trade payables	4,203	(412)
Other current financial liabilities	29,911	9,891
Other current liabilities	(1,336)	(787)
Current provisions	(210)	44
<b>Adjustment for increase in settlement guarantee fund (Core SGF)</b>	<b>10,574</b>	<b>6,418</b>
<b>Cash generated from operations</b>	<b>57,202</b>	<b>19,095</b>
Income tax paid (net of refunds)	(5,111)	(4,953)
<b>Net cash generated from operating activities (A)</b>	<b>52,091</b>	<b>14,142</b>
<b>B Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment including capital advances	(14,323)	(7,127)
Purchase of non-current investments	-	(52,750)
Proceeds from sale of non-current investments	12,663	17,068
Investment in associate	-	(1,650)
Purchase of current investments	(2,31,589)	(2,07,970)
Proceeds from sale of current investments	2,34,701	2,59,033
Payment for investment in fixed deposits	(3,69,015)	(4,59,465)
Bank balances other than classified as cash and cash equivalents / proceeds from Fixed Deposits	3,23,808	4,47,799
Interest received	1,325	4,254
<b>Net cash flow (used) in investing activities (B)</b>	<b>(42,430)</b>	<b>(808)</b>
<b>C Cash flow from financing activities</b>		
Dividend paid	(9,736)	(8,874)
Finance costs paid	(4)	(5)
Payment of lease liabilities including interest on lease liabilities	(78)	(69)
<b>Net cash flow (used) in financing activities (C)</b>	<b>(9,818)</b>	<b>(8,948)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(157)</b>	<b>4,386</b>
Cash and cash equivalents at the beginning of the year	18,108	13,722
<b>Cash and cash equivalents at the end of the year (Refer note 10)</b>	<b>17,951</b>	<b>18,108</b>
<b>Non-cash investing activities</b>		
Acquisition of Right-of-use assets	66	128

**Note to Cash Flow Statement:**

- The cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".
- Previous years' figures have been regrouped wherever necessary.

As per our report of even date attached

**For Shah Gupta & Co.**

Chartered Accountants

Firm Registration Number: 109574W

**For and on behalf of the Board of Directors**

**Vedula Prabhakar Sharma**

Partner

Membership No. 123088

**P.S. Reddy**

Managing Director & CEO

DIN: 01064530

**Dr. Harsh Kumar Bhanwala**

Chairman

DIN: 06417704

**Ashutosh Vaidya**

Director

DIN: 06751825

Place: Mumbai

Date: April 23, 2024

**Manisha Thakur**

Company Secretary

Place: Mumbai

Date: April 23, 2024

**Satyajeet Bolar**

Chief Financial Officer



# Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

## A. Equity share capital

### (1) For the year ended March 31, 2024

₹ in Lakh

Balance as at April 1, 2023	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2024
5,100	-	-	-	5,100

### (2) For the year ended March 31, 2023

₹ in Lakh

Balance as at April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2023
5,100	-	-	-	5,100

## B. Other equity

### For the year ended March 31, 2024

₹ in Lakh

Particulars	Reserves and surplus			Other comprehensive income		Total
	Securities premium	Retained earnings	General reserve	Re-measurements gain/(loss) on the defined employee benefit plans and equity Instruments	Share of profit / (loss) in Associates	
<b>Balance as at March 31, 2022</b>	<b>21,684</b>	<b>1,02,637</b>	<b>16,449</b>	<b>(4,106)</b>	<b>44</b>	<b>1,36,711</b>
Profit for the year	-	14,897	-	-	-	14,897
Dividend	-	(8,874)	-	-	-	(8,874)
Equity instruments through other comprehensive income (net of tax)	-	-	-	(46)	169	123
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	(27)	-	(27)
<b>Balance as at March 31, 2023</b>	<b>21,684</b>	<b>1,08,663</b>	<b>16,449</b>	<b>(4,179)</b>	<b>213</b>	<b>1,42,830</b>
Profit for the year	-	8,311	-	-	-	8,311
Transfer to settlement guarantee fund (Refer note 44)	-	(8,506)	-	-	-	(8,506)
Dividend	-	(9,736)	-	-	-	(9,736)
Equity instruments through other comprehensive income (net of tax)	-	-	-	(101)	34	(67)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	(84)	-	(84)
<b>Balance as at March 31, 2024</b>	<b>21,684</b>	<b>98,732</b>	<b>16,449</b>	<b>(4,364)</b>	<b>247</b>	<b>1,32,747</b>

As per our report of even date attached

**For Shah Gupta & Co.**

Chartered Accountants

Firm Registration Number: 109574W

**For and on behalf of the Board of Directors**

**Vedula Prabhakar Sharma**  
Partner  
Membership No. 123088

**P.S. Reddy**  
Managing Director & CEO  
DIN: 01064530

**Dr. Harsh Kumar Bhanwala**  
Chairman  
DIN: 06417704

**Ashutosh Vaidya**  
Director  
DIN: 06751825

Place: Mumbai  
Date: April 23, 2024

**Manisha Thakur**  
Company Secretary

**Satyajeet Bolar**  
Chief Financial Officer

Place: Mumbai  
Date: April 23, 2024

## Notes forming part of the Consolidated financial statements (contd.)

### Company overview

The consolidated financial statements comprise financial statements of the Multi Commodity Exchange of India Limited (the “Company” or the “Exchange”), a deemed Stock Exchange recognised under the Securities Contracts (Regulation) Act, 1956, and its subsidiary (collectively, the Group), and includes the share of profit of associates for the year ended March 31, 2023. The Company is a demutualised Exchange and has permanent recognition from the Government of India to facilitate nationwide online trading, clearing and settlement operations of commodity derivatives. Pursuant to SEBI approval to the Company’s wholly owned subsidiary, Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) to act as the clearing corporation, the clearing and settlement division of the Company has been transferred to MCXCCL with effect from September 01, 2018.

The Holding Company is a public limited Company incorporated and domiciled in India and has its registered office at ‘Exchange Square’, Suren Road, Chakala, Andheri (East), Mumbai 400093, India. Its shares are listed on the BSE Limited. Further, in pursuance of Regulation 3.1.1 of the National Stock Exchange (Capital Market) Trading Regulations Part A and other relevant provisions, National Stock Exchange of India Limited (NSE) vide its Circular Ref No. 202/201 dated March 7, 2012 notified that with effect from March 09, 2012 the Company’s equity shares were permitted to be traded and admitted to dealings on NSE.

The consolidated financial statements for the year ended 31 March 2024 were approved by Board of Directors and authorized for issue on April 23, 2024.

### 1. Material accounting policies, key accounting estimates and judgements

#### 1.1 Basis of preparation of financial statements

These consolidated financial statements of the Group 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 the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III of the Companies Act, 2013, (Ind AS Compliant Schedule III), as applicable to consolidated financial statements.

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 consolidated 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 consolidated financial statements.

#### 1.2 Basis of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2023. Control is achieved when the Company has majority of voting rights.

The holding Company re-assesses whether or not it controls an investee, if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the holding Company obtains control over the subsidiary and ceases when the holding Company loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the holding Company gains control until the date the holding Company ceases to control the subsidiary.

## Notes forming part of the Consolidated financial statements (contd.)

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding Company, i.e., year ended on March 31. When the end of the reporting period of the Holding is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Holding to enable the Holding to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

### **Consolidation procedure:**

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- b. Offset (eliminate) the carrying amount of the Holding's investment in each subsidiary and the Holding's portion of equity of each subsidiary.
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

### **Investment in Associate**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiary.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. In addition, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Goodwill relating to the associate is included in the carrying amount of investment and is not tested for impairment individually. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If Group's share of losses of an associate exceeds its interest in that associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

## Notes forming part of the Consolidated financial statements (contd.)

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the Statement of Profit and Loss.

### 1.3 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.

Freehold land is carried at historical cost of acquisition. Freehold land is not depreciated.

#### 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 lives
Buildings	60 years
Office equipment	5 years
Servers & network equipment	3-6 years
Furniture and fittings	10 years
Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

Repairs and maintenance costs are recognised in the Statement of Profit and Loss when incurred.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognised in the Statement of Profit and Loss.

#### 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 Group 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 intended use. Amortization methods and useful lives are reviewed at each financial year end, with the effect of any changes in estimate accounted for on a prospective basis.

At each Balance Sheet date consideration is given to determine whether there is any indication of impairment of the carrying amounts of the Group'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 account whenever the carrying amount of an asset exceeds its recoverable amount.

## Notes forming part of the Consolidated financial statements (contd.)

The estimated useful lives of intangible assets are as follows:

Asset class	Useful life
Computer software & licence fees	5-10 years
Trademark and copyright	6-8 years

#### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit and Loss when the asset is derecognized.

Purchase of any property, plant and equipment including intangible assets below ₹ 1,00,000/- is capitalised and fully depreciated in the same financial year.

#### C. Capital work-in-progress ('CWIP') and intangible assets under development

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and less impairment losses, if any. Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

#### D. Impairment of non-financial assets

The Group 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.

#### E. Cash and cash equivalents

Cash and short-term deposits in the Balance Sheet comprise cash at banks, cheque on hand, 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.

#### F. Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

#### G. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before 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 Group are segregated.

## Notes forming part of the Consolidated financial statements (contd.)

### **H. 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 subsidiary Company are transferred to core SGF as other contributions.

The contribution to Settlement Guarantee Fund / Core Settlement Guarantee Fund by the Parent Company is recorded as an expense in the Consolidated Statement of Profit and Loss and contribution by its clearing corporation subsidiary is recorded as an appropriation from Group's retained earnings and such amounts are separately disclosed as Core Settlement Guarantee Fund in the Consolidated balance sheet.

### **I. Fair value measurement**

The Group 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 by the Group.

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 Group 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.

## Notes forming part of the Consolidated financial statements (contd.)

**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 Group 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 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 Group classifies a financial asset in accordance with the below criteria:

- i. The Group'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 Group 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 Group'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 Group'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 Group recognizes dividend income from such instruments in the Statement of Profit and Loss and fair value changes are recognized in other comprehensive income (OCI).

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 Group. 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.

Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

## Notes forming part of the Consolidated financial statements (contd.)

### **Target maturity funds**

The Group intends to hold its investment in open ended target maturity funds till maturity. It may be noted that these funds have a pre-determined maturity date. These funds follow a passive buy and hold strategy; in which the existing underlying investment bonds are expected to be held till maturity unless sold for meeting redemptions or rebalancing requirements as stated in the scheme document. In our view, such strategy mitigates intermittent price volatility in open ended target maturity funds' underlying investments; and investors who remain invested until maturity are expected to mitigate the market/volatility risk to a large extent. These funds can invest only in plain vanilla INR bonds with fixed coupon and maturity; and cannot invest in floating rate bonds. Based on this, the Company believes that the investments in open ended target maturity funds meet the requirements of SPPI test as per the requirements of Ind AS 109.

### **Earmarked funds**

Earmarked Funds represent deposits, margins, etc. held for specific purposes. These amounts are invested and the same are earmarked in the Balance Sheet. Investment income earned on financial instrument measured at amortised cost is credited to respective earmarked liabilities and not credited to the Statement of Profit and Loss. The gain/ (loss) on fair Value of the investments from these earmarked funds are shown as liabilities/asset and are not routed through 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 Group's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or
  - b. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

On De-recognition of a financial asset (except 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 Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortized cost



## Notes forming part of the Consolidated financial statements (contd.)

- 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 Group determines 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 Group reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group 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 Group 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 Group 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 and 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.

## Notes forming part of the Consolidated financial statements (contd.)

### **K. Revenue recognition**

The Group has applied Ind AS 115 Revenue from Contracts with customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

The Group recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method for recognizing revenues depends on the nature of services rendered. Revenue is recognised on accrual basis and when no significant uncertainty as to measurement and realization exists.

The Group considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the Group expects to be entitled to in exchange for transferring of promised services to the customer after deducting allowances and incentives such as discounts, volume rebates etc. Revenue excludes any taxes and duties collected on behalf of the government.

- a. Transaction charges:** Transaction fee is charged based on the volume of transactions entered into by the respective member or client of the member through the Exchange. Revenue is recognized on transactions in accordance with the Company's fees scales as and when the transaction occurs.
- b. Interest income:** Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate. The amounts disclosed as revenue are net of taxes and amounts collected on behalf of third parties.
- c. Profit on sale of investments:** Profit on sale of investments is determined as the difference between the sales price and carrying value of investments at the time of disposal of these investments.

In respect of members who have been declared as defaulters by the Group, all amounts (dues) remaining to be recovered from such defaulters, net of available security and insurance cover available if any, till the date of being declared as defaulters are written off as bad debts. All subsequent recoveries are accounted when received.

### **L. Foreign currency translation**

The financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency. Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realized gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

### **M. Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

#### **Operating Cycle:**

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## Notes forming part of the Consolidated financial statements (contd.)

**N. 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 Group 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.

**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.

**O. Taxes on Income (current and deferred)**

Income tax expense comprises both current and deferred 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 the Statement of Profit and Loss except to the extent that it relates to items recognized in other comprehensive income (OCI).

Deferred income tax is recognised using the Balance Sheet approach. 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 carrying forward of unused tax credits and unused 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 (OCI) or directly in equity.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Group recognises interest levied and penalties related to income tax assessments in income tax expenses.

## Notes forming part of the Consolidated financial statements (contd.)

### **P. Ind AS 116 “Leases”**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **a. Group as a lessee**

##### **Right-of-use assets:**

The Group recognises right-of-use assets (“RoU assets”) at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

##### **Lease liabilities:**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be read after the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head “Other financial liabilities”.

Lease payments included in the measurement of the lease liability comprise the amounts expected to be payable over the period of lease. The lease liability is measured at amortized cost using effective interest rate method. It is remeasured when there is a change in future lease payments arising from change in the index or rate.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments (including interest) have been classified as cash flows from financing activities in Cash Flow Statement.

##### **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase

## Notes forming part of the Consolidated financial statements (contd.)

option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**b. Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Contingent rents are recognised as revenue in the period in which they are earned.

**Q. Provisions, contingent liabilities, contingent assets and commitments**

A provision is recognised when the Group 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.

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

**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.

Contingent liabilities are not disclosed in case the possibility of an outflow of resources embodying economic benefits is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each Balance Sheet date.

**R. Exceptional items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**S. Earnings per share**

Basic earnings per share are computed by dividing the profit after tax 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

## Notes forming part of the Consolidated financial statements (contd.)

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.

### **T. Dividend**

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### **U. Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

### **V. 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.

## **1.4 Key accounting estimates and Judgments**

The preparation of the Group's consolidated 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.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### **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 Group'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.

#### **Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Group. 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 Group'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.

## Notes forming part of the Consolidated financial statements (contd.)

**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.

**Fair value measurement of financial instruments**

When the fair values of financial 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 Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Provisions**

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Notes forming part of the Consolidated financial statements (contd.)

**2A. Property, plant and equipment**

₹ in Lakh

Particulars	Freehold land	Buildings	Office equipments (including computer hardware)	Furniture and fittings	Vehicles	Total
<b>Gross carrying amount</b>						
Balance as at April 1, 2022	5,061	6,268	8,907	603	159	20,999
Additions	-	-	585	16	45	646
Disposals / adjustments	-	-	13	-	9	22
<b>Balance as at March 31, 2023</b>	<b>5,061</b>	<b>6,268</b>	<b>9,480</b>	<b>619</b>	<b>195</b>	<b>21,623</b>
Additions	-	-	7,004	175	90	7,269
Disposals / adjustments	-	-	59	4	14	77
<b>Balance as at March 31, 2024</b>	<b>5,061</b>	<b>6,268</b>	<b>16,425</b>	<b>790</b>	<b>271</b>	<b>28,815</b>
<b>Accumulated Depreciation</b>						
Balance as at April 1, 2022	-	770	6,099	395	66	7,330
Additions	-	115	1,132	41	37	1,325
Disposals / adjustments	-	-	13	-	9	22
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>885</b>	<b>7,218</b>	<b>436</b>	<b>94</b>	<b>8,633</b>
Additions	-	115	1,609	52	37	1,813
Disposals / adjustments	-	-	17	4	5	26
<b>Balance as at March 31, 2024</b>	<b>-</b>	<b>1,000</b>	<b>8,810</b>	<b>484</b>	<b>126</b>	<b>10,420</b>
<b>Net carrying amount</b>						
Balance as at March 31, 2023	5,061	5,383	2,262	183	101	12,990
<b>Balance as at March 31, 2024</b>	<b>5,061</b>	<b>5,268</b>	<b>7,615</b>	<b>306</b>	<b>146</b>	<b>18,396</b>

**Assets given on operating lease:**

Category of asset	Area in sq. feet	Period
Office no. 2	3,399	01.08.2020-31.07.2023 & 01.08.2023-31.07.2026
Office no. 3	3,377	01.08.2020-31.07.2023 & 01.08.2023-31.07.2026
Office no. 4A	1,862	01.08.2021-31.07.2023

**2B. Capital work-in-progress**

As at March 31, 2024

₹ in Lakh

Balance as at April 1, 2023	5,187
Additions during the year	2,876
Capitalised during the year	7,269
<b>Balance as at March 31, 2024</b>	<b>794</b>



## Notes forming part of the Consolidated financial statements (contd.)

**Capital work- in- progress ageing schedule (as on March 31, 2024)**

₹ in Lakh

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in process	794	-	-	-	794
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>794</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>794</b>

**Capital work-in-progress: Projects with timeline delayed (as on March 31, 2024)**

As on March 31, 2024, there were no capital work-in-progress, where the actual cost of an asset/project has already exceeded the estimated cost as per original plan or actual timelines for completion of an asset/project have exceeded the estimated timelines as per original plan. Accordingly, no additional disclosure was required.

**As at March 31, 2023**

₹ in Lakh

<b>Balance as at April 1, 2022</b>	<b>4,337</b>
Additions during the year	1,496
Capitalised during the year	646
<b>Balance as at March 31, 2023</b>	<b>5,187</b>

**Capital work- in- progress ageing schedule (as on March 31, 2023)**

₹ in Lakh

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in process	1,131	4,056	-	-	5,187
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,131</b>	<b>4,056</b>	<b>-</b>	<b>-</b>	<b>5,187</b>

**Capital work-in-progress: Projects with timeline delayed (as on March 31, 2023)**

₹ in Lakh

Particulars	To be completed in				Total
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	
Commodity Derivative Platform (CDP)	5,172	-	-	-	5,172
<b>Total</b>	<b>5,172</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,172</b>

Notes forming part of the Consolidated financial statements (contd.)

2C. Right of use asset

			₹ in Lakh
Particulars	Lease of office premises	Total	
<b>Gross carrying amount</b>			
<b>Balance as at April 1, 2022</b>	<b>275</b>	<b>275</b>	
Additions (refer note 35)	128	128	
Disposals	-	-	
<b>Balance as at March 31, 2023</b>	<b>403</b>	<b>403</b>	
Additions (refer note 35)	66	66	
Disposals	-	-	
<b>Balance as at March 31, 2024</b>	<b>469</b>	<b>469</b>	
<b>Accumulated depreciation</b>			
<b>Balance as at April 1, 2022</b>	<b>200</b>	<b>200</b>	
Additions (refer note 35)	53	53	
Disposals	-	-	
<b>Balance as at March 31, 2023</b>	<b>253</b>	<b>253</b>	
Additions (refer note 35)	72	72	
Disposals	-	-	
<b>Balance as at March 31, 2024</b>	<b>325</b>	<b>325</b>	
<b>Net carrying amount</b>			
<b>Balance as at March 31, 2023</b>	<b>150</b>	<b>150</b>	
<b>Balance as at March 31, 2024</b>	<b>144</b>	<b>144</b>	

3A. Intangible assets

				₹ in Lakh
Particulars	Computer software & license fees	Trademark and copyright	Total	
<b>Gross carrying amount</b>				
<b>Balance as at April 1, 2022</b>	<b>7,829</b>	<b>9</b>	<b>7,838</b>	
Additions	756	-	756	
Disposals	-	-	-	
<b>Balance as at March 31, 2023</b>	<b>8,585</b>	<b>9</b>	<b>8,594</b>	
Additions	19,231	-	19,231	
Disposals	-	-	-	
<b>Balance as at March 31, 2024</b>	<b>27,816</b>	<b>9</b>	<b>27,825</b>	
<b>Accumulated amortization</b>				
<b>Balance as at April 1, 2022</b>	<b>5,934</b>	<b>1</b>	<b>5,935</b>	
Additions	780	1	781	
Disposals	-	-	-	
<b>Balance as at March 31, 2023</b>	<b>6,714</b>	<b>2</b>	<b>6,716</b>	
Additions	1,707	1	1,708	
Disposals	-	-	-	
<b>Balance as at March 31, 2024</b>	<b>8,421</b>	<b>3</b>	<b>8,424</b>	
<b>Net carrying amount</b>				
<b>Balance as at March 31, 2023</b>	<b>1,871</b>	<b>7</b>	<b>1,878</b>	
<b>Balance as at March 31, 2024</b>	<b>19,395</b>	<b>6</b>	<b>19,401</b>	

## Notes forming part of the Consolidated financial statements (contd.)

- 3.1 Capital and other contractual commitment (refer note 31)
- 3.2 Significant estimate: Useful life of intangible assets. As at 31 March 2024, the net carrying amount of the software & license fees was ₹ 19,395 lakh (as on March 31, 2023: ₹ 1,871 lakh). The Company estimates the useful life of the software based on the expected technical obsolescence of such assets. However, the actual useful life may deviate, depending on future technical innovations and competitor action.

**3B. Intangible assets under development****As at March 31, 2024**

	₹ in Lakh
<b>Balance as at April 1, 2023</b>	<b>11,666</b>
Additions during the year	8,358
Capitalised during the year	19,231
<b>Balance as at March 31, 2024</b>	<b>793</b>

**Intangible assets under development ageing schedule (as on March 31, 2024)**

Particulars	₹ in Lakh				
	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in process	766	1	-	-	<b>767</b>
Projects temporarily suspended	-	26	-	-	<b>26</b>
<b>Total</b>	<b>766</b>	<b>27</b>	-	-	<b>793</b>

**Intangible assets under development: Projects with timeline delayed (as on March 31, 2024)**

As on March 31, 2024, there were no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan. Accordingly, no additional disclosure was required.

**As at March 31, 2023**

	₹ in Lakh
<b>Balance as at April 1, 2022</b>	<b>5,142</b>
Additions during the year	7,280
Capitalised during the year	756
<b>Balance as at March 31, 2023</b>	<b>11,666</b>

**Intangible assets under development ageing schedule (as on March 31, 2023)**

Particulars	₹ in Lakh				
	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in process	3,356	8,284	-	-	<b>11,640</b>
Projects temporarily suspended	26	-	-	-	<b>26</b>
<b>Total</b>	<b>3,382</b>	<b>8,284</b>	-	-	<b>11,666</b>

**Intangible assets under development: Projects with timeline delayed (as on March 31, 2023)**

Particulars	₹ in Lakh				
	To be completed in				
	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
Commodity Derivative Platform (CDP)	11,531	-	-	-	<b>11,531</b>
<b>Total</b>	<b>11,531</b>	-	-	-	<b>11,531</b>

Notes forming part of the Consolidated financial statements (contd.)

4. Non-current investments

Particulars	Face Value Per share	As at March 31, 2024		As at March 31, 2023	
		No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
<b>A Investments in equity instruments (unquoted fully paid up)</b>					
(i) of Associate - cost (refer note 40)					
CDSL Commodity Repository Limited	₹ 10	1,20,00,000	1,216	1,20,00,000	1,242
Add: Share of loss of associate (net of tax)		-	(16)	-	(26)
India International Bullion Holding IFSC Limited	₹ 1	30,00,00,000	2,615	13,50,00,000	1,268
Add: Additional investment during the year		-	-	16,50,00,000	1,650
Add: Share of loss of associate (net of tax)		-	(102)	-	(303)
			<b>3,712</b>		<b>3,831</b>
<b>B Investment in mutual funds - FVTPL (unquoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
Axis Money Market Fund - Direct - Growth	₹ 1,000	-	-	87,036	1,060
DSP Ultra Short Fund - Direct - Growth	₹ 1,000	-	-	67,692	2,117
HDFC Money Market Fund - Direct - Growth	₹ 1,000	-	-	32,329	1,591
ICICI Prudential Money Market Fund - Direct - Growth	₹ 100	-	-	3,26,703	1,060
Invesco India Ultra Short Term Fund - Direct - Growth	₹ 1,000	-	-	43,423	1,058
Kotak Money Market Fund - Direct - Growth	₹ 1,000	-	-	27,689	1,060
Kotak Savings Fund - Direct - Growth	₹ 10	-	-	27,82,926	1,059
SBI Magnum Ultra Short Duration Fund - Direct - Growth	₹ 1,000	-	-	20,468	1,056
SBI Savings Fund - Direct - Growth	₹ 10	-	-	28,18,452	1,059
Tata Money Market Fund - Direct - Growth	₹ 1,000	-	-	26,237	1,062
			-		<b>12,182</b>
<b>C Investment in exchange traded funds - FVTPL (quoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
BHARAT Bond FOF - April 2025	₹ 1,000	3,30,320	3,955	-	-
Nippon India ETF Nifty CPSE Bond Plus SDL Sep 2024 50:50	₹ 100	-	-	13,80,000	1,545
			<b>3,955</b>		<b>1,545</b>
<b>D Investment in target maturity funds - amortised cost (unquoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund - Direct - Growth	₹ 10	2,42,48,266	2,709	2,42,48,266	2,525
Edelweiss Nifty PSU Bond Plus SDL Apr 2027 50:50 Index Fund - Direct - Growth	₹ 10	2,40,92,626	2,709	2,40,92,626	2,525
ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund - Direct - Growth	₹ 10	2,41,83,757	2,710	2,41,83,757	2,525
Kotak Nifty SDL Apr 2032 Top 12 Equal Weight Index Fund - Direct - Growth	₹ 10	4,81,25,884	5,426	4,81,25,884	5,044
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund - Direct - Growth	₹ 10	2,45,30,464	2,710	2,45,30,464	2,525
SBI CRISIL IBX Gilt Index April 2029 Fund - Direct - Growth	₹ 10	2,39,91,814	2,679	2,39,91,814	2,500
			<b>18,943</b>		<b>17,644</b>

## Notes forming part of the Consolidated financial statements (contd.)

## 4. Non-current investments (contd.)

<b>E</b>	<b>Investment in PSU bank bonds - amortised cost (quoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
	State Bank of India perp AT 1 8.75% (series 1) 30 August, 2024 (Call)	₹ 10,00,000	-	-	200	2,015
	Bank of Baroda 8.70% (perpetual basel III tier I ATI Series X) C 28 November,2024	₹ 10,00,000	-	-	450	4,502
	SBI 8.50% Series II perpetual AT1 bonds basel- III 22 November,2024 (Call)	₹ 10,00,000	-	-	550	5,531
	SBI 7.73% series II perpetual AT1 bonds basel- III 24 November, 2025 (Call)	₹ 10,00,000	200	2,013	200	2,020
	Bank of Baroda 8.00% ( perpetual basel III tier I ATI Series XVIII) C 31 January,2027	₹ 1,00,00,000	25	2,509	25	2,512
	Bank of Baroda 7.88% ( perpetual basel III tier I ATI Series XIX) C 02 September,2027	₹ 1,00,00,000	15	1,499	25	2,499
	SBI 7.55% series III perpetual AT1 bonds basel- III 14 December, 2026 (Call)	₹ 1,00,00,000	25	2,495	25	2,494
	SBI 7.75% series 2022-I perpetual AT1 bonds basel- III 09 September, 2027 (Call)	₹ 1,00,00,000	-	-	25	2,501
				<b>8,516</b>		<b>24,074</b>
<b>F</b>	<b>Investment in State Development Loan - amortised cost (quoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
	7.80% Gujarat SDL 2032	₹ 100	25,00,000	2,513	25,00,000	2,514
	7.77% Gujarat SDL 2032	₹ 100	15,00,000	1,513	15,00,000	1,514
	7.73% Gujarat SDL 2032	₹ 100	10,00,000	1,002	10,00,000	1,002
	7.75% Gujarat SGS 2032	₹ 100	5,00,000	500	5,00,000	500
	7.81% Gujarat SGS 2032	₹ 100	5,00,000	502	5,00,000	502
	8.32% Karnataka SDL 2029	₹ 100	5,00,000	514	5,00,000	517
	7.83% Maharashtra SDL 2030	₹ 100	5,00,000	504	5,00,000	505
	7.60% Maharashtra SDL 2030	₹ 100	5,00,000	500	5,00,000	500
	7.86% Maharashtra SDL 2030	₹ 100	10,00,000	1,010	10,00,000	1,012
	7.89% Maharashtra SDL 2032	₹ 100	15,00,000	1,527	15,00,000	1,529
	7.76% Maharashtra SGS 2030	₹ 100	15,00,000	1,503	15,00,000	1,503
	7.78% Maharashtra SGS 2030	₹ 100	15,00,000	1,502	15,00,000	1,503
	7.70% Maharashtra SGS 2030*	₹ 100	25,00,000	2,498	25,00,000	2,498
	7.64% Tamilnadu SDL 2032	₹ 100	10,00,000	1,003	10,00,000	1,003
	7.79% Tamilnadu SGS 2032	₹ 100	5,00,000	501	5,00,000	501
	7.75% Tamilnadu SDL 2032*	₹ 100	30,00,000	3,012	30,00,000	3,012
	7.80% Tamilnadu SDL 2032*	₹ 100	5,00,000	505	5,00,000	505
	7.82% Tamilnadu SGS 2032*	₹ 100	45,00,000	4,516	45,00,000	4,517
				<b>25,125</b>		<b>25,137</b>
	<b>Total</b>			<b>60,253</b>		<b>84,413</b>

\* Pledged with Kotak Mahindra Bank against bank guarantee - aggregate value ₹ Nil (as at March 31, 2023: ₹ 10,532) which was extinguished on March 31, 2023 and related pledged removed on April 05, 2023.

Aggregate amount of quoted investments	36,500	50,428
Aggregate market value of quoted investments	37,596	50,756
Aggregate amount unquoted investments	21,700	33,179
Aggregate fair value of unquoted investments	22,655	33,657

Notes forming part of the Consolidated financial statements (contd.)

**5. Other non-current financial assets**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Security deposits	1,049	1,050
Bank deposits with more than 12 months maturity (refer note 11)*		
- Earmarked**	79,242	15,501
- Others	2,759	227
Interest accrued but not due on fixed deposits***	3,148	18
<b>Total</b>	<b>86,198</b>	<b>16,796</b>

\*Bank deposits include deposits which are earmarked for Settlement Guarantee Fund ₹ 31,337 lakh (as at March 31, 2023: ₹ 11,823 lakh).

\*\* Earmarked deposits are restricted and includes deposits towards defaulter members, investor services fund and other restricted deposits.

\*\*\* Interest accrued on fixed deposits which are earmarked for settlement guarantee fund ₹ 1,104 lakh (as at March 31, 2023: ₹ 17 lakh).

**6. Income tax assets (net)**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Advance income tax* [net of provisions ₹ 85,551 lakh (as at March 31, 2023 ₹ 79,181 lakh)]	9,709	6,087
<b>Total</b>	<b>9,709</b>	<b>6,087</b>

\*includes TDS receivable on fixed deposit on SGF of ₹ 117 lakh (as at March 31, 2023: ₹ 194 lakh)

6.1: The Group is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to such matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities. Refer also note 31 for details of contingent liabilities and litigations.

**7. Other non-current assets**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Capital advances	-	227
<b>Others</b>		
Prepaid expenses	154	244
<b>Total</b>	<b>154</b>	<b>471</b>

## Notes forming part of the Consolidated financial statements (contd.)

**8. Current investments**

Particulars	Face Value	As at March 31, 2024		As at March 31, 2023	
	Per share	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
<b>A Investments in equity instruments (unquoted fully paid up)</b>					
<b>of other Entities - FVTOCI</b>					
Metropolitan Clearing Corporation of India Limited (formerly known as MCX SX Clearing Corporation Limited)	₹ 10	27,58,941	213	27,58,941	275
Metropolitan Stock Exchange of India Limited (formerly known as MCX Stock Exchange Limited)	₹ 1	33,17,77,008	1,128	33,17,77,008	1,327
			<b>1,341</b>		<b>1,602</b>
<b>B Investment in mutual funds - FVTPL (unquoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
Aditya Birla Sun Life Liquid Fund - Direct - Growth	₹ 100	71,961	280	10,59,724	3,848
Aditya Birla Sun Life Arbitrage Fund - Direct - Growth	₹ 10	39,16,585	1,020	-	-
Axis Arbitrage Fund - Direct - Growth	₹ 10	27,11,699	501	-	-
Axis Liquid Fund - Direct - Growth	₹ 1,000	78,774	2,114	10,410	260
Bandhan Arbitrage Fund - Direct - Growth	₹ 10	63,55,006	2,029	-	-
ICICI Prudential Equity - Arbitrage Fund - Direct - Growth	₹ 10	14,96,864	501	-	-
ICICI Prudential Liquid - Direct - Growth	₹ 100	3,71,430	1,328	-	-
ICICI Prudential Liquid - Direct - Growth *	₹ 100	-	-	5,488	18
Mirae Asset Arbitrage Fund - Direct - Growth	₹ 10	82,11,118	1,010	-	-
Nippon India Arbitrage Fund - Direct - Growth	₹ 10	19,17,634	501	-	-
Nippon India Overnight Fund - Direct - Growth	₹ 100	-	-	4,35,591	524
Nippon India Liquid Fund - Direct - Growth	₹ 1,000	33,970	2,007	27,337	1,505
Nippon India Low Duration Fund - Direct - Growth	₹ 1,000	-	-	66,362	2,217
Tata Arbitrage Fund - Direct - Growth	₹ 10	1,47,81,272	2,030	-	-
Tata Liquid Fund - Direct - Growth	₹ 1,000	7,784	297	-	-
Tata Money Market Fund - Direct - Growth	₹ 1,000	-	-	27,288	1,105
UTI-Liquid Cash Plan - Direct - Growth	₹ 1,000	-	-	1,20,708	4,454
UTI-Liquid Cash Plan - Direct - Growth *	₹ 1,000	-	-	438	16
SBI Liquid Fund Direct Growth	₹ 1,000	66,340	2,507	-	-
Kotak Liquid Fund - Direct - Growth	₹ 1,000	-	-	22,067	1,004
			<b>16,125</b>		<b>14,951</b>
<b>C Current maturities of long-term investments</b>					
<b>i. Investment in exchange traded funds - FVTPL (quoted)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
BHARAT bond ETF - April 2023	₹ 1,000	-	-	3,00,000	3,687
Nippon India ETF Nifty CPSE Bond Plus SDL Sep 2024 50:50	₹ 100	13,80,000	1,659	-	-
			<b>1,659</b>		<b>3,687</b>

Notes forming part of the Consolidated financial statements (contd.)

**8. Current investments**

ii. Investment in PSU bank bonds - amortised cost (quoted)	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
State Bank of India perp AT 1 8.75% (series 1) 30 August, 2024 (Call)	₹ 10,00,000	200	2,004	-	-
Bank of Baroda 8.70% (perpetual basel III tier I ATI Series X) C 28 November,2024	₹ 10,00,000	450	4,501	-	-
SBI 8.50% Series II perpetual AT1 bonds basel- III 22 November,2024 (Call)	₹ 10,00,000	550	5,512	-	-
			<b>12,017</b>		-
<b>Total</b>			<b>31,142</b>		<b>20,240</b>

\* Earmarked towards the Investor Service Fund - aggregate value ₹ Nil (as at March 31, 2023: ₹ 34 lakh)

Aggregate amount of quoted investments	13,429	3,000
Aggregate market value quoted investments	13,676	3,687
Aggregate amount unquoted investments	22,704	21,304
Aggregate fair value of unquoted investments	17,466	16,553



## Notes forming part of the Consolidated financial statements (contd.)

**9. Trade receivables**

₹ in Lakh

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Secured, considered good*	5,167	-
Unsecured, considered good	1,074	882
Unsecured, considered doubtful	568	628
	6,809	1,510
Less: Allowance for doubtful trade receivables (refer note 39.c.vii)	(18)	(46)
<b>Total</b>	<b>6,791</b>	<b>1,464</b>

\*secured by bank guarantees/ fixed deposit from members (refer note 17 & 20).

- 9.1 Trade receivables are dues in respect of services rendered in the normal course of business.
- 9.2 The normal credit period allowed by the company ranges from 0 to 30 days.
- 9.3 There are no dues from directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively, in which any director is a partner or a director or a member.
- 9.4 Credit risk management regarding trade receivables has been described in note 39.c.vii.
- 9.5 Trade receivables have a short credit period and does not have any significant financing components.

**Trade receivables ageing schedule (as at March 31, 2024)**

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – Secured considered good	5,167	-	-	-	-	5,167
(ii) Undisputed trade receivables – considered good	1,061	-	-	-	13	1,074
(iii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(v) Disputed trade receivables– considered good	-	-	-	-	-	-
(vi) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vii) Disputed trade receivables – credit impaired	1	-	-	133	434	568
<b>Total</b>	<b>6,229</b>	<b>-</b>	<b>-</b>	<b>133</b>	<b>447</b>	<b>6,809</b>
<b>Allowance for doubtful trade receivables (refer note 39.c.vii)</b>						(18)
<b>Total trade receivables</b>						<b>6,791</b>

Notes forming part of the Consolidated financial statements (contd.)

9. Trade receivables (Contd.)

Trade receivables ageing schedule (as at March 31, 2023)

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – Secured considered good	-	-	-	-	-	-
(ii) Undisputed trade receivables – considered good <sup>#</sup>	882	-	-	0	-	882
(iii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Undisputed trade receivables – credit impaired <sup>#</sup>	-	0	0	1	8	9
(v) Disputed trade receivables– considered good	-	-	-	-	-	-
(vi) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vii) Disputed trade receivables – credit impaired	-	2	191	78	348	619
<b>Total</b>	<b>882</b>	<b>2</b>	<b>191</b>	<b>79</b>	<b>356</b>	<b>1,510</b>
<b>Allowance for doubtful trade receivables (refer note 39.c.vii)</b>						(46)
<b>Total trade receivables</b>						<b>1,464</b>

# figures are below rounding off norms adopted by the Group.

10. Cash and cash equivalents

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- in current accounts*	17,951	18,108
<b>Total</b>	<b>17,951</b>	<b>18,108</b>

\*Includes balance ₹ 66 lakh (as at March 31, 2023: ₹ 1 lakh) in SGF earmarked bank accounts.

11. Bank balances other than cash and cash equivalents

₹ in Lakh

Particulars	As at March 31, 2024	As at March 31, 2023
Bank deposits	1,60,378	1,15,205
Less: Bank deposits with more than 12 months maturity (refer note 5)	(82,001)	(15,728)
Bank deposits with less than 12 months maturity*	78,378	99,477
In current account		
- Earmarked fund	159	126
- unpaid dividend accounts	75	75
<b>Total</b>	<b>78,612</b>	<b>99,678</b>

\* Bank deposits include:

- Deposits which are earmarked for Settlement Guarantee Fund ₹ 43,531 lakh (as at March 31, 2023: ₹ 44,520 lakh) and other earmarked deposit of ₹ 1,256 lakh (as at March 31, 2023 : ₹ 890 lakh).
- Deposits other than note (a) which are under lien with banks for overdraft facilities and bank guarantee ₹ 7,500 lakh (as at March 31, 2023: ₹ 11,695 lakh).

## Notes forming part of the Consolidated financial statements (contd.)

**12. Other current financial assets**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
<b>Secured, considered good</b>		
Unbilled revenue*	289	4,381
<b>Unsecured, considered good (unless stated otherwise)</b>		
Other receivables	2	105
Less: Provision for doubtful receivables	-	(9)
	2	96
Interest accrued but not due on fixed deposits**	3,553	3,983
Interest accrued but not due on PSU Bank bonds	616	715
Interest accrued but not due on state development loan - bonds	654	654
<b>Total</b>	<b>5,114</b>	<b>9,829</b>

\* secured by bank guarantees / fixed deposit from members (refer note 17 & 20).

\*\* Include interest of ₹1,899 lakh (as at March 31, 2023: ₹ 2,421 lakh) on fixed deposits which are earmarked for settlement guarantee fund.

**13. Other current assets**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
<b>a) Unsecured, considered good (unless stated otherwise)</b>		
Prepaid expenses	916	926
Balance with government authorities	3,800	3,362
Advances for supply of services other than capital advances	656	8,974
Gratuity fund (refer note 38)	30	-
Other advances	25	13
<b>Total (A)</b>	<b>5,427</b>	<b>13,275</b>
<b>b) Unsecured, considered doubtful</b>		
Other recoverable	282	282
Less: Provision for doubtful advance	(282)	(282)
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B)</b>	<b>5,427</b>	<b>13,275</b>

Notes forming part of the Consolidated financial statements (contd.)

**14. Equity share capital**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
<b>Authorized</b>				
Equity shares of ₹ 10/- each	7,00,00,000	7,000	7,00,00,000	7,000
<b>Issued</b>				
Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
<b>Subscribed and paid-up</b>				
Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
	<b>5,09,98,369</b>	<b>5,100</b>	<b>5,09,98,369</b>	<b>5,100</b>

**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	₹ in Lakh	Number of shares	₹ in Lakh
Opening balance at the beginning of the year	5,09,98,369	5,100	5,09,98,369	5,100
Add: Shares issued during the year	-	-	-	-
<b>Closing balance at the end of the year</b>	<b>5,09,98,369</b>	<b>5,100</b>	<b>5,09,98,369</b>	<b>5,100</b>

**b. Rights, preferences and restrictions attached to equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the proportion of equity shares held.

**c. 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
Kotak Mahindra Bank Limited	76,49,755	15%	76,49,755	15%

d. During the year ended March 31, 2009, the shareholders of the holding company approved the 'Employee Stock Options Plan 2008 ('ESOP – 2008')'. Under the said scheme, 16,25,000 equity shares of ₹ 10 each have been allotted to ESOP trust who will administer the ESOP scheme on behalf of the holding Company. Lapsed options available for reissuance are 95,551 (As at March 31, 2023: 95,551) shares. During the year, there are no shares granted under Employee Stock Option Scheme.

e. There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments.

f. There are no bonus shares issued or bought back during the period of five years immediately preceding the reporting date.

g. Shares allotted as fully paid-up pursuant to contract without payment being received in cash during the year of five years immediately preceding the date of the balance sheet as under: Nil

## Notes forming part of the Consolidated financial statements (contd.)

**15. Other equity**

₹ in Lakh

Particulars	Reserves and surplus			Other comprehensive income		Total
	Securities premium	Retained earnings	General reserve	Re-measurements gain/(loss) on the defined employee benefit plans and equity instruments	Share of profit / (loss) in associates	
<b>Balance as at March 31, 2022</b>	<b>21,684</b>	<b>1,02,637</b>	<b>16,449</b>	<b>(4,106)</b>	<b>44</b>	<b>1,36,711</b>
Profit for the year	-	14,897	-	-	-	14,897
Dividend	-	(8,874)	-	-	-	(8,874)
Equity instruments through other comprehensive income (net of tax)	-	-	-	(46)	169	123
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	(27)	-	(27)
<b>Balance as at March 31, 2023</b>	<b>21,684</b>	<b>1,08,663</b>	<b>16,449</b>	<b>(4,179)</b>	<b>213</b>	<b>1,42,830</b>
Profit for the year	-	8,311	-	-	-	8,311
Transfer to settlement guarantee fund (Refer note 43)	-	(8,506)	-	-	-	(8,506)
Dividend	-	(9,736)	-	-	-	(9,736)
Equity instruments through other comprehensive income (net of tax)	-	-	-	(101)	34	(66)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	(84)	-	(84)
<b>Balance as at March 31, 2024</b>	<b>21,684</b>	<b>98,732</b>	<b>16,449</b>	<b>(4,364)</b>	<b>247</b>	<b>1,32,747</b>

**Notes:****General reserve**

The general reserve created from time to time transfer profits from retained earnings for appropriation purposes. As the general reserve created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified to the Statement of Profit and Loss.

**Retained earnings**

The same reflects surplus/deficit after taxes in the Statement of Profit and Loss. The amount that can be distributed by the holding Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

**Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purpose such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Notes forming part of the Consolidated financial statements (contd.)

**15. Other equity (Contd.)**

**Other comprehensive income**

- a. **Equity instruments through other comprehensive income** – This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.
- b. **Re-measurements gain/(loss) on the defined employee benefit plan** – This represents the cumulative gains and losses arising on re-measurements on the defined employee benefit plan.
- c. **Share of profit / (loss) in associates** - This represents the cumulative share of other comprehensive income of associates.

**16. Core settlement guarantee fund (Core SGF) (refer note 44)**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Opening balance (cash component)	58,976	52,559
Add:		
Mulity Commodity Exchange Clearing Corporation Limited - Contribution	11,234	2,164
Mulity Commodity Exchange of India Limited - contribution	3,370	637
Settlement related penalties	4,476	3,616
<b>Total</b>	<b>78,056</b>	<b>58,976</b>

**17. Other non-current financial liabilities**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Trade / security deposits from members*	4,691	4,850
Employee benefits payable	682	400
<b>Total</b>	<b>5,373</b>	<b>5,250</b>

\*includes base minimum capital from members; in addition to the cash component of base minimum capital, the amount of bank guarantees/fixed deposits receipts (non cash component) forming part of base minimum capital as on March 31, 2024 ₹ 1,852 lakh (as on March 31, 2023: ₹ 5,460 lakh).

**18. Non current provisions**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Provision for compensated absences (refer note 38)	278	246
<b>Total</b>	<b>278</b>	<b>246</b>

## Notes forming part of the Consolidated financial statements (contd.)

**19. Trade payables**

₹ in Lakh

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 46)	138	33
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,020	2,102
<b>Total</b>	<b>6,158</b>	<b>2,135</b>

Payables are generally settled within 0 - 30 days

**Trade payables ageing schedule (as at March 31, 2024)**

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Accrued expense	
(i) MSME	134	4	-	-	-	-	<b>138</b>
(ii) Others	1,861	139	-	-	-	4,020	<b>6,020</b>
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>1,995</b>	<b>143</b>	-	-	-	<b>4,020</b>	<b>6,158</b>

**Trade payables ageing schedule (as at March 31, 2023)**

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Accrued expense	
(i) MSME	20	13	-	-	-	-	<b>33</b>
(ii) Others	637	21	-	-	-	1,444	<b>2,102</b>
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>657</b>	<b>34</b>	-	-	-	<b>1,444</b>	<b>2,135</b>

## Notes forming part of the Consolidated financial statements (contd.)

**20. Other current financial liabilities**

Particulars	₹ in Lakh	
	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*	4,902	3,946
- Application money (pending admission)	26	26
Employee benefits payable	1,635	1,461
SEBI regulatory fund	7	7
Unclaimed dividends**	75	75
Warehouse deposit	43	50
Members obligation for transaction fees	23	29
Trade / security deposits from settlement bankers	2,300	1,800
Payable for purchase of fixed assets	1,704	4,843
Security deposits from depository participants	34	39
Other financial liabilities	16	6
<b>Total</b>	<b>1,02,535</b>	<b>75,836</b>

\* includes base minimum capital from members; in addition to the cash component of base minimum capital, the amount of bank guarantees/fixed deposits receipts (non cash component) forming part of base minimum capital as on March 31, 2024 ₹ 4,249 lakh (as on March 31, 2023 ₹ 163 lakh).

\*\*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

**21. Other current liabilities**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Statutory remittances	7,545	8,830
Payable to Multi Commodity Exchange Investor Protection Fund (IPF) (refer note 51)	669	676
Investor services fund (ISF)*	871	989
Payable to settlement guarantee fund	-	4
Advance received from members and applicants	297	405
Income received in advance	191	92
<b>Total</b>	<b>9,573</b>	<b>10,996</b>

\*SEBI vide its circular CIR/CDMRD/DEICE/CIR/P/2017/53 dated June 13,2017 has mandated to set up Investor Service Fund (ISF) for providing basic minimum facilities at various Investor Service Centres. Accordingly, Contribution during the year ₹ 559 lakh (as on March 31, 2023 ₹ 426 lakh), investment income ₹ 59 lakh (as on March 31, 2023 ₹ 53 lakh), and utilized ₹ 736 Lakh (as on March 31, 2023 ₹ 490 lakh).

**22. Current provisions**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Provision for compensated absences (refer note 38)	73	74
Provision for gratuity (refer note 38)	-	209
<b>Total</b>	<b>73</b>	<b>283</b>



## Notes forming part of the Consolidated financial statements (contd.)

**23. Income tax liabilities (net)**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Provision for tax [net of advance tax ₹ Nil (as at March 31, 2023 ₹ 4,074 lakh)] (refer note 6.1)	-	468
<b>Total</b>	<b>-</b>	<b>468</b>

**24. Revenue from operations**

Particulars	₹ in Lakh	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Revenue from contracts with customers:</b>		
<b>Sale of services</b>		
Transaction fees	55,971	42,634
Annual subscription fees	279	286
Membership admission fees	263	275
Terminal charges	29	28
	<b>56,542</b>	<b>43,223</b>
<b>Other operating revenues</b>		
Connectivity income	643	508
Other recoveries from members	763	617
Income from margin money	8,385	5,248
Data feed income	973	826
Warehouse income	1,049	929
	<b>11,813</b>	<b>8,128</b>
<b>Total</b>	<b>68,355</b>	<b>51,351</b>
<b>Revenue Recognised</b>		
Point in time	56,881	43,403
Over the period of time	11,474	7,948
<b>Total</b>	<b>68,355</b>	<b>51,351</b>

**Reconciliation of revenue recognised with contract price :**

Particulars	₹ in Lakh	
	Year ended March 31, 2024	Year ended March 31, 2023
Contract Price	68,546	51,443
Adjustments for contract liabilities	(191)	(92)
<b>Revenue from contracts with customers</b>	<b>68,355</b>	<b>51,351</b>

Notes forming part of the Consolidated financial statements (contd.)

**25. Other income**

Particulars	₹ in Lakh	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Investment income</b>		
<b>Interest income from financial assets at amortised cost:</b>		
- on bank deposits	199	99
- on PSU Bank bonds	1,794	1,646
- on state development loans	1,934	1,064
- on target maturity funds	1,300	144
Gain arising on financial assets measured at FVTPL (net)	1,437	3,010
<b>Total (A)</b>	<b>6,664</b>	<b>5,963</b>
<b>Other income:</b>		
Rental income from operating lease	82	108
Provisions / liability no longer required written back	342	95
Consultancy fees	93	475
Miscellaneous income	134	96
Interest income		
- on income tax refund	224	-
- from others	-	29
<b>Total (B)</b>	<b>875</b>	<b>803</b>
<b>Total (A) + (B)</b>	<b>7,539</b>	<b>6,766</b>

**26. Employee benefits expense**

Particulars	₹ in Lakh	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	10,360	8,390
Contribution to provident and other funds (refer note 38)	590	524
Compensated absences (refer note 38)	147	186
Staff welfare expenses	136	90
<b>Total</b>	<b>11,233</b>	<b>9,190</b>

**27. Finance costs**

Particulars	₹ in Lakh	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest expenses on :		
- Interest on lease liabilities (refer note 35)	23	2
- Others	4	19
<b>Total</b>	<b>27</b>	<b>21</b>

## Notes forming part of the Consolidated financial statements (contd.)

**28. Software support charges and product license fees**

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Software support charges (refer note 49)	35,324	16,941
Product license fees	3,964	2,665
<b>Total</b>	<b>39,288</b>	<b>19,606</b>

**29. Computer technology and communication expenses**

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Computer technology expenses	2,400	1,906
Communication expenses	823	797
<b>Total</b>	<b>3,223</b>	<b>2,703</b>

**30. Other expenses**

₹ in Lakh

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Advertisement	64	122
Electricity charges	433	373
Rent	357	360
Repairs and maintenance - others	112	136
Insurance	86	59
Rates and taxes	24	24
Travelling and conveyance	488	306
Printing and stationery	24	18
Business promotion	107	103
CSR related expenses	342	360
Legal and professional fees	1,190	842
Sponsorships and seminar expenses	93	86
Membership fees and subscriptions	96	103
Security service charges	130	114
Provision for doubtful trade receivables*	5	44
SEBI - Exchange regulatory fees	156	164
<b>Payment to the auditors</b>		
- For audit	16	16
- For taxation matters	-	-
- For other services	-	1
- Reimbursement of out of pocket expenses	1	1
	<b>17</b>	<b>18</b>
Contribution to Multi Commodity Exchange Investor Protection Fund (IPF) (refer note 51)	560	426
Contribution to Investor Service Fund (ISF)	560	426
Net loss on foreign currency transactions and translations	10	4
Directors sitting fees	440	336
Office expenses	277	261
Miscellaneous expenses	157	198
<b>Total</b>	<b>5,728</b>	<b>4,883</b>

\* Net of bad debts written off ₹ 41 lakh (March 31, 2022: ₹ 30 lakh)

Notes forming part of the Consolidated financial statements (contd.)

**31. Contingent liabilities and commitments (to the extent not provided for):**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
<b>Contingent liabilities :</b>		
Claims against the Group not acknowledged as debts:		
- Income tax demands against which the Group is in appeals (including interest upto date of order) (net of rectification orders)	13,786	12,705
- Others (excluding interest)	13	18
<b>Capital commitments:</b>		
The estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	6,506	10,473

The Group is subject to tax assessments and ongoing proceedings, which are pending before various Tax Appellate Authorities. Management periodically evaluates the positions taken in tax returns with respect to such matters, including unresolved tax disputes, which involves interpretation of applicable tax regulations and judicial precedents. Current tax liability and tax asset balances are presented, after recognising as appropriate, provision for taxes payable and contingencies basis management's assessment of outcome of such ongoing proceedings and amounts that may become payable to the tax authorities. Considering the nature of such estimates and uncertainties involved, the amount of such provisions may change upon final resolution of the matters with tax authorities.

In addition to the matters as specified in contingent liabilities above, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business, the impact of which is unascertainable. The Group's management does not expect that the legal actions, when ultimately concluded and determined, will have adverse effect on the Group's financial statements.

The Group received various correspondences on matters relating to operations of the Group, including inspections from SEBI which have been replied to by the Group. Basis the replies filed; the Group's management do not expect any material impact on the financial statements of the Group.

## Notes forming part of the Consolidated financial statements (contd.)

**32. Taxation**

The major component of tax expenses for the year are as under:

₹ in Lakh

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Current income tax	723	5,106
Short provision for tax relating to previous years	133	67
Deferred tax	1,031	(1,013)
<b>Total income tax expense</b>	<b>1,887</b>	<b>4,160</b>

**Reconciliation of tax expenses:**

₹ in Lakh (except as otherwise stated)

Particulars	Year ended	
	March 31, 2024	March 31, 2023
<b>Reconciliation:</b>		
Profit for the year before share of profit / (loss) in associate:	10,350	19,555
Applicable tax rate for respective companies	25.17%	25.17%
Computed expected tax expense	2,605	4,919
<b>Add:</b>		
Expenses disallowed	1,150	773
Income from other source	1,069	727
<b>Less:</b>		
Expenses allowed	(1,969)	(671)
Exempt income/other income offered separately	(1,256)	(42)
Contribution to Core settlement guarantee fund (Core SGF) (refer note 44)	(2,141)	(81)
Set off of business loss	1,265	(519)
<b>Income tax liability</b>	<b>723</b>	<b>5,106</b>
Short provision for tax relating to previous years	133	67
<b>Income tax expense per the Statement of Profit and Loss</b>	<b>856</b>	<b>5,173</b>

**Note:**

The Group elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group has recognised provision for income tax for the year and re-measured its deferred tax assets basis the rate prescribed in the said section.

The applicable Indian statutory income tax rate for year ended March 31, 2024 is 25.168% (March 31, 2023: 25.168%.)

**Deferred tax relates to the following:**

₹ in Lakh

Particulars	Balance Sheet	
	As at March 31, 2024	As at March 31, 2023
Expenses allowable on payment basis	165	270
Other items giving rise to temporary differences (including impact on fair value of investments)	787	780
Difference between WDV of property, plant and equipment & intangible assets as per books of accounts & income tax	(1,776)	(1,009)
Difference between WDV of right of use assets as per books of accounts & income tax	(36)	(38)
Lease liability	41	39
<b>Deferred tax (liability) / asset</b>	<b>(819)</b>	<b>43</b>

Notes forming part of the Consolidated financial statements (contd.)

**32. Taxation (Contd.)**

**Reconciliation of deferred tax assets / (liabilities) net:**

Particulars	₹ in Lakh	
	As at March 31, 2024	As at March 31, 2023
Opening deferred tax asset / (liabilities)	43	(984)
Tax (expense) / income during the period recognized in profit & loss account	(1,031)	1,013
Differences on other comprehensive income	169	14
<b>Closing deferred tax (liabilities) / asset</b>	<b>(819)</b>	<b>43</b>

**33. Segment reporting**

Ind AS 108 establishes standards for the way that Companies report information about operating segments and related disclosures about products and services, and geographical areas. Based on the risks and returns identified, organizational structure and the internal financial reporting system, the business segment is the primary segment for the Group and accordingly “business of facilitating trading in commodities and incidental activities thereto” is considered as the only primary reportable business segment. Further, since the Group renders services only in the domestic market in India and there is no geographical segment.

**34. Foreign currency transactions**

Particulars	₹ in Lakh	
	Year ended	
	March 31, 2024	March 31, 2023
<b>Expenditure in foreign currency</b>		
- License fees	1,972	2,495
- Membership and subscription	-	78
- Professional charges	5	7
- Foreign travelling	2	-
- Computer technology and communication expenses	121	148
- Software license fees expenses	53	14
- Sponsorships and seminar expenses	11	2
- Bank charges <sup>#</sup>	0	1
<b>Earnings in foreign exchange</b>		
- Consultancy fees	93	477
- Data feed income	628	360

<sup>#</sup> figures are below rounding off norms adopted by the Company.

## Notes forming part of the Consolidated financial statements (contd.)

**35. Lease:**

The holding Company's leasing arrangements are in respect of operating leases for office premises. The rent period range between 2 years to 9 years and usually renewable on mutually agreed terms.

**a. The movement in lease liabilities during the year:**

Particulars	₹ in Lakh	
	March 31, 2024	March 31, 2023
<b>Opening balance</b>	155	86
Additions during year	66	120
Finance costs incurred during the year	23	2
Payment of lease liabilities	(78)	(53)
<b>Closing balance</b>	<b>166</b>	<b>155</b>

**b. The carrying value of the right of use asset and depreciation charged during the year**

Particulars	₹ in Lakh	
	March 31, 2024	March 31, 2023
<b>Opening balance</b>	150	75
Additions during year	66	128
Depreciation charged during the year	72	53
<b>Closing Balance</b>	<b>144</b>	<b>150</b>

**c. Amounts recognised in statement of profit and loss:**

Particulars	₹ in Lakh	
	March 31, 2024	March 31, 2023
Depreciation on right of use asset	72	53
Finance costs incurred during the year	23	2
Rent expense	4	31
<b>Total amounts recognised in the statement of profit and loss</b>	<b>99</b>	<b>86</b>

**d. Maturity analysis of lease liabilities**

Particulars	₹ in Lakh	
	March 31, 2024	March 31, 2023
<b>Maturity Analysis of contractual undiscounted cash flows</b>		
Less than one year	88	113
More than one year	99	105
<b>Total undiscounted lease liability</b>	<b>187</b>	<b>218</b>
Non-current lease liability	91	113
Current lease liability	75	42
<b>Total lease liability</b>	<b>166</b>	<b>155</b>

**e. Extension and termination options**

Extension and termination options are included in many of the leases. In determining the lease term, the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

Notes forming part of the Consolidated financial statements (contd.)

**36. Earnings Per Share**

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Weighted average shares outstanding - basic & diluted	5,09,98,369	5,09,98,369
<b>Weighted average shares outstanding - basic &amp; diluted</b>	<b>5,09,98,369</b>	<b>5,09,98,369</b>

Net profit available to equity shareholders of the Group used in the basic and diluted earnings per equity share was determined as follows:

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Earnings available to equity shareholders	8,311	14,897
Earnings available for equity shareholders for diluted earnings per share	8,311	14,897
Basic earnings per share	16.30	29.27
Diluted earning per share	16.30	29.27

The holding Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earning per share of the Group remain the same.

**37. Related party Information**

**Names of related parties and nature of relationship:**

Nature of relationship	Name of related party
Associate companies	CDSL Commodity Repository Limited (CCRL) <sup>®</sup>
	India International Bullion Holding IFSC Limited (IIBH)
Key managerial personnel (KMP)	Mr. Mohan Narayan Shenoi (non independent director)
	Mr. Arvind Kathpalia (non independent director)
	Mr. Vivek Sinha, Nominee of NABARD (upto October 31, 2023) (non independent director) <sup>\$</sup>
	Ms. Suparna Tandon, Nominee of NABARD (w.e.f. December 15, 2023) (non independent director) <sup>\$</sup>
	Dr. Harsh Kumar Bhanwala (independent director)
	Mr. Shankar Aggarwal (upto September 30, 2023) (independent director)
	Mr. Chandra Shekhar Verma (independent director)
	Mr. Hemang Raja (upto September 26, 2023) (non independent director)
	Mr. Ved Prakash Chaturvedi (upto August 10, 2023) (independent director)
	Mr. Ashutosh Vaidya (independent director)
	Ms. Sonu Bhasin (independent director)
	Mr. Navrang Saini (w.e.f. March 14, 2024) (independent director)
	Mr. P.S. Reddy, MD & CEO
	Ms. Manisha Thakur, Company Secretary <sup>##</sup>
	Mr. Satyajeet Bolar, Chief Financial Officer <sup>##</sup>
	<b>Others:</b>
Mr. Manoj Jain <sup>#</sup>	
Mr. Rajendran Narayanan <sup>#</sup>	
Mr. Shashank Sathe <sup>#</sup> (upto April 28, 2023)	
Mr. Praveen Dalvani Ganapathi <sup>#</sup>	



## Notes forming part of the Consolidated financial statements (contd.)

**37. Related party Information (Contd.)**

Nature of relationship	Name of related party
	Mr. Chittaranjan Rege <sup>#</sup>
	Mr. Shivanshu Mehta <sup>#</sup>
	Mr. Rishi Nathany <sup>#</sup>
	Mr. Himanshu Ashar <sup>#</sup>
	Mr. Sanjay Gakhar <sup>#</sup> (upto August 27, 2023)
	Mr. Pravin Gade <sup>#</sup>
	Mr. Radheshyam Yadav <sup>#</sup>
	Mrs. Ruchi Shukla <sup>#</sup>
	Mr. Puneet Shadija <sup>#</sup> (upto August 27, 2023)
	Mr. Sambit Patnaik <sup>#</sup>
	Mr. Vaibhav Aggarwal <sup>#</sup> (upto August 27, 2023)
	Mr. Vijay Patel <sup>#</sup> (upto August 27, 2023)
	Mr. Suresh Raval <sup>#</sup> (upto March 27, 2024)
	Ms. Rashmi Nihalani <sup>#</sup>
	Ms. Komal Kanzaria <sup>#</sup> (upto August 27, 2023)
	Mr. NK Muthappa <sup>#</sup> (upto August 27, 2023)
	Mr. Ramesh Gurram <sup>#</sup>
	Mr. Ajit Phanse <sup>#</sup> (upto May 02,2023)
	Mr. Prashant Wagh <sup>#</sup> (upto August 27, 2023)
	Mr. Kaushal Mehta <sup>#</sup>
	Mr. Armaan Gaus <sup>#</sup>
	Mr. Abhishek Govilkar <sup>#</sup> (w.e.f. June 21, 2023)
	Mr. Chirag Aspi Sodawaterwalla <sup>#</sup> (w.e.f. August 28, 2023)
	Mr. Naresh Bhuta <sup>#</sup> (w.e.f. November 01, 2023)
	Ms. Kavita Ravichandran <sup>#</sup> (w.e.f. November 10, 2023)
	Mr. Mithun Nayak <sup>#</sup> (w.e.f. December 01, 2023)
	Mr. Harvinder Singh <sup>#</sup> (w.e.f. January 16, 2024)
	Mr. M Ramalingam
	Mr. Rajesh Doshi
	Mr. Narendra Alhawat
	Mr. S. Ganesh Kumar
Others Close Member of KMPs or company in which KMP is interested and where transaction exists	Mr. Prasad Dalavai Ganapathi Ms. Maya Ashar Ms. Shilpa Gade Mr. Dhrushit Raval Mr. Nitin Agarwal Ms. Zarin Gaus Ms. Rashmi Mithun Nayak Mr. Manjnath Baburay Nayak Ms. Neeta Manjnath Nayak
Company in which director is interested and where transaction exists	-
Kotak Mahindra Bank <sup>*</sup>	Dividend in case of shareholding
Employee welfare trust	MCX ESOP Trust

@CDSL Commodity Repository Limited is considered as an associate w.e.f. 26.10.2018 being date of appointment of MCX nominee Director on it's board.

<sup>#</sup>Identified as KMP's under SECC Regulations, 2018 by the nomination and remuneration committee.

<sup>##</sup>Identified as KMP's under Section 2(51) of The Companies Act, 2013.

<sup>\$</sup> Directors sitting fees paid to NABARD.

<sup>\*</sup> Identified as related party under SECC Regulations

**37. Related party Information**

**Transactions with related parties:**

The details of transactions with related parties for year ended March 31, 2024 are as follows:

Particulars	March 31, 2024							Total
	Associate		Others				Close member of KMPs or company in which KMP is interested	
	CDSL Commodity Repository Limited	India International Bullion Holding IFSC Limited (IIBH)	Kotak Mahindra Bank	MCX ESOP Trust	KMP's			
<b>Transactions</b>								
Re-imbursments charged to the Company	-	-	-	-	38	-	-	38
Recoveries charged by the Company	-	-	-	207	-	-	-	207
Professional fees for Committee Meeting	-	-	-	-	7	-	-	7
Deferred Variable payment	-	-	-	-	13	-	-	13
Sitting fees paid	-	-	-	-	290	-	-	290
Dividend paid	-	-	1,460	18	5	0.21	-	1,484
Bank charges	-	-	0.02	-	-	-	-	0.02
<b>Balances as at March 31, 2024</b>								
Outstanding balance receivable	-	-	-	118	-	-	-	118
Investments	1,200	3,000	-	-	-	-	-	4,200

₹ in Lakh

## Notes forming part of the Consolidated financial statements (contd.)

**37. Related party Information****Transactions with related parties:**

The details of transactions with related parties for year ended March 31, 2023 are as follows:

Particulars	March 31, 2023							Total
	Associate		Others				Close member of KMPs or company in which KMP is interested	
	CDSL Commodity Repository Limited	India International Bullion Holding IFSC Limited (IIBH)	Kotak Mahindra Bank	MCX ESOP Trust	KMP's			
<b>Transactions</b>								
Re-imbursments charged to the Company	-	-	-	1	22	-	-	23
Recoveries charged by the Company	-	-	-	47	-	-	-	47
Sitting fees paid	-	-	-	-	222	-	-	222
Dividend paid	-	-	-	17	4	0.18	-	21
<b>Investments in:</b>								
Equity share capital (face value ₹ 1)	-	1,650	-	-	-	-	-	1,650
<b>Balances as at March 31, 2023</b>								
Investments	1,200	3,000	-	-	-	-	-	4,200

**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 free and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payable.

**37. Related party Information**

**Compensation of key managerial personnel of the company**

₹ in Lakh

Particulars	Year ended	
	March 31, 2024	March 31, 2023
Short-term employment benefits	2,157	1,833
Post-employment benefits	140	131

**Transactions with key managerial personnel :**

₹ in Lakh

Nature of Transactions	Year ended	
	March 31, 2024	March 31, 2023
<b>1. Salary and allowances paid / payable:</b>		
Mr. P.S. Reddy	256	240
Ms. Manisha Thakur (w.e.f. December 22, 2022)	58	11
Mr. Ajay Puri (upto December 6, 2022)	-	67
Mr. Satyajeet Bolar	87	66
Others	1,896	1,449
<b>2. Dividend paid</b>	<b>5</b>	<b>4</b>

\*Excludes gratuity and long term compensated absences, if any, which are actuarially valued at Company level and where separate amounts are not identifiable.

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. Amount paid to ex-employee who were erstwhile KMP's are not included above.
4. 50% of variable pay is payable after 3 years subject to certain conditions.

## Notes forming part of the Consolidated financial statements (contd.)

**38. Employee benefit plans:****1.a. Post employment defined benefit plans :**

The Group 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 Group's financial statements as at March 31, 2024 and March 31, 2023.

Particulars	₹ in Lakh	
	Year ended	
	March 31, 2024	March 31, 2023
<b>Change in benefit obligations</b>		
Present value of benefit obligation at the beginning of the year	1,383	1,254
Interest cost	104	90
Current service cost	157	147
Benefits paid from the fund	(152)	(126)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	44	(37)
Actuarial (gains)/losses on obligations - due to experience	49	55
<b>Present value of benefit obligations at the end of the year</b>	<b>1,585</b>	<b>1,383</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	1,174	1078
Interest income	88	79
Return on plan assets excluding interest income	(14)	(14)
Contributions by the employer	519	157
Benefits paid from the fund	(152)	(126)
<b>Fair value of plan assets at the end of the year</b>	<b>1,615</b>	<b>1,174</b>
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>30</b>	<b>(209)</b>

Amount for the year ended March 31, 2024 and March 31, 2023 recognized in the Statement of Profit and Loss under employee benefits expenses.

Recognized in Profit and Loss	₹ in Lakh	
	Year ended	
	March 31, 2024	March 31, 2023
Current service cost	157	147
Net interest cost	16	11
<b>Expenses recognized</b>	<b>173</b>	<b>158</b>

Amount for the year ended March 31, 2024 and March 31, 2023 recognized in Statement of other comprehensive income (OCI):

Recognized in other comprehensive income (OCI)	₹ in Lakh	
	Year ended	
	March 31, 2024	March 31, 2023
Actuarial (gains) / losses on obligation for the year	94	18
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	14	15
<b>Net (income)/expense for the year recognized in OCI</b>	<b>108</b>	<b>33</b>

Notes forming part of the Consolidated financial statements (contd.)

**38. Employee benefit plans: (Contd.)**

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	As at	
	March 31, 2024	March 31, 2023
Discount rate*	7.22%	7.50%
Methodology adopted for valuation is projected unit credit method.	7.50%	7.50%
Weighted average duration of defined projected benefit obligation**	14	15

\* MCXCCL Discount rate 7.50% as at March 31, 2024 (as at March 31, 2023 - 7.50%)

\*\* MCXCCL - 12 years as at March 31, 2024 (as at March 31, 2023 - 12 years)

Sensitivity analysis	As at		₹ in Lakh
	March 31, 2024	March 31, 2023	
Projected benefit obligation on current assumptions	1,584	1,382	
Delta effect of +1% change in rate of discounting	(148)	(134)	
Delta effect of -1% change in rate of discounting	171	157	
Delta effect of +1% change in rate of salary increase	169	154	
Delta effect of -1% change in rate of salary increase	(149)	(135)	
Delta effect of +1% change in rate of employee turnover	5	(4)	
Delta effect of -1% change in rate of employee turnover	8	4	

**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 (2012-14) Urban.

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 ₹ 126 lakh to the plan assets during financial year 2024-25.

Actuarial gains/losses are recognized in the period of occurrence under other comprehensive income (OCI). All above reported figures of OCI are gross of taxation.

## Notes forming part of the Consolidated financial statements (contd.)

**38. Employee benefit plans: (Contd.)**

Maturity profile of projected benefit obligation:

Projected benefits payable in future years from the date of reporting	₹ in Lakh	
	March 31, 2024	March 31, 2023
Within 1 year	55	70
1-2 year	42	32
2-3 year	101	39
3-4 year	65	93
4-5 year	82	60
5-10 years	1,024	898
11 years and above	2,374	2,327

**1.b. Defined contribution plans :**

Amounts recognized as expenses towards contributions to Provident and Family Pension Fund, Employee State Insurance Corporation and other funds by the Group are ₹ 403 lakh (previous year: ₹ 377 lakh) (refer note 26).

Particulars	₹ in Lakh	
	March 31, 2024	March 31, 2023
Contribution to provident and family pension fund	399	373
Contribution to labour welfare fund <sup>#</sup>	0	0
Contribution to employees deposit linked insurance (EDLI)	4	4

<sup>#</sup> figures are below rounding off norms adopted by the Group.

**2. Other long term employee benefits :****Privilege leave and sick leave assumptions**

The liability towards compensated absences (privilege leave and sick leave) for the year ended March 31, 2024 based on actuarial valuation carried out by using projected accrual benefit method resulted in increase in liability by ₹ 25 lakh. (previous year - decrease by ₹ 12 lakh).

**a. Financial assumptions**

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate <sup>*</sup>	7.22% p.a.	7.50% p.a.
Salary escalation rate	7.50% p.a.	7.50% p.a.

<sup>\*</sup> MCXCCL Discount rate 7.50% as at March 31, 2024 (as at March 31, 2023 - 7.50%)

**b. Demographic assumptions**

Particulars	As at March 31, 2024	As at March 31, 2023
Employee turnover		
For service 4 years and below	10.00 % p.a.	10.00 % p.a.
For service 5 years and above	2.00 % p.a.	2.00 % p.a.
Mortality rate	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban

Notes forming part of the Consolidated financial statements (contd.)

**39. Financial instruments**

**a. Financial instruments by category**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The carrying value and fair value of financial instruments by categories as at March 31, 2024 were as follows:

Particulars	₹ in Lakh			
	As at March 31, 2024		As at March 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets at amortized cost:</b>				
Cash and cash equivalents (refer note 10)	17,951	17,951	18,108	18,108
Bank balances other than cash and cash equivalents (refer note 11)	78,612	78,612	99,678	99,678
Bank deposits with original maturity of more than twelve months (refer note 5)	82,001	82,001	15,728	15,728
Unbilled revenue (refer note 12)	289	289	4,381	4,381
Trade receivables (refer note 9)	6,791	6,791	1,464	1,464
Other financial assets (refer note 5 & 12)	9,022	9,022	6,516	6,516
Investment in PSU bank bonds (refer note 4 & 8)	20,533	20,533	24,074	24,074
Investment in state development loan (refer note 4)	25,125	25,125	25,137	25,137
Investment in target maturity funds (refer note 4)	18,943	18,943	17,644	17,644
Investment in associates (refer note 4)	3,712	3,712	3,831	3,831
<b>Financial liabilities at amortized cost:</b>				
Trade payables (refer note 19)	6,158	6,158	2,135	2,135
Other financial liabilities (refer note 17, 20 & 36)	1,08,074	1,08,074	81,241	81,241
<b>Financial assets at FVTPL:</b>				
Mutual funds (refer note 4 & 8)	16,125	16,125	27,133	27,133
Exchange traded funds (refer note 4 & 8)	5,614	5,614	5,232	5,232
<b>Financial assets at FVTOCI:</b>				
Investments in unquoted equity shares of other entities (refer note 8)	1,341	1,341	1,602	1,602

**Note:-**

1. Investment in equity instrument & warrants are not held for trading. The Group has chosen to measure these at FVTOCI irrevocably as the management believes that presently fair value gains and losses relating to these investments in the Statement of Profit and Loss may not be indicative of the performance of the Group.
2. The fair value of mutual funds is based on quoted price.
3. The fair value of unlisted equity shares is based on the valuation provided by the certified valuer.



## Notes forming part of the Consolidated financial statements (contd.)

**39. Financial instruments (Contd.)**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2024:

**b. Fair value measurement**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

₹ in Lakh				
Particulars	As at March 31, 2024	As at March 31, 2023	Level	Hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
<b>Financial Assets</b>				
Investments in Mutual Funds (FVTPL)	16,125	27,133	1 & 2	1. Quoted prices (unadjusted) in active markets for identical assets or liabilities. 2. Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Investments in equity instruments (FVTOCI)*	1,341	1,602	3	Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
Investments in ETF (FVTPL)	5,614	5,232	1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.

\* The carrying amount of financial asset measured at FVTOCI in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**c. Financial risk management****i. Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the group's management.

**ii. 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.

**iii. 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. Since the Group has no borrowings, exposure to risk of change in market interest rate is nil.

**iv. Foreign currency risk**

The Group transacts internationally periodically and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the company has not entered in foreign exchange forward exchange contracts.

Notes forming part of the Consolidated financial statements (contd.)

**39. Financial instruments (Contd.)**

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	₹ In Lakh	Amount in Foreign Currency	₹ In Lakh	Amount in Foreign Currency
<b>Trade receivables</b>				
In USD <sup>#</sup>	0	13	92	1,11,360
<b>Trade payables</b>				
In USD	4	4,317	242	2,94,583
In GBP	2	1,759	-	-
In EURO	-	-	22	24,608

<sup>#</sup> figures are below rounding off norms adopted by the Group.

**v. Sensitivity analysis**

A change of 5% in foreign currency would have following impact on profit before tax

Particulars	₹ in Lakh			
	2023-24		2022-23	
	5% Increase	5% decrease	5% Increase	5% decrease
<b>Trade receivables</b>				
USD <sup>#</sup>	0	(0)	5	(5)
<b>Trade Payables</b>				
USD <sup>#</sup>	0	(0)	12	(12)
In GBP <sup>#</sup>	0	(0)	-	-
In EURO	-	-	1	(1)

<sup>#</sup> figures are below rounding off norms adopted by the Group.

**vi. Derivative financial instruments**

The Group has not entered into any forward exchange contract being derivative instruments.

## Notes forming part of the Consolidated financial statements (contd.)

**vii. Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. To manage this, the Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 6,791 lakh and ₹ 1,464 lakh as at March 31, 2024 and March 31, 2023 respectively, unbilled revenue amounting to ₹ 289 lakh and ₹ 4,381 lakh as at March 31, 2024 and March 31, 2023 respectively, non-current investments amounting to ₹ 60,253 lakh and ₹ 84,413 lakh as at March 31, 2024 and March 31, 2023 respectively, current investments amounting to ₹ 31,142 lakh and ₹ 2,02,240 lakh as at March 31, 2024 and March 31, 2023 respectively, other non-current financial assets amounting to ₹ 86,198 lakh and ₹ 16,796 lakh as at March 31, 2024 and March 31, 2023 respectively, cash and cash equivalents amounting to ₹ 17,951 lakh and ₹ 18,108 lakh as at March 31, 2024 and March 31, 2023 respectively and bank balances other than cash and cash equivalents amounting to ₹ 78,612 lakh and ₹ 99,678 lakh as at March 31, 2024 and March 31, 2023 respectively.

Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the Statement of Profit and Loss.

The Group measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Investment in mutual fund is with financial institutions with credit rating assigned by the credit rating agencies.

**Ageing of account receivables**

Particulars	₹ in Lakh	
	As at	
	March 31, 2024	March 31, 2023
<b>Trade receivables</b>		
< 1 year	6,229	884
1-5 years	580	626
> 5 years	-	-
<b>Total</b>	<b>6,809</b>	<b>1,510</b>

**Movement in provisions of doubtful debts**

Particulars	₹ in Lakh	
	As at	
	March 31, 2024	March 31, 2023
<b>Opening provision</b>	46	69
Add: Additional provision made	13	7
Less: Provision reversed	-	-
Less: Bad trade receivable written off	(41)	(30)
<b>Closing provision</b>	<b>18</b>	<b>46</b>

Notes forming part of the Consolidated financial statements (contd.)

**viii. Financial arrangements**

The table below provides details regarding the contractual maturities of significant financial assets and financial liabilities as at March 31, 2024 and March 31, 2023:

Particulars	₹ in Lakh			
	As at March 31, 2024		As at March 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets at amortized cost:</b>				
Cash and cash equivalents (refer note 10)				
< 1 Year	17,951	17,951	18,108	18,108
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Bank balances other than cash and cash equivalents (refer note 11)				
< 1 Year	78,612	78,612	99,678	99,678
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Trade receivables (refer note 9)				
< 1 Year	6,229	6,229	884	884
1 - 5 Year	580	580	626	626
> 5 Year	-	-	-	-
Other financial assets (refer note 5 & 12)				
< 1 Year	8,374	8,374	9,829	9,829
1 - 5 Year	82,001	82,001	16,787	16,787
> 5 Year	937	937	9	9
Investments* (refer note 4 & 8)				
< 1 Year	31,142	31,142	18,638	18,638
1 - 5 Year	23,309	23,309	46,978	46,978
> 5 Year	33,230	33,230	35,206	35,206
<b>Financial liabilities at amortized cost:</b>				
Trade payables (refer note 19)				
< 1 Year	6,158	6,158	2,135	2,135
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Other financial liabilities (refer note 17, 20 & 36)				
< 1 Year	1,02,610	1,02,610	75,836	75,836
1 - 5 Year	5,464	5,464	5,250	5,250
> 5 Year	-	-	-	-

\*Investment does not include investment in equity investment of subsidiary and associates.

## Notes forming part of the Consolidated financial statements (contd.)

**ix. Capital risk management**

The Group aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs.

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

**x. Regulatory risk**

The Group requires a number of regulatory approvals, licenses, registrations and permissions to operate our business For example, the Group have licenses from SEBI in relation to, among others, introducing derivatives contracts on various commodities. The Group operations are subject to continued review and the governing regulations changes. The group regulatory team constantly monitors the compliance with these rules and regulations. There have been several changes to the form and manner in which deemed recognized stock exchanges must make contributions to a settlement guarantee fund. Should SEBI in the future vary the required contribution amounts to the settlement guarantee fund, the Group may have to contribute more of funds to the settlement guarantee fund which could materially and adversely affect the Group's financial ability. The Group regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such settlement guarantee fund.

**xi. Clearing and settlement risk**

Parties to a settlement may default on their obligations for reason beyond the control of the Group. The Group guarantees the settlement of trade executed on the Group's platform and maintains a settlement guarantee fund to support its guarantee obligations. SEBI introduced the guidelines on stress testing, settlement guarantee fund ("SGF") to ensure that Group is compliant with International benchmarks and regulations.

Notes forming part of the Consolidated financial statements (contd.)

**40. Investment in an associates**

- a. The Group has a 24% interest in CDSL Commodity Repository Limited (CCRL), which is involved in the business of repository for electronic warehousing negotiable receipts or any other instrument related to commodities related to warehouse repository, to service eNWR market and 20% interest in India International Bullion Holding IFSC Limited (IIBH), which is involved in developing products / instruments for the international bullion market that will help to establish the market as bullion trading hub globally. CCRL is a public entity that is not listed on any public Exchange. The Group's interest in CCRL and IIBH is accounted for using the equity method in the Consolidated financials statements. The following table illustrates the summarized financial information of the Group's investment in CCRL and IIBH.

Particulars	As at		As at	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	IIBH		CCRL	
Current assets	12,013	12,743	1,954	2,085
Non-current assets	3,148	2,971	3,289	3,236
Total liabilities	(2,661)	(2,719)	(224)	(242)
<b>Equity</b>	<b>12,500</b>	<b>12,995</b>	<b>5,019</b>	<b>5,080</b>
Proportion of the group's ownership interest	20%	20%	24%	24%
Carrying amount of the Group's interest	2,513	2,615	1,200	1,216

Particulars	Year ended		Year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	IIBH		CCRL	
Revenue	2,296	412	534	415
Employee benefits expense	(936)	(569)	(310)	(307)
Depreciation and amortization expense	(409)	(165)	(36)	(29)
Administration and other expenses	(1,636)	(2,101)	(244)	(214)
<b>Profit before tax</b>	<b>(685)</b>	<b>(2,423)</b>	<b>(56)</b>	<b>(134)</b>
Tax expense	-	-	(3)	28
<b>Profit for the year</b>	<b>(685)</b>	<b>(2,423)</b>	<b>(59)</b>	<b>(106)</b>
Other comprehensive Income <sup>#</sup>	174	872	(2)	(0)
Total comprehensive Income for the year	(511)	(1,551)	(61)	(106)
Group's share of profit / (loss) for the year (net of tax)	(137)	(472)	(15)	(26)
Group's share of other comprehensive income for the year <sup>#</sup>	35	169	(1)	(0)
Group's share of total comprehensive income for the year	(102)	(303)	(16)	(26)

<sup>#</sup> figures are below rounding off norms adopted by the Group.

**The associates had the following contingent liabilities and capital commitments**

Particulars	As at		As at	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	IIBH		CCRL	
Contingent liabilities	-	-	-	-
<b>Commitment:</b>				
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-

## Notes forming part of the Consolidated financial statements (contd.)

**41. Corporate social responsibility**

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 Group are generally carried out through charitable organisations, where funds are allocated by the Group. These organisations carry out the CSR activities as specified in the schedule VII of the Companies Act, 2013 on behalf of the Group.

Particulars	₹ in Lakh	
	Year ended March 31, 2024	Year ended March 31, 2023
Gross amount required to be spent by the Group during the year.	342	360
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	175	258
The amount of shortfall at the end of the year out of the amount required to be spent by the Group during the year	167	102
The total of previous years' shortfall amounts	14	126
Amount sanctioned and provision made in books as per notification issued by The Ministry of Corporate Affairs dated January 22, 2021, amending the companies (Corporate Social Responsibility Policy) Rules, 2014.	342	300
Reason for shortfall	Pertain to ongoing projects	Pertain to ongoing projects
Nature of CSR activities	Healthcare, Support to Disabled students, Education support to underprivileged students and Running cost of school, Empowerment of women with skill training, Financial assistance to needy patients for treatment of major diseases	Healthcare, Education support, Empowerment of women with skill training, Financial assistance to needy patients for treatment of major diseases at Government/Prime Minister's National Relief Fund empanelled hospitals.

Unspent CSR amount is being transferred to a separate bank account.

- 42.** Upon examination of the issues relating to the contracts executed with the software vendors, SEBI had issued a Show Cause Notice (SCN) dated October 16, 2023, to the holding Company, four of its KMP's, subsidiary and one of its KMP. SEBI has, inter alia, alleged in the SCN that the Management of both the holding and subsidiary company did not implement the SEBI outsourcing circular dated 13<sup>th</sup> September 2017. The holding Company and its subsidiary company i.e. MCXCCL along with the concerned KMP's have filed their response in the matter. Separately, the holding Company and its subsidiary has also filed settlement application under the applicable SEBI Regulations, which are pending for disposal. Hearings in respect of SCN is pending.

Notes forming part of the Consolidated financial statements (contd.)

**43. (i) Additional information as required under Schedule III to the Companies Act, 2013, for enterprises consolidated as subsidiary/associates.**

The financial statements of the following subsidiaries/associates have been consolidated as per Indian accounting standards (Ind AS) 110 "Consolidated financial statements":

Name of subsidiary/associate	Country of incorporation	Proportion of ownership interest (current year)	Proportion of ownership interest (previous year)
Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)	India	100%	100%
CDSL Commodity Repository Limited (CCRL)	India	24%	24%
India International Bullion Holding IFSC Limited (IIBH)	India	20%	20%

**(ii) Additional information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiary and associates.**

Name of the entities	2023-24						₹ in Lakh
	Net assets i.e. total assets minus total liabilities	Share in profit /(loss)	Share in other comprehensive income (OCI)	Share in total comprehensive income (TCI)	As a % of consolidated net assets	As a % of consolidated TCI	
<b>Holding</b>							
Multi Commodity Exchange of India Limited	92%	63%	(112%)	(169)	62%	5,035	
<b>Subsidiary (Indian)</b>							
Multi Commodity Exchange Clearing Corporation Limited	5%	39%	(11%)	(17)	40%	3,242	
<b>Associates (Indian)</b>							
CDSL Repository Limited*	1%	(0%)	(0%)	(1)	0%	(15)	
India International Bullion Holding IFSC Limited (IIBH)	2%	(2%)	(137)	35	(2%)	(102)	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>(151)</b>	<b>100%</b>	<b>8,160</b>	

\* figures are below rounding off norms adopted by the Group.



## Notes forming part of the Consolidated financial statements (contd.)

Name of the entities	2022-23							
	Net assets i.e. total assets minus total liabilities		Share in profit / (loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidated TCI	Amount
<b>Holding</b>								
Multi Commodity Exchange of India Limited	89%	1,31,704	87%	12,993	(74%)	(71)	86%	12,922
<b>Subsidiary (Indian)</b>								
Multi Commodity Exchange Clearing Corporation Limited	8%	12,395	16%	2,402	(2%)	(2)	16%	2,400
<b>Associates (Indian)</b>								
CDSL Repository Limited*	1%	1,216	0%	(26)	0%	(0)	0%	(26)
India International Bullion Holding IFSC Limited (IIBH) (w.e.f. May 4, 2022 upto July 14, 2022 and w.e.f. August 12, 2022 to March 31, 2023)	2%	2,615	(3%)	(472)	176%	169	(2%)	(303)
<b>Total</b>	<b>100%</b>	<b>1,47,930</b>	<b>100%</b>	<b>14,897</b>	<b>100%</b>	<b>96</b>	<b>100%</b>	<b>14,993</b>

\* figures are below rounding off norms adopted by the Group.

Notes forming part of the Consolidated financial statements (contd.)

- 44.** Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, had 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 had 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 :

Particulars	₹ in Lakh	
	March 31, 2024	March 31, 2023
Contribution during the year	8,506	322
<b>Total</b>	<b>8,506</b>	<b>322</b>

In view of above SEBI circular, the Holding Company during the year ended March 31, 2024, has contributed ₹ 2,452 lakh (March 31, 2023: ₹ Nil) to the SGF maintained by MCXCCL.

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 ₹ 78,056 lakh (as at March 31, 2023: ₹ 58,976 lakh) comprising of:

Year ended	₹ in Lakh			
	MCXCCL contribution	MCX Contribution	Penalties/ Interest	Total
March 31, 2024	43,451	14,485	20,120	78,056
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 ₹ 3,211 lakh (as at March 31, 2023: ₹ 2,795 lakh) and interest income on fixed deposits and gain on sale of mutual fund is ₹ 4,949 lakh (as at March 31, 2023: ₹ 3,299 lakh)

**45. A. Disclosure as per Regulation 53(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations:**

Loans and advances in the nature of loans given to associates and others and investments in shares of the Company by such parties:

- i. Details of investments made are given in note 4 & 8.
- ii. There are no loans or guarantees issued in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

**B. Disclosure as per Section 186 of the Companies Act, 2013**

The details of loans, guarantees and investments under section 186 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 are as follows:

- i. Details of investments made are given in note 4 & 8.
- ii. There are no loans or guarantees issued in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

## Notes forming part of the Consolidated financial statements (contd.)

- 46.** Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2023-24, to the extent the Group has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at	
	March 31, 2024	March 31, 2023
i. Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act).		
- Principal amount due to micro and small enterprise.	138	33
- Interest due on above.	-	-
ii. Interest paid by the Group in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iii. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

**47. Event occurring after Balance Sheet date**

The Board of Directors of the holding Company has recommended equity dividend of ₹ 7.64 per share for the financial year 2023-24 (previous year ₹ 19.09).

**Dividend by the holding Company**

Particulars	₹ in Lakh, except equity shares	
	March 31, 2024	March 31, 2023
Equity shares	5,09,98,369	5,09,98,369
Final dividend for the year ended March 31, 2024 of ₹ 7.64 (March 31, 2023: ₹ 19.09) per fully paid share	3,896	9,736
Dividends not recognized at the end of the reporting period	3,896	9,736

Notes forming part of the Consolidated financial statements (contd.)

**48. Additional regulatory information required by Schedule III**

**a. Financial ratio disclosure**

₹ in Lakh

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% variance	Reason for variance
Current ratio (in times)	Current assets	Current liabilities	1.22	1.81	(32.38%)	Due to additional margin received from members during the year.
Return on equity ratio (in %)	Net profit for the year	Average shareholder's equity	5.82%	10.28%	(43.44%)	Due to increase in overall expenses by 70% and only 31% increase in total revenue during current year.
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	16.56	39.33	(57.90%)	Due to increase in revenue from operations by 33% in current year and change in billing cycle.
Trade payables turnover ratio	Other expenses	Average trade payable	12.23	11.39	7.36%	
Net capital turnover ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	2.57	0.71	264.21%	Additional margin received during the year invested in Fixed deposits with Bank for more than 12 months, which is not forming part of working capital.
Net profit ratio (in %)	Net profit for the year	Revenue from operations	12.16%	29.01%	(58.09%)	Due to increase in overall expenses by 70% and only 33% increase in revenue from operations during current year.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed (Networth + Deferred tax liabilities / (asset))	7.48%	13.24%	(43.47%)	Due to increase in overall expenses by 70% and only 31% increase in total revenue during current year.
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	7.12%	5.93%	20.12%	

## Notes forming part of the Consolidated financial statements (contd.)

**48. Additional regulatory information required by Schedule III****b. Relation with struck off Companies**

₹ in Lakh				
Name of Struck off Company	Nature of Transactions with Struck off Company	Balance outstanding as at March 31, 2024	Balance outstanding as at March 31, 2023	Relationship with the Struck off company, if any, to be disclosed
A.J. Commodities Private Limited	Trade receivable	(12)	(12)	Member
Chaitanya Commodities Private Limited	Trade receivable	(11)	(11)	Member
Blue Chip Commodities Broking Private Limited <sup>#</sup>	Trade receivable	0	0	Member
Skyline Tradecom Private Limited <sup>#</sup>	Trade receivable	(0)	(0)	Member
Aadya Commodities Private Limited	Trade receivable	52	34	Member
Orion Broking Services (India) Private Limited	Trade receivable	(1)	(1)	Member
Dreams Comtrade Private Limited <sup>#</sup>	Trade receivable	(0)	(0)	Member
F6 Commodities Private Limited	Trade receivable	(108)	(103)	Member
Fair Commodities Trading Private Limited <sup>#</sup>	Trade receivable	(0)	(0)	Member
Altos Advisory Services Limited	Trade receivable	(23)	(22)	Member
Indhu Commodities Private Limited	Trade receivable	(4)	(4)	Member
Moneyhouse Commodity Private Limited	Trade receivable	(97)	(97)	Member
Omji Commotrade Private Limited <sup>#</sup>	Trade receivable	(0)	(0)	Member
Silverline Commodities Private Limited	Trade receivable	(15)	(15)	Member
Broadway Commodities Private Limited	Trade receivable	(1)	(1)	Member
G. S. V. Commodities Private Limited <sup>#</sup>	Trade receivable	1	-	Member
PCS Securities Limited	Trade receivable	(5)	(5)	Member
RVI Commodity Services Private Limited	Trade receivable	2	2	Member
SAS Commodities Private Limited <sup>#</sup>	Trade receivable	(0)	(0)	Member
SRV Commodities Private Limited <sup>#</sup>	Trade receivable	(0)	(1)	Member
Informatic Value Research Private Limited	Trade Payable	282	282	Vendor

# figures are below rounding off norms adopted by the Group.

**c. Other information:**

- (i) No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (iii) The Group does not have number of layers of Companies.
- (iv) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (v) The Group has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes forming part of the Consolidated financial statements (contd.)

**48. Additional regulatory information required by Schedule III (Contd.)**

Further, the Group has not received any funds from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, 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.

- (vi) 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.
- (vii) The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (viii) All the title deeds of immovable properties are held in the name of the holding Company.
- (ix) There are no promoters for the holding Company.
- (x) The Group has not revalued its property plant and equipment or intangible assets or both during current year or previous year.
- (xi) The Group does not have any borrowings from bank and / or financial institutions.
- (xii) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (xiii) There are no Core Investment Companies (CIC) in the group.
- (xiv) The Group has not granted any loans or advances to Directors', KMPs and related parties either severally or jointly with any other persons that are:
  - a) repayable on demand or
  - b) without specifying any terms or period for repayment.

- 49.** The Holding Company had entered into an agreement with Tata Consultancy Services Ltd (TCS), according to which the new Commodity Derivative Platform (CDP) was to be developed, tested, and delivered by TCS by September 30, 2022.

Since the new platform was under development, the Holding Company considering the exigency to ensure continuity of the commodity trading and clearing platform, continued with the services of the vendor, 63 Moons Technologies Ltd., initially for a period for quarter ended December 2022 for ₹ 6,000 lakh (plus applicable taxes). Later, these services were extended for another two quarters ending June 30, 2023 for ₹ 8,100 lakh per quarter (plus applicable taxes) as per the minimum period of services offered by the vendor.

Further, due to delay in the delivery of the CDP platform, the Holding Company had decided to extend the support services being rendered by the vendor, 63 Moons Technologies Ltd. for further two quarters, being the minimum period of services offered by the vendor, beginning from July 01, 2023 at a consideration of ₹ 12,500 lakh (plus applicable taxes) per quarter.

TCS has completed development of CDP and the Holding Company has gone live with CDP with effect from October 16, 2023 after requisite approvals.

## Notes forming part of the Consolidated financial statements (contd.)

- 50.** The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment, received Presidential assent in September 2020. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 51.** Holding Company has established an Investor Protection Fund with the objective of compensating investors in the event of defaulters' assets not being sufficient to meet the admitted claims of investors, promoting investor education, awareness and research. The Investor Protection Fund is administered by way of a registered Trust created for the purpose. In order to enhance the effectiveness of Investor Protection Fund (IPF) of Stock Exchange, SEBI comprehensively reviewed the existing framework. The holding Company recognizes a provision for contribution payable to IPF, which is estimated by assessing maximum amount which can be paid to the individual claimant as per the extent regulations. As on March 31, 2024, the corpus with the IPF was ₹ 22,776 lakh (Unaudited) (March 31, 2023: ₹ 21,962 lakh). During the previous year, the holding Company had made a contribution of ₹ 560 lakh (March 31, 2023: ₹ 426 lakh) recognized as an expense.
- 52.** In accordance with the relevant provisions of the Companies Act, 2013, the holding Company has long term contracts as of March 31, 2024, and March 31, 2023, for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2024, and March 31, 2023.
- 53.** For the year ended March 31, 2024, and March 31, 2023, the holding company is not required to transfer any amount to the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.
- 54.** The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) Amendment Rules, 2021) which is effective from April 01, 2023, states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.
- The Group uses SAP as a primary accounting software for maintaining books of account, which has a feature of recording audit trail edit logs facility.
- The audit trail features was enabled and operative throughout the financial year for the transactions recorded in the software impacting books of account at application level.
- 55.** Previous year figures have been regrouped/reclassified wherever necessary to conform to current year figures.
- 56.** The Consolidated Financial Statements were approved by the Audit Committee and Board of Directors on April 23, 2024.

## For and on behalf of the Board of Directors

**P.S. Reddy**  
Managing Director & CEO  
DIN: 01064530

**Dr. Harsh Kumar Bhanwala**  
Chairman  
DIN: 06417704

**Ashutosh Vaidya**  
Director  
DIN: 06751825

**Manisha Thakur**  
Company Secretary

**Satyajeet Bolal**  
Chief Financial Officer

Place: Mumbai  
Date: April 23, 2024



## CSR INITIATIVES



**Inauguration of Digital X-Ray Machine**  
Babasaheb Ambedkar Vaidyakiya Pratishthan, Aurangabad, Maharashtra



**Inauguration of Ambulance**  
Babasaheb Ambedkar Vaidyakiya Pratishthan, Aurangabad, Maharashtra



**Classroom Inauguration**  
Sevalaya, Tiruvallur, Tamil Nadu



**Ambulance**  
Saint Hardyal Educational and Orphans Welfare Society, Lathira, Uttar Pradesh



## CSR INITIATIVES



**School Bus Inauguration**  
Sevalaya, Tiruvallur, Tamil Nadu



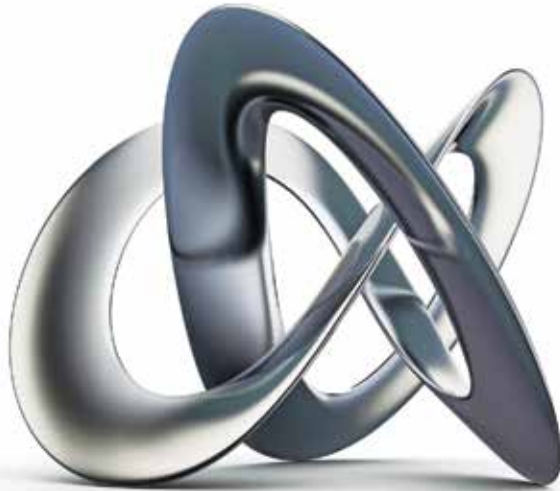
**Constructed school with 12 classrooms**  
Saurashtra Medical & Educational Charitable Trust, Rajkot, Gujarat



**School Bus Inauguration**  
Asha Ka Jharna, Jhunjhunu, Rajasthan



**5 laptops for SHG women**  
Mauna Dhvani Foundation, Mayurbhanj, Odisha



**CORPORATE ADDRESS**

**Multi Commodity Exchange of India Ltd.**

Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai – 400093, India

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**METAL & ENERGY**  
**Trade with Trust**