

MCX/SEC/2272

03rd September 2023

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 2022-23

Dear Sir/Madam,

This is further to our letter dated 29th July 2023, wherein the Company had informed that the 21st Annual General Meeting of the Company is scheduled to be held on Tuesday, 26th September 2023 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 2022-23 along with the Notice of the 21st Annual General Meeting of the Company, which is being sent through electronic mode to the Members.

The Annual Report and the Notice of the 21st Annual General Meeting of the Company is also available on the Company's website: <https://www.mcxindia.com/investor-relations/agm-fy-2022-23>

Kindly take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully,

For Multi Commodity Exchange of India Limited

Manisha Thakur
Company Secretary

Encl: As above



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; Email id: ig-mcx@mcxindia.com

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting ("AGM") of Multi Commodity Exchange of India Limited ("**Company**") will be held on **Tuesday, 26th September 2023 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 31st March 2023, 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 31st March 2023, and the Report of Auditors thereon.
2. To declare dividend of ₹ 19.09/- per Equity Share of face value of ₹ 10 each for the Financial Year ended 31st March 2023.
3. To appoint a Director in place of Mr. Hemang Raja (DIN: 00040769), Shareholder Director/ Non-Independent Director ("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 appoint Ms. Suparna Tandon (DIN: 08429718) as a Shareholder Director/ Non-Independent Director ("Non-Independent Director") and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT, pursuant to the provisions of section 152, 160, 161 and all other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations"], the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ("SECC Regulations") and the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, Ms. Suparna Tandon (DIN: 08429718), a nominee of National Bank for Agriculture and Rural Development ("NABARD"), in respect of whom the Company has received a notice in writing under Section 160 of the Act from NABARD, a member, proposing her candidature for the office of Director and who has consented to act as a Director be and is hereby appointed as a Shareholder Director/ Non-Independent Director of the Company subject to the approval of the SEBI, whose period of office shall be liable to retire by rotation, or shall cease to be a Director of the Company on the withdrawal of her nomination by NABARD earlier than the date when she shall be liable to retire by rotation and that the date of her appointment as a Director shall be effective from the date of approval of SEBI;

RESOLVED FURTHER THAT, MD & CEO and/or COO and/or Company Secretary be and are hereby severally authorized to take necessary steps as may be required to give effect to this resolution and matters related thereto."

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

Mumbai
29th July 2023

**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 and 4 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 No. 3 and 4 of the Notice.
2. The term 'Members' has been used to denote Shareholders of the Company.
3. The Ministry of Corporate Affairs ("MCA") has vide General Circular Nos. 14/2020, 17/2020, 20/2020, 22/2020, 33/2020, 39/2020, 10/2021, 20/2021, 3/2022 and 11/2022 dated 28th December 2022 and SEBI Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 (hereinafter collectively referred to as "the Circulars") has issued clarifications/relaxations on holding the AGM through VC or OAVM and other incidental matters in connection with the same. In terms of the said Circulars, the 21st AGM of the members will be held through VC or OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The Notice is also uploaded on MCX's website www.mcxindia.com and that of National Securities Depository Limited ("NSDL") (agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com.
4. The deemed venue for the 21st 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 21st 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 21st 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), 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 21st 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 Listing Regulations (as amended)), and the Circulars issued by the MCA and SEBI, 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 Tuesday, 19th September 2023, 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. Tuesday, 19th September 2023, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in.

- 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 21ST AGM ARE AS UNDER:

The remote e-voting period begins on Saturday, 23rd September 2023, at 9:00 A.M. and ends on Monday, 25th September 2023 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. Tuesday, 19th September 2023, 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 Tuesday, 19th September 2023.

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 ("DP") in case of shares are held in electronic form and with the Company's Registrar and Share Transfer Agent ("RTA"), M/s Kfin Technologies Limited ("Kfin") in case the shares are held in physical form.
- b) Shareholders are also requested to visit the website of the Company www.mcxindia.com or the website of the NSDL 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 as well.
- c) Alternatively member may send an e-mail request at the email id 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 Listing Regulations, securities of listed companies can only be transferred in Demat mode w.e.f. 01st 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 the 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 09th 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 DPs. 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
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com 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 & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 held 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 & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div>

Individual Shareholders holding securities in demat mode with Central Depository Services Limited ("CDSL")	<ol style="list-style-type: none"> 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 www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting 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 & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 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 www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your Demat Account through your DP 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.</p>

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. CDSL and NSDL.

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 evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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 101456 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.
- b) "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on 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.co.in 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 with a copy marked to evoting@nsdl.co.in. 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 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 or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Amit Vishal, Associate Vice President or Ms. Pallavi Mhatre, Manager or Mr. Sanjeev Yadav, Assistant Manager from NSDL at the designated e-mail ID: evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user ID and Password and registration of email 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.
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. If you are an Individual shareholder 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 Shareholders/Members may send a request to evoting@nsdl.co.in for procuring user ID and Password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 09th 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 DPs. 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 21ST AGM THROUGH VC/OAVM ARE AS UNDER:

1. 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 125804** 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.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. 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.
5. 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 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.
6. Members, who would like to ask questions during the 21st AGM with regard to the financial statements or any other matter to be placed at the 21st 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 on or before Friday, 22nd September 2023. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 21st 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 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.
20. Friday, 15th September 2023, 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 31st March 2023.

21. Subject to the provisions of Section 126 of the Act, the dividend as recommended by the Board at the rate of ₹ 19.09/- 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 Friday, 15th September 2023. 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. For Members who have not updated their bank account details, dividend warrants / cheques will be sent out to their registered addresses.

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 DPs. 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 RTA at einward.ris@kfintech.com for updating the above details. Members are also requested to give the MICR Code of their bank to their DPs.

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 DPs at the earliest.
23. SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 03rd November 2021, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated 14th December 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023, to avoid freezing of their folios on or after 01st October 2023, has mandated the following for Members holding shares in physical form:
- Furnishing of PAN, email address, mobile number, bank account details and nomination by holders of physical securities.
 - Linking of PAN to Aadhaar by 30th June 2023 or any other date as may be specified by the Central Board of Direct Taxes (CBDT).

Further, the circular states that folio in which PAN is not linked with Aadhaar number as on the notified cut-off date of 30th June 2023, or in the event wherein any one of the above cited details are not available on or after 01st October 2023, such folios shall be frozen by the RTA.

Accordingly, the security holder whose folio have been frozen shall be eligible:

- To lodge grievance or avail any service request from the RTA only after furnishing the complete documents / details as mentioned above.
- For any payment including dividend in respect of such frozen folios, only through electronic mode with effect from 01st April 2024.

Further, in order to avoid freezing of folios, Members are requested to forward the duly filled in self-attested documents as provided in the circulars along with the related forms to KFin Technologies Limited, Unit: MCX Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Toll free No. 1800-309-4001.

Members may also furnish the documents to RTAs electronically by way of email at einward.ris@kfintech.com, provided the documents furnished shall have e-sign of the holder(s)/ claimant(s).

24. The 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 DPs.
25. The Company also requests the shareholders to disclose 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.
26. **Tax on Dividend:**

As per the Income tax Act, 1961, as amended by the Finance Act, 2020, dividend paid or distributed by a Company after 01st 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.

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 2023-24 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.

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., 2023-24 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 31st March 2023, relevant to the Assessment Year 2023-24.

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 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 declaration in Form 10F, 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 **Tuesday, 19th September 2023**. 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 provision of Section 206AB of Income Tax Act with effect from July 01, 2021, Tax is deducted at twice the applicable rates, if Income Tax Return is not filed by the resident shareholders for preceding two financial years (i.e FY 2021-22 & FY 2022-23).
- viii. 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.
- ix. 20% plus applicable surcharge and cess or tax treaty rate whichever is beneficial for Foreign Institution Investors (FI) and Foreign Portfolio Investors (FPI) shareholder.

Kindly note that the aforementioned documents are required to be emailed at dividendtax@mcxindia.com on or before **Tuesday, 19th September 2023**, 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 **Tuesday, 19th September 2023**. The Company is obligated to deduct tax at source 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.

- 27. 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>.

28. 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.
29. The Company had transferred the IPO application amount, unpaid and unclaimed dividends declared up to Financial Year 2014-15 (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. Shareholders who have so far not encashed their dividend warrant(s) for the Financial Year 2015-16 (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 RTA, KFin, before the unclaimed dividend is transferred to IEPF.
30. 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 of the Company.
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, 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	Friday, 15 th September 2023
2.	Cut-off date for e-voting	Tuesday, 19 th September 2023
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 Saturday, 23 rd September 2023, at 9:00 A.M. and ends on Monday, 25 th September 2023 at 5:00 P.M.
5.	Speaker Registration/Post your Queries	Refer point 11 (5) and (6)
6.	TDS on Dividend & Link for downloading formats for submission	Refer point 26 and 27

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. Hemang Raja (DIN: 00040769), Shareholder Director/ Non-Independent Director ("Non-Independent Director") who retires by rotation at this AGM and being eligible, offers himself for re-appointment, subject to approval of SEBI.

Mr. Hemang Raja (DIN: 00040769) was initially appointed as Non-Independent Director on the Board of your Company on 30th June 2016. He was last re-appointed in the AGM dated 03rd 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. Hemang Raja shall be liable to retire by rotation at the ensuing AGM. He being eligible, has offered himself for re-appointment. Further, his appointment would be subject to approval by SEBI. Mr. Hemang Raja is not disqualified from being appointed as a Director under the Act, SEBI Listing Regulations and SECC Regulations, 2018. Requisite declarations have been received from the aforesaid Director in relation to his re-appointment.

With respect to item no. 3 of the Notice, save and except Mr. Hemang Raja 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 Listing Regulations 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:

Appointment of Ms. Suparna Tandon (DIN: 08429718) as a Shareholder Director/ Non-Independent Director ("Non-Independent Director") of the Company.

Mr. Vivek Krishna Sinha (DIN: 08667163), whose appointment as Non-Independent Director was proposed by NABARD would be superannuating from NABARD in October 2023. The Exchange received a letter dated 15th June 2023, from NABARD, proposing the candidature of Ms. Suparna Tandon (DIN: 08429718), Chief General Manager, NABARD in terms of Section 160 of the Act, as a Non-Independent Director on the Board of MCX. Further, the appointment of Ms. Suparna Tandon (DIN: 08429718) as Non-Independent Director was recommended by the Nomination and Remuneration Committee in its meeting dated 20th July 2023, and approved in the Board Meeting dated 29th July 2023. Post approval by the shareholders, the appointment would be subject to approval of SEBI. NABARD vide letter dated 19th June 2023, informed that, Mr. Vivek Krishna Sinha shall continue as Non-Independent Director till the completion of process of appointment of Ms. Suparna Tandon as Non-Independent Director, liable to retire by rotation.

Ms. Suparna Tandon, Chief General Manager, NABARD is presently heading the Risk Management Department and also holds the position of Chief Risk Officer in the National Bank for Agriculture & Rural Development (NABARD). She holds a Post Graduate Degree in Economics and an Executive MBA from NMIMS. With a career spanning over three decades in NABARD, she has varied experience in areas of Project Finance, Risk Management, Developmental Finance and Economic Analysis and Research. She has also headed NABSAMRUDDHI Finance Limited, Mumbai as the Managing Director for a period of two years, besides heading the Regional Office of NABARD in Chhattisgarh.

The Company conducted the due diligence in respect of Ms. Suparna Tandon on the basis of documents submitted by her and the information available in public domain and prima facie found that she is a 'fit and proper' person to be considered as a Non-Independent Director under the SECC Regulations, 2018. The necessary declarations submitted by Ms. Suparna Tandon will be available for inspection by the Shareholders through electronic mode during the AGM.

The Board recommends the resolution set forth in Item No. 4 of this Notice for approval of the Members as an **Ordinary Resolution**.

Except Ms. Suparna Tandon and her relatives, none of the Directors and KMPs 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. The relevant details as required under Regulation 36 of SEBI Listing Regulations in respect of appointment of a director at the AGM is provided in Annexure to this Notice.

To note the appointments in the Board since 01st April 2022.

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 appointed subject to approval of SEBI from the names of Public Interest Directors forwarded to the 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 01st April 2022. The relevant details in respect of Public Interest Directors appointed since 01st April 2022 is provided in Annexure to this Notice.

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 is as under:

Name of Director	Mr. Hemang Raja	Ms. Suparna Tandon	Mr. Ved Prakash Chaturvedi*	Mr. Ashutosh Vaidya	Ms. Sonu Bhasin
Item No.	3	4	NA	NA	NA
Category	Non-Independent Director	Non-Independent Director	Public Interest Director	Public Interest Director	Public Interest Director
DIN	00040769	08429718	00030839	06751825	02872234
Date of Birth / Age	14 th August 1958 /65 years	05 th August 1965 / 58 years	28 th July 1965/ 58 years	17 th January 1962/ 62 years	28 th September 1963 / 60 years
Qualifications	B.Com, MBA and Advanced Management Programme (AMP)	Post Graduate in Economics and Executive MBA from NMIMS	BE and MBA - IIM (PGDM), Bangalore	BE- Electronics and PG Diploma - IIM	MBA and B. Sc. (Hons.) Mathematics
Terms and conditions of appointment or re-appointment	In terms of section 152(6) of the Act, Mr. Hemang Raja who was re-appointed as Non-Independent Director at the Annual General Meeting held on 03 rd September 2021, is liable to retire by rotation. Further, the relevant terms and conditions as mentioned in the Act, SEBI Listing Regulations and SECC Regulations, 2018 shall be applicable to him.	In terms of section 152(6) of the Act, Ms. Suparna Tandon, will be liable to retire by rotation. Further, the relevant terms and conditions as mentioned in the Act, SEBI Listing Regulations and SECC Regulations, 2018 shall be applicable to her.	In terms of Regulation 24(2) of the SECC Regulations, 2018, Mr. Ved Prakash Chaturvedi was 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 Listing Regulations and SECC Regulations, 2018 were applicable to him.	In terms of Regulation 24(2) of the SECC Regulations, 2018, Mr. Ashutosh Vaidya 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 Listing Regulations and SECC Regulations, 2018 shall be applicable to him.	In terms of Regulation 24(2) of the SECC Regulations, 2018, Ms. Sonu Bhasin 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 Listing Regulations and SECC Regulations, 2018 shall be applicable to her.

Name of Director	Mr. Hemang Raja	Ms. Suparna Tandon	Mr. Ved Prakash Chaturvedi*	Mr. Ashutosh Vaidya	Ms. Sonu Bhasin
Remuneration drawn and proposed to be paid	₹ 20,50,000/- was paid as sitting fees for financial year ended 31 st March 2023. He will be remunerated only by way of sitting fees as admissible under the Act, for the Board and Committee meetings attended.	NA	₹ 11,50,000/- was paid as sitting fees for financial year ended 31 st March 2023. He will be remunerated only by way of sitting fees as admissible under the Act, for the Board and Committee meetings attended.	₹ 17,00,000/- was paid as sitting fees for financial year ended 31 st March 2023. He will be remunerated only by way of sitting fees as admissible under the Act, for the Board and Committee meetings attended.	₹ 13,50,000/- was paid as sitting fees for financial year ended 31 st March 2023. She will be remunerated only by way of sitting fees as admissible under the Act, for the Board and Committee meetings attended.
Date of first appointment on the Board	30 th June 2016.	NA	17 th September 2022.	17 th September 2022.	17 th September 2022.
Number of Meetings of the Board attended during the financial year ended 31st March 2023	13 meetings out of 13 meetings	NA	7 meetings out of 9 meetings	9 meetings out of 9 meetings	8 meetings out of 9 meetings
Shareholding in the Company as on 31st March 2023	Nil	Nil	Nil	Nil	Nil
Directorships of other companies# as at 31st March 2023	<ul style="list-style-type: none"> IDFC First Bank Limited 	Nil	<ul style="list-style-type: none"> ICICI Lombard General Insurance Company Limited 	Nil	<ul style="list-style-type: none"> Sutlej Textiles and Industries Limited Whirlpool of India Limited Berger Paints India Limited Indus Towers Limited Kfin Technologies Limited

Name of Director	Mr. Hemang Raja	Ms. Suparna Tandon	Mr. Ved Prakash Chaturvedi*	Mr. Ashutosh Vaidya	Ms. Sonu Bhasin
Membership/ Chairmanship in Committees* as at 31st March 2023	<ul style="list-style-type: none"> Member, Stakeholders Relationship Committee - Multi Commodity Exchange of India Limited 	Nil	<ul style="list-style-type: none"> Member, Stakeholders Relationship Committee- ICICI Lombard General Insurance Company Limited Member, Audit Committee- Multi Commodity Exchange of India Limited 	<ul style="list-style-type: none"> Member, Audit Committee- Multi Commodity Exchange of India Limited 	<ul style="list-style-type: none"> Chairman, Audit Committee- Berger Paints India Limited Member, Audit Committee- Kfin Technologies Limited Member, Audit Committee- Whirlpool of India Limited Member, Audit Committee- PNB Metlife India Insurance Company Limited Member, Audit Committee- Indus Towers Limited Member, Audit Committee- Mahindra First Choice Wheels Limited
Brief Profile including experience, expertise in specific functional areas	<ul style="list-style-type: none"> His last assignment was in Private Equity and Fund Management with Credit Suisse and Asia Growth Capital Advisers in India as MD and Head-India. Served on the Executive Committee of the Board of the National Stock Exchange of India Limited 	<ul style="list-style-type: none"> Is the Chief General Manager, NABARD at present and heading the Risk Management Department. Holds the position of Chief Risk Officer in the National Bank for Agriculture & Rural Development (NABARD). 	<ul style="list-style-type: none"> Has over 30 years of experience in financial services particularly in Investment Management and Wealth Management businesses. Independent Director on the Board of ICICI Lombard General Insurance Company Limited and ICICI Prudential AMC Limited. 	<ul style="list-style-type: none"> Former Global Chief Delivery and Operations Officer, Dell Services Worldwide. Was member of NASSCOM Executive Council. 	<ul style="list-style-type: none"> Currently Independent Director in well-known and reputed domestic and multinational companies. Former President of Axis Bank and Group President Yes Bank.

Name of Director	Mr. Hemang Raja	Ms. Suparna Tandon	Mr. Ved Prakash Chaturvedi*	Mr. Ashutosh Vaidya	Ms. Sonu Bhasin
	and has also served as a member of the Corporate Governance Committee of BSE Limited. <ul style="list-style-type: none"> • Has over 37 years of experience in the financial services industry. 	<ul style="list-style-type: none"> • Has more than three decades of experience in areas of Project Finance, Risk Management, Developmental Finance and Economic Analysis and Research at NABARD. 	<ul style="list-style-type: none"> • Former MD & CEO of Tata Asset Management Limited. • Has served on the Board of Association of Mutual Funds in India (AMFI). 	<ul style="list-style-type: none"> • Has over 38 years of experience in the Global IT industry. 	<ul style="list-style-type: none"> • Worked with Tata Administrative Service, ING and Tata Capital in senior leadership positions.
Relationship with other Directors/ KMPs	None	None	None	None	None

* Only Audit and Stakeholders' Relationship Committees are considered.

Directorships in listed entities have been mentioned.

+ Mr. Ved Prakash Chaturvedi was appointed as Public Interest Director w.e.f. 17th September 2022 and resigned w.e.f. 11th August 2023.

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

**Mumbai
29th July 2023**

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

- COMMODITY MARKETS -
THE BUILDING BLOCKS OF
अमृत काल



MCX
METAL & ENERGY
Trade with Trust

ANNUAL REPORT 2022-23



Commodity Markets – The Building Blocks of Amrit Kaal

Amrit Kaal or ‘The Era of Elixir’ is believed to be the critical time when gates of great achievements open up. It is believed to be the best and most auspicious time to commence new beginnings. Hon’ble Prime Minister Shri Narendra Modi in his address to the nation on India’s 75th Independence Day in 2021 termed the current period as the beginning of *Amrit Kaal* and called for a New India in the next 25 years which will bring with it the chance to fulfill the nation’s aspirations.

India’s commodity derivatives market is uniquely placed to make significant contributions in this *Amrit Kaal* to propel market institutions and stakeholders towards an empowered and inclusive economy. By providing a safe, regulated, cost-effective and efficient platform, using which millions of stakeholders can benefit by way of price discovery and risk management in commodity prices, along with other associated benefits in the larger commodity ecosystem, commodity exchanges have been playing a significant role in nation building. Insofar as the momentum in nurturing and developing these institutions continue, they can surely take India’s commodity economy far in the next 25 years. By continuing to make efforts to deepen the market, infuse liquidity and enhance access by spreading education and lowering direct and indirect costs and other entry barriers, institutions like commodity exchanges can bring millions of Indians within the fold of rules-based market systems and bestow the twin benefits of price discovery and risk management.

That is the promise that commodity market institutions like Exchanges can make and live up to as the country enters into *Amrit Kaal*.



A photograph of the MCX Exchange Square building, a modern high-rise structure with a glass facade and a curved architectural design. The building is set against a clear blue sky with some light clouds. In the foreground, there are several potted plants and a palm tree on the left side. The MCX logo and 'EXCHANGE SQUARE' text are visible on the building's facade.

MCX

AT A GLANCE

5th largest

Commodity Options exchange
in the world[^]

7th largest

Commodity Futures exchange
in the world[^]

96.7%

Market share[#]

[^] By number of contracts traded in Calendar year 2022 | Source: FIA

[#] In Futures segment

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 (₹2.17 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 (₹5.89 bn*).

** As on 31st March 2023*

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.

MCX AT A GLANCE

**ADT
Futures**
₹23,514*
Crores

*Average daily turnover (FY 2022-23)

**ADT
Options**
₹33,998*
Crores

*Average daily turnover (FY 2022-23)

**Market
Capitalization**
₹77.32 billion
(USD 0.94 bn)

*as on 31st March, 2023

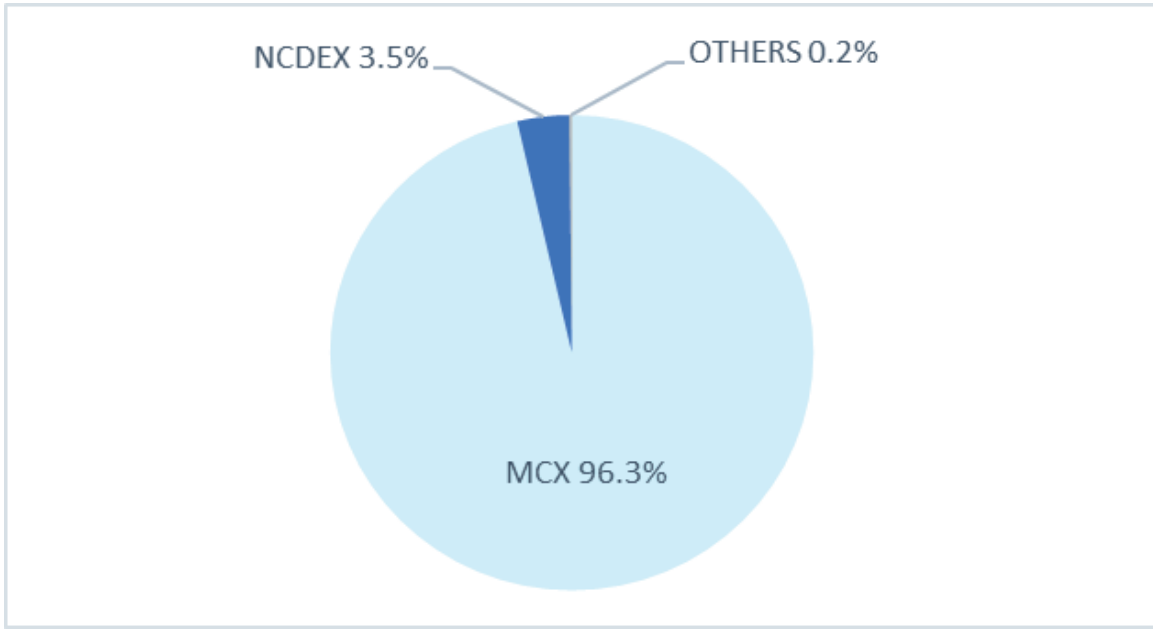
**World's
2nd
most traded***
MCX Silver
Options

**World's
most traded***
MCX Crude Oil
Options

*In the respective categories during the year 2022.
Source: Futures Industry Association

**World's
2nd
most traded***
MCX
Natural Gas
Options

COMMODITY FUTURES MARKET SHARE Q1 FY23-24

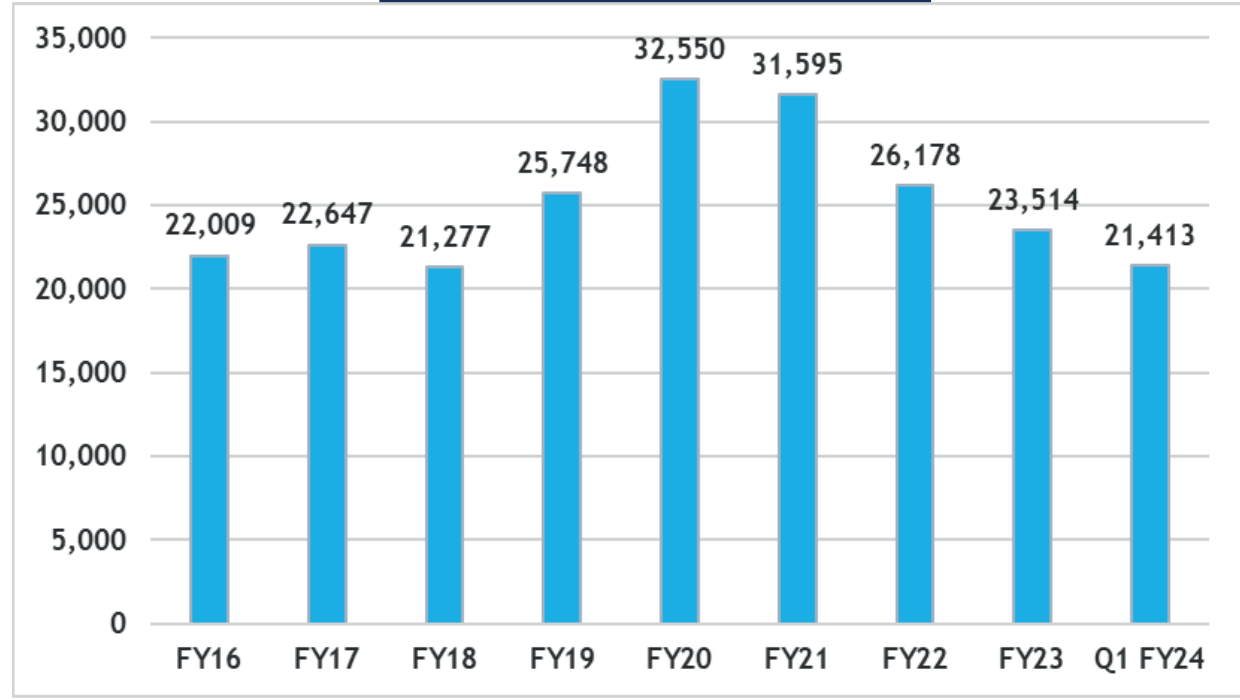


EXTENSIVE REACH

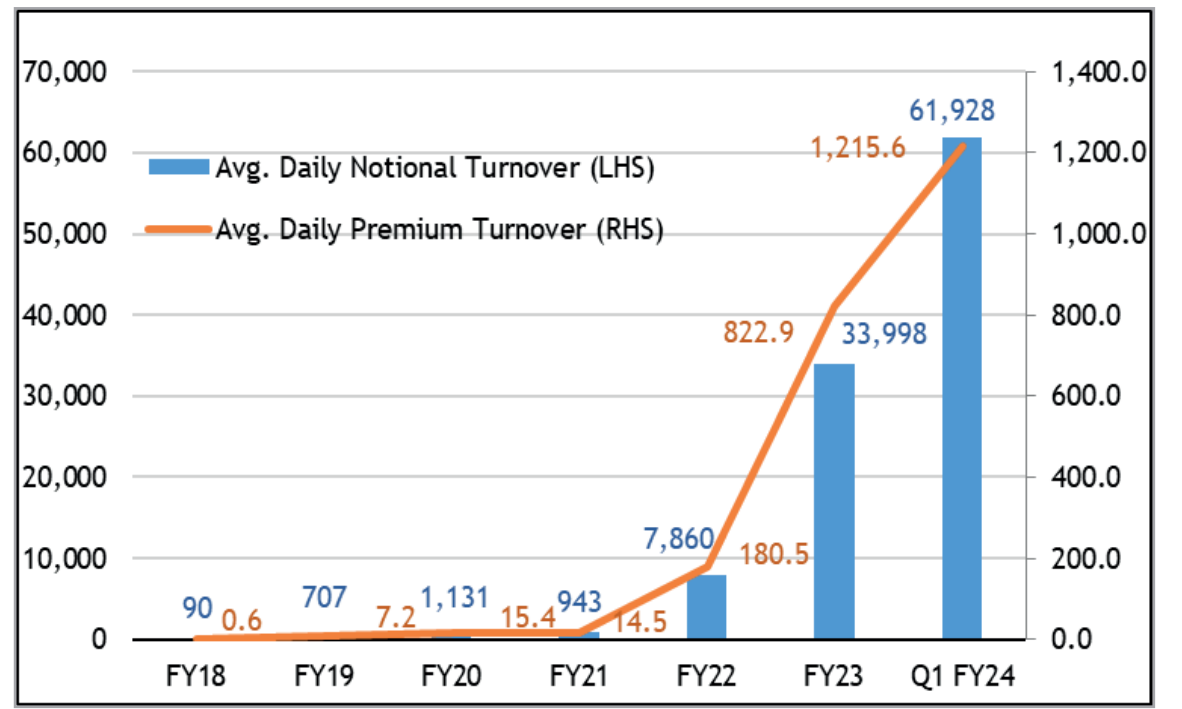
- 556 Members
- 47,573 Authorised Persons
- 706 cities/towns across India
- #No. of UCCs : 1,00,99,457

All data as on June 30, 2023 ; # Unique Client Code

ADT - FUTURES (INR Crore)



ADT - OPTIONS (INR Crore)



*Excludes Muhurat Trading Day in day count while calculating ADT, Single Side turnover

OPERATIONAL HIGHLIGHTS

Futures Average Daily Turnover (Rs. in Crs.)*		
	FY22-23	FY21-22
BULLION	10,971.8	10,253.4
ENERGY	8,675.5	9,310.1
BASE METALS	3,696.3	5,846.8
AGRI	84.3	434.9
INDEX	88.3	332.8
TOTAL	23,513.9	26,178.0

Options Average Daily Turnover (Rs. in Crs.)*				
	FY 22-23		FY 21-22	
	Notional	Premium	Notional	Premium
BULLION	2,122	15.62	1,002	7.04
ENERGY	31,874	807.22	6,856	173.39
BASE METALS	2	0.03	2	0.04
OPTIONS TOTAL	33,998	822.87	7,860	180.47

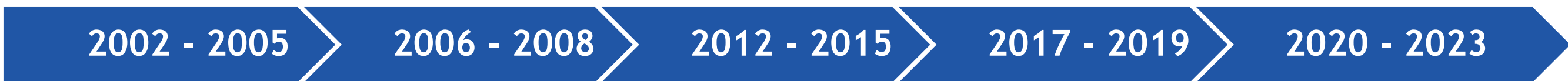
TRADED UCC##	FY22-23	FY21-22
FUTURES	3,66,598	3,89,421
OPTIONS	4,03,856	1,72,924
TOTAL	6,21,833	4,70,993

Cumulative Delivery Details# (Since Inception)			
Commodities	Start Year	Units	Quantity
GOLD	2004	MT	68.7
GOLDGUINEA	2008	MT	2.1
GOLDM	2005	MT	64.5
GOLDPETAL	2011	MT	0.6
GOLD ALL		MT	136
SILVER	2004	MT	4,417.5
SILVERM	2020	MT	140.0
SILVERMIC	2020	MT	109.5
SILVER ALL		MT	4,672.1
ALUMINIUM	2019	MT	1,15,496
COPPER	2019	MT	65,500
LEAD	2019	MT	40,660
NICKEL	2019	MT	11,409
ZINC	2019	MT	86,758
COTTON	2011	000'BALES	2,103.25
COTTONCNDY	2023	CANDY	13,296
MENTHAOIL	2005	MT	46,075.9
RUBBER	2005	MT	2,598

CPO Futures suspended w.e.f. Dec 20, 2021

OPERATIONAL HIGHLIGHTS

- Licensing agreement with LME
- Commenced operations on November 10, 2003
- Incorporated in 2002
- Sign MoU with CME Group
- Change in Top Management and Board
- Became India's first listed exchange
- Live with new version of trading software, enabling trade in negative prices
- Launched trading in iCOMDEX Sectoral Index futures
- Empaneled domestic refiners for good delivery of gold & Lead
- MCX joined other MIs to set up IIBX at GIFT City
- Licensing agreement with Indian Energy Exchange (IEX)
- Signed consultancy agreement with CSE to establish Bangladesh's first Commodity Exchange



- Product licensing agreement with NYMEX (CME Group)
- Became a member of the International Organisation of Securities Commissions (IOSCO)

- Launched first-ever Options on Gold futures in India
- MCXCCL commenced operations from Sept 03, 2018
- Conversion of base metal futures contracts into compulsory deliverable contracts
- Launched new series of iComdex commodity indices

CPO Futures suspended w.e.f. Dec 20, 2021

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Corporate Information

Board of Directors (As on 31st August 2023)

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.	Mr. Shankar Aggarwal	Public Interest Director
5.	Ms. Sonu Bhasin	Public Interest Director
6.	Mr. Arvind Kathpalia	Non-Independent Director
7.	Mr. Hemang Raja	Non-Independent Director
8.	Mr. Mohan Narayan Sheno	Non-Independent Director
9.	Mr. Vivek Krishna Sinha	Non-Independent Director
10.	Mr. P.S. Reddy	Managing Director & Chief Executive Officer

Chief Financial Officer Mr. Satyajeet Bolar

Company Secretary Ms. Manisha Thakur

Statutory Auditors M/s. Shah Gupta & Co., Chartered Accountants

Bankers HDFC Bank
Kotak Mahindra Bank
Corporation Bank

Registrar and Transfer Agent 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: einward.ris@kfintech.com

Registered Office 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 : www.mcxindia.com
Email id: ig-mcx@mcxindia.com

PROFILE OF ALL BOARD MEMBERS



Dr. Harsh Kumar Bhanwala, *Chairman & Public Interest Director*

- Executive Chairman of Capital India Finance Limited.
- Former Chairman of National Bank of Agriculture and Rural Development (NABARD).
- Has over 38 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 38 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).



Mr. Shankar Aggarwal, *Public Interest Director*

- Has held various positions under various Ministries including that of Secretary to Government of India in the Ministries of Women and Child Development, Urban Development and Labour & Employment and various departments of Government of India and Government of Uttar Pradesh.
- Held positions of Secretary and President in various social organizations.



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 40 years of experience in Banking industry.



Mr. Hemang Raja, *Non-Independent Director*

- His last assignment was in Private Equity and Fund Management with Credit Suisse and Asia Growth Capital Advisers in India as MD and Head-India.
- Served on the Executive Committee of the Board of the National Stock Exchange of India Limited and has also served as a member of the Corporate Governance Committee of BSE Limited.
- Has over 37 years of experience in the financial services industry.



Mr. Mohan Narayan Sheno, *Non-Independent Director*

- Has over 44 years of wide ranging experience in the Banking industry.



Mr. Vivek Krishna Sinha, *Non-Independent Director*

- Chief General Manager, Department of Refinance in NABARD.
- Has over 35 years of experience in diverse areas such as project finance, microfinance, natural resource, management and poverty alleviation programmes in the state of Jammu & Kashmir, Uttar Pradesh and Uttarakhand.



Mr. P.S. Reddy, *MD & CEO*

- Has held position of Managing Director & CEO during his total tenure of 12 years at Central Depository Services (India) Limited.
- Worked with BSE Limited for 18 years. Was in charge of various departments and represented in various Committees on behalf of the Exchange.
- Has over 34 years of diverse experience in Indian capital market, especially in Stock Exchange, Clearing and Settlement operations and its eco system.

BOARD'S REPORT

Dear Shareholders,

The Board of Directors are pleased to present the Twenty First Annual Report of your Company, along with the Audited Statement of Accounts for the Financial Year (FY) ended 31st March 2023.

1. STATE OF COMPANY'S AFFAIRS FINANCIAL RESULTS

The Company's financial performance for the year ended 31st March 2023 is summarized below:

(₹ in lakh, except EPS)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Total Income	52,147	40,323	58,117	43,331
Total Operating Expenditure	32,947	20,143	36,382	20,463
Profit before Interest, depreciation, exceptional items and tax	19,200	20,180	21,735	22,868
Less: Depreciation	2,047	2,214	2,159	2,270
Less: Interest	18	26	21	24
Less: Exceptional item	-	2,043	-	2,043
Add / (Less): Share of loss of Associate	-	-	(498)	(127)
Profit after exceptional items and Share of Profit / (loss) of Associate but before tax	17,135	15,897	19,057	18,405
Less: Provision for tax	4,152	4,051	4,160	4,059
Profit after tax	12,983	11,846	14,897	14,345
Add/(Less) : Other Comprehensive Income (net of tax)	(69)	(276)	96	(283)
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)	12,914	11,570	14,993	14,062
Earnings per share (EPS)				
i. Basic (₹)	25.51	23.27	29.27	28.18
ii. Diluted (₹)	25.51	23.27	29.27	28.18

FINANCIAL HIGHLIGHTS

For FY 2022-23, your Company's (Standalone) total income stood at ₹ 52,147 lakh as compared to ₹ 40,323 lakh in FY 2021-22. The operating income during the year under review was ₹ 44,922 lakh as against ₹ 32,978 lakh in FY 2021-22. Net profit after tax in FY 2022-23 was ₹ 12,983 lakh as compared to ₹ 11,846 lakh in FY 2021-22.

In accordance with the provisions of the Income Tax Act, 1961, during the year Company has adopted concessional tax regime u/s 115BAA of the Income Tax Act, 1961. Tax provision for FY 2022-23 has been made accordingly. The rate of taxation was 22% as compared to 25% in previous year.

The net worth of the Company as at 31st March 2023 stood at ₹ 1,59,570 lakh as compared to ₹ 1,55,530 lakh as at 31st March 2022.

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 30th September 2022.

Since the new platform is still 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 Ltd, initially for a quarter ended December 2022 for ₹ 60 crore (plus applicable taxes). Accordingly, for the quarter ended 31st December 2022, MCX has incurred ₹ 40.20 crore (net of recoveries from MCXCCL, excluding applicable taxes). Later these services were extended for another two quarters ending 30th June 2023 for ₹ 81 crore per quarter (plus applicable taxes) as per the minimum period of services offered by the vendor. Accordingly for the quarter ended 31st March 2023 and 30th June 2023, MCX has incurred ₹ 54.27 crore (net of recoveries from MCXCCL excluding applicable taxes) respectively. Further, the Company has decided to extend the support services being rendered by its existing software vendor, 63 Moons Technologies Ltd. for six months, being the minimum period offered by the vendor, beginning from 01st July 2023 at a consideration of ₹ 125 crore (plus applicable taxes) per quarter.

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 (from 04th May 2022 to 14th July, 2022 and from 12th August, 2022 to 31st March, 2023). 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 2022-23, the Average Daily Turnover (ADT) of commodity futures contracts stood at ₹ 23,514 crore vis-à-vis ₹ 26,178 crore in FY 2021-22, witnessing a decline of 10%. However, during the same period, the options ADT went up by 333% to ₹ 33,998 crore from ₹ 7,860 crore. The Average Realization Rate (ARR) for the futures remained unchanged at ₹ 2.07 per lakh (one side ADT) during the year. Overall traded Unique Client Codes for futures and options (UCC – PAN based) during the period increased from 4.71 lakh to 6.22 lakh.

The total turnover of commodity futures traded on your Exchange declined by 11% to ₹ 60.43 lakh crore in FY 2022-23 as against ₹ 67.54 lakh crore in FY 2021-22. In contrast, options turnover for the year went up by 331% to a record total turnover of ₹ 87.37 lakh crore as against ₹ 20.28 lakh crore in the previous year. The futures in bullion, energy, metals and agriculture registered a turnover of ₹ 28.20 lakh crore, ₹ 22.30 lakh crore, ₹ 9.50 lakh crore and ₹ 0.21 lakh crore, respectively, as against ₹ 26.45 lakh crore, ₹ 24.02 lakh crore, ₹ 15.08 lakh crore and ₹ 1.12 lakh crore in the previous year. On the other hand, options turnover in energy, bullion and metals recorded total of ₹ 81.92 lakh crore, ₹ 5.45 lakh crore and ₹ 0.01 lakh crore, respectively, during FY 2022-23 vis-à-vis ₹ 17.69 lakh crore, ₹ 2.58 lakh crore and ₹ 0.006 lakh crore, in the previous year.

In terms of metal delivery, a total of 83,746.5 metric tonnes (MT) of Base Metals were delivered through the exchange mechanism during FY 2022-23 as against 81,499 metric tonnes in FY 2021-22. During FY 2022-23, your Company's market share in commodity futures market stood at 96.8% as against 93.6% in the previous year. The volume of futures (in terms of contracts) traded on the Exchange decreased by 11% in FY 2022-23, to 128.8 million lots, as compared to 144.9 million lots in FY 2021-22. On the other hand, the volume of Options (in terms of contracts) traded increased by 323% in FY 2022-23, to 124.2 million lots, as compared to 29.3 million lots in FY 2021-22.

GLOBAL COMMODITY MARKET

After displaying significant increase during the calendar year (CY) 2021 following the reopening of the post-pandemic world, global commodity prices showed mixed trends during much of CY 2022. Prices in Agricultural and Energy commodities generally increased, while most Base Metal prices declined. Bullion prices remained relatively stable compared to the previous year.

Gold prices experienced high volatility, reaching near all-time highs in the first quarter of CY 2022 due to the Russia-Ukraine war, but dropped to two-year lows in the third quarter, due to a strong US dollar. Silver prices rose in the first quarter and fell significantly in late September, but managed to recover and close the year with a 2.3% increase compared to CY 2021. Among Base Metals, Copper, Aluminium, Zinc, and Lead prices declined by the close of CY 2022 after reaching record peaks in March. Nickel prices surged by 44.8% due to concerns over potential export sanctions on Russian Nickel and increasing demand due to global shift toward electric vehicles.

In the agricultural commodities segment, US soyabean, sugar, and wheat prices increased year-on-year by 14.7%, 7.7%, and 2.8% respectively, while US cotton prices dropped by 24.5% in CY 2022.

Energy prices reached multi-year highs in the first half of CY 2022 on the backdrop of increasing geopolitical tensions, however they subsequently dropped as worries emerged about a potential economic recession in many countries. Nevertheless, Brent and WTI crude oil prices saw increases of 11.1% and 7%, respectively on a year-on-year basis. Meanwhile, global natural gas prices fell in the second half of CY 2022 due to warmer-than-expected weather, improved energy efficiency, and changes in gas consumption behaviour. US natural gas prices were 20% higher in CY 2022 compared to the previous year.

Global commodity derivatives markets experienced a decline in trading volumes across all segments in CY 2022. Precious metals experienced the largest decrease, followed by Energy, Non-Precious Metals, and Agricultural commodities. Data from the Futures Industry Association (FIA) showed that aggregate volumes in these segments decreased by approximately 20% in CY 2022, compared to the previous year, reaching 6.6 billion contracts in the year. Precious Metals trading volumes were down by around 26%, while Energy, Non-Precious Metals, and Agricultural commodities' trading volumes declined by about 24%, 19%, and 15% respectively.

In the current CY 2023, macroeconomic signals emanating from the global economy show it in a gradual recovery phase, though uncertainties persist due to the lingering impact of the Russia-Ukraine conflict and high levels of inflation. As a result, global growth may remain subdued in the medium term, as per most estimates. The International Monetary Fund's July 2023 update to its World Economic Outlook (WEO) report suggests that global growth is expected to reach 3.0% in 2023, down from 3.5% in 2022, and remain at 3.0% in 2024 too. Efforts to control inflation globally are anticipated to reduce headline inflation from 7.3% to 4.7% in advanced economies (AEs) and from 9.8% to 8.6% among emerging market and developing economies (EMDEs) in 2023, as per IMF's WEO released in April 2023. These ongoing trends are likely to impact global commodity markets throughout the year.

Your Company's performance during the FY 2022-23 and outlook during FY 2023-24 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 31st March 2023, 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.

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

For FY 2022-23, your Company does not propose to transfer any amount to the General Reserve.

5. SURPLUS IN PROFIT & LOSS ACCOUNT

An amount of ₹ 1,20,415 lakh (Previous Year ₹ 1,16,306 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 20th May 2023, have recommended a dividend of ₹ 19.09 (191%) per equity share on a face value of ₹ 10 per share for the Financial Year ended 31st March 2023, subject to the approval of shareholders at the ensuing Annual General Meeting.

The outgo on account of the proposed dividend of 191% (Previous Year 174%) to be paid by the Company aggregates to approximately ₹ 9,736 lakh, being a payout of 75% of the profit after tax (PAT) for the year ended 31st March 2023, as against ₹ 8,874 lakh during the previous year.

Your Directors have recommended the 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 21st AGM.

7. MEMORANDUM AND ARTICLES OF ASSOCIATION

During the year under review, the Memorandum of Association ('MOA') and Articles of Association ('AOA') of the Company were amended with the approval of the shareholders at their 20th Annual General Meeting held on 27th September 2022. Post receipt of approval of Shareholders, the Company has pre-published the MOA & AOA in the Gazette of Maharashtra and the Gazette of India, inviting public comments. The amendments were then approved by the SEBI vide letter dated 23rd January 2023. Post receipt of approval from SEBI, the Company has published the amendments in the Gazette of Maharashtra and the Gazette of India respectively. Thereafter, the amended MOA and AOA was filed with Registrar of Companies.

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. MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the FY 2022-23 to which the financial statement relate and the date of this Report except to the extent stated at point 1 above regarding technology expenses.

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

During the year, following orders were passed:

1. SEBI has passed an order dated 04th January 2023, against the Company imposing a penalty of ₹ 2,00,000/- for indirectly engaging itself in unrelated/non-incident 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* stayed the effect and operation of the impugned order till the disposal of the appeal.
2. SEBI has passed an order dated 28th February 2023, against MCX imposing a penalty of ₹ 6,00,000/- for the following alleged violations:
 - A. As per Clause 4 of SEBI circular dated 16th September 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 Management has consistently followed the same process/procedure and there was no malafide intent on the part of the Management.
 - B. It was purported that MD & CEO was not the Relevant Authority for levying of penalty on Trading Members according to the ToR of MCSGFC as prescribed in SEBI circular dated 10th January 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 12th April 2023.

Except the above, 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.

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 2014-15	₹ 10/-	29 th September 2015	17 th November 2022	₹ 15,66,740/-

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, 731 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 04th December 2022, were transferred during the FY 2022-23 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).

DETAILS OF NODAL OFFICER:

Name: Manisha Thakur, Company Secretary and Compliance Officer

Email address: Manisha.Thakur@mcxindia.com

The Company has transferred the following unclaimed dividend amount and shares to IEPF as on 31st March 2023:

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.	-	-	IPO Refund	26,55,276
	Total	3265		67,67,245

Year wise amount of Unpaid/Unclaimed Dividend lying in the unpaid account upto 31st March 2023, 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 st March 2023	Due Date of transfer of Unpaid and Unclaimed Dividend to IEPF
1.	14 th AGM Final 2015-16	3027	59112	₹ 3,84,228.00/-	24 th November 2023
2.	15 th AGM Final 2016-17	3146	53644	₹ 8,04,660.00/-	27 th October 2024
3.	16 th AGM Final 2017-18	3331	61521	₹ 10,45,857.00/-	05 th November 2025
4.	17 th AGM Final 2018-19	2661	52331	₹ 10,46,620.00/-	25 th November 2026
5.	18 th AGM Final 2019-20	3985	82643	₹ 24,00,105.00/-	05 th November 2027
6.	19 th AGM Final 2020-21	2192	43259	₹ 11,41,003.40/-	08 th October 2028
7.	20 th AGM Final 2021-22	1790	43028	₹ 70,7,196.20/-	01 st December 2029

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 31st March 2023.

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 31st March 2023, 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 the FY 2022-23, 13 (Thirteen) 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 15th June 2022, 26th July 2022, 22nd August 2022, 18th November 2022 and 14th March 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 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 31st March 2023, the Board comprised of 11 (eleven) Directors, of which 6 (six) were Public Interest Directors (PID)/Independent Directors, 4 (four) were Shareholder Directors/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, and 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 nomination/ 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 of your Company in accordance with the SEBI (LODR) Regulations, 2015 from all the Directors, as applicable.

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, the tenure of Mr. Saurabh Chandra (DIN: 02726077), Public Interest Director/ Independent Director of the Company was completed on 02nd July 2022 pursuant to SECC Regulations, 2018. Further, the tenure of Ms. Pravin Tripathi (DIN: 06913463) and Mr. Bhartendu Kumar Gairola (DIN: 02442205), Non-Executive Independent Directors/Public Interest Directors of the Company was completed on 16th September 2022 pursuant to SECC Regulations, 2018. In order to fill the resulting vacancies, with the approval of SEBI Mr. Ashutosh Vaidya (DIN: 06751825), Mr. Ved Prakash Chaturvedi (DIN: 00030839) and Ms. Sonu Bhasin (DIN: 02872234) were appointed as a Non-Executive Independent Directors/Public Interest Directors for a period of three years in terms of SECC Regulations, 2018 with effect from 17th September 2022.

Mr. Ved Prakash Chaturvedi vide his letter dated 11th August 2023 has tendered his resignation as Non-Executive-Independent Director/Public Interest Director of the Company with effect from 11th 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. Chengalath Jayaram (DIN: 00012214), Shareholder Director/Non-Independent Director, was liable to retire by rotation at the 20th Annual General Meeting ("AGM") held on 27th September 2022. However, Mr. Jayaram had communicated to the Company that he was not seeking reappointment. Accordingly, Mr. Jayaram has retired from the position of Shareholder Director/Non-Independent Director in the Company with effect from conclusion of 20th AGM of the Company held on 27th September 2022.

Further, shareholders of the Company at its 20th Annual General Meeting held on 27th September 2022 had approved appointment of Mr. Arvind Kathpalia (DIN: 02630873) as a Shareholder Director/Non-Independent Director on the Board of the Company, subject to approval of SEBI. Thereafter, with approval of SEBI vide letter dated 06th December 2022 and approval of the Board of Directors Mr. Kathpalia was appointed as Shareholder Director/Non-Independent Director with effect from 06th December 2022.

The Board of Directors places on record their earnest appreciation to the invaluable contribution, leadership and guidance extended by Mr. Saurabh Chandra, Ms. Pravin Tripathi, Mr. Bhartendu Kumar Gairola, Mr. Chengalath Jayaram and Mr. Ved Prakash Chaturvedi to the Board and the Management of the Company during their association.

In accordance with the provisions of the Companies Act, 2013, Mr. Hemang Raja (DIN: 00040769), Shareholder Director/Non-Independent Director, 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.

As Mr. Vivek Krishna Sinha would be superannuating from NABARD in October 2023, the Exchange received a letter dated 15th June 2023, from NABARD, proposing the candidature of Ms. Suparna Tandon (DIN: 08429718), Chief General Manager, NABARD in terms of Section 160 of the Companies Act, 2013, as a Shareholder Director i.e. Non-Independent Director on the Board of MCX. Further, the appointment of Ms. Suparna Tandon (DIN: 08429718) as Non-Independent Director was recommended by the Nomination and Remuneration Committee in its meeting dated 20th July 2023, and approved in the Board Meeting dated 29th July 2023. Post approval by the shareholders, the appointment would be subject to approval of SEBI. NABARD vide letter dated 19th June 2023, informed that, Mr. Vivek Krishna Sinha shall continue as Shareholder Director/Non-Independent Director till the completion of process of appointment of Ms. Suparna Tandon as Shareholder Director/Non-Independent Director.

15. INDEPENDENT EXTERNAL EXPERT

During the year under review, the tenure of Prof. P S Dhekne as an Independent External Expert in the Standing Committee on Technology (SCT) was completed on 11th November 2022 pursuant to SECC Regulations, 2018. In view of the same, Mr. Madhusudhan K M was appointed as an Independent External Expert in Standing Committee on Technology with effect from 22nd December 2022.

Further, the tenure of Mr. Suresh Gupta as an Independent External Expert in the Member Core Settlement Guarantee Fund Committee (MCSGFC) and Regulatory Oversight Committee (ROC) was completed on 21st August 2022 and 23rd September 2022 respectively, pursuant to SECC Regulations 2018. In view of the same, Mr. S. Gopalan was appointed as an Independent External Expert in MCSGFC with effect from 22nd August 2022. Thereafter, Mr. S. Gopalan ceased to be an Independent External Expert in MCSGFC with effect from 06th February 2023 due to acceptance of full time employment elsewhere with effect from 30th January 2023. In view of the same, Mr. S V Krishnamohan was appointed as an Independent External Expert in MCSGFC with effect from 21st March 2023.

Pursuant to cessation of Mr. Suresh Gupta as an Independent External Expert in the ROC, Mr. R Anand was appointed as an Independent External Expert in ROC with effect from 30th July 2022.

The Independent External Experts are appointed for a period of three years, with further extension of three years subject to performance evaluation.

16. KEY MANAGERIAL PERSONNEL (KMP)

The following employees became KMPs under the SECC Regulations, 2018 during FY 2022-23:

Sr. No.	Name	Effective Date
1	Mr. Shashank Sathe – Chief Technology Officer	1 st April, 2022
2	Dr. Ajit Phanse - Vice President – Inspection and Audit	11 th July 2022
3	Mr. Armaan Gaus - Vice President – Surveillance and Investigation	22 nd December 2022
4	Mr. Kaushal Ashok Mehta - Vice President – Legal	22 nd December 2022
5	Ms. Manisha Thakur - Company Secretary and Compliance Officer	22 nd December 2022
6	Mr. Prashant Brahmanand Wagh - Vice President- Technology	22 nd December 2022

Further, the following employees ceased to be KMPs under the SECC Regulations, 2018 during FY 2022-23:

Sr. No.	Name	Last working day
1	Mr. Sanjay Golecha – Chief Regulatory Officer	30 th June 2022
2	Mr. Ajay Puri - Company Secretary and Compliance Officer	06 th December 2022

Mr. Abhishek Govilkar has been appointed the Vice President – Product Management Team (Agri) of the Company with effect from 21st June 2023.

As Mr. Sanjay Golecha, ceased to be the Chief Regulatory Officer (“CRO”) of the Company with effect from 30th June 2022. Pending appointment of CRO, Mr. Himanshu Ashar, Vice President, Market Operations & Surveillance & Investigation was assigned interim charge of the office of the CRO with effect from 01st July 2022 until further orders.

Mr. Shashank Sathe, ceased to be the Chief Technology Officer (“CTO”) of the Company with effect from 28th April 2023. Pending appointment of CTO, Dr. Rajendra Narayanan, Chief Digital Officer was assigned interim charge of CTO portfolio w.e.f. 24th April 2023 until further orders.

Dr. Ajit Phanse ceased to be the Vice President - Inspection and Audit with effect from 02nd May 2023.

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 05th January 2017 providing guidance to listed entities about various aspects involved in the Board Evaluation process ("SEBI Guidance Note") and SEBI circular dated 05th 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 05th 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.

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.

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 5th largest Exchange by the number of commodity Options contracts traded in CY 2022, improving from 6th 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. 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, your Company has embarked upon the path of recognizing domestic bullion refiners for good delivery of Gold on Exchange platform.

MCX has recorded the delivery of 2116 kg of Indian refined Gold valued at ₹ 3961 crore via MCX empanelled domestic refiners for delivery of Gold under the existing contract specifications of Gold Mini (100 grams) Futures contract during the FY 2022-23.

The Bullion segment attained various landmarks during FY 2022-23:

The MCX Gold kg Options contract registered an average daily turnover of ₹ 1572 crore in FY 2022-23 up by 84% from ₹ 854 crore in FY 2021-22. It's highest turnover (post LES) of ₹ 16,713 crore was observed on 24th March 2023.

After success of Gold Options with Gold (1 kg) Futures as underlying contract, MCX launched Gold Mini Options with Gold Mini (100 gram) Futures as underlying on 25th April 2022.

The average daily turnover of Gold Mini Options with Gold Mini (100 gram) Futures as underlying during FY 2022-23 was ₹ 132 crore.

Gold Mini Options with Gold Mini (100 gram) Futures as underlying recorded the highest volume and turnover of 1290 kg and ₹ 760 crore respectively on 27th March 2023 and recorded the highest open interest of 836 kg on 09th February 2023 during the FY 2022-23.

Similarly, MCX Silver Options contract registered an average daily turnover of ₹ 355 crore in FY 2022-23 up by 163% from ₹ 135 crore in FY 2021-22.

Further, the average daily turnover of Silver Mini Options with Silver Mini (5 kg) Futures as underlying during FY 2022-23 was ₹ 62 crore. The contract recorded it's highest volume and turnover of 58 MT and ₹ 386.45 crore respectively on 13th March 2023 and recorded the highest open interest of 35 MT on 31st March 2023.

Continued success of new product design in Bullion:

Gold Petal Futures contract has seen delivery of 76.145kg (76145 coins) since its launch in October 2019 till 31st March 2023.

Similarly, Silver (1kg) Micro contract has seen successful delivery of 97503 kg from February 2020 series onwards till 31st March 2023 and Silver Mini (5 Kg) has seen successful delivery of 110160 kg from June 2020 series onwards till 31st March 2023.

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 world witnessed strained global energy supply chains at the start of the Financial Year, which was triggered by war between Russia and Ukraine. Energy markets and countries' policies for addressing market and trade vulnerabilities observed a major transition. Russia's curtailment of natural gas to Europe and sanctions on imports of oil and gas from Russia, created an intense change of focus in the overall international energy landscape.

The global energy crisis had implications on all countries, which led them to review their energy requirements and energy mix to achieve energy security and self-sufficiency. Global economic uncertainty continued to be high and downside risks became predominant, as most Asian and European countries were struggling to fight inflation effectively, despite continued monetary tightening by central banks.

With global geopolitical and economic uncertainties intensifying, especially global inflation, the crucial role that oil & gas industry plays in the global economy and national security, was only reinforced. Infact, the global energy trade also witnessed changes in the commercial terms in the form of replacement of dollar denominated transactions with other currencies.

On domestic front, India continued to be the third-largest consumer of crude oil in the world as of 2022. However, the domestic oil imports saw a surge in Russian crude oil grade replacing most of OPEC origin grades that led to a reduction in India's export bills. Further petroleum products were also the most exported commodities from India to various other countries, amounting to around \$86 billion during FY 23 (April 2022 to February 2023). The oil & gas sector is among the eight core industries in India and also is closely linked to policies and fundamental dynamics of other economic sectors.

MCX Energy Contracts Overview

With our vision of catering to wider value chain participants in the energy complex, the Exchange launched mini futures contracts, both crude oil and natural gas. The crude oil mini futures were launched on 03rd March 2023 and natural gas mini futures on 14th March 2023.

Both the contracts garnered good interest and wide acceptance by market participants, clocking an Average Daily Turnover (ADT) of ₹191 Crores (since its launch till 31st March 2023) in crude oil and an ADT of ₹37 Crores (since its launch till 31st March 2023) in natural gas.

The MCX Crude oil futures contracts registered an ADT of ₹ 3,516 Crores in FY 2022-23. The MCX Natural gas futures contracts registered an average daily turnover of ₹ 5,108 Crores in FY 2022-23, up by 6% from ₹4,811 crores in FY 2021-22.

Phenomenal success has been witnessed in the options contracts. MCX Crude oil options registered an ADT of ₹25,787 crores during FY 2022-23, compared to an ADT of ₹6,590 crores during 2021-22, marking a remarkable increase of 291%. Infact the Crude oil options contracts set a benchmark by registering highest turnover of ₹1,24,952 crores on 15th March 2023.

On similar lines, the MCX Natural gas options also saw incredible growth of 411%, after it clocked an ADT of ₹5,963 crores during FY 2022-23, as compared to ₹1,168 crores in FY 2021-22. MCX Natural Gas Options contract registered its highest turnover of ₹25,283 crores on 22nd November 2022.

Agricultural Commodities

MCX agriculture commodities futures registered an average daily turnover of ₹ 81.73 crore in FY 2022-23 compared to ₹ 435 crores in FY 2021-22. Cotton contract was available from April-December 2022. Modified Cotton Candy contract was launched on 13th February 2023, thereby leaving a gap from 01st January to 12th February 2023 with no contract to trade on. The MCX Cotton contract Clocked an average daily turnover of ₹ 78.82 crore in 2022-23 compared to ₹ 160 crore in FY 2021-22. Average daily turnover of Mentha oil contract in FY 2022-23 was ₹ 12.16 crore compared to ₹ 9.03 crore in FY 2021-22. Average daily turnover of Rubber contract in FY 2022-23 was ₹ 2.15 crore. Rubber contract was delisted from January 2023.

The CPO futures was continue to be suspended from 20th December 2021, 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. Two additional domestic Refined Lead producers, namely, Eswari Global Metal Industries Private Ltd and Jayachandran Alloys Pvt. Ltd, were empanelled as MCX approved brands during the FY 2022-23. This takes the total count of approved domestic refined lead producers to four. The empanelment of some more domestic producers is under process.

In all, 83,747 MTs of base metals were delivered via the Exchange settlement in FY 2022-23. 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 centres across the country to cater to the collective needs of the wider audience. Delivery centres are now operational at Raipur (Chhattisgarh), Kolkata (West Bengal), Palwal (NCR/Haryana), Chennai (Tamil Nadu) and Thane (Maharashtra). The additional delivery centres have also started witnessing inflows of various metals.

In addition to this, the Exchange has launched Mini Contracts (Smaller denomination contracts) to bring back the lost retail participation. Keeping intact the alignment of Trading unit and Delivery unit, 1 MT contracts of Aluminium, Lead and Zinc were launched during the FY 2022-23.

Index Futures

The ADT during FY 2022-23 for index futures was ₹ 88 crore. The debacle of Nickel futures at London Metal Exchange had adversely affected the MCX Nickel futures contract and consequently the MCX METLDEX® futures contracts. Applicability of pre-expiry margins in ENRGDEX® futures also dented the performance of the contract. The Exchange has removed Nickel futures contract from the index computation and is reaching out to market participants to solicit their participation for revival of the contract. While, SEBI has issued the regulatory framework for Options on commodity indices on 24th March 2022, the exchange shall consider launching the same post go-live of its new technology platform.

Market Participants

As on 31st March 2023, the Company has a national reach with 548 members, having 50,228 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) across 700 cities/towns across India. The unique traded client codes (UCC – PAN based*) which are of significant importance to Exchange, witnessed a rise from 4.7 lakh in FY 2021-22 to 6.22 lakh in FY 2022-23.

On the Institutional front, three Mutual Funds with four new schemes were registered for participation in FY 2022-23. More over, five new Alternative Investment Funds and 2 PMS schemes were also on boarded during the said period. Additionally, one more custodian received SEBI approval for commodity custodial services, taking total number of commodity segment custodians to five in the ETCD space. In FY 2022-23, in the PCM category one more bank also received approval to function as clearing member. In September 2022, SEBI issued guidelines allowing Foreign Portfolio Investors (FPIs) to participate in cash settled non-agricultural commodity derivative contracts and indices. Accordingly, the exchange has issued a circular paving the participation of FPIs.

19. REGULATORY DEVELOPMENTS- FY 2022-23

During the year under review, SEBI, has issued master circulars on PMLA guidelines, Stock brokers and Surveillance of securities market. In order to strengthen investors' confidence in the securities market, SEBI has issued various circulars for the benefit the investors at large, viz., strengthening of the Investor Grievance Redressal Mechanism, streamline the process of handling of unpaid securities by TM/CM, framework to address the Technical Glitches occurred in the trading systems of the stockbrokers, information to be displayed by stockbrokers on website, advisory on Cybersecurity best practices by Regulated Entities, enhanced obligations and responsibilities on Qualified Stock Brokers (QSBs) and settlement of running account of client's funds lying with Trading Member (TM).

In line with the above guidelines, the Regulator has issued guidelines informing the investors to prevent usage of unregulated platforms (services and strategies marketed by higher return claims on investment) offering algorithmic strategies for trading by stock broker. Further, after considering the non-participation by EFEs in ETCDs for more than three years since the EFE framework came into force, SEBI has notified that the existing EFE route be discontinued and foreign investors to participate in Indian ETCDs through the FPI route, subject to certain conditions.

SEBI has issued circular and acceded representation made by Stock Exchange to launch multiple contracts on same commodity.

The important regulatory developments during FY 2022-23, primarily by SEBI, are as hereunder:

April 2022

- I. SEBI has issued additional guidelines in pursuance of amendment to SEBI KYC Registration Agency (KRA) Regulations, 2011. Further, validation of all KYC records (New and Existing) shall commence from 01st July 2022.
- II. SEBI has issued the risk management framework applicable to the Electronic Gold Receipt (EGR) segment on the recognized Stock Exchange/s.

May 2022

- I. MIs are required to conduct System and Network Audit as per the framework. This is applicable for the audit to be conducted by the MIs for FY 2021-22 onwards.
- II. Issued changes to the Framework to enable Verification of Upfront Collection of Margins from Clients in Cash and Derivatives segments. It has been decided that the margin requirements to be considered for the intra-day snapshots, in derivatives segments (including commodity derivatives), shall be calculated based on the fixed Beginning of Day (BOD) margin parameters.
- III. Modified the Cyber Security and Cyber Resilience framework of Stock Exchanges, Clearing Corporations and Depositories in partial modification to Annexure A of SEBI circular dated 06th July 2015, to the paragraph- 11, 40, 41 and 42.
 - All the ancillary systems used for accessing/communicating with critical systems either for operations or maintenance should also be classified as critical system. The Board of the MI shall approve the list of critical systems.
 - MIs should conduct VAPT at least once in a financial year. However, for the MIs, whose systems have been identified as "protected system" by National Critical Information Infrastructure Protection Centre (NCIIPC), VAPT shall be conducted at least twice in a financial year. Any gaps/vulnerabilities detected shall be remedied on immediate basis.
 - MIs should also perform vulnerability scanning and conduct penetration testing prior to the commissioning of a new system which is a critical system or part of an existing critical system.
 - Further, MIs are mandated to conduct comprehensive cyber audit at least 2 times in a financial year.
- IV. Decided to modify clause 4.25 of SEBI circular no. SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 dated 01st July 2020 in order to provide equitable distribution of funds amongst investors.

June 2022

- I. SEBI has issued circular to further strengthen the Investor Grievance Redressal Mechanism. SEBI has amended Clause No. 4 (a) and (b) for Circular No. SEBI/HO/MIRSD/DOC/CIR/P/2020/226 dated 6th November 2020.
 - Clause 4(a) - For any dispute between the member and the client relating to or arising out of the transactions in Stock Exchange, which is of civil nature, the complainant/ member shall first refer the complaint to the IGRC and/or to arbitration mechanism provided by the Stock Exchange before resorting to other remedies available under any other law. For the removal of doubts, it is clarified that the sole arbitrator or the panel of arbitrators, as the case may be, appointed under the Stock Exchange arbitration mechanism may consider any claim relating to any dispute between a stock broker and client arising out of the transactions in stock exchange, as per law, and shall always be deemed to have the competence to rule on its jurisdiction. A complainant/member, who is not satisfied with the recommendation of the IGRC shall avail the arbitration mechanism of the Stock Exchange for settlement of complaints within three months from the date of IGRC recommendation.
 - Clause 4(b) - The time period of three months mentioned in the previous sub-clause for filing arbitration shall be applicable only for the cases where the IGRC recommendation is being challenged. For any arbitration application received without going through IGRC mechanism, the above time period of three months shall not apply, and for such cases the limitation period for filing arbitration shall be governed by the law of limitation, i.e., The Limitation Act, 1963.
- II. SEBI has issued circular in partial modification to Annexure -1 of its circular dated 03rd December 2018 on Cyber Security and Cyber resilience framework for Stock Brokers / Depository Participants for the paragraph- 11, 41, 42 and 44.
 - All the ancillary systems used for accessing/communicating with critical systems either for operations or maintenance shall also be classified as critical system. The Board/Partners/Proprietor of the Stock Brokers / Depository Participants shall approve the list of critical systems.

- Stock Brokers / Depository Participants shall conduct VAPT at least once in a financial year. Any gaps/ vulnerabilities detected shall be remedied on immediate basis.
 - Further, the Stock Brokers / Depository Participants are mandated to conduct comprehensive cyber audit at least once in a financial year
- III. SEBI has issued Circular on Naming / Tagging of demat accounts maintained by Stock Brokers which states the stock brokers are required to maintain demat accounts only under the 5 categories proposed by SEBI.

S. No.	Demat Account Category	Purpose of Demat Account
1.	Proprietary Account	Hold Own Securities
2.	Pool account	Settlement Purpose
3.	Client Unpaid Securities Account	Hold Unpaid Securities of Clients
4.	Client Securities Margin Pledge Account	For Margin obligations to be given by way of Pledge / Re-pledge
5.	Client Securities under Margin Funding Account	Hold funded securities in respect of margin funding

- IV. SEBI has issued circular for implementation on 'Guidelines in pursuance of amendment to SEBI KYC (Know Your client) Registration Agency (KRA) Regulations, 2011'. SEBI has extended the timelines to 01st August 2022 for following clauses.
- KYC records of all existing clients (who have used Aadhaar as an Officially Valid Documents (OVD) shall be validated within a period of 180 days from 01st August 2022.
 - The validation of all KYC records (new and existing) shall commence from 01st August 2022.
- V. SEBI has issued circular on Implementation of 'Execution of 'Demat Debit and Pledge Instruction' (DDPI) for transfer of securities towards deliveries / settlement obligations and pledging / re-pledging of securities'. In view of the representation received from Depositories and that the changes to the systems are still under process, SEBI has extended the implementation date of the aforesaid circular to 01st September 2022.
- VI. SEBI has issued Circular for Modification in Cyber Security and Cyber resilience framework for Stock Brokers / Depository Participants, which is in partial modification to SEBI circular dated 03rd December 2018 that all Cyber-attacks, threats, cyber-incidents and breaches experienced by Stock Brokers / Depositories Participants shall be reported to Stock Exchanges / Depositories & also the said information shall be shared to SEBI through the dedicated e-mail id: sbdp-cyberincidents@sebi.gov.in

July 2022

- I. SEBI has issued circular to further strengthen the Investor Grievance Redressal Mechanism. SEBI has mandate Stock Exchange including Commodity Derivatives Exchanges/Depositories to develop online web based complaints redressal system of their own in line with SEBI SCORES platform which in turn enable investors to lodge, follow up and track the status of the redressal of complaints at any point of time.
- II. The GST Council has withdrawn exemption granted to services by SEBI and the same has been notified on 13th July 2022. Accordingly, the applicability of fees and other charges payable to SEBI shall be subject to GST at the rate of 18% with effect from 18th July 2022.
- III. Department of Revenue-Ministry of Finance, Government of India, has notified 155 reporting entities as sub-KUA to use Aadhaar authentication services of UIDAI under Prevention of Money-laundering Act, 2002.
- IV. SEBI has considered the KRA's request for extension of the timeline for applicability of the said clauses 9 and 13 of SEBI circular on Guidelines in pursuance of amendment to SEBI KYC Registration Agency (KRA) Regulations, 2011, it has been decided that:
- KYC records of all existing clients (who have used Aadhaar as an OVD) shall be validated within a period of 180 days from 01st November 2022.
 - The validation of all KYC records (new and existing) shall commence from 01st November 2022.

- V. To avoid misuse of client's funds lying with Trading Member and to maintain efficacy while dealing in clients funds, SEBI has strengthened the norms on Settlement of Running Account of Client's Funds lying with Trading Member (TM). SEBI has prescribed the requirement of settlement of running account of funds of the client shall be done by the TM after considering the End of the day (EOD) obligation of funds as on the date of settlement across all the Exchanges.

September 2022

- I. SEBI has issued circular to prevent usage of unregulated platforms offering algorithmic strategies for trading by stock broker. This unregulated platform offers services and strategies marketed by higher return claims on investment. In order to prevent such acts and misleading strategies Stock brokers were directed as follows:
- Not to make any direct and indirect reference to the past or expected future return/performance of the algorithm;
 - Not to associate with any such any platform providing any reference to the past or expected future return / performance of the algorithm.
 - Stock brokers should disassociate themselves with such platforms and remove any sort of content available on the website.
- II. SEBI to maintain parity has modified the norms for Daily Price Limit (DPL) for commodity futures contracts to ensure uniformity between closing price on Domestic Exchange and International Exchange.
- III. In order to promote institutional participation in Exchange Traded Commodity Derivatives (ETCDs), SEBI had permitted Category III Alternative Investment Funds, Mutual Funds and Portfolio Management Services to participate in ETCDs. In furtherance to the objective of enhancing institutional participation in ETCDs, SEBI also permitted Eligible Foreign Entities (EFEs) having actual exposure to Indian commodity markets, to participate in the commodity derivative segment of recognized stock exchanges for primarily hedging their exposure. However, considering the non-participation by such EFEs in ETCDs in spite of more than three years since the EFE framework came into force, the existing EFE route discontinued and SEBI has allowed foreign investors to participate in Indian ETCDs through the FPI route, subject to conditions prescribed.

October 2022

- I. SEBI has issued a circular to widen the scope of execution of 'Demat Debit and Pledge Instruction' (DDPI) to include Mutual Fund transactions being executed on Stock Exchange order entry platform and tendering shares in open offers through stock exchange platform.

November 2022

- I. In order to avoid misuse of client's securities by the Stock-Brokers SEBI has streamline the process of handling of unpaid securities by TM/CM and in extensive consultation with Exchange, Depositories and Clearing Corporation, with regard to securities that have not been paid for in full by the clients (unpaid securities), a separate client account titled – "Client Unpaid Securities Account" shall be opened by the TM/CM. Unpaid securities shall be transferred to such "Client Unpaid Securities Account" from the pool account of the concerned TM/CM.
- II. SEBI has issued a circular wherein robust framework has been put in place to address the Technical Glitches occurred in the electronic trading systems of the Stockbroker. The detailed framework has been deliberated on recommendation received from working group constituted by SEBI and views obtained from stakeholders and industry experts.
- III. In order to streamline process for intermediaries seeking prior approval for change in control, SEBI has issued circular on Procedure for seeking prior approval for change in control dated November 28, 2022, detailed procedure is prescribed by SEBI to benefit the intermediaries to follow uniform practice.

December 2022

- I. SEBI has issued circular to develop a platform jointly by Exchanges to provide Investor Risk Reduction Access (IRRA) services which in turn benefit the investors with an opportunity to square off/close the open positions and/or cancel pending orders at the time of disruptions in trading services. The IRRA service shall support multiple segments across multiple exchanges. In order to avail IRRA service TM's needs to make a request to the stock exchange as per the procedure laid down by Exchanges.

January 2023

- I. SEBI has issued circular and acceded representation made by Stock Exchange to launch multiple contracts on same commodity.

February 2023

- I. SEBI has issued master circular on 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. This master circular ensures directions issued from time to time are placed at one place for necessary action and compliances.
- II. SEBI has issued circular on enhanced obligations and responsibilities on Qualified Stockbrokers (QSBs) to ascertain Qualified Stockbroker based on parameters enumerated in the circular.
- III. Department of Revenue-Ministry of Finance, Government of India, vide Gazette Notification dated January 30, 2023 has notified another 39 reporting entities to use Aadhaar authentication services of UIDAI under section 11A of the Prevention of Money-laundering Act, 2002.
- IV. Due to advancement in technology and to provide better services to investor, SEBI has ensured that necessary information is displayed by stockbrokers and DPs on their websites. SEBI has issued a circular to ensure that designated website is always maintained by stockbroker which in turn benefit investors to get conversant information about the activity of the stockbrokers and DPs.
- V. In view of the increasing cybersecurity threat to the securities market, SEBI has issued a circular in consonance with recommendation received from Financial Computer Security Incident Response Team (CSIRT-Fin) regarding advisory on Cybersecurity best practices by Regulated Entities.

March 2023

- I. SEBI has issued a circular to create awareness among registered entities of new cyber security risks and challenges associated with cloud computing services. This cloud framework has been put in place to provide baseline standards of security and for the legal and regulatory compliances by the RE. The major purpose of this framework is to highlight the key risks, and mandatory control measures which REs need to put in place before adopting cloud computing.
- II. SEBI has issued a master circular on Surveillance of Securities Market. In order to ensure availability of consolidated information contained in all the circulars pertaining to surveillance of securities market at one place, the provisions of the relevant circulars have been consolidated in this Master Circular.
- III. Extension in timeline for providing choice of nomination details for all existing eligible trading and demat account holders, with regard to freezing of accounts shall come into force with effect from 30th September 2023, instead of 31st March 2023.

April 2023

- I. SEBI has issued circular addressing stockbrokers, clearing members through stock exchange to wound down the bank guarantee created out of client's fund by 30th September 2023. Further, no new bank guarantee shall be created by stockbrokers, clearing members from 01st May 2023. Pursuant to discussion with various stakeholders and in order to safeguard the interest of investors, pledging client's funds which in turn issue Bank Guarantees (BGs) is strictly debarred by SEBI.

- II. The Government of India, Ministry of Finance has issued an 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 to comply with the procedure laid down in the said Order.

May 2023

- I. SEBI directed MIs to devise testing framework of all their IT systems for uninterrupted functioning of the securities market.
- II. SEBI has allowed stock exchanges to extend DMA facility to FPIs for participation in ETCDs subject to the conditions stipulated in the circular.
- III. In order to enable the users to have access to the provisions of the applicable circulars at one place, SEBI has issued master circular for stock brokers for necessary compliances.
- IV. Clearing corporation in Commodity Derivatives Segment may now align their core SGF in terms of SEBI circulars dated 27th August 2014 as well as 11th 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. In view to safeguard clients' funds placed with SBs/CMs, it has been decided to require the upstreaming of all client funds received by SBs/CMs to the 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 enumerated), 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 issued Circular on trading preferences by clients with formats, which clients would need to provide while opening a trading account with a stock broker. The provisions of this circular shall come into force with effect from 01st August 2023.

SECC Regulations amendment on 28th February 2023.

The Securities and Exchange Board of India (SEBI) vide Gazette Notification No. SEBI/LAD-NRO/GN/2023/124 dated 28th February 2023 has amended Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 which shall come into force on 28th August 2023.

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.

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 31st March 2023, 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 reviews the Internal Audit Report(s) and suggests measures to improve the controls.

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.

For details relating to 'Risks and Concerns' of your Company please refer 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 24th 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 24th January 2018 and for non-SEBI registered members. As on 31st March 2023, the corpus of IPF (provisional) stood at ₹ 21,961.50 Lakhs

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, cost of training of arbitrators and grievance redressal committee members, 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 31st March 2023, the corpus of ISF stood at ₹ 988.66 lakhs.

In order to enhance literacy and to promote investor education and awareness in the commodity derivatives market, 1078 awareness programs (seminars/webinars) were conducted under the banner of ISF in FY 2022-23. Out of these programs/webinars, over 61 programs were regional seminars/webinars conducted jointly with SEBI. In FY 2022-23, 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 organisations (FPO's).

Some major awareness initiatives in FY 2022-23 undertaken were as follows:

- i. World Investor Week (WIW) was celebrated from 10th October 2022 – 16th October 2022 throughout India under the aegis of SEBI & IOSCO.
 - Total 88 awareness programs were conducted across India during WIW, which had over 4500 participants.
 - Total 367 participants took part in various contests in WIW 2022. Out of 367 participants, 292 participants took part in the Quiz contest, 75 participated in the crossword contest.
 - Successfully carried out Commodity Caravan, which toured in different locations of Maharashtra. The Commodity Caravan began on 10th October, 2022 from Mumbai and Completed its journey on 16th October, 2022.
 - On the last day i.e. on 16th October 2022, the Commodity Walkathon was conducted under MCX IPF. The Walkathon emphasized that just as we care for our health we should also care for our Investments. Exercising caution while investing & trading is the need of an hour for investors.
- ii. 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 2022-23, a number of investor awareness activities were carried out in partnership with various media across digital, electronic and print modes.

Various investor awareness media activities carried out during FY 22-23:

- '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, 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 2022.
- Investor Awareness Ads were displayed at airports and were run on various social media platforms.
- Quiz cards are posted everyday on social media.

The 'Monk Who Trades' is a flagship series of MCX IPF created to spread investor awareness among investors. The Monk Who Trades comic series was also translated into vernacular languages for a wider reach across print and digital platforms. Further, these were also developed into animated videos with voice overs and uploaded on the MCX website.

Other Initiatives:

- MCX IPF successfully organized the 5th edition of 'MCX-IPF COMQUEST' – 2023, its premier, National-level Commodity Market Educational Quiz for students. This year, more than 6500 individual students, from across India participated in the competition, making it the largest number amongst all previously held editions.
- The Commodity Insights Yearbook 2022: - a collection of useful educational resources on commodity markets- was launched last year during World Investor Week (WIW) in collaboration with the National Institute of Securities Markets (NISM)
- Training sessions for GRC Members & Arbitrators along with NCDEX and NISM were organized on 23rd February 2023 & 09th March 2023 respectively.

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 2022-23:

- i. Facilitated 635 registrations for the 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. Conducted customized training programmes & awareness sessions on workings & operations of a commodity exchange & related ecosystem for staff, regulators, members & bankers in association with Chittagong Commodity Exchange (CSE) to assist them in gaining knowledge to set up a commodity exchange in Bangladesh at CSE.
- iv. Conducted several awareness programmes on multiple aspects of commodity derivatives for over 40 B-Schools, Colleges, academic bodies, etc.
- v. Successfully concluded the Vth edition of MCX-IPF COMQUEST All India commodity quiz which saw a record number of participation from both the academic institutions and their students.

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. 01st 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 31st March 2023, MCXCCL has entered into agreements with six Warehouse Service Provider (WSPs) for facilitating physical deliveries in agricultural commodities and base metals. As on at 31st March 2023, MCXCCL is operating from 33 accredited warehouses of which 18 warehouses are registered with Warehousing Development and Regulatory Authority (WDRA). The remaining 15 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 centres.

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 has granted renewal of recognition to MCXCCL for a period of three years commencing from 31st July 2019 and ending on 31st July 2022. SEBI vide its letter dated 19th May 2022, granted renewal of recognition to MCXCCL, to act as a Clearing Corporation for a period of further three years commencing on 31st July 2022 and ending on 30th 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 31st March 2023, 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 31st March 2023 was ₹ 44,164 lakh.

Core Settlement Guarantee Fund (Core SGF)

SEBI vide circular no. SEBI/HO/CDMRD/DRMP/CIR/2018/111 dated 11th 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 31st March 2023 stood at ₹ 58,976 lakh, of which ₹ 11,115 lakh has been contributed by MCX, ₹ 32,217 lakh has been contributed by MCXCCL and ₹ 15,644 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 18th 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. 04th 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 (MIs) 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).

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 31st March, 2023.

The Hon'ble Prime Minister Prime Minister inaugurated the operations of the said Company in July, 2022. A total of 705 kg of gold has been traded on the Exchange, out of which 702 kg has been imported into the country by 'Qualified Jewellers'. Further, 161.2 kg is imported under the India-UAE CEPA (Comprehensive Economic Partnership Agreement) Tariff Rate Quota (TRQ).

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 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 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 on all aforementioned standards.

As a part of its commitment to our 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 organisation 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 endeavour of your Company to hire and retain the top talent. The Company has invested in senior leadership resources and also 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 mini contracts in Base Metals (Aluminium, Zinc and Lead), Crude Oil and Natural Gas, as well as Options on Gold Mini during the year FY 2022-23. Such product-based research were carried out on 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 FY2022-23 on various themes connected to commodity derivatives market. The studies were '*Suspension of Commodity Derivative Contracts and Impact on Price Discovery*' undertaken by IIM Ahmedabad; '*Regulatory Landscape in Equity Derivatives versus Commodity Derivatives Markets in India*', undertaken by IIM Lucknow;

'Facilitating institutional participation in India's commodity derivatives market'; undertaken by IIM Jammu and 'Evaluating Risk Management Tools in Indian Commodity Derivatives Market', undertaken by Acies Consulting. The reports of the studies have been widely publicised through the Exchange's website and social media accounts. Besides, the findings of the studies are also being disseminated through articles published in the print media and also awareness events.

Further, two research studies have been initiated during the FY 2023-24, which include 'Analyzing Costs and Benefits of Flexibility in Contract Design on Development of Commodity Derivatives Market', being undertaken by NIT Rourkela and 'Hedging of Price Risks in Base Metals', being undertaken by ICFAI Business School.

To spread awareness and promote research in commodity markets and its ecosystem, the '**Commodity Insights Yearbook 2022**' was published during the FY 2022-23 in partnership with the National Institute of Securities Markets (NISM), an institution established by SEBI. The same was released by Mr. G.P. Garg, Executive Director, SEBI, at an event held to mark World Investor Week 2022. This annual publication aims at dissemination of comprehensive knowledge on the commodity market ecosystem for the benefit of all stakeholders including market participants, financial institutions, policymakers, analysts, producers, traders, consumers, industry observers, academicians, etc. The 2022 edition of the Yearbook focussed on the Energy segment. 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 mentioned above.

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 2022-23, 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.

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. The Agreement on this consultancy project was signed between MCO and CSE on 12th April 2022.

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 follow 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.

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 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 proactively working on causes of nation building.

The CSR allocation for FY 2022-23 was ₹ 300 lakhs. Your Company has made specific allocations towards:

- Support to improve the medical and infrastructure facilities for children affected with Multiple Disabilities and Vision Impairment (MDVI) as well as support customized learning needs program of the MDVI children.

- Support to provide free transportation facility to the Mentally Retarded children who reside in the rural areas
- Support to improve the infrastructure and supply of medical equipment's to Hospital which focus in providing medical facilities to persons from disadvantaged background.

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 2022-23, 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. 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 and Code of Ethics, Code of Conduct for Prevention of Insider Trading, Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information, 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. 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.

B. 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 2022-23, 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 IV** 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>

C. INSIDER TRADING REGULATIONS

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time), 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>

D. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Pursuant to the provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015, effective 01st April 2022, prior approval of Members is required to be sought by means of an ordinary resolution for related party transactions, which are material, even if such transactions are in the ordinary course of the business of the Company and at an arm's length basis. 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, if any. 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 III** 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/docs/default-source/investor-relations/corporate-governance/related-party-transactions-policy-13-04-2023.pdf?sfvrsn=f596d891_4

Regulation 23 of SEBI (LODR) Regulations, 2015, was amended by SEBI vide notification dated 09th November 2021, *inter alia*, enhancing the scope of related party, related party transactions and materiality threshold for seeking shareholder approval. In line with the amendments to Reg. 23 of SEBI (LODR) Regulations, 2015, necessary modifications, including definition of 'Material Modifications' have been incorporated in the Related Party Transactions Policy.

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.

E. 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/docs/default-source/investor-relations/corporate-governance/dividend-distribution-policy_july2020.pdf?sfvrsn=c9a29890_2.

F. POLICY ON NOMINATION AND REMUNERATION

PARTICULARS OF REMUNERATION

Your Company has adopted a well-defined Nomination & Remuneration Policy for Directors, Key Managerial Personnel and other employees 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/docs/default-source/investor-relations/corporate-governance/remuneration-policy.pdf?sfvrsn=aa65ac93_10

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 V**.

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 VI**.

33. 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.

34. STATUTORY AUDITORS AND THEIR REPORT

The shareholders, at their 18th Annual General Meeting (AGM) held on 31st 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 18th AGM until the conclusion of the 23rd 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 04th 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 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.

35. SECRETARIAL AUDITORS AND THEIR REPORT

M/s. AVS & Associates, Practicing Company Secretaries, were appointed as the Secretarial Auditors by the Board to conduct the secretarial audit of the Company for the FY 2022-23. 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 the FY 2022-23.

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 31st March 2023 are annexed as **Annexure IV** to this Report.

The observations along with Management response as stated in the report are as follows:

1. *One day delay has been noticed w.r.t. the transfer of the final dividend amount declared in the 20th AGM to the separate bank account opened for that purpose. However, the dividend has been paid to the shareholders within the timeline prescribed under the Companies Act, 2013;*

The Management hereby clarifies that to regularise the same, the Company has filed a Compounding Application with Registrar of Companies in the month of May 2023 under Section 441 of the Companies Act, 2013.

2. *SEBI vide order dated 28th February 2023 imposed a penalty of ₹ 6 Lakhs on the Company for (i) Not having systems in place for verification of Sikkim-based clients who are exempted from submission of PAN, and (ii) As purported, the fine imposed on the trading members for submission of incorrect KYC details in the UCC System of the Company by the MD & CEO of MCX instead of the Member and Core Settlement Guarantee Fund Committee by way of formulating a policy as per SEBI Circulars dated 16th September 2016 and 10th January 2019 respectively. Subsequently, the Company has paid the said penalty to SEBI on 12th April 2023.*

The Management hereby clarifies that the Company has paid the penalty of ₹ 6,00,000/- on 12th April 2023 as levied by SEBI. A special audit was carried out with regard to the above through E&Y LLP and they did not find any malafide intent on part of the management. The Company abides by applicable SEBI Regulations.

36. INTERNAL AUDITOR

Internal Audit for the year ended 31st March 2023, 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 had approved the extension of internal audit service of M/s Sarda & Pareek, LLP, Chartered Accountants for FY 2023 - 24.

37. 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.

38. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, except to extent stated herein, the Company has complied with all the applicable provisions of the Secretarial Standards issued by Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

39. ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013, the Annual Return for FY 2022-23 is available at the web link <https://www.mcxindia.com/investor-relations>

40. 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 31st March 2023.

41. 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.

42. LEGAL UPDATE**Crude Oil Matters:**

On 20th April 2020, the prices of the Crude Oil Futures Contract traded on NYMEX, that was due to expire on the next day i.e. 21st 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 21st April 2020, issued by MCXCL, the Due Date Rate of Crude Oil Futures contract expiring on 20th April 2020 was fixed at a negative value viz. ₹ (-) 2884/- resulting in multiple Writ Petitions being filed against MCX and MCXCL in various High Courts. It was *inter-alia* prayed to quash and set aside the Impugned Circular 21st 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 24th 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

01st September 2022. The Hon'ble Supreme Court has *inter-alia* directed to transfer all the writ petitions filed before various High Courts to Hon'ble Bombay High Court which are pending in the Bombay High Court now. In two other Writs, SEBI has in January 2023 filed transfer petition before the Supreme Court which shall be heard in due course.

Compounding of offences:

Dividend for FY 2021 - 2022 was deposited in separate Bank account, after one day delay, however, dividend was paid to shareholders within regulatory timelines. In view of the same, the Company has filed an application for Compounding of Offences on May 2023.

43. HUMAN RESOURCE DEVELOPMENT

HR 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 31st March 2023, the Exchange had 378 employees (includes confirmed 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", designed to have enhanced interpersonal relationship and team work. As a new initiative, Exchange has rewarded employee's children for their exceptional efforts in passing 10th and 12th standard examination with flying colors.

44. 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 is 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 2022- 23 in relation thereto.

45. 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 27th 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 31st March 2023.

There were no grants pending for vesting as at 31st March 2023. No new grants were made during FY 2022-23.

The relevant disclosures required under the SEBI Regulations for the year ended 31st March 2023 are available on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>.

46. 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 in-row cooling system for servers in the Data Centre, which 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.

Your Company has Variable Refrigerant Volume (VRV) air-conditioning system for the entire building, which works on inverter compressor, resulting in energy saving. Moreover, the refrigerant R410A used in the system is also environment friendly.

Your Company has UV resistant film on facade glass windows to reduce the heat entering the building. This reduces the air-conditioning load. The glass windows also reduce 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 BEE 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 the paper wastage resulting in environmental protection.

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

(i) The efforts made towards technology absorption are:

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 was given by the senior management to all matters of cyber security and risk management. It is the constant endeavour 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 defence of critical infrastructure. There is a dedicated Security Operations Centre (SOC) staffed with industry experts who are armed with the latest threat intelligence to protect our critical infrastructure. The SOC provides 24x7x365 vigilance against cyber threats, proactive response against incidents, and provides vital inputs on improvement of your Company's security architecture and design. Your Company follows global security standards like ISO 27001:2013 Information Security Management & aligns with NIST Cyber Security Framework.

Your Company is not only committed to 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-premise and on-cloud infrastructure 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 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 2022-23.

Your Company ensured that staff members working at DRS are running 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 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.

Upgradation of information technology systems

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

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

Migration to new technology platform

Your Company have engaged M/s. Tata Consultancy Services Ltd (TCS) for development and implementation of the Commodity Derivative Platform (CDP). There was a delay in implementation of the new platform. Both MCX and technology partner are taking various steps towards smooth migration to the new platform.

To ensure smooth running of the business, your company has extended the existing software support services contract with M/s. 63 moons Technologies Ltd for further period of six months from 01st July 2023 till 31st December 2023. Your Company proposes to implement the new technology platform and complete the migration before end of September 2023.

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

During FY 2022-23, 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.

Your Company has an in-house software development team, which undertook several initiatives in FY 2022-23 to enhance, develop and roll out various ancillary and peripheral systems as required by the organization.

(iii) 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.

(iv) 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.

47. 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.

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

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.

The Company has dedicated resources to manage the regulatory functions given in the table below. There are 131 resources in these functions at various designations as on 31st March 2023. The total cost incurred by the Exchange towards these functions in FY 2022-23 was ₹ 16.06/- crore.

Department	Count
Inspection & Audit	34
Investor Protection Fund	3
Investor Services Department	19
Market Operations	22
Membership	20
Regulatory Compliance	4
Secretarial & Compliance	6
Surveillance & Investigation	23
Grand Total	131

49. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the year ended 31st March 2023, the applicable accounting standards have been followed and there are no material departures from the same;
- 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 31st March 2023 and of the profit of the Company for the year ended on that date;
- 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;
- they have prepared the annual accounts on a 'going concern' basis;
- 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
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

50. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 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 (31 of 2016) along with their status as at the end of the financial year is not applicable.

51. 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.

52. 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

Dr. Harsh Kumar Bhanwala
Chairman
(DIN: 06417704)

P S Reddy
MD & CEO
(DIN: 01064530)

Mumbai
29th July 2023

Mumbai
29th July 2023

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 st August 2008 (Incorporation date)
2.	Reporting Period	01 st April 2022 – 31 st March 2023
3.	Reporting Currency	INR
4.	Share Capital	23,999
5.	Reserves & Surplus	(11,604)
6.	Total Assets	1,44,445
7.	Total Liabilities (including Share Capital, Reserves & Surplus and Core Settlement and Guarantee Fund)	1,44,445
8.	Investments	7,406
9.	Turnover	11,813
10.	Profit/(Loss) before taxation	2,410
11.	Provision for taxation	8
12.	Profit / (Loss) after taxation	2,402
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 01st August 2008 and has commenced its operations from 03rd 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 st March 2023
2.	Date on which the Associate was associated or acquired	18 th May 2018
3.	Shares of Associate or Joint Ventures held by the Company on the year end: <ul style="list-style-type: none"> • No. of Shares • Amount of Investment in Associates • Extent of Holding (in percentage) 	5,00,00,000 1,200 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	5,079.57
7.	Profit or Loss for the year: <ul style="list-style-type: none"> • Considered in Consolidation • Not Considered in Consolidation 	(106.43) Not Applicable

Sr. No.	Particulars	India International Bullion Holding IFSC Limited (IIBH)
1.	Latest audited Balance Sheet Date (Financial Year ended)	31 st March 2023
2.	Date on which the Associate was associated or acquired*	Please refer note below*
3.	Shares of Associate or Joint Ventures held by the Company on the year end: <ul style="list-style-type: none"> • No. of Shares • Amount of Investment in Associates • Extent of Holding (in percentage) 	15,00,000,000 3,000 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	12,994.75
7.	Profit or Loss for the year: <ul style="list-style-type: none"> • Considered in Consolidation • Not Considered in Consolidation 	(2,422.81) Not Applicable

*The Company's holding in India International Bullion Holding IFSC Limited (IIBH) remain at 20% of the paid-up capital of IIBH till 03rd March 2022 and accordingly considered as an associate till 03rd March 2022. After 03rd March 2022, Exchange's holding fell below 20% of paid-up capital of IIBH and stood at 14.43%. As on 31st March 2022 Exchange's holding was at 14.43% of paid-up capital of IIBH. Further, the Exchange's holding is 20% of paid-up capital of IIBH from 04th May 2022 upto 14th July 2022. After 14th July 2022, Exchange's holding fell below 20% of paid-up capital of IIBH and stood at 14.29%. With effect from 12th August 2022, the Exchange's holding is 20% of paid-up capital of IIBH.

For and on behalf of the Board of Directors:

Dr. Harsh Kumar Bhanwala
Chairman
(DIN: 06417704)
Mumbai
29th July 2023

P. S. Reddy
MD & CEO
(DIN: 01064530)
Mumbai
29th July 2023

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FY 2022-23

*(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 Multiple Disabled children by improving their quality and dignity of life by providing educational kits, laptops, therapy equipment.
- Providing transportation facility to the Mentally Retarded children who reside in rural areas.
- Providing infrastructure and medical equipment's to Hospital which cater to the needs of persons from disadvantaged background.

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:

- Support to public hospitals by supplying medical equipment.
- 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.
- Promoting preventive health care and improving sanitation.
- Promoting efficient use of energy and adopting environment-friendly technologies.
- 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, and rural development.

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 March 31, 2023, 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. Vivek Krishna Sinha	Non - Independent Director and Chairperson	2	2
2	Mr. Ved Prakash Chaturvedi	Public Interest Director	1	1
3	Mr. Hemang Raja	Non - Independent Director	2	2
4	Mr. Mohan Narayan Shenoi	Non - Independent Director	2	2
5*	Ms. Pravin Tripathi	Public Interest Director	1	1
6#	Dr. Bhartendu K. Gairola	Public Interest Director	1	1

@ Meeting held during the tenure of member.

* Ms. Pravin Tripathi ceased to be the member of CSR committee consequent to the completion of her tenure as a Board Member on 16th September 2022.

Dr. Bhartendu K. Gairola ceased to be the member of CSR committee consequent to the completion of his tenure as a Board Member on 16th September 2022.

\$ Mr. Vivek Krishna Sinha was appointed the Chairperson of the CSR Committee on 06th December 2022. The Committee was reconstituted by the Board in its meeting held on 06th December 2022.

3.	i) Web-link of the website where the Composition of CSR Committee, is disclosed	Committees of the Board (mcxindia.com)
	ii) Web-link of the website where CSR Policy approved by the Board, is disclosed	mcx-csr-policy.pdf (mcxindia.com)
	iii) Web-link of the website where CSR projects approved by the Board is disclosed	https://www.mcxindia.com/docs/default-source/about-us/annual-action-plan-csr-for-fy-22-23.pdf?sfvrsn=d3b6a891_4 (mcxindia.com)

4. The CSR projects undertaken by the Company do not fall in the category defined for Impact Assessment.

5. Details of the amount available for set off in pursuance and amount required for set off for the financial year:
NIL

Sr. No	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff. for the financial year, if any (in ₹)
1	2022 -2023	NIL	NIL
2	2021-2022	NIL	NIL
3	2020-2021	NIL	NIL
4	2019-2020	NIL	NIL

6. Average net profit of the Company for last three financial years as per section 135(5): Rs.14937 lakhs

7. Details:

Particulars:	Amount(₹ in Lakh)
a) Two percent of average net profit of the company for last three financial years, as per section 135(5):	300
b) Surplus arising out of the CSR projects / programmes or activities of the previous financial years:	Nil
c) Amount required to be set off for the financial year, if any:	Nil
d) Total CSR obligation for the financial year (7a+7b-7c):	300

8(a). Details for CSR amount spent or unspent for the financial year:

Total Amount Spent for the FY 2022-23. (₹ 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
235.71	64.29#	28.04.2023	PMNRF	86.9	22-08-2022

After considering the amount incurred in the month of April 2023.

- 8 (b). Details of CSR amount spent against other than ongoing projects for the financial year 2022-23: Nil.
 8 (c). Amount spent in Admin Overheads: Rs. 15 lakhs
 8 (d). Amount spent on Impact Assessment, if applicable: Nil
 8 (e). Total Amount Spent for the FY 2022-23 (8b+8c+8d+8e): ₹235.71Lakh.
 8 (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)	300.00
(ii)	Total amount spent for the Financial Year	235.71
(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

9. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakh)	Amount utilised from the Unspent CSR account in FY 21-22 (₹ in Lakh)	Amount spent in the reporting FY 22-23 (₹ 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)
					Name of the Fund	Amount (₹ in Lakh)	Date of Transfer	
1	2021-22	307.40	NA	182.9	Prime Ministers National Relief Fund (PMNRF)	13.05	August 22, 2022	124.5
2	2020-21	357	251.5	105.50	Prime Minister National Relief Fund (PMNRF)	50.05	August 22, 2022	NIL
3	2019-20	NA	NA	333.18	NA	NA	NA	NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

- (a) Date of creation or acquisition of the capital asset(s): NA
 (b) Amount of CSR spent for creation or acquisition of capital asset: NA
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

Does not include Capital Assets contributed by the Company to various Entities. The Capital Assets are registered in the Entities name.

11. 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.

12. **Responsibility Statement:**

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company and with the various circulars and notifications issued by MCA, from time to time.

For Multi Commodity Exchange of India Limited

P. S. Reddy
MD& CEO
(DIN: 01064530)

Vivek Krishna Sinha
Chairperson of the CSR Committee/NID
(DIN: 08667163)

Annexure III

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 (from 04 th May 2022 to 14 th July 2022 and 12 th August 2022 to 31 st March 2023)	Bullion Holding Company	20%

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

Name of Related Party	Nature of Transactions	For the FY ended 31 st March 2023 (₹ in lakh)	For the FY ended 31 st March 2022 (₹ in lakh)
Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)	Re-imbursements charged to the Company	11	32
	Recoveries charged by the Company	13	27
	Clearing & settlement fees	5,329	3,899
	Rent income	249	246
	IT and other infrastructure income	6,743	2,815
	Status report-processing charges recovery	6	1
	Regulatory fees, transactions charges, fines & penalties and other collections by MCXCCL on behalf of MCX	1,20,053	1,05,302
	Balances as at 31st March 2023		
	Outstanding balance receivable / (payable)	(278)	(537)
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 29th May 2017 (amended on 04th June 2018) transferred its Clearing and Settlement functions to MCXCCL.

Name of Related Party	Nature of Transactions	For the FY ended 31 st March 2023 (₹ in lakh)	For the FY ended 31 st March 2022 (₹ in lakh)
India International Bullion Holding IFSC Limited (IIBH)	Investment in Equity share capital (face value ₹ 1) (Closing balance)	3,000	1,350
	Reimbursement of professional fees	-	5

There were no transactions with Associate Company CCRL during FY 2022-23.

For and on behalf of the Board of Directors:

Dr. Harsh Kumar Bhanwala
Chairman
(DIN: 06417704)
Mumbai
29th July 2023

P. S. Reddy
MD & CEO
(DIN: 01064530)
Mumbai
29th July 2023

Annexure IV

**FORM NO. MR.3
SECRETARIAL AUDIT REPORT**

For the Financial Year Ended 31st March, 2023

[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,
Multi Commodity Exchange of India Limited
Add: Exchange Square, Suren Road,
Chakala, 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.

Modified 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 31st March, 2023 (**'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 March 31, 2023 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'):
 - (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 (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period)** and
- (h) 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 complied with regulations of the following law specifically applicable to the Company except mentioned in this report:

- 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 except for the followings:

- a) One day delay has been noticed w.r.t. the transfer of the final dividend amount declared in the 20th Annual General Meeting to the separate bank account opened for that purpose. However, the dividend has been paid to the shareholders within the timeline prescribed under the Companies Act, 2013; and*
- b) SEBI vide its order dated February 28, 2023 imposed a penalty of Rs. 6 Lakhs on the Company for (i) Not having systems in place for verification of Sikkim-based clients who are exempted from submission of PAN, and (ii) As purported, the fine imposed on the trading members for submission of incorrect KYC details in the UCC System of the Company by the MD & CEO of MCX instead of the Member and Core Settlement Guarantee Fund Committee by way of formulating a policy as per SEBI Circulars dated September 16, 2016 and January 10, 2019 respectively. Subsequently, the Company has paid the said penalty to SEBI on April 12, 2023.*

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 were 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 by the majority while the dissenting members' views are captured and recorded as part of the minutes, as the case may be.

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.

We further report that the Company has Structured Digital Database in place as required under SEBI (PIT) Regulations, 2015 and the steps to be taken continuously to align the same with the regulatory requirements. Further, SEBI has imposed a fine of Rs. 2 Lakhs on the Company under regulation 38(2) of SECC Regulations, 2018 in relation to the indirect deployment of funds in unrelated/non-incident activity without prior approval of SEBI and through a separate entity as purported in the matter of agreement with PESB for developing of SPOT platform for Gold & Natural Gas. The said order is challenged by the Company before the Securities Appellate Tribunal ('SAT') and SAT by way of interim relief inter alia stayed the effect and operation of the impugned order till the disposal of the appeal.

We further report that during the audit period subject to the approval of SEBI, the Company has made alterations to the Object Clause of the Memorandum of Association and also amended the Articles of Association as per the Companies Act, 2013 vide special resolutions passed in the 20th Annual General Meeting held on September 27, 2022.

**For AVS & Associates
Company Secretaries**

Vijay Yadav
Partner
Membership No. F11990
C.P. No: 16806
Peer Review No: 1451/2021
UDIN: F011990E000704957

Place: Navi Mumbai
Date: July 29, 2023

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

'Annexure – A'

To,
The Members,
Multi Commodity Exchange of India Limited
Add: Exchange Square, Suren Road,
Chakala, 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 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;
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: F011990E000704957

Place: Navi Mumbai
Date: July 29, 2023

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[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 - 4999MH2008PLC185349)** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company through electronic mode for the financial year ended on **31st March, 2023** 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 Non – Convertible Securities) Regulations, 2021; (*Not Applicable to the Company during audit period*)
 - (f) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (*Not Applicable to the Company during audit period*) and
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (*Not Applicable to the Company during audit period*);

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 ('Listing Regulation') to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations, 2018').
- (iii) Compliances as per the SEBI Letter no. SEBI/HO/MRD2/MRD2_DDAP/P/OW/2022/24624/1 dated 15th June, 2022

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

We further report that –

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the year under review,

None of the following events has taken place-

- I. Public/Rights/Preferential Issue of Shares/Debentures etc.
- II. Redemption/buy-back of securities
- III. Major decision taken by the members in pursuance to section 180 of the Companies Act, 2013.
- IV. Merger/Amalgamation/Reconstruction, etc.
- V. Foreign Technical Collaborations.

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

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

Jatin Prabhakar Patil
Partner
FCS – 7282
COP – 7954

Date: July 21, 2023
Place: Mumbai
U.D.I.N – F007282E000334378
PR – 777/2020

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

Annexure A

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

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

1) Management's responsibility

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

2) Auditor's responsibility

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

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

3) Basis for Opinion

- i. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- ii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- iii. Wherever required, we have obtained a Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
- iv. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Jatin Prabhakar Patil
Partner
FCS – 7282
COP – 7954

Date: July 21, 2023
Place: Mumbai
U.D.I.N – F007282E000334378
PR – 777/2020

Annexure V

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 2022-23**	Managing Director - 21.16
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 2022-23	Managing Director - 1.16 % Company Secretary - NA (Was employed for part of the year) Chief Financial Officer - 3.22 %
III	The percentage increase in the median remuneration of employees in the Financial Year 2022-23	The Median Remuneration of the employees in the financial year increased by 3%. 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 373 employees as on 31 st March 2023.*
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 12.85% as against 20.87% for the managerial personnel in the last Financial Year. Apart from the performance based normal increment, there was no other exceptional salary revision given in FY 2022-23. #
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration is as per the remuneration policy of the Company.

* The employee count includes only employees and excludes 5 trainees.

** 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 01st April 2022 to 31st March 2023:

Sr. No.	Name of the employee	Designation of the employee	Compensation (amount in ₹)	Ratio of the compensation of Key Management Personnel to median compensation
1.	Mr. Padala Subbi Reddy	MD & CEO	2,54,96,319	21.16
2.	Mr. Rishi Nathany	Chief Business Officer	1,13,87,894	9.45
3.	Mr. Shivanshu Mehta	Head - Bullion	90,37,313	7.50
4.	Mr. Manoj Jain	Chief Operating Officer	70,28,055	5.83
5.	Mr. Shashank Sathe	Chief Technology Officer	1,29,99,996	10.79

Sr. No.	Name of the employee	Designation of the employee	Compensation (amount in ₹)	Ratio of the compensation of Key Management Personnel to median compensation
6.	Dr. Rajendran Narayanan	Chief Digital Officer	1,28,30,797	10.65
7.	Mr. Chittaranjan Rege	Head - Base Metal	86,66,258	7.19
8.	Mr. D.G. Praveen	Chief Risk Officer	81,87,795	6.79
9.	Mr. Sanjay Gakhar	Vice President - Business Development	67,35,867	5.59
10.	Mr. Himanshu Ashar	Vice President - Surveillance & Investigation & Market Operations	66,03,688	5.48
11.	Mr. Satyajeet Bolar	Chief Financial Officer	69,66,146	5.78
12.	Ms. Ruchi Shukla	Head - Energy	42,51,699	3.53
13.	Mr. Puneet Shadija	Vice President - Technology	64,11,312	5.32
14.	Mr. Sambit Patnaik	Vice President - Financial Institutional Marketing	46,76,699	3.88
15.	Mr. Radheshyam Yadav	Vice President - Technology	47,75,912	3.96
16.	Mr. Pravin Gade	Vice President - Technology	52,46,971	4.35
17.	Ms. Rashmi Nihalani	Vice President - Investor Services Department / IPF	56,82,432	4.72
18.	Mr. Suresh Raval	Vice President - Technology	36,04,535	2.99
19.	Ms. Komal Kanzaria	Vice President - Business Development	50,65,713	4.2
20.	Mr. Muthappa Kaveriappa Nellamakada	Vice President - Business Development	35,94,437	2.98
21.	Mr. Vaibhav Pramod Aggarwal	Vice President - Technology	61,02,500	5.06
22.	Mr. Vijay Patel	Vice President - Technology	64,37,181	5.34
23.	Mr. Ramesh Gurram	Chief Information Security Officer	44,86,871	3.72
24.	Mr. Ajay Puri	Company Secretary & Compliance Officer	70,75,107	@
25.	Mr. Sanjay Golecha	Chief Regulatory Officer	31,02,320	@
26.	Dr. Ajit Phanse	Vice President - Inspection & Audit	21,69,355	@
27.	Mr. Armaan Gaus	Vice President – Surveillance and Investigation	13,52,982	@
28.	Mr. Kaushal Ashok Mehta	Vice President - Legal	13,46,916	@
29.	Ms. Manisha Thakur	Company Secretary and Compliance Officer	11,87,268	@
30.	Mr. Prashant Brahmanand Wagh	Vice President - Technology	12,82,961	@

@ Since the remuneration of these KMPs is only for part of the year, the ratio of their remuneration is not comparable.

Note: a) **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.**

b) **Total remuneration considered for the purpose of calculating ratios includes the total variable pay pertaining to FY 2021-22 which has been paid during FY 2022-23. 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 2022-23 is as follows:

Sr. No.	Name of Directors #	Ratio of Remuneration of Director to median remuneration	%increase / (decrease) in remuneration in the Financial Year
1.	Dr. Harsh Kumar Bhanwala - Chairman and Independent Director	2.20	NA (Refer Note 1 below)
2.	Mr. Shankar Aggarwal (Non- Executive Independent Director)	1.97	(33) %
3.	Mr. C.S. Verma (Non-Executive Independent Director)	2.32	NA (Refer Note 2 below)
4.	Mr. Ashutosh Vaidya (Non- Executive Independent Director w.e.f 17 th September 2022) @	NA	NA
5.	Ms. Sonu Bhasin (Non- Executive Independent Director w.e.f 17 th September 2022) @	NA	NA
6.	Mr. Ved Prakash Chaturvedi (Non- Executive Independent Director w.e.f 17 th September 2022) @	NA	NA
7.	Mr. Hemang Raja (Non- Executive Non - Independent Director)	1.70	(19) %
8.	Mr. Vivek Krishna Sinha (Non - Executive Non - Independent Director)	0.95	NA (Refer Note 3 below)
9.	Mr. Mohan Narayan ShenoI (Non- Executive Non - Independent Director)	1.93	NA (Refer note 4 below)
10.	Mr. Arvind Kathpalia (Non- Executive Non - Independent Director w.e.f 06 th December 2022) @	NA	NA
11.	Mr. Saurabh Chandra (Non- Executive Independent Director upto 02 nd July 2022) @	NA	NA
12.	Ms. Pravin Tripathi (Non- Executive Independent Director upto 16 th September 2022) @	NA	NA
13.	Mr. Bhartendu Kumar Gairola (Non- Executive Independent Director upto 16 th September 2022) @	NA	NA
14.	Mr. Chengalath Jayaram (Non- Executive Non - Independent Director upto 27 th September 2022) @	NA	NA

The ratio of remuneration is calculated after considering sitting fees for attending the Board and Committee meetings during FY2022-23.

- Note: 1) Dr. Harsh Kumar Bhanwala was appointed as Public Interest Director w.e.f. 08th August 2021 (part of the FY 2021-22)
- 2) Mr. C.S. Verma was appointed as Public Interest Director w.e.f. 22nd May 2021 (part of the FY 2021-22)
- 3) Mr. Vivek Krishna Sinha was appointed as Non-Executive Non-Independent Director w.e.f 30th September 2021 (part of the FY 2021-22)
- 4) Mr. Mohan Narayan ShenoI was appointed as Non-Executive Non-Independent Director w.e.f 30th September 2021 (part of the FY 2021-22)

@ appointed/ceased to be as Independent Director / Non - Independent Director during part of the FY 2022-23.

For and on behalf of the Board of Directors:

Dr. Harsh Kumar Bhanwala
Chairman
(DIN: 06417704)
Mumbai
29th July 2023

P. S. Reddy
MD & CEO
(DIN: 01064530)
Mumbai
29th July 2023

Annexure VI

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 01st April 2022 to 31st March 2023:

Employed throughout the Financial Year

Sr. No.	Name of the employee	Age (Yrs.)	Qualification & experience of the employee	Designation of the employee	Total Remuneration (in ₹)	Approx Experience (in years)	Date of Commencement of employment	Last Employment
1	Mr. Padala Subbi Reddy	60	Master's degree in Economics, Bachelor's Degree in Economics	MD & CEO	2,54,96,319	36	10 th May 2019	MD & CEO, Central Depository Services (India) Limited
2	Mr. Rishi Nathany	49	Post Graduate Program in Management, Bachelor's degree in Commerce	Chief Business Officer	1,13,87,894	31	02 nd July 2018	Chief - Financial Segment, National Commodity & Derivatives Exchange Limited
3	Mr. Manoj Jain	50	Masters of Business Administration, Bachelors of Technology	Chief Operating Officer	70,28,055	25	01 st November 2021	Deputy Vice President – Axis Bank
4	Mr. Shivanshu Mehta	47	Post Graduate Diploma in Business Management, Bachelors of Engineering	Head- Bullion	90,37,313	24	01 st March 2007	Assistant Vice President - Metal, National Commodity & Derivatives Exchange Limited
5	Mr. Chittaranjan Rege	50	Masters of Business Administration, Bachelors of Business Administration	Head - Base Metal	86,66,258	27	01 st December 2006	Manager - Hindalco Industries Ltd.

6	Mr. D.G. Praveen	46	Chartered Financial Analyst, Masters of Business Administration, Master's Degree in Arts	Chief Risk Officer	81,87,795	23	15 th July 2004	Faculty Team Leader, ICFAI University
7	Mr. Satyajeet Bolar	59	Chartered Accountant, Bachelor's degree in Commerce	Chief Financial Officer	69,66,146	30	09 th April 2019	Chief Financial Officer, Multi Commodity Exchange Clearing Corporation Ltd
8	Dr. Rajendran Narayanan	54	Phd. in Computer Science, Masters of Computer Applications, Bachelors of Science	Chief Digital Officer	1,28,30,797	22	03 rd November 2021	Chief Executive Officer - Indian Financial Technology and Allied Services
9	Mr. Shashank Sathe	51	Post Graduate Diploma in Computer Management, Post Graduate Training in ERP, Bachelor's degree in Science	Chief Technology Officer	1,29,99,996	27	01 st April 2022	Senior Vice President - Edelweiss Retail Finance Ltd.
10	Mr. Sanjay Gakhar	54	Post Graduate Diploma in Rural Management, Bachelor's degree in Commerce	Vice President-Business Development	67,35,867	30	01 st August 2005	Manager, National Agricultural Cooperative Marketing Federation of India
11	Mr. Himanshu Ashar	52	Chartered Financial Analyst, Bachelor's degree in Commerce	Vice President-Surveillance & Investigation & Market Operations	66,03,688	28	15 th December 2014	Vice President - Market Operations, Metropolitan Stock Exchange of India Ltd.
12	Mr. Pravin Gade	48	Bachelor's Degree in Electronics & Telecommunication	Vice President - Technology	52,46,971	25	01 st October 2015	Assistant Vice President, Financial Technology India Ltd.

13	Mr. Radheshyam Yadav	50	Bachelor's degree in Science	Vice President Technology	47,75,912	23	01 st October 2015	Assistant Vice President, Indian Energy Exchange
14	Mr. Sambit Patnaik	48	Post Graduate Diploma in Management, Bachelor's Degree in Science	Vice President - Financial Institutional Marketing	46,76,699	23	01 st March 2021	Senior Vice President - Marketing and Business Development, Ticker Plant Ltd
15	Mr. Puneet Shadija	40	Masters of Science in Computer Technology, Bachelor's Degree in Software Systems	Vice President - Technology	64,11,312	17	08 th February 2021	Senior Vice President, Yes Securities Ltd.
16	Ms. Ruchi Shukla	44	Chartered Accountant, Diploma in Information Systems Auditor, Post Graduate Diploma in Securities Law, Executive Program in Advanced Business Analytics	Head - Energy	42,51,699	19	29 th August 2016	Independent Practising Chartered Accountant
17	Mr. Suresh Raval	61	Post Graduate Diploma in Data Processing, Masters of Business Management, Bachelor of Science	Vice President - Technology	36,04,535	38	30 th January 2017	Proprietor - SunVistas Financial Catalysts
18	Ms. Rashmi Nihalani	48	Post Graduate Diploma in Mass Communications, BA in Economics and Statistics	Vice President - Investor Services Department/Investor Protection Fund	56,82,432	25	20 th May 2004	Dy. Editor - Minerals & Metal View, Asian Industries and Information Services

19	Mr. Muthappa Kaveriappa Nellamakada	49	Masters of Science, Bachelors of Science	Vice President - Business Development	35,94,437	24	01 st October 2013	Assistant Vice President - Business Development, Bahrain Financial Exchange
20	Mr. Vaibhav Pramod Aggarwal	50	Bachelors of Commerce	Vice President - Technology	61,02,500	18	03 rd May 2021	Vice President - Indian Energy Exchange
21	Mr. Vijay Patel	41	Bachelors of Engineering	Vice President - Technology	64,37,181	16	06 th May 2021	Product Head - ZebPay
22	Mr. Ramesh Gurram	45	Masters of Business Administration, Masters of Science, Bachelors of Science	Chief Information Security Officer	44,86,871	23	30 th September 2021	Chief Manager - Information Security - Bank of Baroda
23	Komal Kanzaria	49	Masters of Business Administration, B.E.	Vice President - Business Development	50,65,713	24	02 nd May 2007	Manager - Indusind Bank Ltd.

Employed for part of the Financial Year

Sr. No.	Name of the employee	Age (Yrs.)	Qualification & experience of the employee	Designation of the employee	Total Remuneration (in ₹)	Approx Experience (in years)	Date of Commencement of employment	Last Employment
1	Mr. Ajay Puri	66	Company Secretary, Bachelor's degree in Commerce, Bachelor's degree in law	Company Secretary & Compliance Officer	70,75,107	38	07 th December 2018	President, LSI Financial Services Private Ltd.
2	Mr. Sanjay Golecha	56	Chartered Accountant, Bachelor's degree in Commerce	Chief Regulatory Officer	31,02,320	34	18 th July 2016	Vice President - Investor Grievance, Arbitration & Regulatory Compliance, Metropolitan Stock Exchange of India Ltd.

3	Dr. Ajit Phanse	55	PhD, Masters of Business Administration, Masters of Commerc, Bachelors Degree of Commerce	Vice President - Inspection and Audit	21,69,355	27	11 th July 2022	Director - Symbiosis Skills & Professional University
4	Mr. Armaan Gaus	42	Masters of Financial Management, Bachelors of Commerce	Vice President - Surveillance and Investigation	13,52,982	20	04 th June 2003	NA
5	Mr. Kaushal Ashok Mehta	40	Post Graduate Diploma in Business and Company Law, Bachelors , Bachelors Degree in Law, Bachelors Degree in Commerce	Vice President - Legal	13,46,916	20	20 th November 2017	Assistant Vice President - Legal and Compliance , Religare Securities Ltd.
6	Ms. Manisha Thakur	55	Company Secretary, Bachelors Degree in law, Bachelors Degree in Commerce	Company Secretary and Compliance Officer	11,87,268	26	14 th February 2022	Head – Legal and Company Secretary – Metropolitan Stock Exchange India Ltd.
7	Mr. Prashant Brahmanand Wagh	40	Masters of Science in Information Technology, Post Graduate Diploma in Information Technology, Bachelors Degree in Computer Application	Vice President - Technology	12,82,961	20	15 th April 2014	Senior Manager - Financial Technologies India Ltd.

Notes:

1. The above list also includes Key Management Personnel as stipulated under Regulation 27(5) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 [SECC Regulations, 2018].
2. Total Remuneration includes salary, reimbursement, taxable value of perquisites etc. excluding gratuity.
3. 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.
4. None of the above employee is a relative of any Director of the Company within the meaning of relative under the Companies Act, 2013.
5. None of the above employee was drawing salary in excess of that drawn by Managing Director / Whole Time Director.
6. As of 31st March 2023, 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.
7. As of 31st March, 2023, 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:

Dr. Harsh Kumar Bhanwala
Chairman
(DIN: 06417704)
Mumbai
29th July 2023

P. S. Reddy
MD & CEO
(DIN: 01064530)
Mumbai
29th July 2023

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The global economy is on a path to gradual, albeit uncertain, recovery, after being battered over the last three years by the impact of the global pandemic and the Russia-Ukraine conflict. The year 2022 was largely characterised by disruptions in global growth, being caused by the war in Europe and associated shocks in global supplies of food and energy. Surging inflation, debt control actions and central banks raising interest rates to combat inflation disrupted what could have been a steady post-pandemic path to recovery in 2022, a trend that may continue to affect global markets in 2023. The International Monetary Fund (IMF), in its April 2023 World Economic Outlook, estimates that the global economy would grow by 2.8 percent in 2023, down from 3.4 percent in 2022.

Economic outlook

Despite challenges on the external front, the Indian economy has demonstrated remarkable resilience and admirable growth trends in the financial year 2022-23, which is likely to be sustained in 2023-24. The Reserve Bank of India (RBI) estimates India's GDP to have grown by 7 percent in FY 2022-23, as announced in its latest Monetary Policy Statement released on 06th April 2023, though the growth may slightly cool down to 6.5 per cent in FY 2023-24. The IMF, as per its World Economic Outlook of April 2023 foresees India's growth at 5.4 per cent in the calendar year 2023, which will make India one of the fastest-growing major economies in the world. The IMF expects private consumption and investment to drive India's growth, supported by government initiatives aimed at enhancing transport infrastructure, logistics, as well as an enabling business environment.

The RBI's April 2023 Monetary Policy Statement reveals that the Indian economy has been supported by her domestic demand, sustained by strong discretionary spending. Urban demand exhibited resilience as reflected in healthy passenger vehicle sales and domestic air passenger traffic. Besides, investment activity was gradually gaining ground, evidenced by the high quantum of non-oil non-gold imports. Capacity utilisation in manufacturing being above its long period average, freight traffic, e-way bills and toll collections and Purchasing Managers' Indices (PMIs) for manufacturing as well as services were some of the other evidences strong growth of the economy, indicated by the RBI. While inflation has been a challenge in 2022-23, the easing of global commodity prices, monetary tightening and fiscal measures have started to have the desirable effects of reigning in inflation.

Global Commodity Markets

During Calendar Year (CY) 2022, global commodity prices exhibited mixed trends. Prices of agricultural and energy commodities saw an increase in general, while most base metal prices experienced a decline even as the bullion segment remained muted in comparison to CY 2021. Energy prices, which had reached multi-year highs during the first half of CY2022, experienced a sharp drop later due to various fundamental factors. According to the U.S. Energy Information Administration's monthly outlook report for April 2023, geopolitical tensions with Russia led to increase in crude oil price in the first half of 2022. However, concerns about a possible economic recession reduced demand, causing crude oil prices to generally decrease from June through the remainder of 2022. Similarly, global natural gas prices fell in the second half of 2022 due to unseasonal warm weather, improved energy efficiency, and behavioural changes in gas consumption. US Natural Gas prices remained 20 per cent higher in CY 2022 than the previous year, while Brent oil and WTI Crude oil prices saw increases of 11.1 per cent and 7 per cent, respectively over the close prices of CY 2021.

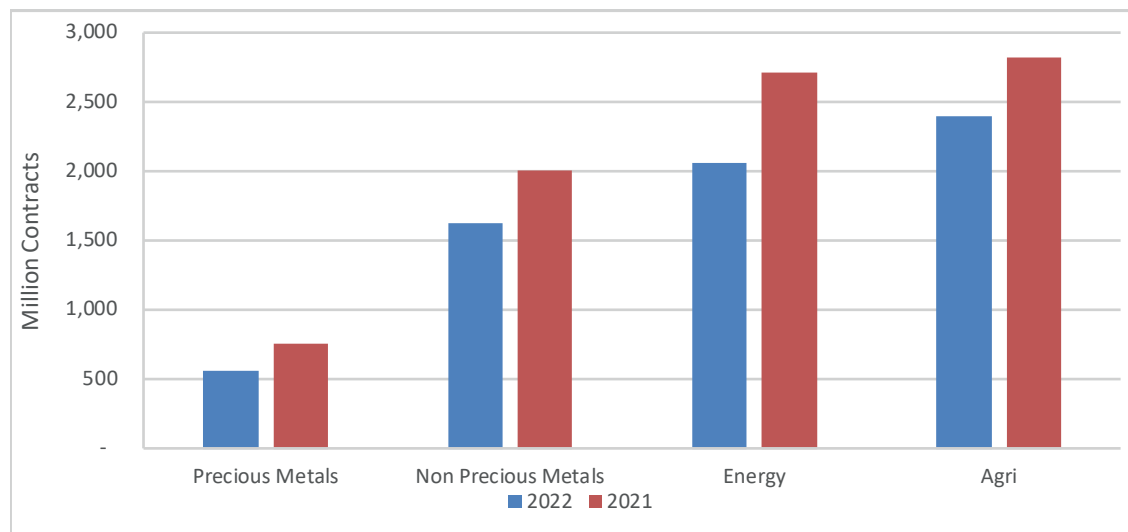
Gold experienced a bumpy ride in 2022, like most other commodities. The Russia-Ukraine war pushed gold prices to near all-time highs in Q1 2022, while broad dollar strength led the commodity to two-year lows in Q3 2022. After touching a high of \$2,072/ oz on COMEX (CME Group) in March 2022, gold fell to a two-year low of \$1,615.1/ oz and closed the year at around \$1819.7/oz, little changed from the close of 2021. Silver price, on the other hand, saw a notable rise in the Jan-March quarter, reaching \$27.31 / oz. However, it underwent a substantial decline in late September, falling below \$18, but managed to recover during the Oct-Dec quarter, ultimately closing at approximately \$23.86/ oz, which was a 2.3% increase compared to the closing price of 2021.

The Base Metals segment exhibited a negative price trend during CY 2022. LME copper 3-month forwards posted a 13.9 percent fall after touching a new record peak of \$10,845 per ton in Mar'22. Aluminium forwards declined by 15.3 percent after trading to a new record peak of \$3966 per ton in Mar'22. Zinc forwards declined by 15.9 percent, and Lead forwards edged 0.48 percent lower after reaching highest price level since 2011 in Mar'22 at \$2,533 per ton. Price of nickel forwards, however, surged by 44.8% in 2022 as worries over potential export sanctions over Russian Nickel raised supply concerns and propelled the price to reach \$101,365 per ton in March 2022.

On the Agri commodities front, US Soybean, Sugar, and Wheat prices increased by 14.7 percent, 7.7 percent, and 2.8 percent, respectively, year-on-year, while US cotton prices dropped by 24.5 percent during CY2022.

As for global commodity derivatives markets, volumes traded witnessed decline in CY 2022. The fall has been witnessed in all the segments and was led by Precious Metals, followed by Energy, Non-Precious Metals and Agri-commodities segments, as per data maintained by the Futures Industry Association (FIA). Aggregate volumes in these segments declined by about 20 per cent year-on-year, to 6.6 billion contracts in CY 2022 according to the data released by the FIA. Trade volumes in Precious Metals segment was down by about 26 per cent, while those in Energy, Non-Precious Metals and Agri-commodities segments were down by about 24 percent, 19 percent and 15 percent respectively. The trends in global commodity derivatives volumes are presented in **Chart 1**.

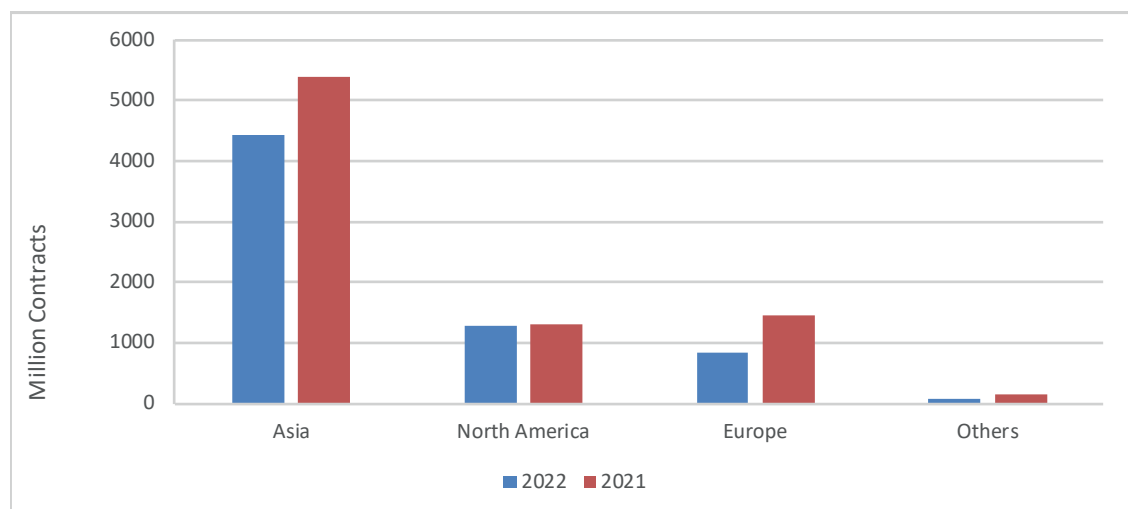
Chart 1: Global Futures and Options Volumes across Commodity Segments (CY 2022 and 2021)



Source: Futures Industry Association

Trends in region-wise traded volumes of commodity derivatives indicate continued dominance of Asia which contributed for about 67 percent of global commodities traded in CY 2022 (**Chart 2**), followed by North America and Europe which accounted for about 19 percent and 13 percent, respectively, of the traded volumes during the year.

Chart 2: Regional distribution of global commodity derivatives trade volumes in (CY 2022 and 2021).



Source: Futures Industry Association

Performance of Domestic Commodity Markets in FY'23

The Indian commodity derivatives markets witnessed positive trends in trading activity in the year 2022-23 as volume (number of contracts) and turnover (value of trades) both witnessed significant growth in the Options segment, though volume and turnover both witnessed decline in the Futures segment, compared to the year 2021-22. Trading in commodity derivatives increased in value terms by about 49.7 per cent to ₹150.13 lakh crore and by about 28.2 percent to about 25.8 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'23 by about 13.4 percent to ₹ 62.51 lakh crore of traded value, marked by significant drop in turnover in futures of Base Metals and Agri commodities, though there was a slight growth in the Bullion segment. In volume terms, commodity futures declined by about 14 percent in FY '23, the decline observed in all segments except Bullion.

The fall in commodity Futures was more than offset by rise in commodity Options in FY'23. Options trading in volume term increased to 1247 lakh contracts in FY '23 from 458 lakh contracts in FY '22, i.e. an increase of 172.2 percent. Similarly, Options trading in value term (notional) increased to ₹ 87.62 lakh crore from ₹ 28.10 lakh crore between the two years, i.e. an increase of 211.7 percent.

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

	Futures			Options			Total		
	FY'22	FY'23	Change (%)	FY'22	FY'23	Change (%)	FY'22	FY'23	Change (%)
Agri Commodities	124	55	-55.6%	0.14	0.69	381.4%	124	56	-55.1%
Base Metal	95	67	-29.9%	0.03	0.03	12.9%	95	67	-29.9%
Bullion	815	865	6.1%	172	27	-84.0%	987	892	-9.6%
Energy	527	355	-32.7%	286	1,219	325.5%	813	1,573	93.5%
Total	1,561	1,341	-14.1%	458	1,247	172.2%	2,019	2,588	28.2%

Note: Includes commodity index futures also

Source: SEBI Bulletin April 2023

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

	Futures			Options (notional)			Total		
	FY'22	FY'23	Change (%)	FY'22	FY'23	Change (%)	FY'22	FY'23	Change (%)
Agri Commodities	5,75,856	2,27,470	-60.5%	487	1,989	308.3%	5,76,343	2,29,460	-60.2%
Base Metal	15,48,139	9,51,804	-38.5%	601	587	-2.4%	15,48,740	9,52,392	-38.5%
Bullion	26,87,138	28,42,571	5.8%	10,40,961	5,67,984	-45.4%	37,28,099	34,10,555	-8.5%
Energy	24,06,725	22,29,617	-7.4%	17,68,774	81,91,585	363.1%	41,75,499	1,04,21,202	149.6%
Total	72,17,856	62,51,462	-13.4%	28,10,824	87,62,146	211.7%	1,00,28,681	1,50,13,608	49.7%

Note: Includes commodity index futures also

Source: SEBI Bulletin April 2023

The sharp increase in trade activity in Options was characterised by the manifold increase in trading of Options in the energy segment, which increased by 363% in traded value (notional) and 325% in volumes. Consequently, trade in terms of notional value in energy commodities dominated the Options segment with about 93.54 percent share, followed by precious metals with about 6.5 percent share in total exchange-traded Options in the country.

MCX BUSINESS OVERVIEW IN FY'23¹

MCX remained the market leader in commodities trading among domestic exchanges in India, accounting for about 96.67 percent and 99.72 percent of total traded value of commodity Futures and commodity Options respectively during FY 2022-23. As per data released by the FIA on global exchange-traded derivatives for the year 2022, MCX was world's 5th largest Exchange by the number of commodity Options contracts traded in 2022, improving from 6th position last year.

¹ In computing Average Daily Turnover, Average Daily Volume, Muhurat Trading day has been excluded in day count.

Among individual commodities, MCX Crude Oil Options was the most traded crude oil options worldwide, while Options on MCX Silver and MCX Natural Gas Futures were second most traded contracts in their respective categories. MCX retained its position as world's 7th largest Exchange by the number of commodity Futures contracts traded in 2022, indicated data from FIA.

During the year FY'23, the average daily turnover in Futures (including Index Futures) on MCX registered a fall of about 10 per cent to ₹23,514 crore in FY'23 from ₹26,178 crore in FY'22. However, the average daily (notional) turnover in the Options segment jumped up manifold to ₹33,998 crore in FY'23 from ₹7,860 crore in the previous year. The Exchange clocked its highest ever turnover on 15th March 2023 of ₹1.68 lakh crore, which also included a record Options' turnover of ₹1.37 lakh crore.

Among the different commodity segments, Options in the Energy segment emerged as the dominant driver of growth, experiencing a substantial increase of about 327% in volume and about 365% in value terms. Average Daily Turnover (notional) in Energy Options rose from ₹ 6,856 Crore in FY'22 to ₹ 31,874 Crore in FY'23, while Average Daily Volume in this segment increased from 111,012 contracts in FY'22 to 474,179 contracts in FY'23.

Bullion options also witnessed substantial growth, rising by about 234% in volume and about 112% in value terms in FY'23 over FY'22. Average Daily Turnover (notional) in Bullion options rose from ₹ 1,002 Crore in FY'22 to ₹ 2,122 Crore in FY'23, while Average Daily Volume increased from 2,692 contracts in FY'22 to 8,988 contracts in FY'23.

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'22	FY'23	Change (%)	FY'22	FY'23	Change (%)
Agri	435	82	-81%	-	-	-
Base Metal	5,847	3,696	-37%	2	2	-2%
Bullion	10,253	10,972	7%	1,002	2,122	112%
Energy	9,310	8,676	-7%	6,856	31,874	365%
Index	333	88	-73%	-	-	-
Total	26,178	23,514	-10%	7,860	33,998	333%

Source: MCX

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

Base Asset	Futures			Options		
	FY 21-22	FY 22-23	% change	FY 21-22	FY 22-23	% change
Agri	4,731	9,99	-79%	-	-	-
Base Metal	34,941	25,757	-26%	11.4	13	13%
Bullion	3,13,709	3,35,224	7%	2,692	8,988	234%
Energy	2,03,971	1,38,064	-32%	1,11,012	4,74,179	327%
Index	4,300	1,210	-72%	-	-	-
Total	5,61,652	5,01,255	-11%	1,13,715	4,83,180	325%

Source: MCX

PRODUCT-WISE PERFORMANCE

Product-wise performance of your Company during FY'23 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, dividends, gains on sale of investments and other miscellaneous income.

During FY 2022-23, the Company's total income increased to ₹ 52,147 lakh from ₹ 40,323 lakh in FY 2021-22 registering an increase of 29% with a net profit margin of 29%. The operating expenses increased to ₹ 32,947 lakh from ₹ 20,143 lakh in FY 2021-22, registering an increase of 64% due to increase in software support charges, computer technology and communication expenses.

The profit before tax for FY 2022-23 increased to ₹ 17,135 lakh vis-à-vis ₹ 15,897 lakh in the last Financial Year, registering an increase of 8%. During FY 2022-23, the profit after tax increased by 10% to ₹ 12,983 lakh as against ₹ 11,846 lakh in FY 2021-22.

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 2022-23 was ₹ 42,636 lakh, as against ₹ 31,192 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 ₹ 5,963 lakh in FY 2022-23 (Previous year ₹ 5,499 lakh) including gain/(loss) on fair valuation of mutual funds and bonds (Table 5).

Table 5: MCX's Income (₹ in lakh)

Particulars	FY 2022-23	FY 2021-22	Change Increase / (Decrease)
Transaction fees	42,636	31,192	37%
Other operating income	2,286	1,786	28%
Investment income	5,963	5,499	8%
Other income	1,262	1,846	(32%)
Total	52,147	40,323	29 %

Operating revenue:

The Company's operating revenue stood at ₹ 44,922 lakh for FY 2022-23 as against ₹ 32,978 lakh for previous year. Increase in operating revenue by ₹ 11,944 lakh is due to increase in revenue from transaction fees by ₹ 11,444 lakh (Increase by 37%).

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 2022-23	FY 2021-22	Change Increase / (Decrease)
Employee benefit expense	7,470	6,511	15 %
Clearing and settlement charges	5,329	3,899	37%
Depreciation and amortization	2,047	2,214	(8)%
Computer technology and Software support	16,112	6,456	150%
Other expenses*	4,054	3,303	23%
Total	35,012	22,383	56%

*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 ₹ 12,804 lakh (increase by 64%) from ₹ 20,143 lakh in FY 2021-22 to ₹ 32,947 lakh in FY 2022-23 due to increase in software support charges, computer technology and communication expenses.

Provision for taxation:

The Company's provision for tax for FY 2022-23 is ₹ 4,152 lakh (previous year ₹ 4,051 lakh).

Earnings per share (EPS):

Earnings per share stood at ₹ 25.51 per equity share (of ₹ 10/- each) for FY 2022-23 as against ₹ 23.27 per equity share (of ₹ 10/- each) for previous year. Increase in earnings per share is due to increase in transaction fees.

Profit analysis:

The net profit margin stood at 29% in FY 2022-23 (Previous year: 36%).

Financial performance and operational performance parameters:

The transaction fees has increased by 37% to ₹ 42,636 lakh in FY 2022-23 from ₹ 31,192 lakh in FY 2021-22.

Shareholders' funds:

Share capital:

As on 31st March 2023, 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 increased to ₹ 1,54,470 lakh as on 31st March 2023 from ₹ 1,50,430 lakh as on 31st March 2022. The net worth of the Company as at 31st March 2023 stood at ₹ 1,59,570 lakh as compared to ₹ 155,530 lakh as at 31st March 2022.

Secured loans:

The Company had no secured loans in its books as on 31st March 2023, as well as, on 31st March 2022.

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 ₹ 31,311 lakh as on 31st March 2023, as against ₹ 24,687 lakh as on 31st March 2022.

Investments:

As on 31st March 2023, the Company's investments (Non-current and Current) stood at ₹ 1,21,615 lakh, as against ₹ 1,39,788 lakh as on 31st March 2022. Decrease in investment by ₹ 18,173 lakh is mainly due to cash outflow on account of dividend payout and increase in software support charges, computer technology and communication expenses.

Current assets and current liabilities:

The current assets consisting of trade receivables, cash and cash equivalent, bank balances and other current assets is ₹ 37,286 lakh as on 31st March 2023, as compared to ₹ 81,689 lakh as on 31st March 2022. The above figures include current investments of ₹ 12,834 lakh as on 31st March 2023 and ₹ 71,349 lakh as on 31st March 2022. Decrease in current assets is due to liquidation of current investments to invest in long term investments which is shown under non-current investments.

The current liabilities consisting of creditors, security deposits and others stood at ₹ 20,763 lakh as on 31st March 2023, as against ₹ 19,232 lakh as on 31st March 2022.

Key Financial Indicators:

For Standalone:

Particulars	FY 2022-23	FY 2021-22	Variation (bps)	% Change	Details of change
Debtors Turnover (in times)	36.32	27.37	-	32.69%	Due to liquidation of current investments to invest in long term investments which is lying in non-current assets.
Current Ratio (in times)	1.80	4.25	-	(57.72%)	Due to increase in software support charges, margin computer technology and ommunication expenses in current year.
Operating EBITDA margin (in %)	36.82	50.05	(1,323)	(26.43%)	Due to increase in software support charges, computer technology and communication expenses in current year
Net Profit Margin (in %)	32.86	39.42	(657)	(16.65%)	-
Return on Net Worth (in %)	10.74	10.22	52	5.06%	-

For Consolidated:

Particulars	FY 2022-23	FY 2021-22	Variation (bps)	% Change	Details of change
Debtors Turnover (in times)	39.33	35.91	-	9.54%	-
Current Ratio (in times)	1.81	2.30	-	(21.37%)	Due to liquidation of current investments to invest in long term investments which is lying in non-current assets.
Operating EBITDA margin (in %)	37.40	52.78	(1,538)	(29.14%)	Due to increase in software support charges, computer technology and communication expenses in current year.
Net Profit Margin (in %)	25.63	33.11	(747)	(22.57%)	Due to increase in software support charges, computer technology and communication expenses in current year
Return on Net Worth (in %)	10.07	10.12	(5)	-0.45%	-

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 Board 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 includes 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.

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 96.67 per cent of market share in commodity Futures turnover and nearly 99.72 per cent in case of commodity Options turnover (notional) in FY 2022-23. 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. 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. 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.

Best Practice of 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 regulatory integrity 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, 2018) as well as other regulations. The Exchange has a dispute resolution mechanism in place for redressal of disputes between Investors/ Clients and Members of the Exchange. Disputes unresolved at the first level can be referred to the Grievance Redressal Committee (GRC), Arbitration and Appellate Arbitration, subsequently.

Awards and Recognition

MCX has been the recipient of several awards over the years, in recognition of its contribution to the development of India's commodity derivatives market. The Exchange was honoured with the Best Commodity Exchange Award at the 8th International Convention of the Commodity Participants Association of India (CPAI) held on 28th May 2022, at New Delhi. In July 2022, MCX was conferred the 'Best Commodity Exchange of the Year 2022' award at the India Gold Conference event at Chennai.

High Global Standing

MCX is ranked world's 5th largest Exchange by the number of commodity Options contracts traded in 2022, improving from 6th position in 2021, as per data released by the Futures Industry Association (FIA). Among individual commodities, MCX Crude Oil Options was the most traded crude oil options worldwide, while Options on MCX Silver and MCX Natural Gas Futures were second most traded contracts in their respective categories in 2022. MCX maintained its position as world's 7th largest Exchange by the number of commodity Futures contracts traded in 2022.

Strong Technology Framework

Your Company's technological infrastructure is built on a robust architecture, which can cater to all market participants by virtue of being fast, secure and transparent. 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 measures. The Exchange's technology architecture supports multiple secured modes of connectivity such as MPLS leased line, Point-to-Point Leased Line and Over-the-Internet connectivity options built-to-scale. Currently, the Exchange handles upto 162.66 million transactions on a single day. The Exchange strives to move forward with increased footprint of web-based application, for seamless exchange of information within the organisation and with its members for early turnaround time.

The Exchange also has a comprehensive Business Continuity Plan (BCP) with efficient & seamless switch-over & restoration, of the trading operations to-&-from Disaster Recovery Site (DR Site) within stipulated timelines and has real time synchronous data replication to the Near-Online Site, to achieve near zero data loss. Besides, your Company has also implemented Security Operation Centre (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 Management (PAM) tool to monitor

and manage the access control of the critical assets and has enhanced security by implementing 2-factor authentication (2FA) for remote users.

The Exchange, as per regulatory requirement, carries out live trading from its DR site from time-to-time, thereby demonstrating its IT resiliency and operational excellence.

These attributes of MCX's technology have enabled the Exchange to provide a robust trading platform for trade and retain its members' confidence and market leadership position in commodities markets consistently.

OPPORTUNITIES

Regulatory Permission for Foreign Portfolio Investors (FPIs)

During the FY 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. As of now, FPIs have been allowed to trade only in cash-settled non-agricultural commodity derivatives and select non-agricultural benchmark indices, but it is hoped that the universe of permissible products would be further widened for these participants in the near future. Entry of FPIs in the commodity derivatives market is an important development, as it is expected that their participation would promote efficient price discovery as well as enhance liquidity and market depth in the commodity derivatives contracts, especially in far month contracts.

Introduction of New Products

Following market demand and regulatory approval, your Company launched mini contracts in Base Metals (Aluminium, Zinc and Lead), Crude Oil and Natural Gas, as well as Options on Gold Mini during the FY 2022-23. Besides, regulatory approval has been received for contracts in Steel Futures and Gold Monthly Options. The Exchange shall launch these products at an opportune time. Likewise, your Company also looks forward to launching derivative products on new commodities such as Electricity, subject to regulatory permission.

Trusted Platform for Commodity Hedging

The MCX platform and its clearing arm have proven to be a trusted platform for managing risks arising from commodity price volatility. Independent assessment of the state of global commodity markets indicate that volatility in commodity prices may persist. The Financial Stability Reports released by the Reserve Bank of India, for instance, have been identifying volatile commodity prices as a source of risk in the Indian economy. Likewise, the 2022 Trends, Risks and Vulnerabilities Report from the European Securities and Markets Authority (ESMA) had underscored the mounting uncertainty in financial markets, exacerbated by the ongoing conflict between Russia and Ukraine, which is significantly impacting global commodity markets. The El nino can have a major bearing on global agricultural production, causing increased volatility in prices - a big source of risk in the economy. Your Exchange is geared to meet the demand for risk management that stakeholders might seek from such continued price volatility in multiple commodities.

POTENTIAL THREATS

Concentration in Members and Products

Your Company has an extensive national reach with 548 registered Members as on 31st March 2023. However, for many commodity futures and options contracts, there is concentration of risk, as major volumes are driven by 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

Following permissibility to all recognized Stock Exchanges to launch commodity derivative contracts, some Exchanges, which were active in other asset classes, started offering commodity futures and options contracts, albeit with little success. Nevertheless, other Exchanges have continued launching products that fully mirror MCX's most liquid contracts, which may pose a threat to the market share of 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 and regular awareness initiatives to strengthen the human firewall for protection against cyber-attacks.

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

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.

The Business Continuity and Disaster Recovery Plan (BCP-DR Plan) is aiming at timely restoration of systems affected by any type of disasters, including incidents of cyber-attacks or breaches. The plan also includes live trading at DR without announcing to the members as mandated by SEBI. MCX's recovery plan is within the Recovery Time Objective (RTO) of 45 minutes and Recovery Point Objective (RPO) of 15 minutes as specified by SEBI.

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

Impact on revenue from downturn in Metals and Energy prices

Throughout the year 2022-23, global commodity markets were characterised by high volatility in commodity prices, driven mainly by the Russia-Ukraine war, aggressive rate hikes by the US Federal Reserve, and persistent worries about China's economy. The war in Europe caused an abrupt rise in commodity prices, as supply constraints and concerns led to record or multi-year high inflation in many countries. In the second half of the year, the US dollar, which had reached a two-decade high, and concerns over China's economic downturn, led to a general cooling in commodity prices.

The US Federal Reserve's aggressive rate hikes, which began in the first quarter of the year 2022 after keeping rates near zero since the start of the COVID pandemic, had a direct impact on global commodity prices. The Fed raised interest rates seven times in 2022, putting downward pressure on most dollar-denominated global commodity prices. Elevated interest rates, concerns about the US economy and early forecast of global economic slowdown may continue to put downward pressure on commodity prices in the near future. As MCX's transaction fee is based on the value of commodity derivatives contracts traded on the Exchange, your Company's revenues may be affected by the value of contracts traded in the event of persistent depression in prices.

Disruption in global benchmark exchanges

Many stakeholders of MCX use prices discovered at global exchanges or international trading hubs as benchmarks for international commodities. Any disruption in such global exchanges or trading hubs, can lead to commensurate destabilisation in the local markets which use their prices for reference. In turn, the disruption can lower the confidence of market participants to trade on the Exchange, affecting its volumes.

High employee attrition

With rapid evolution of the industry, many organizations, including your Company, may face the challenge of high employee attrition. There are direct and hidden costs associated with high employee attrition, such as the cost and time expended in recruitment and training of new employees, apart from the loss of accumulated skills and knowledge of the exiting employee. Such costs can have a direct bearing on organizational productivity resulting in loss of revenue and potential opportunities.

Market Risks

Decline in Treasury Income with Interest Rates Peaking Out

The Reserve Bank of India (RBI) has been adopting a tight monetary policy during the year 2022-23, increasing policy rates as many as six times during the year, by a total of 250 basis points since 2022, in order to cool inflationary pressures in the economy. However, as inflation comes under control, the RBI may start unwinding the tightening of monetary policy, which could have a direct impact on your Company's treasury income, as the drop-in interest rates from their recent highs may dent interest income on investments in the upcoming quarters.

Macro-economic Trends and Risk

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. Despite some signs of moderation in growth during FY'23, India's growth remains resilient and continues to be one of the fastest growing economies globally. However, the World Bank, in its latest (March 2023) biannual India Development Update, warns that growth may be constrained due to slower consumption growth and challenging external conditions. Private consumption growth may be impacted by rising borrowing costs and slower income growth, while government consumption may grow at a slower pace due to the withdrawal of pandemic-related fiscal support measures, mentions the World Bank. As noted above, the Reserve Bank of India has been consistently raising policy interest rates to curb inflation, which may also affect economic growth. Although India's financial sector remains strong, spillovers from financial market developments in the US and Europe could pose a risk to short-term investment flows to emerging markets, including India. A weak external demand is also a potential downside risk to the growth outlook. A significant reduction in economic activity could result in a decrease in demand for commodities, leading to a decline in the need for commodity risk management, which could have an adverse impact on your Company's growth prospects.

Technology Risk

Migration to New Technology Platform

Your Company have engaged M/s. Tata Consultancy Services Ltd (TCS) for development and implementation of the Commodity Derivative Platform (CDP). There was a delay in implementation of the new platform. Both MCX and technology partner are taking various steps towards smooth migration to the new platform.

To ensure smooth running of the business, your company has extended the existing software support services contract with M/s. 63 moons technologies limited for the period of six months from 01st July 2023 till 31st December 2023. Your Company propose to implement the new technology platform and complete the migration before end of September 2023.

Upon examination of the issues relating to the contracts executed with the software vendors pertaining to the existing and new CDP software of MCX, SEBI has raised certain observations. SEBI has, inter alia, observed that the Management did not implement the SEBI outsourcing circular dated 13th September 2017. In this regard, SEBI may initiate quasi-judicial proceedings against MCX and its officials for which show cause notice would be issued in due course. Further administrative warnings have been issued to four Key Managerial Personnel with regard to some of the above observations. In the interest of all the stakeholders, SEBI has directed the Exchange to implement the CDP project by September 30, 2023.

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.

Your Company sources its core trading software platform from third party vendor. In case the third party vendor is unable to provide services, or keep pace with technological advancements, it may impact the technology operations and technology enhancements required, if any.

Financial Risk

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 like CTT 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.

Regulatory Risk

Adverse Regulatory and Policy Decisions

All aspects of your Company's operations are subject to regulatory oversights. Changes in Laws, Regulations, Taxation etc., or new Rules, Regulations or Policies may necessitate the Company to allocate more resources for compliance, which may increase operational expenses. This may impede the Company's ability to operate and grow its business.

Suspension/Ban on Trading in Derivative Contracts

On 20th December 2021, SEBI suspended derivatives trading in several commodities, including Non-Basmati Paddy, Wheat, Chana, Mustard Seeds and its derivatives, Soyabean and its derivatives, Crude Palm Oil (CPO), and Moong. Though the suspension was announced initially for a year, on 20th December 2022, SEBI extended the suspension for one more year. CPO futures contract was one of the most actively traded contracts on MCX in the agri-commodities segment. Prior to the suspension, the contract contributed an average daily turnover of around ₹380 crore during April-November 2021. Its suspension resulted in loss in trade volumes and income for the Exchange over the past two years.

Your Company faces risks of such abrupt suspensions/bans on commodity derivative contracts. 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.

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 two days of unannounced live trading twice from its DR Site in FY 2022-23 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 commenced its operations from its Primary Site smoothly.

Your Company is also certified for ISO 22301:2019, a recognized international standard for Business Continuity Management System (BCMS). This affirms MCX's ability to consistently demonstrate effective BCMS and endeavours to improve confidence in our ability to respond to incidents amongst all its stakeholders.

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 ecosystem 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

In pursuit of the Atmanirbhar Bharat Mission, 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 empaneled refiners includes that of MD overseas, Kundan Care Products, Augmont Enterprises, Titan Company and Sovereign Metals. Delivery of 3961 kgs of Indian refined gold valued at 2116 crore was delivered under this route during FY 2022-23 and delivery of 5633 kg valued at 2988 crore till June 2023.

Continuing the pursuit, your Company has also started recognizing domestic refined lead producers as eligible deliverable brands for good delivery on the Exchange. It has empaneled Eswari Global Metal Industries Private Ltd and Jayachandran Alloys Pvt. Ltd as good delivery brands. This takes the total count of approved domestic refined lead producers to four and the empanelment for many other domestic producers is under process. In a significant move to bring back the lost retail participation, the Exchange has relaunched Mini contracts (smaller denomination contract). 1MT contracts of Aluminium, Lead and Zinc were launched keeping intact the alignment of the trading and the delivery lot. Further, your Company continues to bring in measures for integration with physical market and to reduce regional price disparities. The Company has been working towards achieving One Nation One Price and has designated warehouses in Thane, Raipur, Chennai, Kolkata, and National Capital Region (NCR) to cater to all regions of the country. We have seen inflows of metal at various locations which reflects the industry's adaptability to the Exchange delivery mechanism.

Meanwhile, the base metal contracts have been witnessing significant deliveries since their conversion into compulsory deliveries during year 2019.

Focus on strengthening technical capabilities

Your Company is investing in innovation, next generation platform(s), building in-house solutions to be agile and self-reliant to meet the growing demands of all the stakeholders. For this, the Company is adopting new technologies for applications, solutions, reporting and analytics. The Company is strengthening its technical capabilities to develop and support these platforms with a right balance of in-house and outsourced talents.

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.

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 to 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 (CSOC) with advanced tools and professional services in a dedicated setup built for onsite operations. Since most of the cyber incidents happen on account of human errors, IS team is taking proactive IS awareness initiatives through regular sessions and trainings, publishing awareness magazines, conducting phishing exercise and cyber drills to take care of the human element of cyber security.

Your Company's robust technology infrastructure continues to provide smooth trading experience to all members and their end-clients. Further, your Company has been actively working for development and deployment of the Commodity Derivatives Platform with M/s Tata Consultancy Services Ltd.

As part of the strategy to minimise vendor dependency and increase flexibility to implement solutions as per the business expectation and timelines, the Exchange's technology team has strengthened its capabilities to develop in-house solutions for peripheral systems, to ensure quality services for different stakeholder groups.

INITIATIVES

Your Company remains committed to strengthening its processes and creating products to uphold the trust bestowed by its stakeholders. During the FY'23, 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

On 25th April 2022, MCX launched Gold Mini Options contract, with Gold Mini (100 Grams) Futures as the underlying. Characterised by expiries in every month and smaller denomination, and therefore, carrying lower premiums, this Options contract is ideal for small and medium-sized jewellers to hedge their bullion price risk. During the year, your Company also successfully launched mini future contracts in Zinc (on 17th February 2023), Aluminium (on 20th February 2023), Lead (on 22nd February 2023), Crude Oil (on 03rd March 2023) and Natural Gas (on 14th March 2023).

The Base Metals mini futures contracts are of lot size of 1 MT, quotation/base value fixed at ₹1 Kg and the tick size has been fixed at 5 paise per kg. The crude oil mini-futures contract has a lot size of 10 barrels, one-tenth of its larger counterpart, and a tick size of ₹1. The maximum order size is 10,000 barrels or 1,000 contracts, while Natural Gas mini contract has a lot size of 250 MMBtu, which is 20 per cent of the lot size of its larger counterpart. The tick size for this contract is 10 paise and the maximum order size is 60,000 MMBtu or 240 contracts.

Mini future contracts at MCX provides an efficient and cost-effective avenue for risk management to stakeholders of the commodities' value chain. They are, particularly, suitable for small stakeholders as they carry lower margin requirements.

Modification of Cotton Contract

After receiving feedback from stakeholders and market participants, the MCX Cotton Futures contract was modified and launched as a new Cotton Candy Futures Contract on 13th February 2023. The new contract's trading unit has been changed from a bale (170 kg) to a candy (~356 kg), and the tick size has been modified from ₹10 to ₹20 per candy. Additionally, the near-month delivery size has been changed from 85,000 bales to 2,400 candy (5,000 bales), and more delivery centers have been added to ensure the smooth delivery of the commodity. Moreover, quality and delivery norms have also been updated in tune with market feedback.

Developing Domestic Physical Market Standards and Benchmarks

In order to develop standardization in the domestic physical commodity markets and to bring stakeholders of the commodity value chain into the Exchange's delivery mechanism, your Company had prescribed detailed guidelines on 'MCX Good Delivery Norms for BIS-Standard Gold/Silver' in FY 2020-21 to facilitate the entry of local refiners into the Exchange's delivery process. Till 31st March 2023, 4 domestic refiners have been empanelled as per "MCX Good Delivery Norms for BIS-Standard Gold/Silver" for delivery in the existing contract specifications of Gold Mini (100 grams) futures contract. These refiners have delivered total of 4972.1 Kg of gold amounting to ₹ 2609 crores till 31st March 2023, under the existing contract specifications of Gold Mini (100 grams) futures contract. Likewise, during FY 2021-22, your Company had brought domestic brands of Lead within the Exchange delivery mechanism by prescribing requisite specifications and standards for acceptance under MCX Good Delivery of the metal. As on 31st March 2023, 4 domestic lead producer facilities have been empanelled under this initiative, a step towards creating India-based benchmark of this metal and an initiative of your Company towards achieving Atmanirbhar Bharat.

Cyber Security Awareness Month

MCX observed October 2022 as the Cyber Security Awareness Month, an initiative under the aegis of Indian Computer Emergency Response Team (CERT-In). Activities such as quizzes, poster making competition, slogan competition, hackathons, cyber games, expert sessions, 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 2452 awareness programmes across various stakeholders for commodities and products during FY 2022-23. A number of these programmes were conducted in partnership with industry associations, media and professional bodies. The Exchange partnered with industry associations like 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 2022-23 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 349 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;
- d) MCX observed 'World Investor Week' during 10th October 2022 – 16th October 2022 spreading awareness and information about investment in safe and regulated marketplaces. To mark this occasion, MCX organised a number of events and activities, culminating in a 'walkathon' on 16th October 2022. The activities included 90 awareness programs across the country; a number of quizzes and crossword puzzles on commodity-related themes; 'Commodity Caravans' that started from Mumbai and criss-crossed various towns across Maharashtra (viz. Pune, Nashik, Jalgaon. Akola, Satara, Sangli, Kolhapur, Nagpur, etc.) over seven days; apart from a Walkathon which was participated by over 300 walking enthusiasts. The week was also marked by release of the 'Commodity Insights Yearbook 2022', a joint initiative of MCX Investor Protection Fund and the National Institute of Securities Markets.
- e) To acknowledge the contribution of various stakeholders in ensuring the growth, continuity and the development of India's commodity derivatives market, the Exchange organized the MCX Awards Ceremony on 05th November 2022. In that event, organized after three years due to pandemic-related restrictions, the Exchange recognized the contributions of hedgers, warehouse service providers, institutional participants, mentors and member brokers.
- 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, misinformation 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. We have taken up with concerned authorities to close down illegal websites where there was 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. COMQUEST 2023 that concluded on 10th February 2023 witnessed an all-time high participation of 6727 students, representing 401 colleges from 152 cities and towns, with about 40% of participants being women students.

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 as well as for sensitizing policymakers about various policy changes that can further its growth. Officials of MCX 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 has undertaken four studies during the FY 2022-23 on various themes connected to commodity derivatives market. The studies were 'Suspension of Commodity Derivative Contracts and Impact on Price Discovery' undertaken by IIM Ahmedabad; 'Regulatory Landscape in Equity Derivatives versus Commodity Derivatives Markets in India', undertaken by IIM Lucknow; 'Facilitating institutional participation in India's commodity derivatives market'; undertaken by IIM Jammu and 'Evaluating Risk Management Tools in Indian Commodity Derivatives Market', undertaken by Acies Consulting. The reports of the studies have been widely publicised through the Exchange's website and social media accounts. Besides, the findings of the studies are also being disseminated through articles published in the print media and also awareness events.

Further, two research studies have been initiated during the FY 2023-24, which include 'Analyzing Costs and Benefits of Flexibility in Contract Design on Development of Commodity Derivatives Market', being undertaken by NIT Rourkela and 'Hedging of Price Risks in Base Metals', being undertaken by ICFAI Business School.

OUTLOOK

The broad outlook for your Company in the near to medium term is discussed below:

Improving Growth prospects to Boost Commodity Demand

Amidst the turbulence caused by fresh headwinds from the banking sector turmoil in some advanced economies, the global economy is experiencing renewed challenges in the current year. Despite these adverse conditions globally, India's economic outlook remains healthy. The Reserve Bank of India (RBI) has reported that economic activity in India remained resilient in FY 2022-23, and real GDP growth is expected to have been 7.0% in FY'23. Looking ahead, the RBI projects a moderation in headline inflation for FY'24 as the monetary policy actions taken since May 2022 take full effect. Overall, the broadening of economic activity, expected moderation in inflation, fiscal consolidation with a focus on capital spending, significant narrowing of the current account deficit to more sustainable levels, and comfortable level of foreign exchange reserves are developments that are expected to further strengthen India's macroeconomic stability. In its April 2023 Policy Review meeting, the RBI Monetary Policy Committee projected GDP growth for FY'24 at 6.5%, which, though lower than the growth rate of FY'23, is slightly higher than the previous projection. 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 Product and Participant Categories

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 expiries in existing products such as Futures on the MCX iCOMDEX Indices. Option contracts on commodity indices, which has been permitted by SEBI, shall also be launched at the opportune time after receiving due approvals.

To promote institutional participation in Exchange Traded Commodity Derivatives (ETCDs), on 29th September 2022, SEBI issued detailed guidelines to allow foreign investors to participate in Indian ETCDs through the FPI route in cash settled non-agricultural commodity derivative contracts and indices comprising such commodities. Subsequently, FPIs have started participating on the MCX platform. As evidenced in other asset classes, it is expected that FPIs would be an important category of participants in commodity derivatives market too, providing liquidity and depth in this market.

On similar lines, the opportunity before your Company is enormous, considering that multiple other financial institutions like banks, insurance companies and pension funds, etc. could also be permitted in the coming days. 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.

Growth Opportunity at Gold Exchange at IFSC

On 29th July 2022, Hon'ble Prime Minister Shri Narendra Modi inaugurated the Indian International Bullion Exchange (IIBX) at Gift City, Gandhinagar, Gujarat, an initiative of MCX together with other Exchanges and Depositories. In tune with Hon'ble Prime Minister's vision, we too hope that as it picks up volumes, the new Exchange not only internationalises India's Bullion trade, but also emerges as an institution capable of making India a price setter in Bullion and creating a vibrant trading hub at GIFT City.

Continued Policy and Regulatory Reforms to Provide Impetus

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. As announced in the Union Budget 2023-24, the government would introduce adoption of 'risk-based' KYC, PAN as the common identifier for all digital systems of government agencies, unified filing process on a common portal, etc. which can streamline participation on exchange-traded markets. Likewise, it is hoped that regulatory changes that encourage institutional participants, lower the direct and indirect cost of participation and rationalise the risk management system in the commodity derivatives market, would be introduced. Such changes can enhance the ease of participation on the Exchange platform and provide an impetus for the growth of your Company.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

As on 31st March 2023, the Exchange has 378 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.

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 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 10th and 12th 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.

The policies were reviewed and HR Manual was updated. The Work from Home Policy was implemented and later tweaked to ensure the Company could facilitate staff to work from home who have genuine concerns.

An Objective appraisal system based on Key Result Areas (KRAs) and mid-term feedback to employees are in place across

all levels.

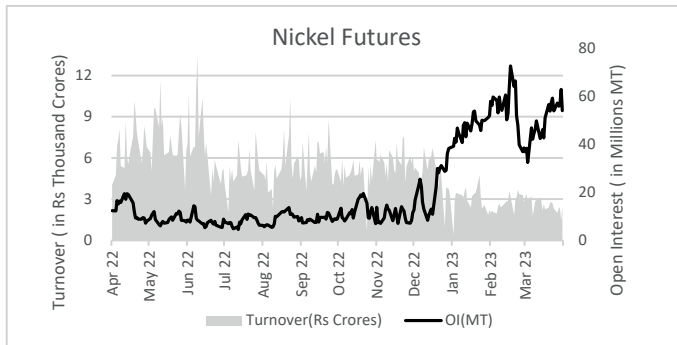
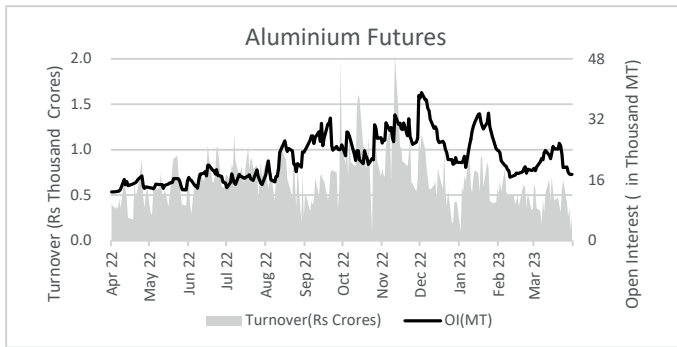
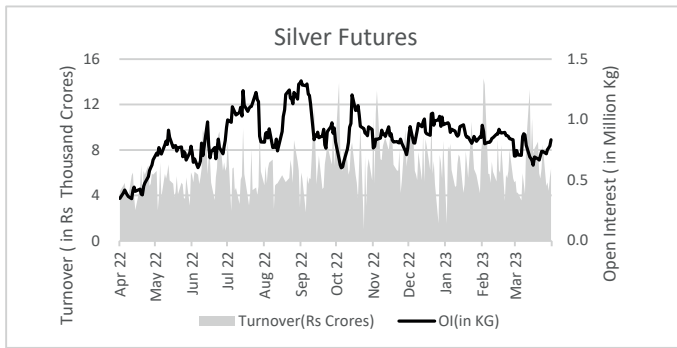
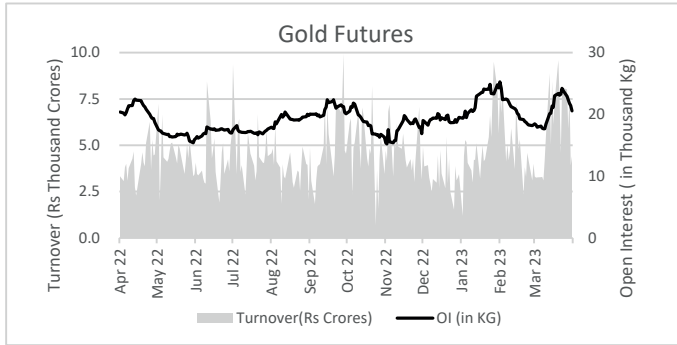
HR Continues to run online HR Portal called 'HR-Connect', for enhanced transparency in Employee Lifecycle Management and Performance Evaluation Systems enabling employees to receive timely feedback, chalk out personal development plan, identify training needs and decide on suitably rewarding deserving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

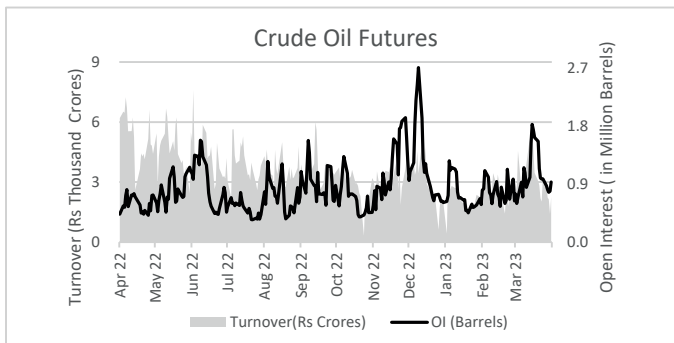
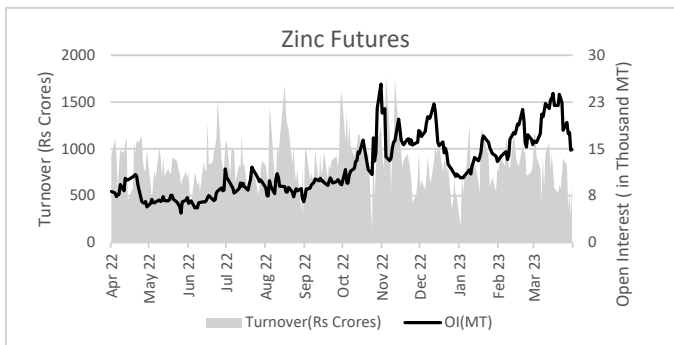
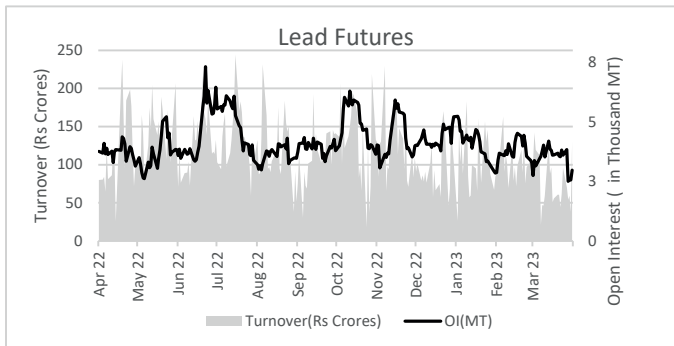
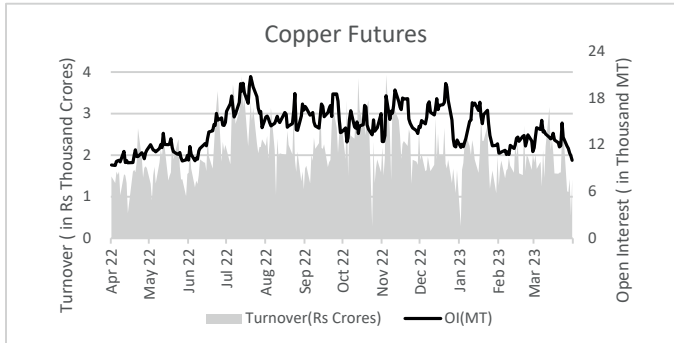
CAUTIONARY STATEMENT

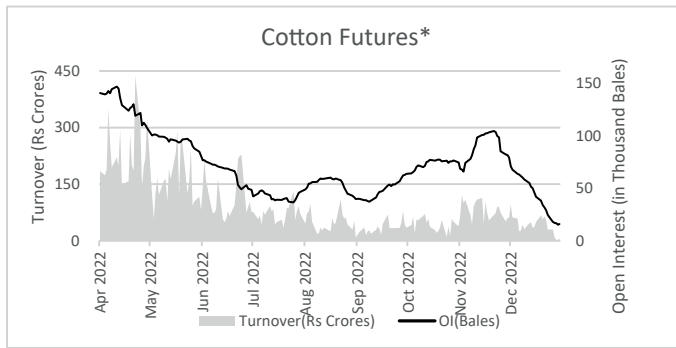
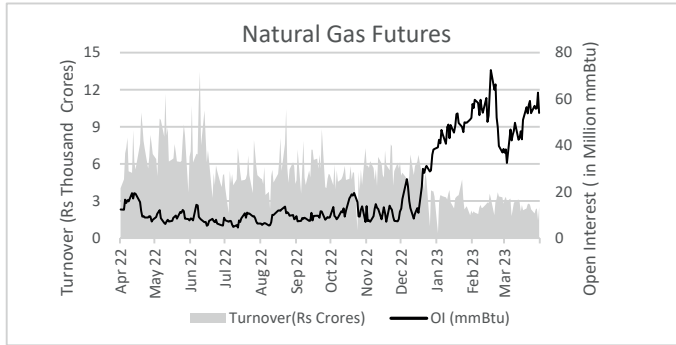
In this Annual Report some future developments which are expected to be implemented have been given. This has been done with a view to help investors better understand the Company's future prospects and make informed decisions while interacting with the Exchange. This Annual Report and other written 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

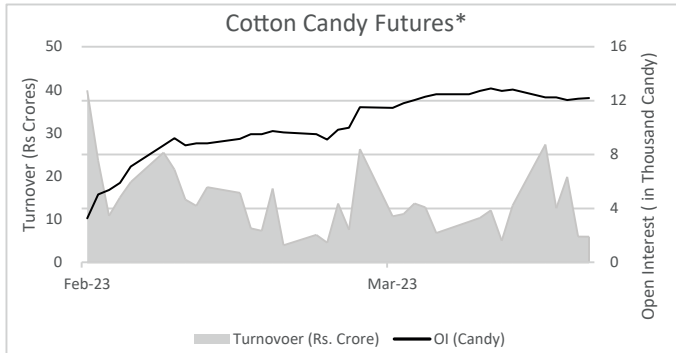
Turnover and Open Interest of Commodity Futures Contracts Traded on MCX in FY 2022-23
(All variants of each commodity combined)



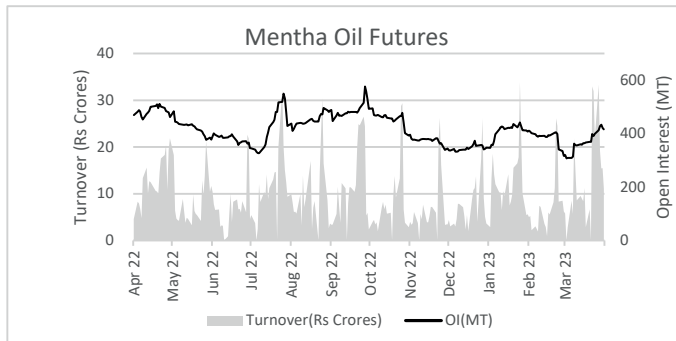


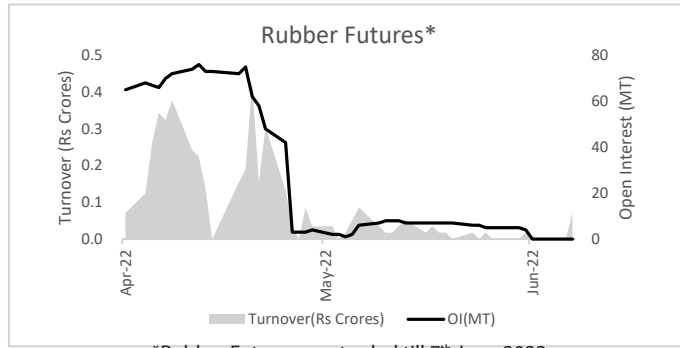


*Cotton Futures was traded till 30th December 2022

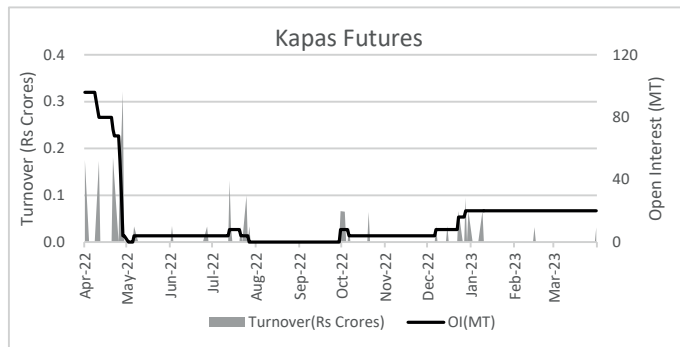


* Cotton Candy Futures Contract was Launched on 13th February 2023

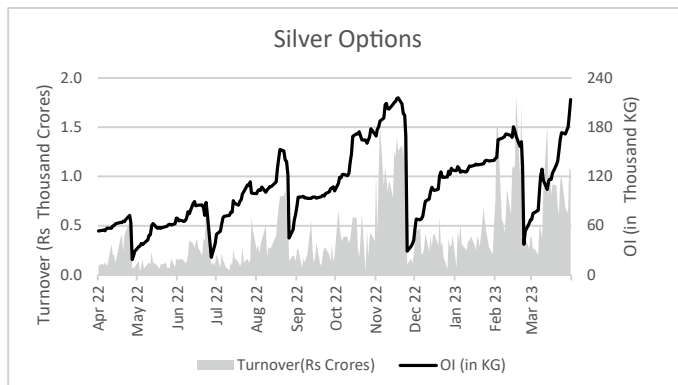
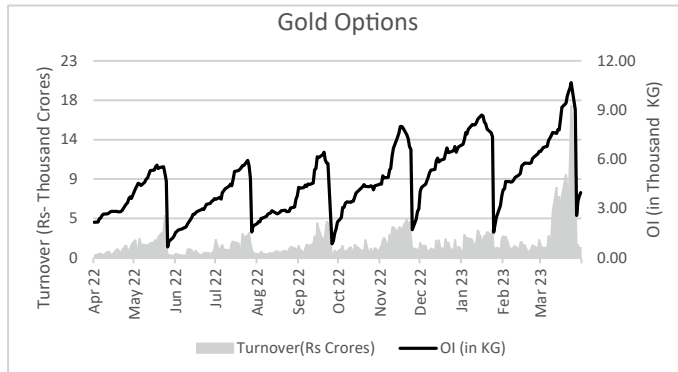


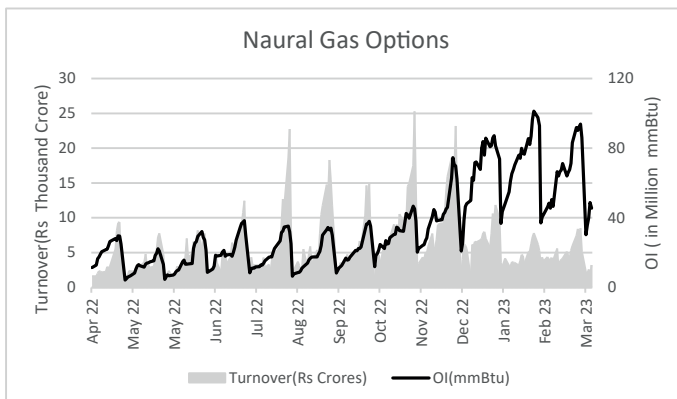
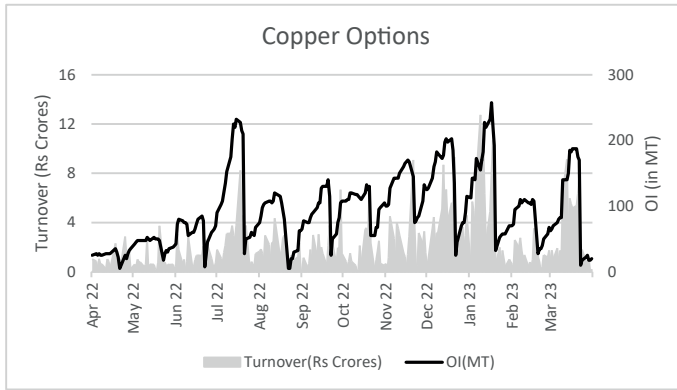
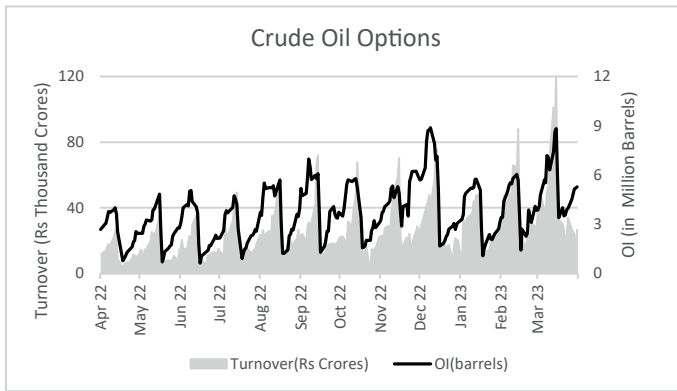
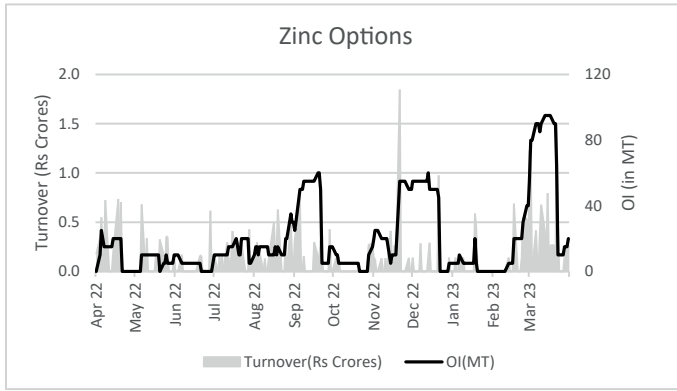


*Rubber Futures was traded till 7th June 2022

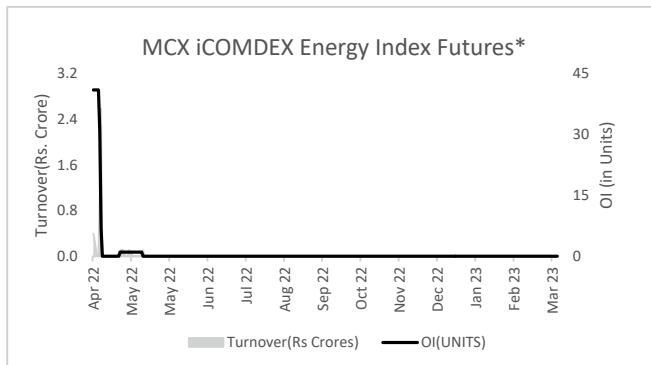
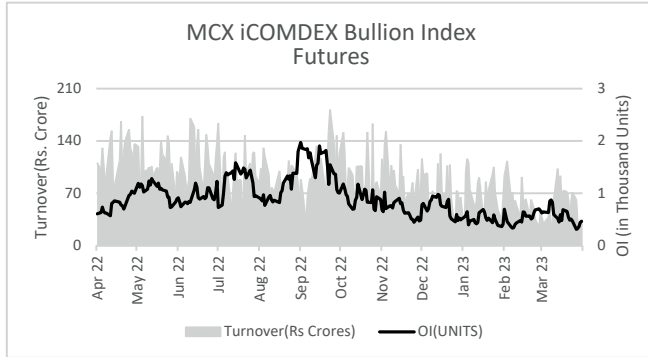


Notional Turnover and Open Interest of Commodity Options Contracts Traded on MCX in FY 2022-23
(All variants of each commodity combined)

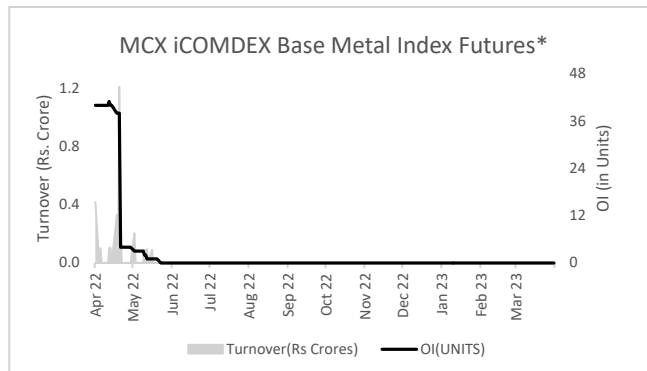




Turnover and Open Interest of Commodity Indices Traded on MCX in FY 2022-23



*MCX iCOMDEX Energy Index Futures was traded till 10th May 2022



*MCX iCOMDEX Base Metal Index Futures was traded till 16th May 2022

CORPORATE GOVERNANCE REPORT

A detailed Report on Corporate Governance for the Financial Year (FY) 2022-23, 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 Senior Management, Code of Ethics for 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 Companies Act, 2013, 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"), Shareholder Directors ("SHDs") / Non - Independent ("NIDs") and Managing Director ("MD"), and the number of PIDs shall not be less than the number of SHDs 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 Shareholder Directors. As on 31st March 2023 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 expertise in diverse areas such as management, technology, capital market, risk management, governance, leadership, finance and legal. 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:

Dr. Harsh Kumar Bhanwala, Public Interest Director, was appointed as the Chairman on the Board of the Company w.e.f. 7th November 2022.

Mr. Saurabh Chandra, Public Interest Director and the Chairman of the Company completed his second tenure on 02nd July 2022.

Ms. Pravin Tripathi and Dr. Bhartendu Kumar Gairola, Public Interest Director of the Company completed their tenure on 16th September 2022.

Mr. Chengalath Jayaram, Shareholder Director, who was liable to retire by rotation at the 20th Annual General Meeting ("AGM") of the Company held on 27th September 2022, got retired by rotation at the AGM held on 27th September 2022.

Mr. Ved Prakash Chaturvedi, Ms. Sonu Bhasin and Mr. Ashutosh Vaidya were appointed as the Public Interest Director (PID) of the Company for a period of three years w.e.f. 17th September 2022.

Mr. Arvind Kathpalia was appointed as the Shareholder Director of the Company at the 20th AGM of the Company held on 27th September 2022, which was approved by SEBI vide its letter dated 06th December 2022.

Subsequent to year end, Mr. Ved Prakash Chaturvedi resigned as Public Interest Director w.e.f. 11th August 2023.

As on 31st March 2023, the Board comprised of 11 (eleven) directors, of which 6 (six) were Public Interest Directors, 4 (four) 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 27 th September 2022	Number of Directorship(s) in other Companies (*) as on 31 st March 2023	Names of other listed entities where serving as a Director (**) as on 31 st March 2023	Chairmanship(s) and Membership(s) of Board Committees in other Companies (***) as on 31 st March 2023	
			Held#	Attended				Chairman	Member
1.	Dr. Harsh ¹ Kumar Bhanwala (DIN: 06417704)	Chairman, Non-Executive, Public Interest Director	13	13	No	3	1. Bayer Cropscience Limited 2. Capital India Finance Limited	0	1
2.	Mr. Ashutosh ² Vaidya (DIN: 06751825)	Non- Public Executive, Interest Director	9	9	No	1	-	0	0
3.	Mr. Chandra Shekhar Verma (DIN: 00121756)	Non- Executive, Public Interest Director	13	13	Yes	5	1. SML Isuzu Limited	1	1
4.	Mr. Shankar Aggarwal (DIN: 02116442)	Non- Executive, Public Interest Director	13	11	Yes	7	1. Dish Tv India Limited 2. U P Hotels Limited	4	3
5.	Ms. Sonu ³ Bhasin (DIN: 02872234)	Non- Executive, Public Interest Director	9	8	No	11	1. Sutlej Textiles And Industries Limited 2. Whirlpool Of India Limited 3. Berger Paints India Limited 4. Indus Towers Limited 5. Kfin Technologies Limite	1	6
6.	Mr. Ved ⁴ Prakash Chaturvedi (DIN: 00030839)	Non- Executive, Public Interest Director	9	7	Yes	2	1. ICICI Lombard General Insurance Company Limited	0	1
7.	Mr. Arvind ⁵ Kathpalia (DIN:) 02630873	Non- Executive, Non-Independent Director	5	5	NA	-	-	NA	NA
8.	Mr. Hemang Raja (DIN: 00040769)	Non- Executive, Non-Independent Director	13	13	No	1	1. IDFC First Bank Limited	0	0

9.	Mr. Mohan Narayan ShenoI (DIN: 01603606)	Non- Executive, Non-Independent Director	13	13	Yes	1	1	0	0
10.	Mr. Vivek Krishna Sinha (DIN: 08667163)	Non- Executive, Non-Independent Director	13	10	No	-	-	0	0
11.	Dr. Bhartendu ⁶ Kumar Gairola (DIN: 02442205)	Non- Executive Public Interest Director	4	4	NA	NA	NA	NA	NA
12.	Ms. Pravin ⁷ Tripathi (DIN: 06913463)	Non- Executive, Public Interest Director	4	4	NA	NA	NA	NA	NA
13.	Mr. Saurabh ⁸ Chandra (DIN: 02726077)	Non- Executive, Public Interest Director	2	2	NA	NA	NA	NA	NA
14.	Mr. Chengalath ⁹ Jayaram (DIN: 00012214)	Non- Executive, Shareholder Director	4	4	NA	NA	NA	NA	NA
15.	Mr. P.S. Reddy (DIN: 01064530)	Executive, MD & CEO	13	13	Yes	1	-	0	1

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, Shareholder Director who holds 8 (eight) no. of equity shares.

* Excludes directorship(s) in foreign companies and partnerships in LLPs.

**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. Harsh Kumar Bhanwala, was appointed as the Chairman of the Board effective from 07th November 2022.
2. Mr. Ashutosh Vaidya was appointed as an Independent Director w.e.f 17th September 2022.
3. Ms. Sonu Bhasin was appointed as an Independent Women Director w.e.f 17th September 2022.
4. Mr. Ved Prakash Chaturvedi was appointed as an Independent Director w.e.f 17th September 2022 and resigned w.e.f 11th August 2023.
5. Mr. Arvind Kathpalia was appointed as a Shareholder Director w.e.f 06th December 2022.
6. Dr. Bhartendu Kumar Gairola, upon completion of tenure ceased to be an Independent Director w.e.f. 17th September 2022.

7. Mr. Pravin Tripathi, upon completion of tenure ceased to be an Independent Director & Women Director w.e.f. 17th September 2022.
8. Mr. Saurabh Chandra, upon completion of tenure ceased to be an Independent Director & Chairman w.e.f. 03rd July 2022.
9. Mr. Chengalath Jayaram retired by rotation at the AGM held on 27th September 2022.

(B) Number of Board Meetings held, the dates thereof, and the information provided to the Board:

The Board Meetings are convened to consider matters important 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 2022-23, 13 (thirteen) 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 20th April 2022, 16th May 2022, 30th July 2022, 26th August 2022, 29th September 2022, 22nd October 2022, 18th November 2022, 06th December 2022, 22nd December 2022, 19th January 2023, 04th February 2023, 11th March 2023 and 21st March 2023. 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 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 15th June 2022, 26th July 2022, 22nd August 2022, 18th November 2022 and 14th March 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, 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 2022-23 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 Senior Management 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 the Senior Management/KMPs affirm compliance with the Code of Conduct at the time of their appointment and thereafter on an annual basis. The Directors and KMPs also affirm compliance with the Code of Ethics prescribed by SEBI. Further, all employees of the Company, at the time of joining, undertake to abide by the Code of Ethics 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 Senior Management Personnel have affirmed compliance with the Code of Conduct for the FY 2022-23 and forms part of this Annual Report.

The Exchange shall amend the Code of Conduct for the Board and Senior Management of the Company in tandem with the SECC Amendment Regulations, 2023 which shall come into force from 28th August 2023.

(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 regulating 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 31st March 2023 along with the shareholding as at 31st March 2023 is as below:

Particulars	Mr. P. S. Reddy (MD & CEO) (Amount in Rs)
Remuneration	
Fixed Component:	
Salary and allowances*	2,08,67,196
Monetary value of perquisites	3,98,400
Retiral Benefits (PF Contribution + Gratuity)	15,53,028
Reimbursement of expenses	
Variable Component:	
Commission	-
Bonus/Incentive/ Variable pay #	25,00,000
Total	2,53,18,624
Leave Encashment	6,21,923
Gross Total	2,59,40,547
Directors Sitting Fees for FY 2022-23	N.A.
Shareholding as at 31st March 2023 (in Nos.)	N.A.

*It includes employees contribution to provident fund

Variable Pay includes only the amount paid out during the Financial Year.

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. P.S. Reddy was appointed as the MD & CEO of the Company w.e.f. 10th May 2019. He is not entitled to any severance allowance and his employment is subject to termination with prior approval of SEBI and in accordance with the Company's policy and/or his employment contract, the notice period being 3 months.

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 or a recognised clearing corporation 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.

ii. Remuneration paid to the Non-Executive Directors for attending the Board and Committee Meetings during the year ended 31st March 2023 and their shareholding as at 31st March 2023 is as below:

Name of the Director	Gross Sitting Fees (Amount in ₹)		Outstanding Stock options (in Nos.)	Shareholding in the Company as at 31 st March 2023 (in Nos.)
	Board Meetings	Committee Meetings		
Dr. Harsh Kumar Bhanwala	13,00,000	13,50,000	N.A.	NIL
Mr. Ashutosh Vaidya	9,00,000	8,00,000	N.A.	NIL
Mr. Chandra Shekhar Verma	13,00,000	15,00,000	N.A.	NIL
Mr. Shankar Aggarwal	11,00,000	12,75,000	N.A.	NIL
Ms. Sonu Bhasin	8,00,000	5,50,000	N.A.	NIL
Mr. Ved Prakash Chaturvedi*	7,00,000	4,50,000	N.A.	NIL
Mr. Arvind Kathpalia	5,00,000	2,75,000	N.A.	8
Mr. Hemang Raja	13,00,000	7,50,000	N.A.	NIL
Mr. Mohan Narayan Sheno	13,00,000	10,25,000	N.A.	NIL
Mr. Vivek Krishna Sinha	10,00,000	1,50,000	N.A.	NIL
Dr. Bhartendu Kumar Gairola**	4,00,000	6,50,000	N.A.	NIL
Ms. Pravin Tripathi***	4,00,000	10,50,000	N.A.	NIL
Mr. Saurabh Chandra****	2,00,000	4,00,000	N.A.	NIL
Mr. Chengalath Jayaram*****	4,00,000	3,00,000	N.A.	NIL

* Resigned from the Board w.e.f 11th August, 2023.

** Completed his tenure on the Board of the Company on 16th September 2022.

*** Completed her tenure on the Board of the Company on 16th September 2022.

**** Completed his tenure on the Board of the Company on 02nd July 2022.

***** Retired at the 20th Annual General Meeting held on 27th September 2022.

There were no pecuniary relationships or transactions between the Non-Executive Directors and the Company during FY 2022-23, 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 2022-23.

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 (effective from 28th August 2023):

- 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 practice	Legal and Regulatory	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. Ved Prakash Chaturvedi (PID)*#	√	√	-	-	-	√
Mr. Shankar Aggarwal (PID)	√	√	√	√	√	√
Mr. Arvind Kathpalia** (NID)	-	√	√	-	√	√
Mr. Hemang Raja (NID)	√	√	-	-	√	√
Mr. Mohan Narayan Shenoi (NID)	√	√	-	-	√	√
Mr. Vivek Krishna Sinha (NID)	√	√	-	√	-	√
Mr. P.S. Reddy (MD & CEO)	√	√	√	-	√	√

* appointed as an Public Interest Director w.e.f. 17th September 2022

Resigned from the Board w.e.f 11th August 2023.

** appointed as a Shareholder Director w.e.f. 06th December 2022

(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.

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 MCOX 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 2022-23, 7 (Seven) 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 07th April 2022, 16th May 2022, 30th July 2022, 23rd August 2022, 22nd October 2022, 04th February 2023 and 16th March 2023.

The constitution and the number of meetings attended by the members are as under:

Members*	Category	Meetings held	Meetings attended
Mr. Shankar Aggarwal	Public Interest Director, Chairman	7	5
Mr. Ashutosh Vaidya	Public Interest Director, Member	2	2
Mr. Mohan N Sheno	Non - Independent Director, Member	2	2
Mr. Ved Prakash Chaturvedi	Public Interest Director, Member	2	2
Mr. CS Verma@	Public Interest Director, Member	5	5
Dr. Harsh Kumar Bhanwala@	Public Interest Director, Member	5	5
Mr. Chengalath Jayaram^	Non - Independent Member	4	4
Ms. Pravin Tripathi&	Public Interest Director, Member	4	4

* During the year, Audit Committee was re-constituted on 06th December 2022.

@ Cease to be the member due to reconstitution of the Committee.

^ Mr. Chengalath Jayaram retired by rotation at the 20th Annual General meeting held on 27th September 2022.

& Ms. Pravin Tripathi ceased to be the member due to completion of tenure on 16th September 2022.

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 AGM of the Company on 27th September 2022.

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.

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 2022-23, 6 (Six) meetings of the Nomination and Remuneration Committee were held. The said meetings were held on 08th April 2022, 14th May 2022, 19th July 2022 & Adjourned meeting on 23rd July 2022, 25th August 2022, 21st December 2022 and 13th March 2023. 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	2	2
Mr. Ashutosh Vaidya	Public Interest Director, Member	2	2
Dr. Harsh Kumar Bhanwala	Public Interest Director, Member	6	6
Ms. Sonu Bhasin	Public Interest Director, Member	2	2
Mr. Shankar Aggarwal [@]	Public Interest Director, Chairman	4	2
Mr. Saurabh Chandra [#]	Public Interest Director, Member	2	2
Ms. Pravin Tripathi [§]	Public Interest Director, Member	3	3

* During the year, Nomination and Remuneration Committee was re-constituted by the Board on 06th May 2022 and 06th December 2022.

@ Mr. Shankar Aggarwal ceased to be the member due to reconstitution of the committee.

Mr. Saurabh Chandra completed his tenure on the Board of the Company on 02nd July 2022.

§ Ms. Pravin Tripathi was appointed as member on 06th May 2022 and further ceased to be the member due to completion of tenure on 16th September 2022.

Mr. C.S. Verma, Chairman of the Committee, attended the last Annual General Meeting of the Company held through Video Conferencing on 27th September 2022.

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 05th 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 10th 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.

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 2022-23, 2 (Two) meeting of the Stakeholders' Relationship Committee was held. The said meeting was held on 22nd August 2022 and 23rd January 2023. The constitution and the attendance of the members at the said meeting is as under:

Members*	Category	Meetings Held	Meetings Attended
Mr. Ved Prakash Chaturvedi	Public Interest Director, Chairman	1	1
Mr. Arvind Kathpalia	Non - Independent Director, Member	1	1
Mr. Hemang Raja	Non - Independent Director, Member	2	2
Mr. Vivek Krishna Sinha	Non - Independent Director, Member	2	1
Mr. Shankar Aggarwal	Public Interest Director, Chairman	1	1
Ms. Pravin Tripathi @	Public Interest Director, Former Chairman	1	1
Mr. Chengalath Jayaram #	Non - Independent Director, Member	1	1
Mr. Mohan Narayan Shenoi \$	Non - Independent Director, Member	1	1

*During the year, the Committee was re-constituted by the Board on 06th December 2022 and 14th December 2022.

@ Ms. Pravin Tripathi ceased to be the member due to completion of tenure on 16th September 2022.

Mr. Chengalath Jayaram retired by rotation at the 20th Annual General meeting held on 27th September 2022.

\$ Mr. Mohan Narayan Shenoi ceased to be the member due to reconstitution of the committee.

Mr. Mohan Narayan Shenoi, member of the Committee, attended the last Annual General Meeting of the Company held through Video Conferencing on 27th September 2022.

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, Tel: +91-22-6731 8888).

Details of the number of complaints received from shareholders and attended during the financial year ended 31st March 2023 are given below:

Number of complaints pending as on 01st April 2022	Number of Shareholder complaints received during FY 2022-23	Number of Shareholder complaints attended during FY 2022-23	Number of complaints not solved to the satisfaction of the shareholders	Number of complaints pending as on 31st March 2023
0	8	8*	0	0

* Includes queries on unclaimed dividend during the AGM which were resolved immediately.

Details of shares lying in the suspense account as at 31st March 2023 (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 st April 2022	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 st March 2023	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.

II. Composition, meetings and attendance during the year:

During the FY 2022-23, 2 (Two) meetings of the Corporate Social Responsibility Committee were held. The said meetings were held on 23rd August 2022 and 03rd March 2023. The constitution and the attendance of the members at the said meetings is as under:

Members*	Category	Meetings Held	Meetings Attended
Mr. Vivek Krishna Sinha	Non - Independent Director, Chairman	2	2
Mr. Hemang Raja	Non - Independent Director, Member	2	2
Mr. Mohan Narayan Sheno	Non - Independent Director, Member	2	2
Mr. Ved Prakash Chaturvedi	Public Interest Director, Member	1	1
Ms. Pravin Tripathi [@]	Public Interest Director, Former Chairman	1	1
Dr. Bhartendu Kumar Gairola [@]	Public Interest Director, Member	1	1

*During the year, Corporate Social Responsibility Committee was re-constituted on 06th December 2022.

@ Ms. Pravin Tripathi and Dr. Bhartendu Kumar Gairola ceased to be the member due to completion of tenure on 16th September 2022.

* During the year, Corporate Social Responsibility Committee was re-constituted on 06th December 2022.

@ Ms. Pravin Tripathi and Dr. Bhartendu Kumar Gairola ceased to be the member due to completion of tenure on 16th September 2022.

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 2022-23, 2 (Two) meetings of the Risk Management Committee were held. The said meetings were held on 21st June 2022 and 13th December 2022. The constitution and the attendance of the members at the said meetings is as under:

Members*	Category	Meetings Held	Meetings Attended
Mr. Shankar Aggarwal	Public Interest Director, Chairman	1	1
Mr. Sonu Bhasin	Public Interest Director, Member	1	1
Mr. Ved Prakash Chaturvedi	Public Interest Director, Member	1	1
Dr. Bhartendu Kumar Gairola [®]	Public Interest Director, Former Chairman	1	1
Ms. Pravin Tripathi [®]	Public Interest Director, Member	1	1
Dr. Anil Kumar Sharma	Independent External Expert	2	2

*During the year, Risk management Committee was re-constituted on 06th December 2022.

@ Dr. Bhartendu Kumar Gairola & Ms. Pravin Tripathi ceased to be the member due to completion of tenure on 16th September 2022.

The broad terms of reference & constitution as at 31st March 2023, of other Board Committees are as under:

- i. **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 2022-23, 8 (eight) meetings of the Committee were held. The members of the Standing Committee on Technology are given below:
 Mr. Ashutosh Vaidya (C)
 Mr. C.S. Verma
 Mr. Mohan Narayan Shenoj
 Ms. Sonu Bhasin
 Mr. K M Madhusudhan (Independent External Expert)
 Mr. Moiz Hussain Ali (Independent External Expert)
- ii. **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 Listing Regulations, 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 2022-23, 5 (five) meetings of the Committee were held. The members of the Committee are given below:
 Dr. Harsh Kumar Bhanwala (C)
 Mr. Shankar Aggarwal
 Mr. C.S. Verma
 Ms. Sonu Bhasin
 Mr. Ved Prakash Chaturvedi (resigned w.e.f. 11th August 2023)
 Mr. Ashutosh Vaidya
- iii. **Member and Core Settlement Guarantee Fund Committee (erstwhile 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 2022-23, 5 (five) meetings of the Committee were held. The members of the Committee are given below:
 Ms. Sonu Bhasin (C)
 Dr. Harsh Kumar Bhanwala
 Mr. Shankar Aggarwal
 Mr. S.V. Krishnamohan (Independent External Expert)
 Mr. P.S. Reddy

- iv. 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 Ethics 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 2022-23, 5 (five) meetings of the Committee were held. The members of the Committee are given below:
 Mr. C.S. Verma (C)
 Mr. Ashutosh Vaidya
 Dr. Harsh Kumar Bhanwala
 Mr. Shankar Aggarwal
 Mr. R. Anand (Independent External Expert)
- v. 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 2022-23, 2 (Two) meetings of the Committee were held.
- vi. 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 2022-23, 4 (four) meetings of the Trust were held. The members of the Trust are given below:
 Mr. Ashutosh Vaidya (C)
 Mr. C.S. Verma
 Dr. Harsh Kumar Bhanwala
 Mr. Dhruv Patil (Representative from Investor Association recognized by SEBI)
 Mr. Himanshu Asher (Interim CRO)
- vii. 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 2022-23, 3 (three) meetings of the Committee were held. The members of the Committee are given below:
 Mr. Mohan Narayan Sheno (C)
 Mr. Arvind Kathpalia
 Mr. C.S. Verma
 Mr. Hemang Raja
 Mr. Ved Prakash Chaturvedi (resigned w.e.f. 11th August 2023)

4. GENERAL BODY MEETINGS:

(A) Details of the last three Annual General Meetings (AGMs) held:

Financial Year	Date	Time	Venue of the meeting
2021-22 20 th AGM	27 th September 2022	11:30 am	Held through Video Conferencing
2020-21 19 th AGM	03 rd September 2021	11:30 am	Held through Video Conferencing
2019-20 18 th AGM	31 st August 2020	11:30 am	Held through Video Conferencing

(B) Particulars of Special Resolutions passed in the last three AGMs:

Date	Particulars
27 th 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 rd September 2021	No Special Resolutions were passed.
31 st August 2020	No Special Resolutions were passed.

(C) Postal Ballot: During the FY 2022-23, 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 2022-23.

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 has passed an order dated 04th January 2023, against the Company imposing a penalty of ₹. 2,00,000/- for indirectly engaging itself in unrelated/non-incident 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 stayed the effect and operation of the impugned order till the disposal of the appeal.
- SEBI has passed an order dated 28th February 2023, against MCX imposing a penalty of ₹. 6,00,000/- for the following alleged violations:
 - o As per Clause 4 of SEBI circular dated 16th September 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 10th January 2019 and that penalty ought to have been levied by MCSGFC by formulating a policy.

The Company has paid the penalty of ₹. 6,00,000/- on 12th 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 30th September 2021 with BSE in terms of Regulation 23(9) of SEBI Listing Regulations, 2015. On request made by MCX, BSE vide email dated 14th 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 was 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 20th May 2023. This certificate forms part of this Annual Report.

(H) Certificates from Practicing Company Secretary:

A certificate has been received from M/s P. Naithani & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company as on 31st March 2023, 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.

The certificate regarding the compliance of conditions of Corporate Governance is annexed as Annexure A.

(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 2022-23 on a consolidated basis are as under:

Particulars	Amount in lakh (Rs.)
For audit	16
For taxation matters	-
For other services	1
Reimbursement of out of pocket expenses	1
Total	18

(J) Compliance with Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, 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 financial results as well as all significant information/events disseminated to BSE Ltd. are uploaded on the website of the Company and are available to all the shareholders.
- **Modified opinion(s) in Audit Report** - The Auditors' Report on statutory financial statements of the Company is unmodified.
- **Separate posts of Chairman and CEO** - The Company has separate posts of Chairman and CEO.
- **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 2022-23, 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: 01st August 2008, Mumbai
- Name of Statutory Auditors: MSKA & Associates, Chartered Accountants (FRN: 105047W))
- Date of Appointment: 16th August 2018

(L) Senior management:

The details of changes in the senior management are mentioned under Note no. 16 of Director's report.

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. 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 SEBI, no physical copies of the annual report for FY 2022-23 will be issued by the Company. Members can access the documents at the website of the Company www.mcxindia.com; website of BSE Ltd. www.bseindia.com and the website of RTA www.kfintech.com

7. GENERAL SHAREHOLDER INFORMATION:

1.	Day, Date, Time and Mode of Annual General Meeting (FY 2022-23)	Tuesday, 26th September 2023 at 11:30 am through video conferencing (VC) or other audio visual means (OAVM) For details, please refer to the Notice convening this AGM
2.	Financial year	01 st April 2022 to 31 st March 2023
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 Friday, 15th September 2023
4.	Dividend payment date	Dividend for the Financial Year ended 31st March 2023, 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 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, and in all other cases, through account payee/ non-negotiable instruments. It may be noted that dividend for FY 2022-23 shall be electronically credited to Members whose bank account details are updated with the Depository Participants/RTA. Members who have not updated their bank account details, are requested to update the same with their respective Depository Participants/RTA in case of physical holdings
6.	Listing on Stock Exchanges	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. 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 07th March 2012 notified that, with effect from 09th March 2012, the Company's equity shares were permitted to be traded and admitted to dealings on NSE (Capital Market segment).

7.	Stock Market Code	BSE - 534091	NSE - MCX
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: einward.ris@kfintech.com</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. 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. 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 31st March 2023, 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/2018/0000000141 dated 15th 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>	

13.	Address for Correspondence	Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai - 400 093, India. Tel: +91-22-6731 8888 Website: www.mcxindia.com
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 2022-23, are as under:

Sr. No.	Transaction Type		Amount (in ₹.)	Date of Transfer
1	Dividend for FY 2014-15	Final	1,566,740	16 th November 2022

Shares with respect to dividends lying unpaid/unclaimed for 7 (seven) 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. 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.

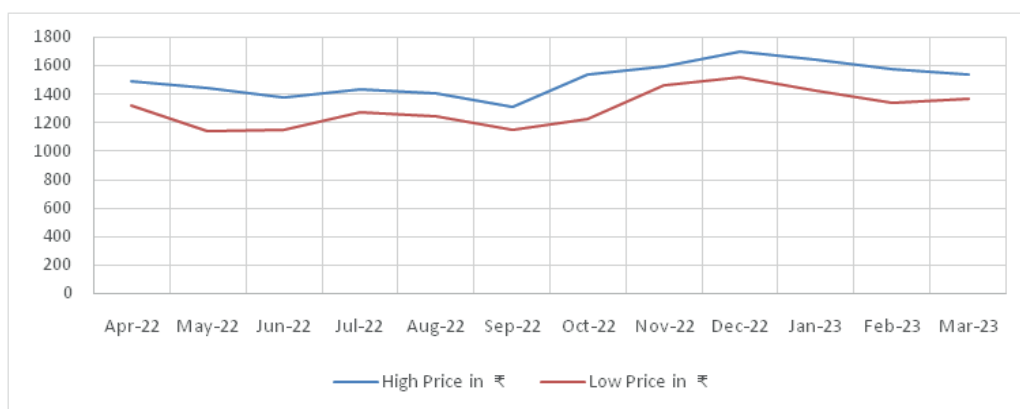
Dematerialisation of Shares and Liquidity:

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 31st March 2023 is given below:

Category	No. of shareholders	% of shareholders	Total Shares	% of Equity
Physical (A)	4	0.00	62	0.00
Demat (B)				
- NSDL	86348	44.78	38416649	75.33
- CDSL	106480	55.22	12581658	24.67
- Sub-total (B)	192828	100.00	50998307	100.00
Total (A+B)	192832	100.00	50998369	100.00

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	BSE Limited		
	High Price in ₹	Low Price in ₹	No. of shares traded during the month
April-22	1493.60	1322.35	379542
May-22	1440.40	1142.40	509966
June-22	1378.85	1154.00	313166
July-22	1434.00	1280.05	195874
August-22	1400.00	1251.05	339992
September-22	1310.40	1156.05	682373
October-22	1539.90	1230.00	827797
November-22	1589.00	1465.00	321481
December-22	1697.00	1523.20	382816
January-23	1637.40	1428.40	518360
February-23	1573.90	1345.25	330693
March-23	1536.40	1373.65	249097

Share Price Performance in Comparison to Broad Based Indices:

Performance of the Company's closing price of share vis-à-vis the sensex at a common base of 100 is given below:



Distribution of Shareholding as on 31st March 2023:

Sr. No.	Category (No. of shares)	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1	1-5000	190258	98.67	5640943	11.06
2	5001-10000	1366	0.71	1003497	1.97
3	10001-20000	562	0.29	801294	1.57
4	20001-30000	194	0.10	493174	0.97
5	30001-40000	78	0.04	277152	0.54
6	40001-50000	59	0.03	273556	0.54
7	50001-100000	100	0.05	683367	1.34
8	100001 & Above	215	0.11	41825386	82.01
	Total	192832	100.00	50998369	100.00

Distribution of Shareholding as on 31st March 2023:

Sr. No.	Category	No. of shares held	% of shareholding
1.	Foreign Portfolio Investors	13743240	26.95
2.	Mutual Funds	17313310	33.95
3.	Resident Individuals	8520813	16.71
4.	Financial Institutions /Banks	9363196	18.36
5.	Employee Benefit Trust (under SEBI (Share Based Employee Benefit) Regulations, 2014)	95551	0.19
6.	NBFC	4352	0.01
7.	Others	1957907	3.83
	Total	50998369	100.00

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, 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

P.S. Reddy
MD & CEO
(DIN: 01064530)

Harsh Kumar Bhanwala
Public Interest Director
(DIN: 06417704)

Mumbai
29th July 2023

Mumbai
29th July 2023

CERTIFICATE FROM THE CEO & CFO FOR THE FY 2022-23

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 March 31, 2023 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	Satyajeet Bolar
MD & CEO	Chief Financial Officer

Mumbai

20th May 2023

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 2022 - 2023.

Mumbai
 20th May 2023

P. S. Reddy
MD & CEO

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 of Multi Commodity Exchange of India Limited, for the year ended on 31st March 2023 as stipulated in Regulation 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C and D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and in terms of Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the 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 the certificate of Corporate Governance as stipulated in the said clauses. 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 has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations and SECC Regulations. The Board of Directors of the Company are duly constituted with proper balance of Independent Directors and Woman Director as per the Listing Regulations and SECC Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **P. Naithani & Associates,**

Company Secretary in Practice

Prasen Naithani

Membership No.:3830

C.P. No.: 3389

PR.No.1131/2021

Place: Mumbai

Date: 29th July 2023

UDIN: F003830E000705036

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 registers, records, forms, returns and disclosures received from the Directors of 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in the company
1.	Dr. Harsh Kumar Bhanwala	06417704	08/08/2
2.	Mr. Ashutosh Moreshwar Vaidya	06751825	17/09/2022
3.	Mr. Chandra Shekhar Verma	00121756	22/05/2021
4.	Mr. Shankar Aggarwal	02116442	01/10/2017
5.	Ms. Sonu Halan Bhasin	02872234	17/09/2022
6.	Mr. Ved Prakash Chaturvedi	00030839	17/09/2022
7.	Mr. Arvind Kathpalia	02630873	06/12/2022
8.	Mr. Hemang Harish Raja	00040769	30/06/2016

9.	Mr. Mohan Narayan Shenoi	01603606	30/09/2021
10.	Mr. Vivek Krishna Sinha	08667163	30/09/2021
11.	Mr. Subbi Reddy Venkatrama Padala	01064530	10/05/2019
12.	Dr. Bhartendu Kumar Gairola *	02442205	17/09/2019
13.	Mr. Chengalath Jayaram *	00012214	25/11/2016
14.	Ms. Pravin Tripathi *	06913463	17/09/2019
15.	Mr. Saurabh Chandra *	02726077	03/07/2016

* Dr. Bhartendu Kumar Gairola Public Interest Director of Multi Commodity Exchange of India Limited (MCX) has completed his tenure on the Board of the Company on 16th September 2022.

* Mr. Chengalath Jayaram Shareholder Director of Multi Commodity Exchange of India Limited (MCX) has completed his tenure on the Board of the Company on 27th September 2022.

* Ms. Pravin Tripathi Public Interest Director of Multi Commodity Exchange of India Limited (MCX) has completed her tenure on the Board of the Company on 16th September 2022.

* Mr. Saurabh Chandra Public Interest Director and Chairman of Multi Commodity Exchange of India Limited (MCX) has completed his tenure on the Board of the Company on 2nd July 2022.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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.

Place: Mumbai

Date: 29th July 2023

UDIN: F003830E000704961

Signature:

Name: Prasen Naithani

Membership No.: 3830

CP No.: 3389

PR.No.1131/2021

Business Responsibility and Sustainability Report

Section A: General Disclosures

I. DETAILS

1. Corporate Identity Number (CIN) of the Company	L51909MH2002PLC135594
2. Name of the Listed entity	Multi Commodity Exchange of India Limited
3. Year of Incorporation	2002
4. Registered office address	Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai – 400093, Maharashtra, India.
5. Corporate office address	Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai – 400093, Maharashtra, India.
6. E-mail ID	info@mcxindia.com
7. Telephone	+91-22-6731 8888 / +91-22-6649 4000
8. Website	www.mcxindia.com
9. Financial year for which reporting is being done	April 01, 2022 – March 31, 2023
10. Name of the Stock Exchange(s) where shares are listed	BSE
11. Paid-up capital	₹ 5,099.84 Lakh
12. Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. Praveen DG, Chief Risk Officer Email ID: praveen.d@mcxindia.com Contact no.: +91-22-6731 8888 / +91-22-6649 4000
13. Reporting boundary	Disclosures made in this report are on standalone basis.
14. Name of assurance provider	NA
15. Type of assurance obtained	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 bullion, industrial metals, energy, agricultural commodities, and indices.	Facilitates online trading of commodity futures and options, data feed subscription and membership.	86%
		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.	11%

17. Products/services sold by the entity.

Sr No.	Product/Service	NIC Code	% of total Turnover contributed
1	Administration of Financial Markets	6611	86%
2	Income from investment activities	-	11%

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

Location	Number of plants
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:

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, Farmer Producer Organizations (FPOs) / farmers among others.

IV. EMPLOYEES

20. Details as at the end of Financial Year: March 31, 2023

a. Employees and workers* (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	333	270	81%	63	19%
2.	Other than Permanent (E)	45	43	96%	2	4%
3.	Total (D + E)	378	313	83%	65	17%

b. Differently abled employees and workers*

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	1	50%	1	50%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total (D + E)	2	1	50%	1	50%

*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 March 31, 2023).

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	11	1	9.09%
Key Management Personnel (Other than BOD)	27	4	14.29%

22. Turnover rate for permanent employees

Particulars	FY23 (Turnover rate in current FY)			FY22 (Turnover rate in previous FY)			FY21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	30%	30%	30%	23%	31%	24%	13%	20%	14%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCL. JOINT VENTURES)

23. (a) Names of holding / subsidiary / associate companies / joint ventures as of March 31, 2023:

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 Rs.) ₹ 52,147 Lakhs

(iii) Net worth (in Rs.) ₹ 1,59,570 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	Grievance Redressal Mechanisms	FY23 Current Financial Year			FY22 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	8	-	-	18	-	-
Shareholders	Yes	-	-	-	-	-	-
Employees & Workers	Yes	-	-	-	-	-	-
Customers (Members)	Yes	Member Calls: 1029 Emails: 46	-	-	Member Calls: 594 Emails: 37	-	-
Customer (Investor - Client Grievances)	Yes	234	12*	-	246	27*	-
Customer (Arbitration)	Yes	43	13*	-	72	14*	-
Customer (Appellate Arbitration)	Yes	8	2*	-	16	4*	-
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 will in due course be made available on the Company's website after necessary approvals.

*Complaints pending as at the financial year end, but subsequently resolved.

The Company received arbitration matters on account of recovery due to nickel futures contract expiry of March 29, 2022.

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"> Price risk management provides a key social objective. Enlisting of more commodity derivatives provides for transparent pricing and equal opportunity for all sections of participants. Empaneling of domestic refiners as good delivery brands supports the government's Atmanirbhar Bharat mission. Encourages physical market participants to pass on benefits of price hedging & transparency to consumers. Ready availability of reference rates to pan Indian markets 	<ul style="list-style-type: none"> Continuous price dissemination through various channels helps in mitigating disinformation. Enhancement of participation, market liquidity and depth, products, and improvements in ease of doing business. 	Positive <ul style="list-style-type: none"> Setting of standards for domestic entities boosts quality consciousness. Encourages efficient and transparent pricing pan India. 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.
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 FY22-23 were: <ol style="list-style-type: none"> Healthcare Education Persons with disability 	<ul style="list-style-type: none"> Kindly refer to the Annual Report FY22-23 – Report on Corporate Social Responsibilities Activities for further details. 	Positive <ul style="list-style-type: none"> The company recognizes the importance of being socially responsible and plays a part in helping to uplift the less fortunate.

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:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect, and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	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
Policy and management processes									
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	https://www.mcxindia.com/investor-relations/corporate-governance Some policies may also include a combination of internal policies of the Company which are accessible to all internal stakeholders and policies placed on the website/ 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 9001:2015 Quality Management System, ISO 14001:2015 Environment Management System, 22301:2019 Business Continuity Management System, ISO/IEC 27001:2013 Information Security Management System, IOSCO Principles for Financial Benchmarks, BIS IS 17278 2019, etc.								

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 14001:2015 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 smoke emission test, 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 related equipment’s like fowler beds, Ambulance, Digital X-Ray Machine etc. to provide timely and affordable healthcare for a large section of society belonging to humble backgrounds. Other interventions include supporting and providing Therapy related equipment and machines for children with disabilities to facilitate their education. Further Company has provided modified school bus to Non-Governmental Organizations (NGOs) which cater to disabled students travel from their respective homes to the centers. 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.

Mr. P.S. Reddy, MD & CEO having DIN - 01064530

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.

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					Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee			
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Disclosure questions									
Performance against above policies and follow up action	Policies and procedures are reviewed periodically or on a need basis by the department heads and the management. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with the regulations as applicable except: 1. The Company has complied with the applicable Secretarial Standards (SS) issued by ICSI, except that dividend was deposited in separate Bank account, after one day delay, however, dividend was paid to shareholders within regulatory timelines. 2. The Exchange is in the process of appointing the Chief Regulatory Officer. In the meantime, Mr. Himanshu Ashar, Vice President, Market Operations and Surveillance & Investigation has been given interim charge of the office of CRO with effect from 01st July 2022 until further orders. SEBI has been informed about the same.								

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	4	During the year, the Board of Directors of the Company spent approximately 22 hours on various familiarisation programmes attended by multiple directors, comprising organisation's history and its operations, information about all the products, segments, etc.; functioning of various departments of the Company including cyber security. In addition, a monthly newsletter is shared with all the Board members apprising them on developments in the Company.	Not quantifiable, as trainings were scheduled at different point in time for Directors
Key managerial Personnel (KMP)	13	Fire and safety Awareness training, Cyber security awareness, ISO 9001:2015 Quality Management System, ISO 14001:2015 Environment Management System, ISO 22301:2019 Business Continuity Management System, ISO/IEC	78%

		27001:2013 Information Security Management System Awareness training, etc.	
Employees other than Board of Directors or KMPs	13	Fire and safety Awareness training, Cyber security awareness, ISO 9001:2015 Quality Management System, ISO 14001:2015 Environment Management System, ISO 22301:2019 Business Continuity Management System, ISO/IEC 27001:2013 Information Security Management System Awareness training, etc.	65%

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):

Particulars	NGR BC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount in INR	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty	P1	SEBI Indirect Deployment of Funds in unrelated/ non-incident activity without the prior approval of SEBI and through a separate entity	2,00,000	It is purported that by entering into an agreement with PESB for developing SPOT platform for Gold and Natural Gas and making payments to PESB towards the development, MCX has indirectly engaged itself in unrelated/non-incident activity without the prior approval of SEBI and through the separate entity, which is in violation of the regulation 41(3) and 38(2) of SECC Regulations 2012 and 2018 respectively.	Yes, (Pertinent to mention that the said order of SEBI was challenged before Securities Appellate Tribunal who have by the way of interim relief inter alia stayed the effect and operation of the impugned order till the disposal of the appeal)
Penalty	P1	SEBI <ul style="list-style-type: none"> MCX has not verified the PAN details of the Sikkim Based clients who are exempted from PAN. Fine under different circular was applied for incorrect uploading of KYC details. Penalty should have been levied by the MCSGFC as per a policy in terms of the Terms of Reference dated January 10, 2019. Instead, MD & CEO levied the penalty. 	6,00,000	Details of violation purported to have committed are as follows: <ul style="list-style-type: none"> MCX did not have systems in place for verification of Sikkim based clients, who are exempted from submission of PAN and therefore violated clause 4 of SEBI circular dated September 16, 2016. 	No

				<ul style="list-style-type: none"> Monetary fine imposed on the Trading Members for incorrect uploading of KYC details in the Exchange UCC system levied by MD & CEO was by applying incorrect circular. It was purported that MD & CEO was not the Relevant Authority for levying of penalty according to 2nd and 3rd clause of Terms of Reference of Member & Core SGF Committee prescribed in Annexure A of SEBI circular dated January 10, 2019, and that penalty ought to have been levied by MCSGFC by formulating policy. 	
Settlement			Nil		
Compounding Fee			Nil		
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		

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.

In the matter of PESB, the appeal has been filed on February 16, 2023, and the impugned order was stayed on February 23, 2023. On the last date of hearing i.e. August 2, 2023 adjournment was sought by SEBI in the matter and the Hon'ble SAT was pleased to same to August 30, 2023.

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	FY23 (Current Financial Year)		FY22 (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:

	FY23 (Current Financial Year)	FY22 (Previous Financial Year)
Number of days of accounts payables	32	82

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	FY23 (Current Financial Year)	FY22 (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*
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)	0.21	0.29
	b. Sales (Sales to related parties / Total Sales)	0.13	0.07
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	NA	NA
	d. Investments (Investments in related parties / Total Investments made)	0.23	0.18

*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 FY22-23, MCX has conducted around 2400 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. Company emphasizes that the suppliers are sourced locally without compromising on quality not only to reduce the cost on delivery, but also to reduce the carbon footprint. Products are selected which are having minimum 5+ years of lifespan, wherever possible, and energy efficient Technology products – desktops, servers, storages etc. The Company gives preference to the agencies while sourcing products/ services who comply with Environmental policy.

b. If yes, what percentage of inputs were sourced sustainably?

72.6% of domestic supplies.

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)	86%	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 January 20, 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

% of employees covered by											
Category	Total (A)	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)
PERMANENT EMPLOYEES											
Male	270	270	100%	270	100%	-	-	12	5%	-	-
Female	63	63	100%	63	100%	3	5%	-	-	1	2%
Total	333	333	100%	333	100%	3	5%	12	5%	1	2%
OTHER THAN PERMANENT EMPLOYEES											
Male	43	43	100%	43	100%	-	-	-	-	-	-
Female	2	2	100%	2	100%	-	-	-	-	-	-
Total	45	45	100%	45	100%	-	-	-	-	-	-

2. Details of retirement benefits for the Current and Previous Financial Year.

Benefits	FY23 (Current Financial Year)		FY22 (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.)
PF	100%	Y	100%	Y
Gratuity	100%	Y	100%	Y
Employee State Insurance (ESI)	-	Not applicable	-	Not applicable
Others	-	-	-	-

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.

Permanent Employees		
Gender	Return to work rate	Retention rate
Male	100%	100%
Female	75%	75%
Total	88%	88%

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.

In addition, a separate Grievance Redressal Policy for Employees and Human Rights Policy are 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 March 31st, 2023).

Category	FY23 (Current Financial Year)					FY22 (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)
EMPLOYEES										
Male	313	99	31%	177	56%	277	63	23%	205	74%
Female	65	28	43%	51	78%	68	21	31%	56	82%
Total	378	127	34%	228	60%	345	84	24%	261	76%

9. Details of performance and career development reviews of employees

Category	FY23 (Current Financial Year)			FY22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A) *	Total (C)	No. (D)	% (D/C) *
EMPLOYEES						
Male	313	240	77%	277	227	81%
Female	65	57	88%	68	57	83%
Total	378	297	79%	345	284	82%

*As per Performance Management Policy of the Company, all employees on the Company's rolls as on 30th 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. Fire safety training and evacuation drill were conducted for employees. Additionally, online yoga and meditation sessions were also conducted by the Company.

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.

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. During the pandemic, the entire organization had to work from home (WFH) and the same was facilitated with the help of IT and the Administration team. Once work from office resumed, there were many sanitization and hygiene measures taken to avoid the spread of

Covid-19 virus. The doctor was also available to provide online consultation to all employees.

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 agency. 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	FY23 (Current Financial Year)	FY22 (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.

13. Number of complaints on the following made by employees:

	FY23 (Current Financial Year)			FY22 (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	
	FY23	FY22	FY23	FY22
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 identify 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	Daily	The Company follows an open-door policy
2	Shareholder / Investors	No	Email, SMS, newspaper advertisement, notice board, website, Annual General	Frequent and need based	To stay abreast of developments in the Company

			Meetings, intimation to stock exchanges, annual/ quarterly financials, and investor meetings/ conferences		
3	Customers	Yes	Multiple channels – physical and digital	Frequent and need based	Separate investor grievance mechanism is in place for addressing any concerns/issues
4	Channel Partners and Key partners	No	Multiple channels – physical and digital	Frequent and need based	Helps to increase reach and enhance business
5	Regulators	No	Email, one-on-one meetings, conference calls, video-conference calls.	Need based	Discussions with regard to various regulations and amendments, inspections, approvals
6	Communities and NGOs	Yes	Directly/indirectly	Frequent and need based	Support socially high impact projects

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.

Yes, the CSR Policy has been expanded to incorporate all aspects of Schedule 7 under section 135 of the Companies Act, 2013, in order to support more organizations meeting overall sustainable development goals of the country.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

As the Company engages with implementation partners, it does not directly gets involved in any engagement discussions., In case of self-implemented initiatives, 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	FY23 (Current Financial Year)			FY22 (Previous Financial Year)		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
EMPLOYEES						
Permanent	333	224	67%	-	-	-
Other than permanent	45	22	48%	-	-	-
Total Employees	378	246	65%	-	-	-

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	FY23 (Current Financial Year)				FY22 (Previous Financial Year)					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/A)	No. (F)	% (F/A)
EMPLOYEES										
Permanent										
Male	270	-	-	270	100%	244	-	-	244	100%
Female	63	-	-	63	100%	64	-	-	64	100%
Other than Permanent										
Male	43	-	-	43	100%	33	-	-	33	100%
Female	2	-	-	2	100%	4	-	-	4	100%

3. Details of remuneration/salary: (As on March 31st, 2023).

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BOD)	10	Refer note	1	Refer note
Key Managerial Personnel (other than BOD)	23	58,01,000	4	45,91,000
Employees other than BOD and KMP*	289	10,50,000	61	9,87,000

Note: The ratio of remuneration of each director to the median remuneration of the employees of the company for the FY22 and FY23 is 21.49% and 21.16% respectively. The aggregate value of salary and perquisites paid and payable to MD & CEO for FY22 and FY23 was Rs. 2,52,01,896/- and Rs. 2,54,96,319/- respectively. For further details please refer the Annual Report FY22-23.

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>).

6. Number of Complaints on the following made by employees:

No complaints received.

	FY23 (Current Financial Year)			FY22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remark	Filed during the year	Pending resolution at the end of the year	Remark
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:

	FY23 Current Financial Year	FY22 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 in strict confidence.

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

	% Of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by it in all their dealings.
Discrimination at workplace	
Child Labour	
Forced Labour /Involuntary Labour	
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:

Parameter	FY23 (Current Financial Year)	FY22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources		
Total electricity consumption (D)	9756331 Mega Joules	7830000 Mega Joules
Total fuel consumption (E)	62 Mega Joules	60 Mega Joules
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	9756393 Mega Joules	7830060 Mega Joules
Total energy consumed (A+B+C+D+E+F)	9756393 Mega Joules	7830060 Mega Joules
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	1871	1942
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	1871	1942
Energy intensity in terms of physical output	1871	1942
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	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	FY23 (Current Financial Year)	FY22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	4008	2497
(iii) Third party water	3507	2330
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	7515	4827
Total volume of water consumption (in kilolitres)	7515	4827
Water intensity per rupee of turnover (Water consumed / turnover)	0.001	0.001
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	-	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	-	-
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

4. Provide the following details related to water discharged:

Parameter	FY23 (Current Financial Year)	FY22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
(iii) To Seawater		
-No treatment	6463	4128
-With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
(v) Others		
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	6463	4128

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

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	FY23 (Current Financial Year)	FY22 (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	1173 Metric ton	941 Metric ton
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.00022	0.00023

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

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	FY23 (Current Financial Year)	FY22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.09	0.12
E-waste recycled (B)	0.7	0.13
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	0.14	0.33
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	0.19	-
Other Non-hazardous waste generated (H). (Break-up by composition i.e. by materials relevant to the sector)	4.23	4.52 (Paper, Cartons, Metal scraps etc).
Total (A+B + C + D + E + F + G + H)	5.35	5.10
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	5.35	5.10
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	5.35	5.10
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

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). The Engine Oil used for DG is replaced once a year instead of every six months as per Original Equipment Manufacturer (OEM) recommendations. UPS Battery is changed to Lithium Ion Battery, which has a life of 10 years. 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	The Company is using Lithium-Ion batteries for its UPS system which has a longer life cycle of 10 years, thereby reducing traditional batteries which have life cycle of two years.	Lithium-ion batteries have longer life up to 10 years as compared to standard VRLA (Valve Regulate Lead Acid) batteries which has standard warranty of 2 years. Moreover, the footprint of LiB is less compared to VRLA which are bigger in size. The smaller footprint reduces the cooling requirements.	Longer life cycle of lithium-ion batteries compared to traditional batteries and improvement in energy efficiency due small footprint reduce cooling requirements of lithium-ion batteries.

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.

The Company is also certified for ISO 22301:2019, a recognized international standard for Business Continuity Management System (BCMS). This affirms the Company's ability to consistently demonstrate effective BCMS and endeavors to improve confidence in the ability to respond to incidents amongst all its stakeholders. BCP-DR Policy and Business Continuity Plan are available on the Company's intranet portal. For further details refer our Annual Report FY22-23.

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:

Sr. No	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
01	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.

Sr. 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
01	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	https://www.mcxindia.com/investor-relations/corporate-governance

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	FY23 (Current Financial Year)	FY22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	27%	10%
Sourced directly from within the district and neighbouring districts	73%	77%

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.

3. 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

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 Girl students to pursue Nursing courses and other courses of regular discipline	50+	100%
2.	Disadvantage groups and marginalised community provided medical related equipment's, beds, Ambulance service, Digital X-Ray Machine	1000 +	65 %
3.	Providing modified school bus to disabled students of some NGOs who are helped to travel from their respective villages to centres.	35	95%

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 Member Query Portal and 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 / submitting their complaint to the nearest Investor Service Centre or through online mode through the Company's website on IGRS portal. Few complaints are also routed by SEBI through their online portal SCORES. 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.

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	Not applicable to our products and services
Safe and responsible usage	
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 FY22-23

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 January 20, 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 27001:2013 controls and is also ISO 27001:2013 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 Security Operation Centre (SOC) for monitoring and raising alerts related to cyber-attacks and other security related incidents round the clock. The Company has also implemented Privilege Access Management (PAM) tool to monitor and manage the access control of the critical assets and has enhanced security by implementing 2-factor authentication (2FA) for remote users. The Company undertakes periodic audits on cyber security and audit findings are thereafter reviewed and corrective actions are taken. 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 FY22-23.

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

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 FY22-23.

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 Security Operation Centre (SOC) for monitoring and raising alerts related to cyber-attacks and other security related incidents round the clock.

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.

STANDALONE FINANCIAL STATEMENT

Shah Gupta & Co.

Chartered Accountants

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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, 2023, 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, 2023, 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>Legal and Taxation and matter:</p> <p>Refer note 1.3, note 1.2.N. and note 31 of standalone financial statements. 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>Principal Audit Procedures:</p> <p>For legal and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> • Obtain list of legal and tax cases against the Company and gained understanding thereof. • Testing key controls surrounding litigation and tax procedures; • Performing substantive procedures on the underlying calculations supporting the provisions recorded; • Considering external legal/tax consultants opinions obtained by the management on possible outcome of litigation; • Meeting with the management and reading subsequent Companies correspondence; • Discussing open matters with the Companies litigation and tax teams; • Assessing the Management's conclusions through understanding precedents set in similar cases; and • 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. • For cases where a provision was not recognized, evaluated the adequacy of disclosure made in the Ind AS financial statements.
2.	<p>Valuation of Investments and its impairment:</p> <p>Quoted investments and unquoted investments represent the most significant amount on the balance sheet. The total of these investments aggregating to ₹ 1,21,615 Lakh represented 65.48% of total assets of the Company as at March 31, 2023.</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>Principal Audit Procedures:</p> <ul style="list-style-type: none"> • We assessed the design and implementation of controls over valuation and existence of investments. • 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. • We traced the quantity held from the independent confirmation provided by the Custodian and Fund houses. • We tested the valuation of the quoted and unquoted investments to independent pricing sources. • Assessed appropriateness and arithmetical accuracy of fair value disclosures pertaining to investments.
3.	<p>Extension of Software Support Service:</p> <p>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. Since the new platform is under development,</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> • We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to procurement to pay cycle of this expenditure. • We tested the internal approval notes, purchase order and other documentation to ensure that the

	<p>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 Ltd, initially for a period for quarter ending December 2022 for ₹ 60 Cr (plus applicable taxes). Later these services were extended for another two quarters ending June 30, 2023 for ₹ 81 Cr per quarter (plus applicable taxes) as per the minimum period of services offered by the vendor.</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, 2023</p>	<p>expenditure/payment on extension of software support service contract was appropriately approved by the MD & CEO, Chief Financial Officer and other concerned HOD's as per the delegated authority matrix.</p> <ul style="list-style-type: none"> • 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. • Assessed the disclosures made by the Company in this regard.
<p>4</p>	<p>Development of New Commodity Derivatives Platform (Intangible Assets Under Development):</p> <p>The Company has awarded the contract of implementation of the new commodity derivatives platform project to external party on February 04, 2021.</p> <p>The Company has incurred significant expenditure on the new commodity derivatives platform, as referred by the total value of additions in intangible assets under development in note 3B of the standalone financial statements.</p> <p>We considered this a key audit matter as:</p> <ul style="list-style-type: none"> • The amounts involved were material. • Judgments and estimate required by the management in assessing assets meeting the capitalization criteria set out in Ind AS 38 Intangible Assets. 	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> • We obtained an understanding of the Company's capitalization policy and assessed for compliance with the relevant accounting standards. • We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalization of assets. • We tested the internal approval notes and other documentation to ensure that the projects were appropriately approved by the MD & CEO, Chief Financial Officer and other concerned HOD's as per the delegated authority matrix. • Testing a sample of projects to ensure appropriate capitalisation of qualifying employee cost and cost of external contractors/parties. • 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. • We obtained understanding on management assessment relating to progress of project and their intention to bring the assets to its intended use.

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.

- 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, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 did not have any long-term contracts including derivative contracts on which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. A) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 47 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 47 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 46 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.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to Company w.e.f. April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For SHAH GUPTA & Co.

Chartered Accountants

Firm Registration No.: 109574W

Vedula Prabhakar Sharma

Partner

Membership No.: 123088

UDIN: 23123088BGVVUT6459

Place: Mumbai

Date: May 20, 2023

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 provided the guarantee to bank (stood guarantee as at March 31, 2023 is Nil). During the year the Company has not provided loans, advances in the nature of loans or provided security to companies, firms, Limited Liability Partnerships or any other parties.
 - (b) The investments made by the Company and guarantee provided, during the year, are not prejudicial to its interest. During the year the Company has not 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.

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, 2023 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, there dues of Income tax which have not been deposited as at March 31, 2023 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	2,913	A.Y. 2010-2011	CIT (Appeals)
Income Tax Act, 1961	Tax	2,258#	A.Y. 2013-2014	CIT (Appeals)
Income Tax Act, 1961	Tax	2,573##	A.Y. 2014-2015	CIT (Appeals)
Income Tax Act, 1961	Tax	644	A.Y. 2015-2016	CIT (Appeals)
Income Tax Act, 1961	Tax	105	A.Y. 2016-2017	CIT (Appeals)
Income Tax Act, 1961	Tax	1,065	A.Y. 2018-2019	CIT (Appeals)
Income Tax Act, 1961	DDT	2,211	A.Y. 2018-2019	CIT (Appeals)
#Net of Deposit of ₹ 293 Lakh				
##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 subsidiaries, associates or joint ventures (as defined under the Act).
- (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 subsidiaries, joint ventures or associate companies (as defined under the Act). 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.
- (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 47.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 41 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 41 to the standalone financial statements.

For **SHAH GUPTA & Co.**
Chartered Accountants
Firm Registration No.: 109574W

Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 23123088BGGVUT6459

Place: Mumbai
Date: May 20, 2023

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, 2023 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 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, 2023, 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: 23123088BGGVUT6459

Place: Mumbai

Date: May 20, 2023

Standalone Balance Sheet as at March 31, 2023

₹ in Lakh

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	2A	12,965	13,640
(b) Capital work-in-progress	2B	5,187	4,337
(c) Right of use assets	2C	150	75
(d) Intangible assets	3A	1,364	1,544
(e) Intangible assets under development	3B	11,645	5,091
(f) Financial assets			
(i) Non-current investments	4	1,08,781	68,439
(ii) Other non-current financial assets	5	2,453	1,470
(g) Deferred tax assets (net)	32	43	-
(h) Income tax assets (net)	6	5,381	4,514
(i) Other non-current assets	7	471	344
Total non-current assets		1,48,440	99,454
(2) Current assets			
(a) Financial assets			
(i) Current investments	8	12,834	71,349
(ii) Trade receivables	9	1,161	1,313
(iii) Cash and cash equivalents	10	41	245
(iv) Bank balances other than cash and cash equivalents (iii) above	11	1,324	1,182
(v) Other current financial assets	12	8,710	5,350
(b) Other current assets	13	13,216	2,250
Total current assets		37,286	81,689
Total assets		1,85,726	1,81,143
Equity and liabilities			
(1) Equity			
(a) Equity share capital	14	5,100	5,100
(b) Other equity	15	1,54,470	1,50,430
Total equity		1,59,570	1,55,530
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Other non-current financial liabilities	16	5,082	5,129
(ii) Lease liabilities	35	113	46
(b) Deferred tax liabilities (net)	32	-	984
(c) Non-current provisions	17	198	222
Total non-current liabilities		5,393	6,381
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
- Total outstanding dues of micro enterprises and small enterprises		30	4
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,204	3,073

Standalone Balance Sheet as at March 31, 2023

₹ in Lakh

Particulars	Note No	As at March 31, 2023	As at March 31, 2022
(ii) Lease liabilities	35	42	40
(iii) Other current financial liabilities	19	8,298	6,108
(b) Other current liabilities	20	9,484	9,691
(c) Current provisions	21	237	203
(d) Income tax liabilities (net)	22	468	113
Total current liabilities		20,763	19,232
Total liabilities		26,156	25,613
Total equity and liabilities		1,85,726	1,81,143

Significant 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

P.S. Reddy

Managing Director & CEO
DIN : 01064530

Dr. Harsh Kumar Bhanwala

Chairman
DIN : 06417704

Shankar Aggarwal

Director
DIN : 02116442

Place: Mumbai

Date: May 20, 2023

Manisha Thakur

Company Secretary

Satyajeet Bolar

Chief Financial Officer

Standalone Statement of Profit and Loss for the year ended March 31, 2023

₹ in Lakh, except EPS

Particulars	Note No	Year ended March 31, 2023	Year ended March 31, 2022
I Income			
Revenue from operations	23	44,922	32,978
Other income	24	7,225	7,345
Total income		52,147	40,323
II Expenses			
Employee benefits expense	25	7,470	6,511
Clearing and settlement charges	26	5,329	3,899
Finance costs	27	18	26
Depreciation and amortization expense	2A, 2C, 3A	2,047	2,214
Software support charges and product license fees (refer note 49)	28	14,014	4,812
Computer technology and communication expenses	29	2,098	1,644
Other expenses	30	4,036	3,277
Total expenses		35,012	22,383
III Profit before exceptional items and tax		17,135	17,940
IV Exceptional items:			
Impairment of intangible assets under development	48	-	2043
V Profit before tax		17,135	15,897
VI Tax expenses			
(1) Current tax	32	5,099	2,877
(2) Minimum alternate tax (MAT) credit utilised	32	-	990
(3) MAT credit entitlement relating to previous year	32	-	436
(4) Short / (excess) provision for tax relating to previous years	32	66	(317)
(5) Deferred tax	32	(1,013)	65
Total tax expenses		4,152	4,051
VII Profit for the year		12,983	11,846
VIII Other comprehensive income			
A) Items that will not be reclassified to profit or loss (net of tax)			
i) Changes in fair value of equity instruments		(46)	(101)
ii) Remeasurement of employee benefits obligations		(23)	(175)
IX Total comprehensive income for the year		12,914	11,570
X Earnings per equity share (of ₹ 10/- each)			
(1) Basic	36	25.51	23.27
(2) Diluted	36	25.51	23.27

Significant 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: May 20, 2023

P.S. Reddy

Managing Director & CEO
DIN : 01064530

Manisha Thakur

Company Secretary

Dr. Harsh Kumar Bhanwala

Chairman
DIN : 06417704

Satyajeet Bolar

Chief Financial Officer

Shankar Aggarwal

Director
DIN : 02116442

Standalone Cash Flow Statement for the year ended March 31, 2023

₹ in Lakh

		Year ended	
Particulars		March 31, 2023	March 31, 2022
A	Cash flow from operating activities		
	Profit before taxes	17,135	15,897
	Adjustments for:		
	Depreciation and amortisation expense	2,047	2,214
	Finance costs	18	26
	Impairment of intangible assets under development	-	2,043
	Gain arising on financial assets measured at FTVPL (net)	(3,010)	(3,146)
	Amortisation of government grant	-	(32)
	Provision for expected credit loss	44	5
	Bad trade receivables write off	-	-
	Provisions no longer required written back	(73)	(430)
	Loss on sale of property, plant and equipment (net)	-	10
	Interest income	(2,809)	(2,415)
	Remeasurement of employee benefit	(23)	(124)
	Operating cash flows before working capital changes	13,329	14,048
	Adjustments for (increase) / decrease in assets:		
	Other non-current financial assets	(1)	303
	Other non-current assets	(127)	(271)
	Trade receivables	108	(221)
	Other current financial assets	(2,550)	(1,511)
	Other current assets	(10,965)	69
	Adjustments for increase/ (decrease) in liabilities:		
	Other non-current financial liabilities	(47)	(80)
	Non-current provisions	(24)	34
	Trade payables	(771)	1,285
	Other current financial liabilities	535	1,242
	Other current liabilities	(207)	425
	Current provisions	34	29
	Cash (used in) / generated from operations	(14,015)	1,304
	Income tax paid (net of refunds)	(686)	15,352
	Net cash (used) in / generated from operating activities (A)	(6,377)	(3,426)
			11,925
B	Cash flow from investing activities		
	Capital expenditure on property, plant and equipment including capital advances	(6,894)	(7,872)
	Proceeds from sale of property, plant and equipment	-	22
	(Purchase) / proceeds of non-current investments-others (net)	(35,682)	18,896
	Investment in associates	(1,650)	-
	Proceeds / (purchase) of current investments (net)	58,469	(11,504)
	Bank balances other than classified as cash and cash equivalents	(1,124)	(687)
	Interest received	1,999	3,412
	Net cash generated from investing activities (B)	15,118	2,267

₹ in Lakh

	Particulars	Year ended	
		March 31, 2023	March 31, 2022
C	Cash flow from financing activities		
	Dividend paid	(8,874)	(14,076)
	Finance costs	(18)	(26)
	Payment of lease liabilities	(53)	(87)
	Net cash (used) in financing activities (C)	(8,945)	(14,189)
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	(204)	4
	Cash and cash equivalents at the beginning of the year	245	241
	Cash and cash equivalents at the end of the year (refer note 10)	41	245

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

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

Shankar Aggarwal

Director
DIN : 02116442

Place: Mumbai

Date: May 20, 2023

Manisha Thakur

Company Secretary

Satyajeet Bolar

Chief Financial Officer

Standalone Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital

(1) 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

(2) For the year ended March 31, 2022

₹ 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, 2022
5,100	-	-	-	5,100

B. Other equity

For the year ended March 31, 2023

₹ 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		
Balance as at March 31, 2021	21,684	1,18,536	16,449	(3,732)	1,52,936
Profit for the year	-	11,846	-	-	11,846
Dividend	-	(14,076)	-	-	(14,076)
Equity instruments through other comprehensive income (net of tax)	-	-	-	(101)	(101)
Re-measurement of employee benefits obligation (net of tax)	-	-	-	(175)	(175)
Balance as at March 31, 2022	21,684	1,16,306	16,449	(4,008)	1,50,430
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)
Balance as at March 31, 2023	21,684	1,20,415	16,449	(4,077)	1,54,470

As per our report of even date attached

For Shah Gupta & Co.

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration Number : 109574W

Vedula Prabhakar Sharma

P.S. Reddy

Dr. Harsh Kumar Bhanwala

Shankar Aggarwal

Partner

Managing Director & CEO

Chairman

Director

Membership No. 123088

DIN : 01064530

DIN : 06417704

DIN : 02116442

Place: Mumbai

Manisha Thakur

Satyajeet Bolar

Date: May 20, 2023

Company Secretary

Chief Financial Officer

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.

1. Significant 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 Significant 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.

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
Network equipment	3-6 years
Furniture and fixtures	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	5 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 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 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. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash

receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

G. 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.

H. Financial instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial assets:

The Company measures its financial assets at fair value at each Balance Sheet date. In this context, quoted investments are fair valued adopting the techniques defined in level 1 of fair value hierarchy of Ind-AS 113 "Fair Value Measurement" and unquoted investments, where the observable input is not readily available, are fair valued adopting the techniques defined in level 3 of fair value hierarchy of Ind-AS 113 and securing the valuation report from the certified valuer. However, trade receivables that do not contain a significant financing component are measured at transaction price.

The Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset is measured at the amortized cost if both the following conditions are met:

- a. The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVTOCI if both of the following conditions are met:

- a. The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

However, the Company recognizes dividend income from such instruments in the Statement of Profit

and Loss and fair value changes are recognized in other comprehensive income (OCI).

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
- 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.

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.

i. 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.

Currently the Company has classified investment in equity instrument at FVTOCI for the following entities:

- a) Multi Commodity Exchange Clearing Corporation Limited (Wholly Owned Subsidiary)
- b) Metropolitan Clearing Corporation of India Limited (formerly known as MCX SX Clearing Corporation Limited)
- c) Metropolitan Stock Exchange of India Limited (formerly known as MCX Stock Exchange Limited)

J. 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.

- 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. Admission fees:** Non-refundable fees collected from new members for joining the Exchange are recognized once the membership is approved by regulatory authority.
- c. Subscription and other fees:** Revenue is recognized on straight line basis over the period to which fee relates.
- d. Dividend:** Dividend income is recognised when the Company's right to receive dividend is established, which in the case of quoted securities is the ex-dividend date.
- e. 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.
- f. 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.

K. 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.

L. 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.

M. 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.

c. Stock based compensation

The Company recognizes compensation expense relating to share-based payment in net profit using fair value in accordance with Ind AS 102 "Share-Based Payment". The Company recognizes the same in ESOP compensation reserve.

N. 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.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. 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. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to share premium.

Minimum alternate tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

The Company recognises interest levied and penalties related to income tax assessments in income tax expenses.

O. 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.

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.

P. 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;
- 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.

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.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

Q. 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.

R. 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.

S. Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to it, and that the grant will be received. Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Profit and loss over the expected useful lives of the assets concerned.

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.

1.3 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.

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.

1.4 Recent accounting pronouncements which are not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 – Disclosure of material accounting policies:

The amendments related to shifting of disclosure of erstwhile “significant accounting policies” to “material accounting policies” in the notes to the financial statements requiring Companies to reframe their accounting policies to make them more “entity specific. This amendment aligns with the “material” concept already required under International Financial Reporting Standards (IFRS). The Company does not expect this amendment to have any significant impact in standalone financial statements.

(ii) Ind AS 8 – Definition of accounting estimates:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a “change in accounting estimates” has been replaced with a definition of “accounting estimates.” Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty.” Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in standalone financial statements.

(iii) Ind AS 12 – Income Taxes

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind ASs, a first-time adopter shall recognize a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Similarly, a deferred tax liability for all deductible and taxable temporary differences associated with:

a) right-of-use assets and lease liabilities

b) decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset.

Therefore, if a Company has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognize on gross basis based on the carrying amount of right-of-use assets and lease liabilities.

(iv) Ind AS 103 – Common control Business Combination

The amendments modify the disclosure requirement for business combination under common control in the first financial statement following the business combination. It requires to disclose the date on which the transferee obtains control of the transferor is required to be disclosed.

Notes forming part of the standalone financial statements

2A. Property, plant and equipment

Particulars	Freehold land	Buildings	Office equipments (including computer hardware)	Networking equipment	Furniture and fixtures	Vehicles	₹ in Lakh	
							Total	
Gross carrying amount								
Balance as at April 1, 2021	5,061	6,268	8,186	33	572	122	20,241	
Additions	-	-	859	-	32	43	935	
Disposals / adjustments	-	-	184	-	-	45	229	
Balance as at March 31, 2022	5,061	6,268	8,861	33	604	120	20,947	
Additions	-	-	581	-	16	45	642	
Disposals / adjustments	-	-	12	-	-	-	12	
Balance as at March 31, 2023	5,061	6,268	9,430	33	620	165	21,577	
Accumulated depreciation								
Balance as at April 1, 2021	-	655	5,216	32	358	48	6,310	
Additions	-	115	1,021	-	37	23	1,196	
Disposals / adjustments	-	-	174	-	-	25	199	
Balance as at March 31, 2022	-	770	6,063	32	395	46	7,307	
Additions	-	115	1,128	1	41	32	1,317	
Disposals / adjustments	-	-	12	-	-	-	12	
Balance as at March 31, 2023	-	885	7,179	33	436	78	8,612	
Net carrying amount								
Balance as at March 31, 2022	5,061	5,498	2,798	1	209	74	13,640	
Balance as at March 31, 2023	5,061	5,383	2,251	-	184	87	12,965	

Assets given on operating lease:

Category of Asset	Area in sq. feet	Period
Exchange Square, 3rd floor A Wing & 1 cabin at 1st Floor A Wing	9,070	01.09.2022-31.08.2025
17th floor, Gift City	877	01.05.2022-31.03.2023
Office no. 2	3,399	01.08.2020-31.07.2023
Office no. 3	3,377	01.08.2020-31.07.2023
Office no. 4A	1,862	01.08.2021-31.07.2023

2B. Capital work-in-progress

₹ in Lakh

Balance as at April 1, 2021	119
Additions during the year	4,337
Capitalised during the year	119
Balance as at March 31, 2022	4,337

₹ in Lakh

Balance as at April 1, 2022	4,337
Additions during the year	1,180
Capitalised during the year	330
Balance as at March 31, 2023	5,187

Capital work-in-progress ageing schedule (as on March 31, 2023)

₹ in Lakh

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in process	1,131	4,056	-	-	5,187
Projects temporarily suspended	-	-	-	-	-
Total	1,131	4,056	-	-	5,187

₹ in Lakh

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in process	4,337	-	-	-	4,337
Projects temporarily suspended	-	-	-	-	-
Total	4,337	-	-	-	4,337

Capital work-in-progress: Projects with timeline delayed (as on March 31, 2023)

₹ in Lakh

Particulars	to be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Commodity Derivative Platform (CDP)	5,172	-	-	-	5,172
Total	5,172	-	-	-	5,172

As on March 31, 2022, 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.

Notes forming part of the standalone financial statements

2C. Right of use assets

₹ in Lakh

Particulars	Lease of office premises	Total
Balance as at April 1, 2021	273	273
Additions (refer note 35)	2	2
Disposals	-	-
Balance as at March 31, 2022	275	275
Additions (refer note 35)	128	128
Disposals	-	-
Balance as at March 31, 2023	403	403
Accumulated depreciation		
Balance as at April 1, 2021	132	132
Additions (refer note 35)	68	68
Disposals	-	-
Balance as at March 31, 2022	200	200
Additions (refer note 35)	53	53
Disposals	-	-
Balance as at March 31, 2023	253	253
Net carrying amount		
Balance as at March 31, 2022	75	75
Balance as at March 31, 2023	150	150

3A. Intangible assets

₹ in Lakh

Particulars	Computer software & license fees	Trademark and copyright	Total
Gross carrying amount			
Balance as at April 1, 2021	6,582	9	6,591
Additions#	756	0	756
Disposals	-	-	-
Balance as at March 31, 2022	7,338	9	7,347
Additions	497	-	497
Disposals	-	-	-
Balance as at March 31, 2023	7,835	9	7,844
Accumulated amortisation			
Balance as at April 1, 2021#	4,852	0	4,852

Notes forming part of the standalone financial statements

₹ in Lakh

Particulars	Computer software & license fees	Trademark and copyright	Total
Additions	950	1	951
Disposals	-	-	-
Balance as at March 31, 2022	5,802	1	5,803
Additions	676	1	677
Disposals	-	-	-
Balance as at March 31, 2023	6,478	2	6,480
Net carrying amount			
Balance as at March 31, 2022	1,536	8	1,544
Balance as at March 31, 2023	1,357	7	1,364

figures are below rounding off norms adopted by the company.

3B. Intangible assets under development

₹ in Lakh

Balance as at April 1, 2021	2,470
Additions during the year	4,999
Capitalised during the year	335
Impaired during the year (refer note 48)	2,043
Balance as at March 31, 2022	5,091

₹ in Lakh

Balance as at April 1, 2022	5,091
Additions during the year	7,390
Capitalised during the year	836
Balance as at March 31, 2023	11,645

Intangible assets under development ageing schedule (as on March 31, 2023)

₹ in Lakh

Intangible assets under development	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	3,335	8,284	-	-	11,619
Projects temporarily suspended	26	-	-	-	26
Total	3,361	8,284	-	-	11,645

Intangible assets under development ageing schedule (as on March 31, 2022)

₹ in Lakh

Intangible assets under development	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	4,890	201	-	-	5,091
Projects temporarily suspended	-	-	-	-	-
Total	4,890	201	-	-	5,091

Intangible assets under development: Projects with timeline delayed (as on March 31, 2023)

₹ in Lakh

Particulars	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	-	-	-	11,531
Total	11,531	-	-	-	11,531

As on March 31, 2022, 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.

Notes forming part of the standalone financial statements

4. Non current investments

Particulars	Face Value	As at March 31, 2023		As at March 31, 2022	
	Per share	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
A Investments in equity instruments (unquoted fully paid up):					
(i) of Subsidiary - FVTOCI Multi Commodity Exchange Clearing Corporation Limited	₹ 10	23,99,85,000	23,999	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 (refer note 50)	₹ 1	30,00,00,000	3,000	-	-
(iii) Others - cost India International Bullion Holding IFSC Limited	₹ 1	-	-	13,50,00,000	1,350
			28,199		26,549
B Investment in mutual funds - FVTPL (unquoted)					
	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
Axis Money Market Fund - Direct - Growth	₹ 1,000	87,036	1,060	87,036	1,002
DSP Ultra Short Fund - Direct - Growth	₹ 1,000	67,692	2,117	67,692	2,005
HDFC Money Market Fund - Direct - Growth	₹ 1,000	32,329	1,591	32,329	1,505
HDFC Ultra Short Term Fund - Direct - Growth	₹ 10	-	-	1,61,56,500	2,005
ICICI Prudential Money Market Fund Direct - Growth	₹ 100	3,26,703	1,060	3,26,703	1,003
Invesco India Money Market Fund - Direct - Growth	₹ 1,000	-	-	39,495	1,004
Invesco India Ultra Short Term Fund - Direct - Growth	₹ 1,000	43,423	1,058	43,423	1,002
Kotak Money Market Fund - Direct - Growth	₹ 1,000	27,689	1,060	27,689	1,003
Kotak Savings Fund - Direct - Growth	₹ 10	27,82,926	1,059	27,82,926	1,003
L&T Banking and PSU Debt Fund - Direct - Growth	₹ 10	-	-	51,22,301	1,077
L&T Short Term Bond Fund - Direct - Growth	₹ 10	-	-	46,29,977	1,047
L&T Triple Ace Bond Fund - Direct - Growth	₹ 10	-	-	16,66,442	1,048
L&T Ultra Short Term Fund - Direct - Growth	₹ 10	-	-	42,78,886	1,557

Notes forming part of the standalone financial statements

Particulars	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
Nippon India Money Market Fund - Direct - Growth	₹ 1,000	-	-	44,897	1,504
SBI Magnum Ultra Short Duration Fund - Direct - Growth	₹ 1,000	20,468	1,056	20,468	1,002
SBI Savings Fund - Direct - Growth	₹ 10	28,18,452	1,059	28,18,452	1,002
Tata Money Market Fund - Direct - Growth	₹ 1,000	26,237	1,062	26,237	1,004
Tata Ultra Short Term Fund - Direct - Growth	₹ 10	-	-	1,68,52,901	2,007
			12,182		22,779
C Investment in target maturity funds - amortised cost (unquoted)	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund - Direct - Growth	₹ 10	2,42,48,266.22	2,525	-	-
Edelweiss Nifty PSU Bond Plus SDL Apr 2027 50:50 Index Fund - Direct - Growth	₹ 10	2,40,92,626.38	2,525	-	-
ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund - Direct - Growth	₹ 10	2,41,83,757.44	2,525	-	-
Kotak Nifty SDL Apr 2032 Top 12 Equal Weight Index Fund - Direct - Growth	₹ 10	4,81,25,884.48	5,044	-	-
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund - Direct - Growth	₹ 10	2,45,30,463.51	2,525	-	-
SBI CRISIL IBX Gilt Index April 2029 Fund - Direct - Growth	₹ 10	2,39,91,813.64	2,500	-	-
			17,644		
D 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	2,015	200	2,025
Bank of Baroda 8.70% (perpetual base III tier I ATI Series X) C 28 November, 2024	₹ 10,00,000	450	4,502	450	4,503
SBI 8.50% Series II perpetual AT1 bonds base- III 22 November, 2024 (Call)	₹ 10,00,000	550	5,531	550	5,548
SBI 7.73% series II perpetual AT1 bonds base- III 24 November, 2025 (Call)	₹ 10,00,000	200	2,020	200	2,028
Bank of Baroda 8.00% (perpetual base III tier I ATI Series XVIII) C 31 January, 2027	₹1,00,00,000	25	2,512	-	-
Bank of Baroda 7.88% (perpetual base III tier I ATI Series XIX) C 02 September, 2027	₹1,00,00,000	25	2,499	-	-
SBI 7.55% series III perpetual AT1 bonds base- III 14 December, 2026 (Call)	₹1,00,00,000	25	2,494	-	-
SBI 7.75% series 2022-I perpetual AT1 bonds base- III 09 September, 2027 (Call)	₹1,00,00,000	25	2,501	-	-
			24,074		14,105

Notes forming part of the standalone financial statements

E Investment in ETF bonds - FVTPL (quoted)	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
BHARAT Bond FOF - April 2023 - Dir - Growth	₹ 1,000	-	-	3,00,000	3,511
Nippon India ETF Nifty CPSE Bond Plus SDL Sep 2024 50:50	₹ 100	13,80,000	1,545	13,80,000	1,495
			1,545		5,006
F Investment in State Development Loan - amortised cost (quoted)	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
7.80% Guarat SDL 2032	₹ 100	25,00,000	2,514	-	-
7.77% Guarat SDL 2032	₹ 100	15,00,000	1,514	-	-
7.73% Guarat SDL 2032	₹ 100	10,00,000	1,002	-	-
7.75% Guarat SGS 2032	₹ 100	5,00,000	500	-	-
7.81% Guarat SGS 2032	₹ 100	5,00,000	502	-	-
8.32% Karnataka SDL 2029	₹ 100	5,00,000	517	-	-
7.83% Maharashtra SDL 2030	₹ 100	5,00,000	505	-	-
7.60% Maharashtra SDL 2030	₹ 100	5,00,000	500	-	-
7.86% Maharashtra SDL 2030	₹ 100	10,00,000	1,012	-	-
7.89% Maharashtra SDL 2032	₹ 100	15,00,000	1,529	-	-
7.76% Maharashtra SGS 2030	₹ 100	15,00,000	1,503	-	-
7.78% Maharashtra SGS 2030	₹ 100	15,00,000	1,503	-	-
7.70% Maharashtra SGS 2030*	₹ 100	25,00,000	2,498	-	-
7.64% Tamilnadu SDL 2032	₹ 100	10,00,000	1,003	-	-
7.79% Tamilnadu SGS 2032	₹ 100	5,00,000	501	-	-
7.75% Tamilnadu SDL 2032*	₹ 100	30,00,000	3,012	-	-
7.80% Tamilnadu SDL 2032*	₹ 100	5,00,000	505	-	-
7.82% Tamilnadu SGS 2032*	₹ 100	45,00,000	4,517	-	-
			25,137		-
Total			1,08,781		68,439

* Pledged with Kotak Mahindra Bank against bank guarantee - aggregate value ₹ 10,532 lakh (as at March 31, 2022 : Nil) which was extinguished on March 31, 2023 and related pledged removed on April 05, 2023.

Aggregate amount of quoted investments	50,639	18,534
Aggregate market value of quoted investments	50,756	19,111
Aggregate amount unquoted investments	58,025	49,328

Notes forming part of the standalone financial statements

5. Other non-current financial assets

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good:	1,048	1,047
Security deposits		
Bank deposits with more than 12 months maturity (refer note 11)		
- Earmarked*	1,178	423
- Others	227	-
Total	2,453	1,470

* Earmarked deposits are restricted and includes deposits towards defaulter members, investor services fund and other restricted deposits.

6. Income tax assets (net)

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax [net of provisions ₹ 79,038 lakh (as at March 31, 2022 ₹ 73,304 lakh)]	5,381	4,514
Total	5,381	4,514

7. Other non-current assets

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	227	264
Others		
Prepaid expenses	244	80
Total	471	344

Notes forming part of the standalone financial statements

8. Current Investments

Particulars	Face Value	As at March 31,2023		As at March 31,2022	
	Per share	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
A Investments in equity instruments (unquoted fully paid up): of other Entities - FVTOCI					
Metropolitan Clearing Corporation of India Limited (formerly known as MCX SX Clearing Corporation Limited)	₹ 10	27,58,941	275	27,58,941	238
Metropolitan Stock Exchange of India Limited (formerly known as MCX Stock Exchange Limited)	₹ 1	33,17,77,008	1,327	33,17,77,008	1,427
			1,602		1,665
B Investment in mutual funds - FVTPL(Unquoted) Fixed Maturity Plans	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
Aditya Birla Sun Life Fixed Term Plan - Series RC - Direct - Growth	₹ 10	-	-	80,00,000	1,045
Aditya Birla Sun Life Fixed Term Plan Series PU - Direct - Growth	₹ 10	-	-	50,00,000	682
HDFC Fixed Maturity Plan October, 2018 (43) 1 - Direct - Growth	₹ 10	-	-	70,00,000	925
HDFC Fixed Maturity Plan September, 2018 (42) -1-1381 - Direct - Growth	₹ 10	-	-	80,00,000	1,072
ICICI Pru FMP Series 84 1293 days - Direct - Growth	₹ 10	-	-	1,00,00,000	1,334
Kotak FMP Series 247 - 1308 days - Direct - Growth	₹ 10	-	-	1,00,00,000	1,341
Nippon India FHF 39 Series 4 FMP - Direct - Growth	₹ 10	-	-	70,00,000	944
Nippon India FHF 39 Series 6 FMP - Direct - Growth	₹ 10	-	-	80,00,000	1,074
Nippon India FHF 39 Series 9 FMP - Direct - Growth	₹ 10	-	-	80,00,000	1,063
Others					
Axis Arbitrage Fund - Direct - Growth	₹ 10	-	-	61,92,216	1,002
Axis Liquid Fund - Direct - Growth	₹ 1000	10,410	260	21,166	500
Axis Banking & PSU Debt Fund - Direct - Growth	₹ 1000	-	-	60,260	1,318
Axis Money Market Fund - Direct - Growth	₹ 1000	-	-	90,424	1,041
DSP Ultra Short Fund - Direct - Growth	₹ 1000	-	-	35,084	1,039
HDFC Arbitrage Fund - Direct - Growth	₹ 10	-	-	62,24,013	1,001
HDFC Low Duration Fund - Direct - Growth	₹ 10	-	-	33,57,861	1,672
HDFC Short Term Debt Fund - Direct - Growth	₹ 10	-	-	50,21,996	1,317

Notes forming part of the standalone financial statements

8. Current Investments

	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
ICICI Prudential Money Market Fund - Direct - Growth	₹ 100	-	-	3,05,077	936
ICICI Prudential Banking & PSU Debt Fund - Direct - Growth	₹ 1,000	-	-	51,95,885	1,399
ICICI Prudential Corporate Bond Fund - Direct - Growth	₹ 10	-	-	42,75,538	1,051
ICICI Prudential Equity - Arbitrage Fund - Direct - Growth	₹ 10	-	-	34,19,638	1,002
ICICI Prudential Savings Fund - Direct - Growth	₹ 100	-	-	4,76,727	2,087
ICICI Prudential Liquid - Direct - Growth *	₹ 100	5,488	18	10,048	32
IDFC Arbitrage Fund - Direct - Growth	₹ 10	-	-	35,88,410	1,002
IDFC Banking & PSU Debt Fund - Direct - Growth	₹ 10	-	-	52,81,993	1,077
IDFC Ultra Short Term Fund - Direct - Growth	₹ 10	-	-	83,63,094	1,038
Invesco India Arbitrage Fund - Direct - Growth	₹ 10	-	-	36,87,050	1,002
Invesco India Corporate Bond Fund - Direct - Growth	₹ 1,000	-	-	39,481	1,080
Invesco India Money Market Fund - Direct - Growth	₹ 1,000	-	-	40,954	1,041
Invesco India Short Term Fund - Direct - Growth	₹ 1,000	-	-	33,095	1,048
Invesco India Ultra Short Term Fund - Direct - Growth	₹ 1,000	-	-	67,580	1,560
Kotak Banking and PSU Debt Fund - Direct - Growth	₹ 10	-	-	39,27,851	2,132
Kotak Bond Fund - Direct - Growth	₹ 10	-	-	15,20,094	1,037
Kotak Corporate Bond Fund - Direct - Growth	₹ 1,000	-	-	89,285	2,797
Kotak Equity Arbitrage Fund - Direct - Growth	₹ 10	-	-	31,60,798	1,001
Kotak Floating Rate Fund - Direct - Growth	₹ 1,000	-	-	86,247	1,059
Kotak Money Market Scheme - Direct - Growth	₹ 1,000	-	-	28,730	1,040
Kotak Savings Fund - Direct - Growth	₹ 10	-	-	43,31,451	1,561
Nippon India Arbitrage Fund - Direct - Growth	₹ 10	-	-	43,86,450	1,001
Nippon India Banking & PSU Debt Fund - Direct - Growth	₹ 10	-	-	1,40,55,549	2,425
Nippon India Floating Rate Fund - Direct - Growth	₹ 10	-	-	27,93,835	1,055
Nippon India Overnight Fund - Direct - Growth	₹ 100	83,095	100	-	-

Notes forming part of the standalone financial statements

8. Current Investments

	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
Nippon India Liquid Fund - Direct - Growth *	₹ 1,000	-	-	407	21
Nippon India Low Duration Fund - Direct - Growth	₹ 1,000	66,362	2,217	66,362	2,103
SBI Arbitrage Opportunities Fund - Direct - Growth	₹ 10	-	-	35,07,883	1,001
SBI Liquid Fund - Direct - Growth	₹ 1,000	-	-	2,69,208	8,973
SBI Magnum Ultra Short Duration Fund - Direct - Growth	₹ 1,000	-	-	31,830	1,559
SBI Savings Fund - Direct - Growth	₹ 10	-	-	29,27,168	1,041
SBI Short Term Debt Fund - Direct - Growth	₹ 10	-	-	39,40,861	1,073
Tata Arbitrage Fund - Direct - Growth	₹ 10	-	-	83,50,801	1,001
Tata Liquid Fund - Direct - Growth	₹ 1,000	-	-	14,883	500
Tata Money Market Fund - Direct - Growth	₹ 1,000	27,288	1,105	27,288	1,044
UTI Arbitrage Fund - Direct - Growth	₹ 10	-	-	33,69,615	1,001
UTI-Liquid Cash Plan - Direct - Growth	₹ 1,000	1,03,770	3,829	-	-
UTI-Liquid Cash Plan - Direct - Growth *	₹ 1,000	438	16	1,003	34
			7,545		68,184
C Investment in ETF bonds - FVTPL (quoted)	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
BHARAT bond ETF - April 2023 - Direct - Growth	₹ 1,000	3,00,000	3,687	-	-
			3,687	-	-
D Investment in PSU bank bonds - a mortised cost (quoted)	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
Bank of Baroda 8.60% (Perpetual Basel III Tier I ATI Series VIII) C 01 August 2022	₹10,00,000	-	-	150	1,500
			-		1,500
Total			12,834		71,349

* Earmarked towards the Investor Service Fund - aggregate value ₹ 34 lakh (as at March 31, 2022 : ₹ 88 lakh)

Aggregate amount of quoted investments	3,000	1,500
Aggregate market value quoted investments	3,687	1,500
Aggregate market value of unquoted investments	9,147	69,849

9. Trade receivables

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, considered good*	-	1
Unsecured, considered good#	579	617
Unsecured, considered doubtful	628	764
	1,207	1,382
Less: Allowance for doubtful trade receivables (refer note 40)	(46)	(69)
Total	1,161	1,313

* secured by bank guarantees / fixed deposit receipts from members.

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 40.c.7.

Trade receivables ageing schedule (as at March 31, 2023)

₹ 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 – considered good#	579	-	-	0	-	579
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired#	-	0	0	1	8	9
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	2	191	78	348	619
Total	579	2	192	79	356	1,207
Allowance for doubtful trade receivables (refer note 40)						(46)
Total trade receivables	579	2	192	79	356	1,161

figures are below rounding off norms adopted by the Company.

Trade receivables ageing schedule (as at March 31, 2022)

₹ 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 – considered good [#]	585	-	0	3	10	599
(ii) Undisputed trade receivables – which have significant increase in credit risk	10	-	-	-	-	10
(iii) Undisputed trade receivables – credit impaired [#]	-	1	1	0	23	25
(iv) Disputed trade receivables– considered good [#]	-	1	0	5	14	19
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	151	161	114	297	6	729
Total	746	163	115	305	53	1,382
Allowance for doubtful trade receivables (refer note 40)						(69)
Total trade receivables	746	163	115	305	53	1,313

[#] figures are below rounding off norms adopted by the Company.

10. Cash and cash equivalents

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks - in current accounts	41	245
Total	41	245

11. Bank balances other than cash and cash equivalents

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits	2,529	1,409
Less: Bank deposits with more than 12 months maturity (refer note 5)	(1,405)	(423)
Bank deposits with less than 12 months maturity*	1,124	986
In current account		
- Earmarked fund [#]	125	111
- unpaid dividend accounts	75	85
Total	1,324	1,182

* includes earmarked Bank Deposits of ₹ 890 lakh (as at March 31, 2022 : ₹ 316 lakh)

[#]The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes. All other cash and bank balances are available for the operating activities.

12. Other current financial assets

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	-	-
Unbilled revenue*	4,294	4,079
Unsecured, considered good (unless stated otherwise)		
Other receivables	3,027	685
Less: Provision for doubtful receivables (refer note 40)	(9)	(2)
	3,018	683
Interest accrued but not due on fixed deposits	29	46
Interest accrued but not due on PSU bonds	715	542
Interest accrued but not due on state development loans	654	-
Total	8,710	5,350

* secured by bank guarantees / fixed deposit receipts from members.

13. Other current assets

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
a) Unsecured, considered good (unless stated otherwise)		
Prepaid expenses	969	1,180
Balance with government authorities	3,342	267
Advances for supply of services other than capital advances	8,892	728
Other advances	13	75
Total (A)	13,216	2,250
b) Unsecured, considered doubtful		
Other recoverable	282	282
Less : Provision for doubtful advance	(282)	(282)
Total (B)	-	-
Total (A) + (B)	13,216	2,250

Notes forming part of the standalone financial statements

14. Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
Authorized Equity shares of ₹ 10/- each	7,00,00,000	7,000	7,00,00,000	7,000
Issued Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
Subscribed and paid-up Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
	5,09,98,369	5,100	5,09,98,369	5,100

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, 2023		As at March 31, 2022	
	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	-	-	-	-
Closing balance at the end of the year	5,09,98,369	5,100	5,09,98,369	5,100

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, 2023		As at March 31, 2022	
	Number of shares	% of holding	Number of shares	₹ in Lakh
Kotak Mahindra Bank Limited	76,49,755	15%	76,49,755	15%

d. For particulars of options granted under Employee Stock Option Schemes, refer note 39 on ESOP.

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 contracts 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

15. Other equity

₹ 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		
Balance as at April 01, 2021	21,684	118,536	16,449	(3,733)	152,936
Profit for the year	-	11,846	-	-	11,846
Dividend	-	(14,076)	-	-	(14,076)
Equity instruments through other comprehensive income (net of tax)	-	-	-	(101)	(101)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	(175)	(175)
Balance as at March 31, 2022	21,684	116,306	16,449	(4,009)	150,430
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)
Balance as at March 31, 2023	21,684	120,415	16,449	(4,078)	154,470

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

a) 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.

b) ESOP compensation reserve – refer note 39.

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.

Equity instruments through other comprehensive income

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.

Notes forming part of the standalone financial statements

16. Other non-current financial liabilities

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Trade / security deposits from members*	4,850	4,911
Employee benefits payable	232	218
Total	5,082	5,129

*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, 2023 ₹ 5,460 lakhs (as on March 31, 2022 is ₹ 5,357 lakh).

17. Non-current provisions

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences (refer note 38)	198	222
Total	198	222

18. Trade payables

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 44)	30	4
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,204	3,073
Total	2,234	3,077

Trade payables ageing schedule (as at March 31, 2023)

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment					Accrued expense	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME	20	10	-	-	-	-	30
(ii) Others	667	93	-	-	-	1,444	2,204
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	687	103	-	-	-	1,444	2,234

Trade payables ageing schedule (as at March 31, 2022)

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment					Accrued expense	Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years		
(i) MSME#	4	0	-	-	-	-	4
(ii) Others#	559	849	-	1	0	1,665	3,073
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	562	849	-	1	0	1,665	3,077

figures are below rounding off norms adopted by the Company.

19. Other current financial liabilities

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Advance received from members and applicants towards		
- Member's security deposits *	2,048	1,634
- Application money (pending admission)	26	48
SEBI regulatory fund (Agri)	7	6
Employee benefits payable	1,199	881
Payable for purchase of fixed assets	4,843	3,188
Unclaimed dividends**	75	85
Security deposits	98	257
Others	2	9
Total	8,298	6,108

* 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, 2023 ₹ 163 lakhs (as on March 31, 2022 is ₹ 121 lakh).

** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

20. Other current liabilities

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory remittances	7,320	7,463
Payable to Multi Commodity Exchange Investor Protection Fund (IPF)	676	737
Investor Services Fund (ISF)*	989	1,000
Advance received from members and applicants	405	448
Income received in advance	94	43
Total	9,484	9,691

* 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 Centers. Accordingly, Contribution during the year ₹ 426 lakh (as on March 31, 2022 ₹ 312 lakh), investment income ₹ 53 lakh (as on March 31, 2022 ₹ 40 lakh), and utilized ₹ 490 Lakh (as on March 31, 2022 ₹ 197 lakh).

21. Current provisions

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences (refer note 38)	65	53
Provision for gratuity (refer note 38)	172	150
Total	237	203

22. Income tax liabilities (net)

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
[net of advance tax ₹ 4,074 lakh (as at March 31, 2022 ₹ 2,741 lakh)]	468	113
Total	468	113

Notes forming part of the standalone financial statements

23. Revenue from operations

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Sale of services		
Transaction fees	42,636	31,192
Annual subscription fees	187	167
Membership admission fees	195	120
Terminal charges	28	28
	43,046	31,507
Other operating revenues		
Connectivity income	508	445
Others recoveries from members	543	464
Data feed income	825	562
	1,876	1,471
Total	44,922	32,978

24. Other income

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Investment income		
Interest income from financial assets at amortised cost:		
- on bank deposits#	99	0
- on perpetual bonds	1,646	1,362
- on tax free bonds	-	991
- on state development loans	1,064	-
- on target maturity funds	144	-
Gain arising on financial assets measured at FVTPL (net)	3,010	3,146
Total (A)	5,963	5,499
Other income:		
Rental income from operating lease	347	368
Provisions / liability no longer required written back	73	430
Consultancy fees	477	-
Miscellaneous income	364	986
Interest income		
- on income tax refund	-	59
- from others	1	3
Total (B)	1,262	1,846
Total (A) + (B)	7,225	7,345

figures are below rounding off norms adopted by the company.

25. Employee benefits expense

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Salaries, allowances and bonus	6,889	5,859
Contribution to provident and other funds	432	368
Staff welfare expenses	69	118
Compensated absences	80	166
Total	7,470	6,511

26. Clearing and settlement charges

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Clearing and settlement fees (refer note 37)	5,329	3,899
Total	5,329	3,899

27. Finance costs

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Interest expenses on :		
- Interest on lease liabilities (refer note 35)	2	10
- Others	16	16
Total	18	26

28. Software support charges and product license fees

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Software support charges (refer note 48)	11,358	3,198
Product license fees	2,656	1,614
Total	14,014	4,812

29. Computer technology and communication expenses

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Computer technology expenses	1,417	1,208
Communication expenses	681	436
Total	2,098	1,644

30. Other expenses

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Advertisement	119	176
Electricity charges (net of recoveries)	337	235
Rent	31	-
Repairs and maintenance - others	133	152
Insurance	38	49
Rates and taxes	24	24
Travelling and conveyance	268	160
Printing and stationery	17	15
Business promotion	101	37
CSR related expenses (refer note 41)	300	320
Legal and professional charges	674	535
Sponsorships and seminar expenses	86	37
Membership fees and subscriptions	60	60
Security service charges	114	118
Provision for doubtful trade receivables [#]	44	5
SEBI - exchange regulatory fees	164	170
Payment to the auditors		
- For audit	16	15
- For taxation matters	-	3
- For other services	1	1
- Reimbursement of out of pocket expenses	1	1
	18	20
Contribution to Multi Commodity Exchange Investor Protection Fund (IPF)	426	312
Contribution to Investor Service Fund	426	312
Net loss on foreign currency transactions and translations	3	25
Loss on sale of property, plant and equipment	-	10
Directors sitting fees	225	222
Office expenses	250	229
Miscellaneous expenses	178	54
Total	4,036	3,277

[#] Net of bad debts written off ₹ 30 lakh (March 31, 2022 ₹ 28 lakh)

31. Contingent liabilities and commitments (to the extent not provided for)

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent liabilities :		
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)	12,705	12,705
- Others (excluding interest)	18	62
Capital commitments:		
The estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	10,453	12,322

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.

32. Taxation

The major component of tax expenses for the year are as under :

₹ in Lakh

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current income tax	5,099	2,877
Short / (excess) provision for tax relating to previous years	66	(317)
Deferred tax	(1,013)	65
MAT credit entitlement relating to previous year	-	436
Minimum alternate tax (MAT) credit utilised	-	990
Total income tax expense	4,152	4,051

Reconciliation of tax expenses:

₹ in Lakh (except as otherwise stated)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Reconciliation:		
Profit before tax	17,135	15,897
Applicable tax rate	25.17%	29.12%
Computed expected tax expense	4,313	4,629
Add:		
Expenses disallowed	655	873
Income from other source	720	408
Less:		
Expenses allowed	(547)	(742)
Exempt income/other income offered separately	(42)	(1,301)
Income tax liability	5,099	3,867
Short / (excess) provision for tax relating to previous years	66	(317)
Income tax expense as per the Statement of Profit and Loss	5,165	3,550
Effective tax rate	30.14%	22.33%

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 as recognised provision for income tax for the year and remeasured its deferred tax assets basis the rate prescribed in the said section.

Deferred tax relates to the following:

₹ in Lakh)

Particulars	Balance Sheet	
	As at March 31, 2023	As at March 31, 2022
Expenses allowable on payment basis	270	265
Other items giving rise to temporary differences (including impact on fair value of investments)	780	(57)
Difference between WDV of property, plant and equipment as per books of accounts & income tax	(1,009)	(1,196)
Difference between WDV of right of use assets as per books of accounts & income tax	(38)	(22)
Lease liability	39	26
Minimum alternate tax (MAT) credit entitlement (refer note 42)	-	(1,426)
Minimum alternate tax (MAT) credit entitlement reversed	-	1,426
Deferred tax asset / (liability)	43	(984)

Reconciliation of deferred tax assets / (liabilities) net:

₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening deferred tax (liabilities) / asset	(984)	475
Tax income / (expense) during the year recognized in profit & loss account	1,013	(65)
Differences on other comprehensive income	14	32
Minimum alternate tax (MAT) credit entitlement	-	(1,426)
Closing deferred tax asset / (liabilities)	43	(984)

Notes forming part of the standalone financial statements

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, 2023	March 31, 2022
Expenditure in foreign currency		
- License fees	2,495	1,495
- Membership fees and subscriptions	1	40
- Professional charges	7	18
- Computer technology and communication expenses	148	104
- Software license fees expenses	14	20
- Sponsorships and seminar expenses	2	-
- Bank charges	1	1
Earnings in foreign exchange		
- Data feed income	360	214

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, 2023	March 31, 2022
Opening balance	86	153
Additions during year	120	5
Finance costs incurred during the year	2	10
Payment of lease liabilities	(53)	(82)
Closing balance	155	86

b. The carrying value of the right of use asset and depreciation charged during the year

Particulars	₹ in Lakh	
	March 31, 2023	March 31, 2022
Opening balance	75	141
Additions during year	128	2
Depreciation charged during the year	53	68
Closing balance	150	75

c. Amounts recognised in Statement of Profit and Loss:

Particulars	₹ in Lakh	
	March 31, 2023	March 31, 2022
Depreciation on right of use asset	53	68
Finance costs incurred during the year	2	10
Rent expense	(31)	(82)
Total amounts recognised in the Statement of Profit and Loss	24	(4)

d. Maturity analysis of lease liabilities

₹ in Lakh

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Maturity analysis of contractual undiscounted cash flows		
Less than one year	113	47
One to five years	105	56
More than five years	-	4
Total undiscounted lease liability	218	107
Non-current lease liability	113	46
Current lease liability	42	40
Total lease liability	155	86

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, 2023	March 31, 2022
Weighted average shares outstanding - basic	5,09,02,818	5,09,02,818
Effect of dilutive securities on account of ESOP	-	-
Weighted average shares outstanding - diluted	5,09,02,818	5,09,02,818

Net profit available to equity shareholders of the company used in the basic and diluted earnings per equity share was determined as follows:

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Earnings available to equity shareholders	12,983	11,846
Earnings available for equity shareholders for diluted earnings per share	12,983	11,846
Basic earnings per share	25.51	23.27
Diluted earnings per share	25.51	23.27

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 company	CDSL Commodity Repository Limited (CCRL) [®]
	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)
Shareholders' directors	Mr. Hemang Raja
	Mr. Mohan Narayan Shenoi
	Nominee of NABARD (Mr. Vivek Sinha)*
	Mr. Arvind Kathpalia (w.e.f. December 06, 2022)
	*Sitting fees are paid directly to their nominee institutions
Independent directors	Dr. Harsh Kumar Bhanwala
	Mr. Shankar Aggarwal
	Mr. Chandra Shekhar Verma
	Mr. Ved Prakash Chaturvedi (w.e.f. September 17, 2022)
	Mr. Ashutosh Vaidya (w.e.f. September 17, 2022)
	Ms. Sonu Bhasin (w.e.f. September 17, 2022)
	Mr. Saurabh Chandra (upto July 02, 2022)
	Mr. Bhartendu Kumar Gairola (upto September 16, 2022)

Continued...

Independent directors	Ms. Pravin Tripathi (upto September 16, 2022) Mr. Chengalath Jayaram (upto September 27, 2022)
Key managerial personnel (KMP)	Mr. P.S. Reddy, MD & CEO
	Ms. Manisha Thakur, Company Secretary (w.e.f. December 22, 2022)**
	Mr. Satyajeet Bolar, Chief Financial Officer##
	Mr. Ajay Puri, Company Secretary (upto December 06, 2022)**
	Others:
	Mr. Manoj Jain [#]
	Mr. Rajendran Narayanan [#]
	Mr. Shashank Sathe [#]
	Mr. Praveen Dalvani Ganapathi [#]
	Mr. Chittaranjan Rege [#]
	Mr. Shivanshu Mehta [#]
	Mr. Rishi Nathany [#]
	Mr. Himanshu Ashar [#]
	Mr. Sanjay Gakhar [#]
	Mr. Pravin Gade [#]
	Mr. Radheshyam Yadav [#]
	Mrs. Ruchi Shukla [#]
	Mr. Puneet Shadija [#]
	Mr. Sambit Patnaik [#]
	Mr. Vaibhav Aggarwal [#]
	Mr. Vijay Patel [#]
	Mr. Suresh Raval [#]
	Ms. Rashmi Nihalani [#]
	Ms. Komal Kanzaria [#]
	Mr. NK Muthappa [#]
	Mr. Ramesh Gurram [#]
	Mr. Ajit Phanse [#] (w.e.f. July 11, 2022)
Mr. Prashant Wagh [#] (w.e.f. December 22, 2022)	
Mr. Kaushal Mehta [#] (w.e.f. December 22, 2022)	
Mr. Armaan Gaus [#] (w.e.f. December 22, 2022)	
Mr. Sanjay Golecha, Chief Regulatory Officer (upto June 30, 2022)	
Others Relatives 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
Company in which director is interested and where transaction exists	-
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.

Transactions with related parties:

The details of transactions with related parties for the year ended March 31, 2023 are as follows:

₹ in Lakh

Particulars	March 31, 2023										Total	
	Subsidiary	Associate		Others						KMPs		Relatives of KMPs or company in which KMP is interested
	MCX CCL	CDSL Commodity Repository Limited	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)	MCX ESOP Trust	Shareholder's directors	Independent directors	Company in which director is interested and where transaction exists					
Transactions												
Re-imbursments charged to the Company	11	-	-	1	-	4	-	-	18	-	-	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	-	-	-	-	63	154	-	-	-	-	-	217
Trustee sitting fees paid	-	-	-	-	-	5	-	-	-	-	-	5
Dividend paid	-	-	-	17	-	-	-	-	4	0.18	-	21
Investments in:												
Equity share capital (face value ₹ 1)	-	-	1,650	-	-	-	-	-	-	-	-	1,650
Balances as at March 31, 2023												
Outstanding balance receivable / (payable)	(278)	-	-	-	-	-	-	-	-	-	-	(278)
Investments	23,999	1,200	3,000	-	-	-	-	-	-	-	-	28,199
Rent deposit	(61)	-	-	-	-	-	-	-	-	-	-	(61)

The details of transactions with related parties for the year ended March 31, 2022 are as follows:

₹ in Lakh

Particulars	March 31, 2023						Total		
	Subsidiary	Associate		Others					
	MCX CCL	CDSL Commodity Repository Limited	India International Bullion Holding IFSC Limited (IIBH) (w.e.f. June 4, 2021 upto March 3, 2022)	MCX ESOP Trust	Shareholder's directors	Independent directors	Company in which director is interested and where transaction exists	KMPs	Relatives of KMPs or company in which KMP is interested
Transactions									
Re-imbursements charged to the Company	32	-	-	-	-	5	-	8	-
Recoveries charged by the Company	27	-	-	22	-	-	-	-	-
Clearing & settlement fees	3,899	-	-	-	-	-	-	-	-
Rent income	246	-	-	-	-	-	-	-	-
IT and other infrastructure income	2,815	-	-	-	-	-	-	-	-
Status report processing charges recovery	1	-	-	-	-	-	-	-	-
Regulatory fees, transactions charges, fines & penalties and other collections by MCXCCL on behalf of MCX	1,05,302	-	-	-	-	-	-	-	-
Sitting fees paid	-	-	-	-	52	170	-	-	-
Trustee sitting fees paid	-	-	-	-	-	8	-	-	-
Dividend paid	-	-	-	26	-	-	-	7	0.26
<u>Investments in:</u>									
Equity share capital (face value ₹ 1)	-	-	1,350	-	-	-	-	-	-
Reimbursement of professional fees	-	-	5	-	-	-	-	-	-
Balances as at March 31, 2022									
Outstanding balance receivable / (payable)	(537)	-	-	-	-	-	-	-	-
Investments	23,999	1,200	1,350	-	-	-	-	-	-
Rent deposit	(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.

Compensation of key managerial personnel of the company

₹ in Lakh

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Short-term employment benefits	1,833	1,624
Post-employment benefits	131	45

Transactions with key managerial personnel :

₹ in Lakh

Nature of transactions	Year ended	Year ended
	March 31, 2023	March 31, 2022
1. Salary and allowances paid/payable to KMPs*:		
Mr. P.S. Reddy	240	241
Ms. Manisha Thakur (w.e.f. December 22, 2022)	11	-
Mr. Ajay Puri (upto December 6, 2022)	67	84
Mr. Satyajeeet Bolar	66	64
Others	1,449	1,235
2. Dividend paid to KMPs:		
Others	4	7

* Excludes gratuity and long term compensated absences 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.

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, 2023 and March 31, 2022.

₹ in Lakh

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	1,040	789
Interest cost	75	54
Current service cost	119	93
Benefits paid from the fund	(109)	(68)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions [#]	-	0
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(31)	(46)
Actuarial (gains)/losses on obligations - due to experience	50	217
Present value of benefit obligations at the end of the year	1,144	1,040
Change in plan assets		
Fair value of plan assets at the beginning of the year	890	651
Interest income	65	45
Return on plan assets excluding interest income	(12)	(4)
Contributions by the employer	138	266
Benefits paid from the fund	(109)	(68)
Fair value of plan assets at the end of the year	972	890
Net (liability)/asset recognised in the Balance Sheet	(172)	(150)

figures are below rounding off norms adopted by the Company.

Amount for the year ended March 31, 2023 and March 31, 2022 recognized in the Statement of Profit and Loss under employee benefits expenses.

₹ in Lakh

Recognized in Profit and Loss	Year ended	
	March 31, 2023	March 31, 2022
Current service cost	119	93
Net interest cost	11	9
Expenses recognized	130	102

Amount for the year ended March 31, 2023 and March 31, 2022 recognized in statement of other comprehensive income (OCI):

₹ in Lakh

Recognized in other comprehensive income (OCI)	Year ended	
	March 31, 2023	March 31, 2022
Actuarial (gains) / losses on obligation for the year	19	171
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	12	4
Net (income)/expense for the year recognized in OCI	31	175

The weighted-average assumptions used to determine benefit obligations as at March 31, 2023 and March 31, 2022 are set out below:

₹ in Lakh

Weighted average actuarial assumptions	As at March 31, 2023	As at March 31, 2022
Discount rate	7.50%	7.25%
Weighted average rate of increase in compensation levels	7.50%	7.50%
Weighted average duration of defined projected benefit obligation	15	15

₹ in Lakh

Sensitivity analysis	As at March 31, 2023	As at March 31, 2022
Projected benefit obligation on current assumptions	1,144	1,040
Delta effect of +1% change in rate of discounting	(113)	(109)
Delta effect of -1% change in rate of discounting	132	128
Delta effect of +1% change in rate of salary increase	130	126
Delta effect of -1% change in rate of salary increase	(114)	(110)
Delta effect of +1% change in rate of employee turnover	(3)	(4)
Delta effect of -1% change in rate of employee turnover	3	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 ₹ 265 lakh to the plan assets during financial year 2023-24.

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.

Maturity profile of projected benefit obligation:

₹ in Lakh

Projected benefits payable in future years from the date of reporting	March 31, 2023	March 31, 2022
Within 1 year	65	35
1-2 year	26	45
2-3 year	33	25
3-4 year	54	31
4-5 year	39	60
5-10 years	402	331
11 years and above	2,327	2,208

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 ₹ 313 lakh (previous year ₹ 274 lakh). (refer note 25)

₹ in Lakh

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Contribution to provident and family pension fund	310	272
Contribution to labour welfare fund [#]	0	0
Contribution to employees deposit linked insurance (EDLI)	3	2

[#] 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, 2023 is based on actuarial valuation carried out by using projected accrual benefit method which resulted in decrease in liability by ₹ 12 lakh. (previous year - increased by ₹ 52 lakh).

a. Financial assumptions

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.50 % p.a.	7.25 % p.a.
Salary escalation rate	7.50 % p.a.	7.50 % p.a.

b. Demographic assumptions

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
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	Inidan Assured Lives Mortality (2012-14) Urban	Inidan Assured Lives Mortality (2012-14) Urban

39. Employee stock option plan (ESOP):

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. Out of which ESOP trust has granted (a) 1,313,250 number of options convertible into 1,313,250 equity shares of ₹ 10 each to eligible employees on July 02, 2008 and August 23, 2008 in aggregate; (b) 331,750 (including the lapsed options available for reissuance) numbers of options convertible into 331,750 equity shares of ₹ 10 each to eligible employees on October 24, 2011; (c) 10,000 numbers of options convertible into 10,000 equity shares of ₹ 10 each to an eligible employee on October 03, 2012; (d) 25,300 numbers of options convertible into 25,300 equity shares of ₹ 10 each to eligible employees on April 19, 2013 ; (e) 10,000 numbers of options convertible into 10,000 equity shares of ₹ 10 each to an eligible employee on February 19, 2014 and (f) 172,600 numbers of options convertible into 172,600 equity shares of ₹ 10 each to eligible employees on November 11, 2014.

Details of the options granted by the ESOP trust is as under :

Vesting period	No. of options granted	Exercise price	Grant date
July 02, 2008 to July 02, 2009	391,725	₹144.00	2-Jul-08
July 02, 2008 to July 02, 2010	391,725	₹144.00	
July 02, 2008 to July 02, 2011	522,300	₹144.00	
August 23, 2008 to August 23, 2009	2,250	₹144.00	23-Aug-08
August 23, 2008 to August 23, 2010	2,250	₹144.00	
August 23, 2008 to August 23, 2011	3,000	₹144.00	
October 24, 2011 to October 24, 2012	99,525	₹390.00	24-Oct-11
October 24, 2011 to October 24, 2013	99,525	₹390.00	
October 24, 2011 to October 24, 2014	132,700	₹390.00	
October 03, 2012 to October 03, 2013	3,000	₹1282.75	03-Oct-12
October 03, 2012 to October 03, 2014	3,000	₹1282.75	
October 03, 2012 to October 03, 2015	4,000	₹1282.75	
April 19, 2013 to April 19, 2014	7,590	₹855.70	19-Apr-13
April 19, 2013 to April 19, 2015	7,590	₹855.70	
April 19, 2013 to April 19, 2016	10,120	₹855.70	
February 19, 2014 to February 19, 2015	1,000	₹516.50	19-Feb-14
February 19, 2014 to February 19, 2016	2,000	₹516.50	
February 19, 2014 to February 19, 2017	3,000	₹516.50	
February 19, 2014 to February 19, 2018	4,000	₹516.50	
November 11, 2014 to November 11, 2015	17,260	₹851.10	11-Nov-14
November 11, 2014 to November 11, 2016	34,520	₹851.10	
November 11, 2014 to November 11, 2017	51,780	₹851.10	
November 11, 2014 to November 11, 2018	69,040	₹851.10	

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of ₹ 10 each. Exercise period for each option granted on July 02, 2008 and August 23, 2008 is three years from the date of their respective vesting. Exercise period for each option granted on October 24, 2011, October 03, 2012, April 19, 2013 and February 19, 2014 and November 11, 2014 is one year from the date of their respective vesting.

The activity in the 2008 plan for equity-settled share based payment transactions during the year ended March 31, 2023 is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
2008 Plan: Employee stock options (ESOPs)				
Outstanding at the beginning of year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited and lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of year	-	-	-	-
Exercisable at the end of year	-	-	-	-

Lapsed options available for reissuance are 95,551 (As at March 31, 2022: 95,551) shares.

Since the options are lapsed, the unutilised balance lying in the ESOP compensation reserve has been transferred to retained earnings.

For options granted on July 02, 2008 and August 23, 2008 under ESOP 2008 scheme; the intrinsic value of each option is nil. The estimated fair value of each option is ₹ 15.64 and ₹ 16.62 for options granted on July 02, 2008 and August 23, 2008 respectively. The weighted average fair values have been determined using the binomial option pricing model considering the following parameters:

Particulars	For options granted in		
	Grant date	2-Jul-08	23-Aug-08
Weighted average share price on the date of grant		₹ 90	₹ 90
Weighted average exercise price on the date of grant		₹ 90	₹ 90
Expected volatility (%)		1%	1%
Expected life of the option (years)		3.5 years	3.5 years
Expected dividends (%)		25%	25%
Risk-free interest rate (%)		9.14%	9.13%
Weighted average fair value as on grant date		₹ 85	₹ 85

Each option granted represents a right to the option grantee but not an obligation to apply for 1 fully paid up equity share of ₹ 10 each of the company at duly adjusted exercise price after consolidation of share and bonus issue i.e. ₹ 144 pursuant to the corporate action during the year ended March 31, 2011.

For options granted on October 24, 2011, October 3, 2012, April 19, 2013, February 19, 2014 and November 11, 2014 under ESOP 2008 schemes; the intrinsic value of each option is nil. The estimated fair value of each option is ₹ 324.99, ₹ 342.64, ₹ 202.34, ₹ 181.47 and ₹ 363.18 for options granted on October 24, 2011, October 3, 2012, April 19, 2013, February 19, 2014 and November 11, 2014 respectively. The weighted average fair values have been determined using the black schole formula considering the following parameters:

Particulars	For options granted in				
	24-Oct-11	03-Oct-12	19-Apr-13	19-Feb-14	11-Nov-14
Weighted average share price on the date of grant	₹ 390	₹ 1282.75	₹ 855.70	₹ 516.50	₹ 851.10
Weighted average exercise price on the date of grant	₹ 390	₹ 1282.75	₹ 855.70	₹ 516.50	₹ 851.10
Expected volatility (%)	2.26%	34.35%	32.75%	52.37%	52.22%
Expected life of the option (years)	1.5 Years	2.6 Years	2.6 Years	3.5 Years	3.5 Years
Expected dividends (%)	Not considered	Based on dividend declared prior to the date of grant	Based on dividend declared prior to the date of grant	Based on dividend declared prior to the date of grant	Based on dividend declared prior to the date of grant
Dividend yield (%)	-	1.87%	2.80%	4.65%	1.17%
Risk-free interest rate (%)	8.60%	8.12%	7.49%	8.86%	8.26%
Weighted average fair value as on grant date	₹ 385.00	₹ 1282.75	₹ 855.70	₹ 516.50	₹ 851.10

40. 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, 2023 were as follows:

₹ in Lakh

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at amortized cost:				
Cash and cash equivalents (refer note 10)	41	41	245	245
Bank balances (refer note 11)	1,324	1,324	1,182	1,182
Bank deposits with original maturity of more than twelve months (refer note 5)	1,405	1,405	423	423
Unbilled revenue (refer note 12)	4,294	4,294	4,079	4,079
Trade receivables (refer note 9)	1,161	1,161	1,313	1,313
Other financial assets (refer note 5 & 12)	5,464	5,464	2,318	2,318
Investment in PSU bank bonds (refer note 4 & 8)	24,074	24,074	15,604	15,604
Investment in state development loan (refer note 4)	25,137	25,137	-	-
Investment in target maturity funds (refer note 4)	17,644	17,644	-	-
Investment in associates (refer note 4)	4,200	4,200	1,200	1,200
Financial liabilities at amortized cost:				
Trade payables (refer note 18)	2,234	2,234	3,077	3,077
Other financial liabilities (refer note 16, 19 & 35)	13,535	13,535	11,323	11,323
Financial assets at FVTPL:				
Mutual funds	19,727	19,727	90,963	90,963
ETF bond	5,232	5,232	5,006	5,006
Financial assets at FVTOCI:				
Investments in unquoted equity shares of subsidiary (refer note 4)	23,999	23,999	23,999	23,999
Investments in unquoted equity shares of other entities (refer note 8)	1,602	1,602	3,015	3,015

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 securities is based on the valuation provided by the certified valuer.

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, 2023	As at March 31, 2023	Level	Hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Financial assets				
Investments in mutual funds (FVTPL)	19,727	90,963	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)*	25,601	27,014	3	Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
Investments in ETF (FVTPL)	5,232	5,006	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

1. 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.

2. 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.

3. 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.

4. 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.

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

₹ in Lakh

Particulars	As at March 31, 2023		As at March 31, 2022	
	₹ in Lakh	Amount in foreign currency	₹ in Lakh	Amount in foreign currency
Trade receivables				
In USD [#]	92	1,11,360	1	1,484
Trade Payables				
In USD	242	2,94,583	99	1,30,659
In GBP	22	24,608	5	6,152

[#] figures are below rounding off norms adopted by the Company.

5. Sensitivity analysis

A change of 5% in foreign currency would have following impact on profit before tax

₹ in Lakh

Particulars	2022-23		2021-22	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
	5% Increase	5% decrease	5% Increase	5% decrease
Trade receivables				
USD [#]	5	(5)	0	(0)
Trade Payables				
USD	12	(12)	5	(5)
EURO	1	(1)	-	-
GBP [#]			0	(0)

[#] figures are below rounding off norms adopted by the Company.

6. Derivative financial instruments

The company has not entered into any forward exchange contract being derivative instruments.

7. 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 ₹ 1,207 lakh and ₹ 1,382 lakh as at March 31, 2023 and March 31, 2022 respectively, unbilled revenue amounting to ₹ 4,294 lakh and ₹ 4,079 lakh as at March 31, 2023 and March 31, 2022 respectively, non-current investments amounting to ₹ 108,781 lakh and ₹ 68,439 lakh as at March 31, 2023 and March 31, 2022 respectively, current investments amounting to ₹ 12,834 lakh and ₹ 71,349 lakh as at March 31, 2023 and March 31, 2022 respectively, other non-current financial assets amounting to ₹ 2,453 lakh and ₹ 1,470 lakh as at March 31, 2023 and March 31, 2022 respectively, cash and cash equivalents amounting to ₹ 41 lakh and ₹ 245 lakh as at March 31, 2023 and March 31, 2022 respectively and Bank balances other than cash and cash equivalents amounting to ₹ 1,324 lakh and ₹ 1,182 lakh as at March 31, 2023 and March 31, 2022 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 high credit rating assigned by credit rating agencies.

Ageing of account receivables

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables		
< 1 Year	581	909
1 - 5 Year	626	473
> 5 Year	-	-
Total	1,207	1,382

Movement in provisions of doubtful trade receivables

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Opening provision	69	89
Add: Additional provision made	7	-
Less: Provision reversed	-	(6)
Less: Bad trade receivable written off	(30)	(14)
Closing provision	46	69

8. Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

9. Financial arrangements

The table below provides details regarding the contractual maturities of significant financial assets and financial liabilities as at March 31, 2023 and March 31, 2022: ₹ in Lakh

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at amortized cost:				
Cash and cash equivalents (refer note 10)	41	41	245	245
< 1 Year	-	-	-	-
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Bank balances (refer note 11)	1,324	1,324	1,182	1,182
< 1 Year	-	-	-	-
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Trade receivables (refer note 9)	580	580	909	909
< 1 Year	627	627	473	473
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Other financial assets (refer note 5 & 12)	8,710	8,710	5,350	5,350
< 1 Year	2,444	2,444	1,461	1,461
1 - 5 Year	9	9	9	9
> 5 Year	-	-	-	-
Investments* (refer note 4 & 8)	11,232	11,232	69,684	69,684
< 1 Year	46,978	46,978	43,555	43,555
1 - 5 Year	35,206	35,206	-	-
> 5 Year	-	-	-	-
Financial liabilities at amortized cost:				
Trade payables (refer note 18)	2,234	2,234	3,076	3,076
< 1 Year	-	-	1	1
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Other financial liabilities (refer note 16, 19 & 35)				
< 1 Year	8,340	8,340	6,194	6,194
1 - 5 Year	5,195	5,195	1,421	1,421
> 5 Year	-	-	3,708	3,708

*Investment does not include investment in equity investment of subsidiary and associates.

10. 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.

11. 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.

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 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, 2023	Year ended March 31, 2022
Gross amount required to be spent by the Company during the year.	300	320
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	198	13
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	102	307
The total of previous years' shortfall amounts	126	110
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.	300	320
Reason for shortfall	Pertain to ongoing projects	Pertain to ongoing projects
Nature of CSR activities	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.	Infrastructure support, Care for Elderly Citizens with an objective to improve health and overall living conditions, Education support for the girls/ women, Equipment support to Government / Municipal Hospitals.

42. In accordance with the guidance note issued by the Institute of Chartered Accountants of India on "Accounting for credit available in respect of MAT under the Income Tax Act, 1961", the Company can recognize MAT credit as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said assets is created by way of a credit to the Statement of Profit and Loss. The Company reviews the same at each Balance Sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period. Accordingly, the Company had recognized MAT credit entitlement of ₹ 2,065 Lakh in Financial year 18-19 and in previous financial year FY 2021-22 ₹ 990 lakh has been utilised and short MAT credit utilisation relating to previous year of ₹ 436 lakh has been recognized.

43. During the past years, Hon'ble Supreme Court has stayed assessment proceedings on the request of the Company for AY 2010-11, AY 2011-12 and AY 2014-15 and the Hon'ble High Court, Mumbai had earlier admitted the matter for AY 2012-13 and AY 2013-14. Further during the previous year, on the basis of special audit report, assessing officer has passed assessment order u/s 143 (3) r.w.s. 142 (2A) and 144C (3) of the Income Tax Act, 1961 for AY 2015-16 determining demand

of ₹ 644 lakh (including interest of ₹ 242 lakh). Company is contesting the above demands in addition to demands raised in previous years for AY 2010-11 ₹ 5,160 lakh (including interest ₹ 2,731 lakh), for AY 2014-15 ₹ 3,331 lakh including interest ₹ 1,314 lakh) and for AY 2013-14 ₹ 2,774 lakh (including interest ₹ 868 lakh). In the opinion of the legal counsel the Company has strong case on merit, accordingly management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operation. Accordingly, no provision has been made as on March 31, 2023 and the above amounts are shown under contingent liabilities.

44. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2022-23, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
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.	30	4
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.

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 subsidiaries, associates and others and investments in shares of the Company by such parties:

Name of party and relationship	Amount outstanding at March 31, 2023	Amount outstanding at March 31, 2022	Maximum balance outstanding during the year March 31, 2023	Maximum balance outstanding during the year March 31, 2022
Multi Commodity Exchange Clearing Corporation of India Limited (MCXCCL) - Wholly owned subsidiary company	-	-	-	-

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.
- ii. There are no loans or guarantees issued in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

46. Events occurring after Balance Sheet date

The Board of Directors has recommended equity dividend of ₹ 19.09 per share (previous year ₹ 17.40) for the financial year 2022-23.

₹ in Lakh, except equity shares

Particulars	As at March 31, 2023	As at March 31, 2022
Equity shares	5,09,98,369	5,09,98,369
Final dividend for the year ended March 31, 2023 of ₹ 19.09 (March 31, 2022 - ₹ 17.40/-) per fully paid share	9,736	8,874
Dividends not recognized at the end of the reporting period	9,736	8,874

47. Additional regulatory information required by Schedule III

a. Financial ratio disclosure

₹ in Lakh

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% variance	Reason for variance
Current ratio (in times)	Current assets	Current liabilities	1.80	4.25	(57.72%)	Due to liquidation of current investments, which is invested in long term investments, lying in non-current assets.
Return on equity ratio (in %)	Net profit for the year	Average shareholder's equity	8.24%	8.00%	3.06%	-
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	36.32	27.37	32.69%	Due to increase in revenue from operations by 36% in current year without corresponding increase in average trade receivables.
Trade payables turnover ratio	Other expenses	Average trade payable	9.59	5.13	86.86%	Due to increase in software support charges, computer technology and communication expenses by 150% in current year without corresponding increase in average trade payables.
Net capital turnover ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	2.72	0.53	414.90%	Due to increase in revenue from operations by 36% in current year and liquidation of current investments, which is invested in long term investments, lying in non-current assets.
Net profit ratio (in %)	Net profit for the year	Revenue from operations	28.90%	36.00%	(19.72%)	-
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed (Networth + Deferred tax liabilities / (asset))	10.75%	10.17%	5.69%	-
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	5.93%	4.95%	19.80%	-

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, 2023	Balance outstanding as at March 31, 2022	Relationship with the Struck off company, if any, to be disclosed
A.J. Commodities Private Limited	Receivables	(12)	(12)	Member
Arihant Capital Markets Limited	Receivables	-	-	Member
Bull Bear Device Private Limited	Receivables	-	-	Member
Chaitanya Commodities Private Limited	Receivables	(11)	16	Member
Blue Chip Commodities Broking Private Limited [#]	Receivables	0	0	Member
Skyline Tradecom Private Limited [#]	Receivables	(0)	(0)	Member
Aadya Commodities Private Limited	Receivables	118	38	Member
Orion Broking Services (India) Private Limited [#]	Receivables	(1)	(1)	Member
Dreams Comtrade Private Limited [#]	Receivables	(0)	(0)	Member
F6 Commodities Private Limited	Receivables	(90)	(106)	Member
Fair Commodities Trading Private Limited [#]	Receivables	(0)	(0)	Member
Altos Advisory Services Limited [#]	Receivables	(22)	-	Member
Ficus Commodities Private Limited	Receivables	-	(1)	Member
Indhu Commodities Private Limited	Receivables	(4)	1	Member
Kedia Commodity Limited [#]	Receivables	0	0	Member
Max Planwealth Commodities Limited [#]	Receivables	-	-	Member
Moneyhouse Commodity Private Limited	Receivables	(97)	(97)	Member
Omji Commotrade Private Limited [#]	Receivables	(0)	(0)	Member
Silverline Commodities [#]	Receivables	(15)	(16)	Member
Informatic Value Research Private Limited	Payables	282	282	Vendor

figures are below rounding off norms adopted by the Company.

c. Other information:

(i) Details of benami property held:

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) Wilful defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Compliance with number of layers of Companies:

The Company does not have number of layers of Companies.

(iv) Compliance with approved scheme(s) of arrangements:

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(v) Utilisation of borrowed funds and share premium:

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

(vi) Undisclosed income:

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) Details of crypto currency or virtual currency:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(viii) Title deeds of immovable properties not held in name of the Company:

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.**

48. The Company had entered into an agreement in August 2018 with a software vendor to develop a trading system for the spot market. As per the milestones, payments were made to the said software vendor from time to time. The Company has incurred amount of ₹ 2,043 lakh on the said project and was shown as intangible asset under development. On account of non-fulfilment of the scope of the Project within the timelines and disputes arising between the parties, the Board has constituted an empowered Committee to evaluate the financial and technical aspects of the said System developed by the said vendors. The dispute was referred to Singapore International Arbitration Centre ("SIAC"). The Company and the software vendor, have reached an amicable out of court resolution which was confirmed by SIAC. Accordingly, the Company has settled the dues and obtained the delivered codes and specification documents of the platform. Based on the Standing Committee on Technology recommendation, a Technical Committee there after evaluated the Codes afresh and concluded in its technical report that the Codes cannot be used directly for any specific use case of the Exchange. Accordingly the Management has discontinued further development of this intangible asset under development and consequently the entire expenditure of ₹ 2,043 lakh has been impaired.

49. 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.

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 Ltd, initially for a period for quarter ending December 2022 for ₹ 60 Cr (plus applicable taxes). Accordingly, for the quarter ended December 31, 2022, MCX has incurred ₹ 40.20 crore (net of recoveries from MCXCCL, excluding applicable taxes). Later these services were extended for another two quarters ending June 30, 2023 for ₹ 81 Cr per quarter (plus applicable taxes) as per the minimum period of services offered by the vendor. Accordingly for the quarter ended March 31, 2023, MCX has incurred ₹ 54.27 crore (net of recoveries from MCXCCL excluding applicable taxes).

50. The Company along with NSE, India INX, NSDL and CDSL have formed a consortium in the form of a Company incorporated under the Companies Act, 2013. On June 04, 2021, India International Bullion Holding IFSC Limited (IIBH) has been incorporated in India. The company has subscribed to 30,00,00,000 equity shares of IIBH of face value ₹ 1 at par amounting to ₹ 3,000 lakh. The Company's holding in IIBH remain at 20% of the paid up capital of IIBH as on March 31, 2023 and accordingly considered as an associate as on March 31, 2023.

51. The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment,

received Presidential assent in September 2020. The said code is made effective prospectively from May 3, 2023. The Company is assessing the impact, if any, of the Code

52. Previous year figures have been regrouped/reclassified wherever necessary to conform to current year figures.

53. The Financial Statements were approved by the Audit Committee and Board of Directors on May 20, 2023.

For and on behalf of the Board of Directors

P.S. Reddy
Managing Director & CEO
DIN : 01064530

Dr. Harsh Kumar Bhanwala
Chairman
DIN : 06417704

Shankar Aggarwal
Director
DIN : 02116442

Manisha Thakur
Company Secretary

Satyajeet Bolar
Chief Financial Officer

Place: Mumbai
Date: May 20, 2023

CONSOLIDATED FINANCIAL STATEMENT

Shah Gupta & Co.

Chartered Accountants

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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, 2023, 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 auditor on separate 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, 2023, 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>Legal and Taxation and matter:</p> <p>Refer note 1.4., note 1.3.N. 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>Principal Audit Procedures:</p> <p>For legal and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> • Obtain list of legal and tax cases against the Holding Company and gained understanding thereof. • Testing key controls surrounding litigation and tax procedures; • Performing substantive procedures on the underlying calculations supporting the provisions recorded; • Considering external legal/tax consultants opinions obtained by the management on possible outcome of litigation; • Meeting with the management and reading subsequent Companies correspondence; • Discussing open matters with the Holding Companies litigation and tax teams; • Assessing the Management's conclusions through understanding precedents set in similar cases; and • 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. • For cases where a provision was not recognized, evaluated the adequacy of disclosure made in the Ind AS financial statements.
2.	<p>Valuation of Investments and its impairment:</p> <p>Quoted investments and unquoted investments of Holding Company represent the most significant amount on the balance sheet. The total of these investments aggregating to ₹ 1,04,653 Lakh represented 34.62% of total assets of the Company as at March 31, 2023.</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>Principal Audit Procedures:</p> <p>Holding Company auditors audit procedures included the following:</p> <ul style="list-style-type: none"> • We assessed the design and implementation of controls over valuation and existence of investments. • 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. • We traced the quantity held from the independent confirmation provided by the Custodian and Fund houses. • We tested the valuation of the quoted and unquoted investments to independent pricing sources. • Assessed appropriateness and arithmetical accuracy of fair value disclosures pertaining to investments.

Sr. No.	Key Audit Matter	Auditor's Response
<p>3</p>	<p>Extension of Software Support Service:</p> <p>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.</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 Ltd, initially for a period for quarter ending December 2022 for ₹ 60 Cr (plus applicable taxes). Later these services were extended for another two quarters ending June 30, 2023 for ₹ 81 Cr per quarter (plus applicable taxes) as per the minimum period of services offered by the vendor.</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, 2023</p>	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to procurement to pay cycle of this expenditure. 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 & CEO, Chief Financial Officer and other concerned HOD's as per the delegated authority matrix. 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. Assessed the disclosures made by the Company in this regard.
<p>4</p>	<p>Development of New Commodity Derivatives Platform (Intangible Assets Under Development):</p> <p>The Holding Company has awarded the contract of implementation of the new commodity derivatives platform project to external party on February 04, 2021.</p> <p>The Holding Company has incurred significant expenditure on the new commodity derivatives platform, as referred by the total value of additions in intangible assets under development in note 3B of the consolidated financial statements.</p> <p>We considered this a key audit matter as:</p> <ul style="list-style-type: none"> The amounts involved were material. Judgments and estimate required by the management in assessing assets meeting the /capitalization criteria set out in Ind AS 38 Intangible Assets. 	<p>Principal Audit Procedures:</p> <ul style="list-style-type: none"> We obtained an understanding of the Holding Company's capitalization policy and assessed for compliance with the relevant accounting standards. We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalization of assets. We tested the internal approval notes and other documentation to ensure that the projects were appropriately approved by the MD & CEO, Chief Financial Officer and other concerned HOD's as per the delegated authority matrix. Testing a sample of projects to ensure appropriate capitalisation of qualifying employee cost and cost of external contractors/parties. 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. We obtained understanding on management assessment relating to progress of project and their intention to bring the assets to its intended use.

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.

Management Responsibilities 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.

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 auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

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 ₹ 1,44,445 Lakh as at March 31, 2023, total revenues of ₹ 11,813 Lakh and net cash inflows amounting to ₹ 4,588 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 ₹ 498 Lakh and total comprehensive loss ₹ 329 Lakh for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors 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 these associates, is based solely on

the report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates, is based solely on the reports of such auditors. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirement 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.

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 auditor on separate financial statements of subsidiary and its associates incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, 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 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, 2023 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Holding Company and its subsidiary company incorporated in India is disqualified as on March 31, 2023 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 associates 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 and Subsidiary 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:
 - 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 did not have any material foreseeable losses on long-term contracts including derivative contracts; 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.
- iv. A) The respective management of the Holding Company and its subsidiary and associates 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 associates respectively that, to the best of its knowledge and belief, as disclosed in the note 49 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 Holding Company or any of subsidiary and associates 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 associates ("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 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 associates respectively that, to the best of its knowledge and belief, as disclosed in the note 49 c v to the financial statements, no funds have been received by the Holding Company or any of such subsidiary and associates 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 associates 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 associates 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 48 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.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 01, 2023 to the Holding Company and its subsidiary and associates which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For SHAH GUPTA & Co.

Chartered Accountants

Firm Registration No.: 109574W

Vedula Prabhakar Sharma

Partner

Membership No.: 123088

UDIN: 23123088BGVVUS2680

Place: Mumbai

Date: May 20, 2023

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE

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: (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.

For SHAH GUPTA & Co.

Chartered Accountants

Firm Registration No.: 109574W

Vedula Prabhakar Sharma

Partner

Membership No.: 123088

UDIN: 23123088BGGVUS2680

Place: Mumbai

Date: May 20, 2023

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE

(Referred to in paragraph (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, 2023, 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.

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, to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary and associates, 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, 2023, based on the criteria for internal control over financial reporting 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.

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 subsidiary and associates, 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: 23123088BGGVUS2680

Place: Mumbai

Date: May 20, 2023

Consolidated Balance Sheet as at March 31, 2023

₹ in Lakh

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	2A	12,990	13,669
(b) Capital work-in-progress	2B	5,187	4,337
(c) Right of use assets	2C	150	75
(d) Intangible assets	3A	1,878	1,902
(e) Intangible assets under development	3B	11,666	5,142
(f) Investment in associate	4	3,831	1,241
(g) Financial assets			
(i) Non-current investments	4	80,582	43,159
(ii) Other non-current financial assets	5	16,796	21,971
(h) Deferred tax assets (net)	32	43	-
(i) Income tax assets (net)	6	6,087	5,966
(j) Other non-current assets	7	471	344
Total non-current assets		1,39,681	97,806
(2) Current assets			
(a) Financial assets			
(i) Current investments	8	20,240	71,349
(ii) Trade receivables	9	1,464	1,147
(iii) Cash and cash equivalents	10	18,108	13,722
(iv) Bank balances other than cash and cash equivalents (iii) above	11	99,678	83,824
(v) Other current financial assets	12	9,829	9,983
(b) Other current assets	13	13,275	2,223
Total current assets		1,62,594	1,82,248
Total assets		3,02,275	2,80,054
Equity and liabilities			
(1) Equity			
(a) Equity share capital		5,100	5,100
(b) Other equity	14	1,42,830	1,36,711
Total equity	15	1,47,930	1,41,811
(2) Core settlement guarantee fund (Core SGF)	16	58,976	52,559
Liabilities			
(3) Non-current liabilities			
(a) Financial liabilities			
(i) Other non-current financial liabilities	17	5,250	5,274
(ii) Lease liabilities	35	113	46
(b) Deferred tax liabilities (net)	32	-	984
(c) Non-current provisions	18	246	274
Total non-current liabilities		5,609	6,578
(4) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	19		
- Total outstanding dues of micro enterprises and small enterprises		33	4
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,102	2,637
(ii) Lease liabilities	35	42	40
(iii) Other current financial liabilities	20	75,836	64,290
(b) Other current liabilities	21	10,996	11,783
(c) Current provisions	22	283	239
(d) Income tax liabilities (net)	23	468	113
Total current liabilities		89,760	79,106
Total liabilities		1,54,345	1,38,243
Total equity and liabilities		3,02,275	2,80,054

Significant 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

Shankar Aggarwal
Director
DIN : 02116442

Place: Mumbai
Date: May 20, 2023

Manisha Thakur
Company Secretary

Satyajeet Bolar
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

₹ in Lakh, except EPS

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I Income			
Revenue from operations	24	51,351	36,681
Other income	25	6,766	6,650
Total income		58,117	43,331
II Expenses			
Employee benefits expense	26	9,190	8,000
Finance costs	27	21	24
Depreciation and amortization expense	2A, 2C, 3A	2,159	2,270
Software support charges and product license fees (refer note 51)	28	19,606	6,397
Computer technology and communication expenses	29	2,703	2,050
Other expenses	30	4,883	4,016
Total expenses		38,562	22,757
III Profit before exceptional items, tax and share of profit / (loss) of associates		19,555	20,574
IV Exceptional items			
Impairment of intangible assets under development	50	-	2,043
V Profit before tax and share of profit / (loss) of associates		19,555	18,531
VI Add: Share of loss of associates		(498)	(127)
VII Profit before tax		19,057	18,405
VIII Tax expenses			
(1) Current tax	32	5,106	2,885
(2) Minimum alternate tax (MAT) credit utilised	32	-	990
(3) MAT credit entitlement relating to previous year	32	-	436
(4) Short / (excess) provision for tax relating to previous years	32	67	(317)
(5) Deferred tax	32	(1,013)	65
Total tax expenses		4,160	4,059
IX Profit for the year		14,897	14,345
X Other comprehensive income			
A) Items that will not be reclassified to profit or loss (net of tax)			
i) Changes in fair value of equity instruments		(46)	(101)
ii) Remeasurement of employee benefits obligations		(27)	(226)
iii) Share of profit in associates		169	44
XI Total comprehensive income for the year		14,993	14,062
Net profit attributable to:			
a) Owner of the company		14,897	14,345
b) Non-controlling interest		-	-
Other comprehensive income attributable to:			
a) Owner of the company		96	(283)
b) Non-controlling interest		-	-
Total comprehensive income attributable to:			
a) Owner of the company		14,993	14,062
b) Non-controlling interest		-	-
Earnings per equity share (of ₹ 10/- each)			
(1) Basic	36	29.27	28.18
(2) Diluted	36	29.27	28.18

Significant accounting policies, key accounting estimates and judgements

1

See accompanying notes to the Consolidated Financial Statements
As per our report of even date attached

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Director
DIN : 02116442

Place: Mumbai
Date: May 20, 2023

Manisha Thakur
Company Secretary

Satyajeet Bolar
Chief Financial Officer

Consolidated cash flow statement for the year ended March 31, 2023

₹ in Lakh

Particulars	Year ended	
	March 31, 2023	March 31, 2022
A Cash flow from operating activities		
Profit before tax	19,057	18,405
Adjustments for:		
Depreciation and amortisation expense	2,159	2,270
Finance costs	21	24
Impairment of intangible assets under development	-	2,043
Gain arising on financial assets measured at FVTPL (net)	(3,010)	(3,146)
Amortisation of government grant	-	(32)
Provision for expected credit loss	14	5
Bad trade receivables write off	30	-
Provisions no longer required written back	(95)	(450)
Loss on fixed assets sold/scrapped (net)	-	10
Interest income	(2,809)	(2,485)
Share of loss of associates	498	171
Remeasurement of employee benefit	(27)	(175)
Operating cash flows before working capital changes	15,838	16,639
Adjustments for (increase) / decrease in assets:		
Other non-current financial assets	-	2
Other non-current assets	(128)	(270)
Trade receivables	(361)	(256)
Other current financial assets	(304)	(1,376)
Other current assets	(11,052)	156
Adjustments for increase/ (decrease) in liabilities:		
Other non-current financial liabilities	(24)	(181)
Non-current provisions	(28)	55
Trade payables	(412)	1,056
Other current financial liabilities	9,891	19,926
Other current liabilities	(787)	936
Current provisions	44	36
Adjustment for increase in settlement guarantee fund (Core SGF)	6,418	5,636
Cash generated from operations	19,095	42,359
Income tax paid (net of refunds)	(4,953)	(3,229)
Net cash generated from operating activities (A)	14,142	39,130
B Cash flow from investing activities		
Capital expenditure on property, plant and equipment including capital advances	(7,127)	(8,198)
Proceeds from sale of property, plant and equipment (Purchase) / proceeds of non-current investments-others (Net)	-	22
Investment in associate	(1,650)	-
Proceeds / (purchase) of current investments (Net)	51,063	(11,503)
Bank balances other than classified as cash and cash equivalents	(11,666)	(15,983)
Interest received	4,254	2,202
Net cash flow (used) in investing activities (B)	(808)	(14,222)

	Particulars	Year ended	
		March 31, 2023	March 31, 2022
C	Cash flow from financing activities		
	Dividend paid	(8,874)	(14,076)
	Finance costs paid	(21)	(13)
	Payment of lease liabilities	(53)	(76)
	Net cash flow (used) in financing activities (C)	(8,948)	(14,165)
	Net increase in cash and cash equivalents (A+B+C)	4,386	10,743
	Cash and cash equivalents at the beginning of the year	13,722	2,979
	Cash and cash equivalents at the end of the year (Refer note 10)	18,108	13,722

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.

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

Shankar Aggarwal

Director
DIN : 02116442

Place: Mumbai

Date: May 20, 2023

Manisha Thakur

Company Secretary

Satyajeet Bolar

Chief Financial Officer

Multi Commodity Exchange of India Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital

(1) For the year ended March 31, 2023

	₹ in Lakh		
	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Balance as at March 31, 2023
Balance as at April 1, 2022	-	-	5,100
	-	-	5,100

(2) For the year ended March 31, 2022

	₹ in Lakh		
	Changes in equity share capital due to prior period errors	Restated balance at the beginning of the current reporting period	Balance as at March 31, 2022
Balance as at April 1, 2021	-	-	5,100
	-	-	5,100

B. Other equity

For the year ended March 31, 2023

Particulars	₹ in Lakh			₹ in Lakh		
	Securities premium	Retained earnings	General reserve	Other comprehensive income	Share of profit/(loss) in associates	Total
Balance as at March 31, 2021*	21,684	1,02,368	16,449	(3,779)	(0)	1,36,723
Profit for the year	-	14,345	-	-	-	14,345
Dividend	-	(14,076)	-	-	-	(14,076)
Equity instruments through other comprehensive income (net of tax)	-	-	-	(101)	44	(57)
Re-measurement of employee benefits obligation (net of tax)	-	-	-	(226)	-	(226)
Balance as at March 31, 2022	21,684	1,02,637	16,449	(4,106)	44	1,36,711
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
Re-measurement of employee benefits obligation (net of tax)	-	-	-	(27)	-	(27)
Balance as at March 31, 2023	21,684	1,08,663	16,449	(4,179)	213	1,42,830

* figures are below rounding off norms adopted by the Group.

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

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DIN : 01064530

Dr. Harsh Kumar Bhanwala
Chairman
DIN : 06417704

Shankar Aggarwal
Director
DIN : 02116442

Place: Mumbai
Date: May 20, 2023

Manisha Thakur
Company Secretary

Satyajeet Bolar
Chief Financial Officer

Place: Mumbai
Date: May 20, 2023

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.

1. Significant 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.

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.

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 Significant 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
Network equipment	3-6 years
Furniture and fixtures	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.

The estimated useful lives of intangible assets are as follows:

Asset class	Useful lives
Computer software & licence fees	5 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. 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 cashflows from operating, investing and financing activities of the Group are segregated.

G. 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.

H. 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.

I. 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.

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
- 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.

J. 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.

- 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. Admission fees: Non-refundable fees collected from new members for joining the Exchange are recognized once the membership is approved by regulatory authority.
- c. Subscription and other fees: Revenue is recognized on straight line basis over the period to which fee relates.
- d. Dividend: Dividend income is recognised when the Company's right to receive dividend is established, which in the case of quoted securities is the ex-dividend date.
- e. 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.
- f. 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.
- g. Warehouse income: Warehouse income is recognized on accrual basis.

K. 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.

L. 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.

M. 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.

c. Stock based compensation

The Group recognizes compensation expense relating to share-based payment in net profit using fair value in accordance with Ind AS 102 Share-Based Payment. The Group has chosen to recognize the credit in ESOP compensation reserve.

N. 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.

Deferred income taxes are not provided on the undistributed earnings of subsidiary where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future. 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. Tax benefits of deductions earned on exercise of employee share options in excess of compensation charged to income are credited to share premium.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

The Group recognises interest levied and penalties related to income tax assessments in income tax expenses.

O. 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 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.

P. 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.

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.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Group recognizes impairment on the assets with the contract.

Q. 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.

R. 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.

S. Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to it, and that the grant will be received. Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Profit and Loss over the expected useful lives of the assets concerned.

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.

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.

1.5 Recent accounting pronouncements which are not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 – Disclosure of material accounting policies:

The amendments related to shifting of disclosure of erstwhile "significant accounting policies" to "material accounting policies" in the notes to the financial statements requiring Companies to reframe their accounting policies to make them more "entity specific. This amendment aligns with the "material" concept already required under International Financial Reporting Standards (IFRS). The Group does not expect this amendment to have any significant impact in consolidated financial statements.

(ii) Ind AS 8 – Definition of accounting estimates:

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates." Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in consolidated financial statements.

(iii) Ind AS 12 – Income Taxes

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind ASs, a first-time adopter shall recognize a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Similarly, a deferred tax liability for all deductible and taxable temporary differences associated with:

a) right-of-use assets and lease liabilities

b) decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset.

Therefore, if a Group has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognize on gross basis based on the carrying amount of right-of-use assets and lease liabilities.

(iv) Ind AS 103 – Common control Business Combination

The amendments modify the disclosure requirement for business combination under common control in the first financial statement following the business combination. It requires to disclose the date on which the transferee obtains control of the transferor is required to be disclosed.

Multi Commodity Exchange of India Limited
Notes forming part of the Consolidated financial statements
2A. Property, plant and equipment

Particulars	Freehold land	Buildings	Office equipments (including computer hardware)	Networking equipment	Furniture and fixtures	Vehicles	₹ in Lakh	
							Total	
Gross carrying amount								
Balance as at April 1, 2021	5,061	6,268	8,198	34	572	152		20,285
Additions	-	-	859	-	32	64		955
Disposals / adjustments	-	-	184	-	-	57		241
Balance as at March 31, 2022	5,061	6,268	8,873	34	603	159		20,999
Additions	-	-	585	-	16	45		646
Disposals / adjustments	-	-	13	-	-	9		22
Balance as at March 31, 2023	5,061	6,268	9,446	34	619	195		21,623
Accumulated Depreciation								
Balance as at April 1, 2021	-	655	5,217	32	358	73		6,334
Additions	-	115	1,024	-	37	27		1,203
Disposals / adjustments	-	-	174	-	-	33		207
Balance as at March 31, 2022	-	770	6,067	32	395	66		7,330
Additions	-	115	1,131	1	41	37		1,325
Disposals / adjustments	-	-	13	-	-	9		22
Balance as at March 31, 2023	-	885	7,185	33	436	94		8,633
Net carrying amount								
Balance as at March 31, 2022	5,061	5,498	2,806	2	209	93		13,669
Balance as at March 31, 2023	5,061	5,383	2,261	1	183	101		12,990

Assets given on operating lease:

Category of asset	Area in sq. feet	Period
17th floor, Gift City	877	01.05.2022-31.03.2023
Office no. 2	3,399	01.08.2020-31.07.2023
Office no. 3	3,377	01.08.2020-31.07.2023
Office no. 4A	1,862	01.08.2021-31.07.2023

2B. Capital work-in-progress

₹ in Lakh

Balance as at April 1, 2021	119
Additions during the year	4,337
Capitalised during the year	119
Balance as at March 31, 2022	4,337

₹ in Lakh

Balance as at April 1, 2022	4,337
Additions during the year	1,180
Capitalised during the year	330
Balance as at March 31, 2023	5,187

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 years	1-2 years	2-3 years	More than 3 years	
Projects in process	1,131	4,056	-	-	5,187
Projects temporarily suspended	-	-	-	-	-
Total	1,131	4,056	-	-	5,187

Capital work-in-progress ageing schedule (as on March 31, 2022)

₹ in Lakh

Particulars	Amount in CWIP for a period of				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Projects in process	4,337	-	-	-	4,337
Projects temporarily suspended	-	-	-	-	-
Total	4,337	-	-	-	4,337

Capital work-in-progress: Projects with timeline delayed (as on March 31, 2023)

-

Particulars	To be completed in				Total
	Less than 1 years	1-2 years	2-3 years	More than 3 years	
Commodity Derivative Platform (CDP)	5,172	-	-	-	5,172
Total	5,172	-	-	-	5,172

As on March 31, 2022, 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.

Notes forming part of the Consolidated financial statements

2C. Right of use asset

₹ in Lakh

Particulars	Lease of office premises	Total
Balance as at April 1, 2021	273	273
Additions (refer note 35)	2	2
Disposals	-	-
Balance as at March 31, 2022	275	275
Additions (refer note 35)	128	128
Disposals	-	-
Balance as at March 31, 2023	403	403
Accumulated depreciation		
Balance as at April 1, 2021	132	132
Additions (refer note 35)	68	68
Disposals	-	-
Balance as at March 31, 2022	200	200
Additions (refer note 35)	53	53
Disposals	-	-
Balance as at March 31, 2023	253	253
Net carrying amount		
Balance as at March 31, 2022	75	75
Balance as at March 31, 2023	150	150

Multi Commodity Exchange of India Limited
Notes forming part of the Consolidated financial statements

3A. Intangible assets

Particulars	₹ in Lakh		
	Computer software & license fees	Trademark and copyright	Total
Gross carrying amount			
Balance as at April 1, 2021	6,773	9	6,782
Additions [#]	1,056	0	1,056
Disposals	-	-	-
Balance as at March 31, 2022	7,829	9	7,838
Additions	756	-	756
Disposals	-	-	-
Balance as at March 31, 2023	8,585	9	8,594
Accumulated amortization			
Balance as at April 1, 2021[#]	4,936	0	4,936
Additions	998	1	999
Disposals	-	-	-
Balance as at March 31, 2022	5,934	1	5,935
Additions	780	1	781
Disposals	-	-	-
Balance as at March 31, 2023	6,714	2	6,716
Net carrying amount			
Balance as at March 31, 2022	1,895	8	1,902
Balance as at March 31, 2023	1,871	7	1,878

[#] figures are below rounding off norms adopted by the Group.

3B. Intangible assets under development

₹ in Lakh	
Balance as at April 1, 2021	2,513
Additions during the year	5,050
Capitalised during the year	378
Impaired during the year (refer note 50)	2,043
Balance as at March 31, 2022	5,142

₹ in Lakh	
Balance as at April 1, 2022	5,142
Additions during the year	7,390
Capitalised during the year	866
Balance as at March 31, 2023	11,666

Intangible assets under development ageing schedule (as on March 31, 2023)

Intangible assets under development	₹ 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 year	Total
Projects in process	3,356	8,284	-	-	11,640
Projects temporarily suspended	26	-	-	-	26
Total	3,382	8,284	-	-	11,666

Intangible assets under development ageing schedule (as on March 31, 2022)

₹ in Lakh

Intangible assets under development	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Projects in process	4,941	201	-	-	5,142
Projects temporarily suspended	-	-	-	-	-
Total	4,941	201	-	-	5,142

Intangible assets under development: Projects with timeline delayed (as on March 31, 2023)

₹ in Lakh

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 year	Total
Commodity Derivative Platform (CDP)	11,531	-	-	-	11,531
Total	11,531	-	-	-	11,531

As on March 31, 2022, 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.

Notes forming part of the Consolidated financial statements
4. Non current investments

Particulars	As at March 31, 2023		As at March 31, 2022		
	Face Value Per share	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
A Investments in equity instruments (unquoted fully paid up):					
(i) of Associate - cost (refer note 41)					
CDSL Commodity Repository Limited	₹ 10	120,00,000	1,242	120,00,000	1,200
Add: Share of (loss) / profit of associate (net of tax)		-	(26)	-	41
India International Bullion Holding IFSC Limited (refer note 41)	₹ 1	3000,00,000	1,268	-	-
Add: Additional investment during the year		-	1,650	-	-
Add: Share of loss of associate (net of tax)		-	(303)	-	-
(ii) Others - cost					
India International Bullion Holding IFSC Limited	₹ 1	-	-	1350,00,000	1,268
			3,831		2,509
B Investment in mutual funds - FVTPL (unquoted)	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
Axis Money Market Fund - Direct - Growth	₹ 1,000	87,036	1,060	87,036	1,002
DSP Ultra Short Fund - Direct - Growth	₹ 1,000	67,692	2,117	67,692	2,005
HDFC Money Market Fund - Direct - Growth	₹ 1,000	32,329	1,591	32,329	1,505
HDFC Ultra Short Term Fund - Direct - Growth	₹ 10	-	-	161,56,500	2,005
ICICI Prudential Money Market Fund - Direct - Growth	₹ 100	3,26,703	1,060	3,26,703	1,003
Invesco India Money Market Fund - Direct - Growth	₹ 1,000	-	-	39,495	1,004
Invesco India Ultra Short Term Fund - Direct - Growth	₹ 1,000	43,423	1,058	43,423	1,002
Kotak Money Market Fund - Direct - Growth	₹ 1,000	27,689	1,060	27,689	1,003
Kotak Savings Fund - Direct - Growth	₹ 10	27,82,926	1,059	27,82,926	1,003
L&T Banking and PSU Debt Fund - Direct - Growth	₹ 10	-	-	51,22,301	1,077
L&T Short Term Bond Fund - Direct - Growth	₹ 10	-	-	46,29,977	1,047
L&T Triple Ace Bond Fund - Direct - Growth	₹ 10	-	-	16,66,442	1,048
L&T Ultra Short Term Fund - Direct - Growth	₹ 10	-	-	42,78,886	1,557
Nippon India Money Market Fund - Direct - Growth	₹ 1,000	-	-	44,897	1,504
SBI Magnum Ultra Short Duration Fund - Direct - Growth	₹ 1,000	20,468	1,056	20,468	1,002
SBI Savings Fund - Direct - Growth	₹ 10	28,18,452	1,059	28,18,452	1,002
Tata Money Market Fund - Direct - Growth	₹ 1,000	26,237	1,062	26,237	1,004
Tata Ultra Short Term Fund - Direct - Growth	₹ 10	-	-	168,52,901	2,007
			12,182		22,779

C Investment in target maturity funds - amortised cost (unquoted)	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
DSP Nifty SDL Plus G-Sec Jun 2028 30:70 Index Fund - Direct - Growth	₹ 10	242,48,266	2,525	-	-
Edelweiss Nifty PSU Bond Plus SDL Apr 2027 50:50 Index Fund - Direct - Growth	₹ 10	240,92,626	2,525	-	-
ICICI Prudential Nifty PSU Bond Plus SDL Sep 2027 40:60 Index Fund - Direct - Growth	₹ 10	241,83,757	2,525	-	-
Kotak Nifty SDL Apr 2032 Top 12 Equal Weight Index Fund - Direct - Growth	₹ 10	481,25,884	5,044	-	-
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund - Direct - Growth	₹ 10	245,30,464	2,525	-	-
SBI CRISIL IBX Gilt Index April 2029 Fund - Direct - Growth	₹ 10	239,91,814	2,500	-	-
			17,644		
	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
D Investment in PSU bank bonds - amortised cost (quoted)					
State Bank Of India perp AT 1 8.75% (series 1) 30 August, 2024 (Call)	₹ 10,00,000	200	2,015	200	2,025
Bank of Baroda 8.70% (perpetual basel III tier I AT1 Series X) C.28 November,2024	₹ 10,00,000	450	4,502	450	4,503
SBI 8.50% Series II perpetual AT1 bonds basel- III 22 November,2024 (Call)	₹ 10,00,000	550	5,531	550	5,548
SBI 7.73% series II perpetual AT1 bonds basel- III 24 November, 2025 (Call)	₹ 10,00,000	200	2,020	200	2,028
Bank of Baroda 8.00% (perpetual basel III tier I AT1 Series XVIII) C.31 January,2027	₹ 100,00,000	25	2,512	-	-
Bank of Baroda 7.88% (perpetual basel III tier I AT1 Series XIX) C.02 September,2027	₹ 100,00,000	25	2,499	-	-
SBI 7.55% series III perpetual AT1 bonds basel- III 14 December, 2026 (Call)	₹ 100,00,000	25	2,494	-	-
SBI 7.75% series 2022-I perpetual AT1 bonds basel- III 09 September, 2027 (Call)	₹ 100,00,000	25	2,501	-	-
			24,074		14,105
	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
E Investment in ETF - FVTPL (quoted)					
BHARAT Bond FOF - April 2023 - Dir - Growth	₹ 1,000	-	-	3,00,000	3,511
Nippon India ETF Nifty CPSE Bond Plus SDL Sep 2024 50:50	₹ 100	13,80,000	1,545	13,80,000	1,495
			1,545		5,006

F Investment in State Development Loan - amortised cost (quoted)	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
7.80% Gujarat SDL 2032	₹ 100	25,00,000	2,514	-	-
7.77% Gujarat SDL 2032	₹ 100	15,00,000	1,514	-	-
7.73% Gujarat SDL 2032	₹ 100	10,00,000	1,002	-	-
7.75% Gujarat SGS 2032	₹ 100	5,00,000	500	-	-
7.81% Gujarat SGS 2032	₹ 100	5,00,000	502	-	-
8.32% Karnataka SDL 2029	₹ 100	5,00,000	517	-	-
7.83% Maharashtra SDL 2030	₹ 100	5,00,000	505	-	-
7.60% Maharashtra SDL 2030	₹ 100	5,00,000	500	-	-
7.86% Maharashtra SDL 2030	₹ 100	10,00,000	1,012	-	-
7.89% Maharashtra SDL 2032	₹ 100	15,00,000	1,529	-	-
7.76% Maharashtra SGS 2030	₹ 100	15,00,000	1,503	-	-
7.78% Maharashtra SGS 2030	₹ 100	15,00,000	1,503	-	-
7.70% Maharashtra SGS 2030*	₹ 100	25,00,000	2,498	-	-
7.64% Tamilnadu SDL 2032	₹ 100	10,00,000	1,003	-	-
7.79% Tamilnadu SGS 2032	₹ 100	5,00,000	501	-	-
7.75% Tamilnadu SDL 2032*	₹ 100	30,00,000	3,012	-	-
7.80% Tamilnadu SDL 2032*	₹ 100	5,00,000	505	-	-
7.82% Tamilnadu SGS 2032*	₹ 100	45,00,000	4,517	-	-
	Total		25,137		44,400
			84,413		

* Pledged with Kotak Mahindra Bank against bank guarantee - aggregate value ₹ 10,532 lakh (as at March 31, 2022 : Nil) which was extinguished on March 31, 2023 and related pledged removed on April 05, 2023.

Aggregate amount of quoted investments	50,639	18,534
Aggregate market value of quoted investments	50,756	19,112
Aggregate amount unquoted investments	33,657	25,288

Notes forming part of the Consolidated financial statements

5. Other non-current financial

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Security deposits	1,050	1,050
Bank deposits with more than 12 months maturity (refer note 11)*		
- Earmarked**	15,501	19,916
- Others	227	-
Interest accrued but not due on fixed deposits***	18	1,005
Total	16,796	21,971

*Bank deposits include deposits which are earmarked for Settlement Guarantee Fund ₹ 11,823 lakh (as at March 31, 2022: ₹ 12,288 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 ₹ 17 lakh (as at March 31, 2022: ₹ 894 lakh).

6. Income tax assets (net)

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Advance income tax [net of provisions ₹ 79,181 lakh (as at March 31, 2022 ₹ 73,572 lakh)]	6,087	5,966
Total	6,087	5,966

*includes TDS receivable on fixed deposit on SGF of Rs. 194 lakh (as at March 31, 2022: Rs. 367 lakh)

7. Other non-current assets

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Capital advances	227	264
Prepaid expenses	244	80
Total	471	344

Multi Commodity Exchange of India Limited
Notes forming part of the Consolidated financial statements
8. Current investments

Particulars	Face Value		As at March 31, 2023		As at March 31, 2022	
	Per share	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh	No. of shares
A Investments in equity instruments (unquoted fully paid up):						
of other Entities - FVTOCI						
Metropolitan Clearing Corporation of India Limited (formerly known as MCX SX Clearing Corporation Limited)	₹ 10	27,58,941	275	27,58,941	238	
Metropolitan Stock Exchange of India Limited (formerly known as MCX Stock Exchange Limited)	₹ 1	3317,77,008	1,327	3317,77,008	1,427	
			1,602		1,665	
B Investment in mutual funds - FVTPL (Unquoted)	Per unit	Units	₹ in Lakh	Units	₹ in Lakh	
Fixed Maturity Plans						
Aditya Birla Sun Life Fixed Term Plan - Series RC - Direct - Growth	₹ 10	-	-	80,00,000	1,045	
Aditya Birla Sun Life Fixed Term Plan Series PU - Direct - Growth	₹ 10	-	-	50,00,000	682	
HDFC Fixed Maturity Plan October, 2018 (43) 1 - Direct - Growth	₹ 10	-	-	70,00,000	925	
HDFC Fixed Maturity Plan September, 2018						
(42) -1-1381 - Direct - Growth	₹ 10	-	-	80,00,000	1,072	
ICI Pru FMP Series 84 1293 days - Direct - Growth	₹ 10	-	-	100,00,000	1,334	
Kotak FMP Series 247 - 1308 days - Direct - Growth	₹ 10	-	-	100,00,000	1,341	
Nippon India FHF 39 Series 4 FMP - Direct - Growth	₹ 10	-	-	70,00,000	944	
Nippon India FHF 39 Series 6 FMP - Direct - Growth	₹ 10	-	-	80,00,000	1,074	
Nippon India FHF 39 Series 9 FMP - Direct - Growth	₹ 10	-	-	80,00,000	1,063	
Others						
Axis Arbitrage Fund - Direct - Growth	₹ 10	-	-	61,92,216	1,002	
Axis Liquid Fund - Direct - Growth	₹ 1,000	10,410	260	21,166	500	
Axis Banking & PSU Debt Fund - Direct - Growth	₹ 1,000	-	-	60,260	1,318	
Axis Money Market Fund - Direct - Growth	₹ 1,000	-	-	90,424	1,041	
Aditya Birla Sun Life Liquid Fund - Direct - Growth	₹ 100	10,59,724	3,848	-	-	
DSP Ultra Short Fund - Direct - Growth	₹ 1,000	-	-	35,084	1,039	
HDFC Arbitrage Fund - Direct - Growth	₹ 10	-	-	62,24,013	1,001	

HDFC Low Duration Fund - Direct - Growth	₹ 10	-	-	33,57,861	1,672
HDFC Short Term Debt Fund - Direct - Growth	₹ 10	-	-	50,21,996	1,317
ICICI Prudential Money Market Fund - Direct - Growth	₹ 100	-	-	3,05,077	936
ICICI Prudential Banking & PSU Debt Fund - Direct - Growth	₹ 1,000	-	-	51,95,885	1,399
ICICI Prudential Corporate Bond Fund - Direct - Growth	₹ 10	-	-	42,75,538	1,051
ICICI Prudential Equity - Arbitrage Fund - Direct - Growth	₹ 10	-	-	34,19,638	1,002
ICICI Prudential Savings Fund - Direct - Growth	₹ 100	-	-	4,76,727	2,087
ICICI Prudential Liquid - Direct - Growth *	₹ 100	5,488	18	10,048	32
IDFC Arbitrage Fund - Direct - Growth	₹ 10	-	-	35,88,410	1,002
IDFC Banking & PSU Debt Fund - Direct - Growth	₹ 10	-	-	52,81,993	1,077
IDFC Ultra Short Term Fund - Direct - Growth	₹ 10	-	-	83,63,094	1,038
Invesco India Arbitrage Fund - Direct - Growth	₹ 10	-	-	36,87,050	1,002
Invesco India Corporate Bond Fund - Direct - Growth	₹ 1,000	-	-	39,481	1,080
Invesco India Money Market Fund - Direct - Growth	₹ 1,000	-	-	40,954	1,041
Invesco India Short Term Fund - Direct - Growth	₹ 1,000	-	-	33,095	1,048
Invesco India Ultra Short Term Fund - Direct - Growth	₹ 1,000	-	-	67,580	1,560
Kotak Liquid Fund - Direct - Growth	₹ 1,000	22,067	1,004	-	-
Kotak Banking and PSU Debt Fund - Direct - Growth	₹ 10	-	-	39,27,851	2,132
Kotak Bond Fund - Direct - Growth	₹ 10	-	-	15,20,094	1,037
Kotak Corporate Bond Fund - Direct - Growth	₹ 1,000	-	-	89,285	2,797
Kotak Equity Arbitrage Fund - Direct - Growth	₹ 10	-	-	31,60,798	1,001
Kotak Floating Rate Fund - Direct - Growth	₹ 1,000	-	-	86,247	1,059
Kotak Money Market Scheme - Direct - Growth	₹ 1,000	-	-	28,730	1,040
Kotak Savings Fund - Direct - Growth	₹ 10	-	-	43,31,451	1,561
Nippon India Arbitrage Fund - Direct - Growth	₹ 10	-	-	43,86,450	1,001
Nippon India Banking & PSU Debt Fund - Direct - Growth	₹ 10	-	-	140,55,549	2,425
Nippon India Floating Rate Fund - Direct - Growth	₹ 10	-	-	27,93,835	1,055
Nippon India Overnight Fund - Direct - Growth	₹ 100	4,35,591	524	-	-
Nippon India Liquid Fund - Direct - Growth	₹ 1,000	27,337	1,505	-	-
Nippon India Liquid Fund - Direct - Growth *	₹ 1,000	-	-	407	21
Nippon India Low Duration Fund - Direct - Growth	₹ 1,000	66,362	2,217	66,362	2,103
SBI Arbitrage Opportunities Fund - Direct - Growth	₹ 10	-	-	35,07,883	1,001
SBI Liquid Fund - Direct - Growth	₹ 1,000	-	-	2,69,208	8,973
SBI Magnum Ultra Short Duration Fund - Direct - Growth	₹ 1,000	-	-	31,830	1,559
SBI Savings Fund - Direct - Growth	₹ 10	-	-	29,27,168	1,041
SBI Short Term Debt Fund - Direct - Growth	₹ 10	-	-	39,40,861	1,073
Tata Arbitrage Fund - Direct - Growth	₹ 10	-	-	83,50,801	1,001
Tata Liquid Fund - Direct - Growth	₹ 1,000	-	-	14,883	500

Tata Money Market Fund - Direct - Growth	₹ 1,000	27,288	1,105	27,288	1,044
UTI Arbitrage Fund - Direct - Growth	₹ 10	-	-	33,69,615	1,001
UTI-Liquid Cash Plan - Direct - Growth	₹ 1,000	1,20,708	4,454	-	-
UTI-Liquid Cash Plan - Direct - Growth *	₹ 1,000	438	16	1,003	34
C Investment in ETF - FVTPL (quoted)			14,951		68,184
BHARAT bond ETF - April 2023 - Direct - Growth	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
	₹ 1,000	3,00,000	3,687	-	-
			3,687		
D Investment in PSU bank bonds - amortised cost (quoted)					
Bank of Baroda 8.60% (Perpetual Basel III Tier I ATI Series VIII)	Per unit	Units	₹ in Lakh	Units	₹ in Lakh
C 01 August 2022	₹ 10,00,000	-	-	150	1,500
	-	-	-	-	1,500
Total			20,240		71,349
* Earmarked towards the Investor Service Fund - aggregate value ₹ 34 lakh (as at March 31, 2022 : ₹ 88 lakh)					
Aggregate amount of quoted investments			3,000		1,500
Aggregate market value quoted investments			3,687		1,500
Aggregate market value of unquoted investments			16,553		69,849

Notes forming part of the Consolidated financial statements

9. Trade receivables

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Secured, considered good*	-	68
Unsecured, considered good	882	384
Unsecured, considered doubtful	628	764
	1,510	1,216
Less: Allowance for doubtful trade receivables	(46)	(69)
Total	1,464	1,147

*secured by bank guarantees/fixed deposit from members.

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 40.c.7.

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 month - 1 year	1-2 years	2-3 years	More than 3 year	
(i) Undisputed trade receivables – considered good [#]	882	-	-	0	-	882
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired [#]	-	0	0	1	8	9
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	2	191	78	348	619
Total	882	2	191	79	356	1,510
Allowance for doubtful trade receivables (refer note 40)						(46)
Total trade receivables	882	2	191	79	356	1,464

[#] figures are below rounding off norms adopted by the Group.

Trade receivables ageing schedule (as at March 31, 2022)

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 month - 1 year	1-2 years	2-3 years	More than 3 year	
(i) Undisputed trade receivables – considered good*	416	2	0	3	11	432
(ii) Undisputed trade receivables – which have significant increase in credit risk	10	-	-	-	-	10
(iii) Undisputed trade receivables – credit impaired*	-	1	1	0	23	25
(iv) Disputed trade receivables– considered good*	-	1	0	5	14	19
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	151	161	114	297	6	729
Total	576	165	115	305	54	1,216
Allowance for doubtful trade receivables (refer note 40)						(69)
Total trade receivables	576	165	115	305	54	1,147

* figures are below rounding off norms adopted by the Group.

10. Cash and cash equivalents

₹ in Lakh

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balances with banks		
- in current accounts*	18,108	13,722
Total	18,108	13,722

*Includes balance ₹ 1 lakh (as at March 31, 2022: ₹ 3 lakh) in SGF earmarked bank accounts.

11. Bank balances other than cash and cash equivalents

₹ in Lakh

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Bank deposits	1,15,205	1,03,541
Less: Bank deposits with more than 12 months maturity (refer note 5)	(15,728)	(19,916)
Bank deposits with less than 12 months maturity*	99,477	83,625
In current account		
- Earmarked fund**	126	114
- unpaid dividend accounts	75	85
Total	99,678	83,824

* Bank deposits include:

- Deposits which are earmarked for Settlement Guarantee Fund ₹ 44,520 lakh (as at March 31, 2022: ₹ 36,177 lakh)
- Deposits other than note (a) which are under lien with banks for overdraft facilities and bank guarantee ₹ 11,695 lakh (as at March 31, 2022: ₹ 19,104 lakh).
- Earmarked Bank Deposits of ₹ 890 lakh (as at March 31, 2022 : ₹ 316 lakh)

** The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes. All other cash and bank balances are available for the operating activities.

Notes forming part of the Consolidated financial statements

12. Other current financial assets

Particulars	₹ in Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
Secured, considered good		
Unbilled revenue*	4,381	4,149
Unsecured, considered good (unless stated otherwise)		
Other receivables	105	26
Less: Provision for doubtful receivables	(9)	(2)
	96	24
Interest accrued but not due on fixed deposits**	3,983	5,267
Interest accrued but not due on perpetual bonds	715	543
Interest accrued but not due on state development loans	654	-
Total	9,829	9,983

* secured by bank guarantees / fixed deposit from members.

** Include interest of ₹ 2,421 lakh (as at March 31, 2022: ₹ 2,830 lakh) on fixed deposits which are earmarked for settlement guarantee fund.

13. Other current assets

Particulars	₹ in Lakh	
	Year ended March 31, 2023	Year ended March 31, 2022
a) Unsecured, considered good (unless stated otherwise)		
Prepaid expenses	926	1,195
Balance with government authorities	3,362	285
Advances for supply of services other than capital advances	8,974	729
Other advances	13	14
Total (A)	13,275	2,223
(b) Unsecured, considered doubtful		
Other recoverable	282	282
Less: Provision for doubtful advance	(282)	(282)
Total (B)	-	-
Total (A) + (B)	13,275	2,223

Notes forming part of the Consolidated financial statements

14. Equity share capital

Particulars	As at March 31,2023		As at March 31,2022	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
Authorized				
Equity shares of ₹ 10/- each	70,000,000	7,000	70,000,000	7,000
Issued				
Equity shares of ₹ 10/- each	50,998,369	5,100	50,998,369	5,100
Subscribed and paid-up				
Equity shares of ₹ 10/- each	50,998,369	5,100	50,998,369	5,100
	50,998,369	5,100	50,998,369	5,100

a. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31,2023		As at March 31,2022	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
Opening balance at the beginning of the year	50,998,369	5,100	50,998,369	5,100
Add: Shares issued during the year	-	-	-	-
Closing balance at the end of the year	50,998,369	5,100	50,998,369	5,100

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:

Particulars	As at March 31,2023		As at March 31,2022	
	Number of shares	% of holding	Number of shares%	of holding
Kotak Mahindra Bank Limited	7,649,755	15%	7,649,755	15%

d. For particulars of options granted under Employee Stock Option Schemes, refer note 39 on ESOP.

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 contracts 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

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	
Balance as at March 31, 2021[#]	21,684	102,368	16,449	(3,779)	(0)	136,723
Profit for the year	-	14,345	-	-	-	14,345
Dividend	-	(14,076)	-	-	-	(14,076)
Equity instruments through other comprehensive income (net of tax)	-	-	-	(101)	44	(57)
Re-measurement of employee benefits obligation and others	-	-	-	(226)	-	(226)
Balance as at March 31, 2022	21,684	102,637	16,449	(4,106)	44	136,711
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
Re-measurement of employee benefits obligation and others	-	-	-	(27)	-	(27)
Balance as at March 31, 2023	21,684	108,663	16,449	(4,179)	213	142,830

[#]figures are below rounding off norms adopted by the Group.

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

a) 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.

b) ESOP compensation reserve – Refer note 39.

[#]figures are below rounding off norms adopted by the Group.

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.

Equity instruments through other comprehensive income

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.

Notes forming part of the Consolidated financial statements

16. Core settlement guarantee fund (SGF)

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance (cash component)	52,559	46,923
Add:		
Clearing Corporation Limited - Contribution	2,164	1,720
Exchange -MCX contribution	637	600
Settlement related penalties	3,616	3,316
Total	58,976	52,559

17. Other non-current financial liabilities

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Trade / security deposits from members*	4,850	4,911
Employee benefits payable	400	363
Total	5,250	5,274

*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, 2023 ₹ 5,460 lakhs (as on March 31, 2022: ₹ 5,357 lakh).

18. Non current provisions

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences (refer note 38)	246	274
Total	246	274

Notes forming part of the Consolidated financial statements

19. Trade payables

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (refer note 47)	33	4
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,102	2,637
Total	2,135	2,641

Payables are generally settled within 0 - 30 days

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	
(i) MSME	20	13	-	-	-	33
(ii) Others	637	21	-	-	-	2,102
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	657	34	-	-	-	2,135

Trade payables ageing schedule (as at March 31, 2022)

₹ 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	
(i) MSME [#]	4	0	-	-	-	4
(ii) Others [#]	514	849	-	1	0	2,637
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	518	849	-	1	0	2,641

[#] figures are below rounding off norms adopted by the Group.

20. Other current financial liabilities

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Advance received from members and applicants towards		
- Trading margin from members	63,554	53,966
- Member's security deposits*	3,946	3,732
- Application money (pending admission)	26	48
Employee benefits payable	1,461	1,067
SEBI regulatory fund	7	6
Unclaimed dividends**	75	85
Warehouse deposit	50	160
Members obligation for transaction fees	29	31
Trade / security deposits from settlement bankers	1,800	1,800
Payable for purchase of fixed assets	4,843	3,188
Security deposits from depository participants	39	200
Other financial liabilities	6	7
Total	75,836	64,290

* 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, 2023 ₹ 163 lakhs (as on March 31, 2022 ₹ 121 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, 2023	As at March 31, 2022
Statutory remittances	8,830	9,216
Payable to Multi Commodity Exchange Investor Protection Fund (IPF)	676	737
Investor services fund (ISF)*	989	1,000
Payable to settlement guarantee fund**	4	341
Advance received from members and applicants	405	448
Income received in advance	92	41
Total	10,996	11,783

* 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 ₹ 426 lakh (as on March 31, 2022 ₹ 312 lakh), investment income ₹ 53 lakh (as on March 31, 2022 ₹ 40 lakh), and utilized ₹ 490 Lakh (as on March 31, 2022 ₹ 197 lakh).

**FDR of ₹ Nil (as on March 31, 2022 ₹ 323 lakh) of SGF penalties collected on short margin for trade date March 7, 2022 and March 8, 2022 kept under- SGF penalties withheld account.

22. Current provisions

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Provision for compensated absences (refer note 38)	74	63
Provision for gratuity (refer note 38)	209	176
Total	283	239

23. Income tax liabilities (net)

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for tax [net of advance tax ₹ 4,074 lakh (as at March 31, 2022 ₹ 2,741 lakh)]	468	113
Total	468	113

24. Revenue from operations

₹ in Lakh

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services		
Transaction fees	42,634	31,192
Annual subscription fees	286	263
Membership admission fees	275	175
Terminal charges	28	28
	43,223	31,658
Other operating revenues		
Connectivity income	508	445
Other recoveries from members	617	512
Income from margin money	5,248	2,746
Data feed income	826	562
Warehouse income	929	758
	8,128	5,023
Total	51,351	36,681

25. Other income

₹ in Lakh

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Investment income		
Interest income from financial assets at amortised cost:		
- on bank deposits [#]	99	0
- on perpetual bonds	1,646	-
- on tax free bonds	-	2,353
- on state development loans	1,064	-
- on target maturity funds	144	-
Gain arising on financial assets measured at FVTPL (net)	3,010	3,146
Total (A)	5,963	5,499
Other income:		
Rental income from operating lease	108	119
Provisions / liability no longer required written back	95	449
Consultancy fees	475	-
Miscellaneous income	96	451
Interest income		
- on income tax refund	-	59
- from others	29	73
Total (B)	803	1,151
Total (A) + (B)	6,766	6,650

[#] figures are below rounding off norms adopted by the Group.

26. Employee benefits expense

₹ in Lakh

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	8,390	7,211
Contribution to provident and other funds	524	447
Staff welfare expenses	90	134
Compensated absences	186	208
Total	9,190	8,000

27. Finance costs

₹ in Lakh

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expenses on :		
- Interest on lease liabilities (refer note 35)	2	10
- Others	19	14
Total	21	24

28. Software support charges and product license fees

₹ in Lakh

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Software support charges (refer note 51)	16,941	4,773
Product license fees	2,665	1,624
Total	19,606	6,397

29. Computer technology and communication expenses

₹ in Lakh

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Computer technology expenses	1,906	1,532
Communication expenses	797	518
Total	2,703	2,050

30. Other expenses

₹ in Lakh

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Advertisement	122	180
Electricity charges	373	257
Rent	360	289
Repairs and maintenance - others	136	152
Insurance	59	74
Rates and taxes	24	24
Travelling and conveyance	306	203
Printing and stationery	18	16
Business promotion	103	37
CSR related expenses	360	371
Legal and professional fees	842	678
Sponsorships and seminar expenses	86	37
Membership fees and subscriptions	103	108
Security service charges	114	118
Provision for doubtful trade receivables*	44	5
SEBI - Exchange regulatory fees	164	170
Payment to the auditors		
- For audit	16	15
- For taxation matters	-	3
- For other services	1	1
- Reimbursement of out of pocket expenses	1	1
	18	20
Contribution to Multi Commodity Exchange Investor Protection Fund (IPF)	426	312
Contribution to Investor Service Fund	426	312
Net loss on foreign currency transactions and translations	4	26
Loss on fixed assets sold/scrapped	-	10
Directors sitting fees	336	325
Office expenses	261	234
Miscellaneous expenses	198	58
Total	4,883	4,016

* Net of bad debts written off ₹ 30 lakh (March 31, 2022: ₹ 110 lakh)

Notes forming part of the Consolidated financial statements

31. Contingent liabilities and commitments (to the extent not provided for):

Particulars	₹ in Lakh	
	As at March 31, 2023	As at March 31, 2022
Contingent liabilities :		
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)	12,705	12,705
- Others (excluding interest)	18	62
Capital commitments:		
The estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	10,473	12,370

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.

Notes forming part of the Consolidated financial statements

32. Taxation

The major component of tax expenses for the year are as under :

₹ in Lakh

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Current income tax	5,106	2,885
Short / (excess) provision for tax relating to previous years	67	(317)
Deferred tax	(1,013)	65
MAT credit entitlement relating to previous year	-	436
Minimum alternate tax (MAT) credit utilised	-	990
Total income tax expense	4,160	4,059

Reconciliation of tax expenses:

₹ in Lakh (except as otherwise stated)

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Reconciliation:		
Profit for the year before share of profit in associate:	19,555	18,531
Applicable tax rate for respective companies	25.17%	29.12%
Computed expected tax expense	4,919	5,292
Add:		
Expenses disallowed	773	978
Income from other Source	727	416
Less:		
Expenses allowed	(671)	(828)
Exempt income/other income offered separately	(42)	(1,301)
Contribution to Core settlement guarantee fund (Core SGF) (refer note 44)	(81)	-
Set off of business loss	(519)	(682)
Income tax liability	5,106	3,875
Short / (excess) provision for tax relating to previous years	67	(317)
Income tax expense per the Statement of Profit and Loss	5,173	3,558
Effective tax rate	26.45%	19.20%

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 as recognised provision for income tax for the year and re-measured its deferred tax assets basis the rate prescribed in the said section.

Deferred tax relates to the following:

₹ in Lakh

Particulars	Balance Sheet	
	March 31, 2023	March 31, 2022
Expenses allowable on payment basis	270	265
Other items giving rise to temporary differences (including impact on fair value of investments)	780	(57)
Difference between WDV of property, plant and equipment as per books of accounts & income tax	(1,009)	(1,196)
Difference between WDV of right of use assets as per books of accounts & income tax	(38)	(22)
Lease liability	39	26
Minimum alternate tax (MAT) credit entitlement (refer note 45)	-	(1,426)
Minimum alternate tax (MAT) credit entitlement reversed	-	1,426
Deferred tax asset / (liability)	43	(984)

Reconciliation of deferred tax assets / (liabilities) net:

₹ in Lakh

Particulars	As at March 31, 2023	As at March 31, 2022
Opening deferred tax (liabilities) / asset	(984)	476
Tax income/(expense) during the period recognized in profit & loss account	1,013	(65)
Differences on other comprehensive income	14	31
Minimum alternate tax (MAT) credit entitlement	-	(1,426)
Closing deferred tax asset / (liabilities)	43	(984)

Notes forming part of the Consolidated financial statements

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

₹ in Lakh

Particulars	Balance Sheet	
	March 31, 2023	March 31, 2022
Expenditure in foreign currency		
- License fees	2,495	1,547
- Membership and subscription	78	92
- Professional charges	7	18
- Computer technology and communication expenses	148	104
- Software license fees expenses	14	20
- Sponsorships and seminar expenses	2	-
- Bank charges	1	1
Earnings in foreign exchange		
- Data feed income	360	214

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:

₹ in Lakh

Particulars	March 31, 2023	March 31, 2022
Opening balance	86	153
Additions during year	120	5
Finance costs incurred during the year	2	10
Payment of lease liabilities	(53)	(82)
Closing balance	155	86

b. The carrying value of the right of use asset and depreciation charged during the year

₹ in Lakh

Particulars	March 31, 2023	March 31, 2022
Opening balance	75	141
Additions during year	128	2
Depreciation charged during the year	53	68
Closing Balance	150	75

c. Amounts recognised in Statement of Profit and Loss:

₹ in Lakh

Particulars	March 31, 2023	March 31, 2022
Depreciation on right of use asset	53	68
Finance costs incurred during the year	2	10
Rent expense	(31)	(82)
Total amounts recognised in the Statement of Profit and Loss	24	(4)

d. Maturity analysis of lease liabilities

₹ in Lakh

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	113	47
One to five years	105	56
More than five years	-	4
Total undiscounted lease liability	218	107
Non-current lease liability	113	46
Current lease liability	42	40
Total lease liability	155	86

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, 2023	March 31, 2022
Weighted average shares outstanding - basic	50,902,818	50,902,818
Effect of dilutive securities on account of ESOP	-	-
Weighted average shares outstanding - diluted	50,902,818	50,902,818

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, 2023	March 31, 2022
Earnings available to equity shareholders	14,897	14,345
Earnings available for equity shareholders for diluted earnings per share	14,897	14,345
Basic earnings per share	29.27	28.18
Diluted earning per share	29.27	28.18

Notes forming part of the Consolidated financial statements

37. Related party Information

Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Associate company	CDSL Commodity Repository Limited (CCRL) [®]
	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)
Shareholders' directors	Mr. Hemang Raja
	Mr. Mohan Narayan Shenoj
	Nominee of NABARD (Mr. Vivek Sinha)*
	Mr. Arvind Kathpalia (w.e.f. December 06, 2022)
	*Sitting fees are paid directly to their nominee institutions
Independent directors	Dr. Harsh Kumar Bhanwala
	Mr. Shankar Aggarwal
	Mr. Chandra Shekhar Verma
	Mr. Ved Prakash Chaturvedi (w.e.f. September 17, 2022)
	Mr. Ashutosh Vaidya (w.e.f. September 17, 2022)
	Ms. Sonu Bhasin (w.e.f. September 17, 2022)
	Mr. Saurabh Chandra (upto July 02, 2022)
	Mr. Bhartendu Kumar Gairola (upto September 16, 2022)
	Ms. Pravin Tripathi (upto September 16, 2022)
	Mr. Chengalath Jayaram (upto September 27, 2022)
Key managerial personnel (KMP)	Mr. P.S. Reddy, MD & CEO ^{##}
	Ms. Manisha Thakur, Company Secretary (w.e.f. December 22, 2022) ^{##}
	Mr. Satyajeet Bolar, Chief Financial Officer ^{##}
	Mr. Ajay Puri, Company Secretary (upto December 06, 2022) ^{##}
	Others:
	Mr. Manoj Jain [#]
	Mr. Rajendran Narayanan [#]
	Mr. Shashank Sathe [#]
	Mr. Praveen Dalvani Ganapathi [#]
	Mr. Chittaranjan Rege [#]
	Mr. Shivanshu Mehta [#]
	Mr. Rishi Nathany [#]
	Mr. Himanshu Ashar [#]
	Mr. Sanjay Gakhar [#]
	Mr. Pravin Gade [#]
	Mr. Radheshyam Yadav [#]
	Mrs. Ruchi Shukla [#]
	Mr. Puneet Shadija [#]
	Mr. Sambit Patnaik [#]
	Mr. Vaibhav Aggarwal [#]
	Mr. Vijay Patel [#]
	Mr. Suresh Raval [#]
	Ms. Rashmi Nihalani [#]
	Ms. Komal Kanzaria [#]
	Mr. NK Muthappa [#]
	Mr. Ramesh Gurrām [#]
	Mr. Ajit Phanse [#] (w.e.f. July 11, 2022)
	Mr. Prashant Wagh [#] (w.e.f. December 22, 2022)
	Mr. Kaushal Mehta [#] (w.e.f. December 22, 2022)
	Mr. Armaan Gaus [#] (w.e.f. December 22, 2022)
Mr. Sanjay Golecha, Chief Regulatory Officer (upto June 30, 2022)	

Nature of relationship	Name of related party
Others Relatives of KMPs or company in which KMP is interested and where transaction exists	Mr. Prasad Dalavai Ganapathi
	Ms. Maya Ashar
	Ms. Shilpa Gade
	Mr. Dhruhit Raval
	Mr. Nitin Agarwal
Company in which director is interested and where transaction exists	-
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.

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		MCX ESOP Trust	Others			Relatives of KMPs or company in which KMP is interested	
	CDSL Commodity Repository Limited	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)		Shareholder's directors	Independent directors	Company in which director is interested and where transaction exists		
Transactions								
Re-imbursments charged to the Company	-	-	1	-	4	-	18	23
Recoveries charged by the Company	-	-	47	-	-	-	-	47
Sitting fees paid	-	-	-	63	154	-	-	217
Trustee sitting fees paid	-	-	-	-	5	-	-	5
Dividend paid	-	-	17	-	-	-	4	21
Investments in:								
Equity share capital (face value ₹ 1)	-	1,650	-	-	-	-	-	1,650
Balances as at March 31, 2023								
Investments	1,200	3,000	-	-	-	-	-	4,200

₹ in Lakh

Transactions with related parties:

The details of transactions with related parties for year ended March 31, 2022 are as follows:

₹ in Lakh

Particulars	March 31, 2022						Total	
	Associate		Others					
	CDSL Commodity Repository Limited	India International Bullion Holding IFSC Limited (IIBH) (w.e.f. June 3, 2021 upto March 3, 2022)	MCX ESOP Trust	Shareholder's directors	Independent directors	Company in which director is interested and where transaction exists	KMPs	Relatives of KMPs or company in which KMP is interested
Transactions								
Re-imbursements charged to the Company	-	-	-	-	5	-	8	-
Recoveries charged by the Company	-	-	22	-	-	-	-	-
Sitting fees paid	-	-	-	52	170	-	-	-
Trustee sitting fees paid	-	-	-	-	8	-	-	-
Dividend paid	-	-	26	-	-	-	7	0.26
Investments in:								
Equity share capital (face value ₹ 1)	-	1,350	-	-	-	-	-	-
Reimbursement of professional fees	-	5	-	-	-	-	-	-
Balances as at March 31, 2022								
Investments	1,200	1,350	-	-	-	-	-	-
Outstanding balance receivable / (payable)	-	-	-	-	-	-	-	-

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.

Compensation of key managerial personnel of the company

₹ in Lakh

Particulars	Year ended	Year ended
	2022-23	2021-22
Short-term employment benefits	1,833	1,624
Post-employment benefits	131	45

Transactions with key managerial personnel :

₹ in Lakh

Nature of Transactions	Year ended	Year ended
	March 31, 2023	March 31, 2022
1. Salary and allowances paid/payable to KMPs*:		
Mr. P.S. Reddy	240	241
Ms. Manisha Thakur (w.e.f. December 22, 2022)	11	-
Mr. Ajay Puri (upto December 6, 2022)	67	84
Mr. Satyajeet Bolar	66	64
Others	1,449	1,235
2. Dividend paid to KMPs:		
Others	4	7

*Excludes gratuity and long term compensated absences 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.

Notes forming part of the Consolidated financial statements

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, 2023 and March 31, 2022.

₹ in Lakh

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	1,254	932
Interest cost	90	64
Current service cost	147	111
Benefits paid from the fund	(126)	(74)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(37)	(56)
Actuarial (gains)/losses on obligations - due to experience	55	277
Present value of benefit obligations at the end of the year	1,383	1,254
Change in plan assets		
Fair value of plan assets at the beginning of the year	1,078	773
Interest income	79	53
Return on plan assets excluding interest income	(14)	(5)
Contributions by the employer	157	330
Benefits paid from the fund	(126)	(74)
Fair value of plan assets at the end of the year	1,174	1,078
Net (liability)/ asset recognised in the Balance Sheet	(209)	(176)

Amount for the year ended March 31, 2023 and March 31, 2022 recognized in the Statement of Profit and Loss under employee benefits expenses.

₹ in Lakh

Recognized in Profit and Loss	Year ended	
	March 31, 2023	March 31, 2022
Current service cost	147	111
Net interest cost	11	11
Expenses recognized	158	121

Amount for the year ended March 31, 2023 and March 31, 2022 recognized in Statement of other comprehensive income (OCI):

₹ in Lakh

Recognized in other comprehensive income (OCI)	Year ended	
	March 31, 2023	March 31, 2022
Actuarial (gains) / losses on obligation for the year	18	221
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	15	5
Net (income)/expense for the year recognized in OCI	33	226

The weighted-average assumptions used to determine benefit obligations as at March 31, 2023 and March 31, 2022 are set out below:

₹ in Lakh

Weighted average actuarial assumptions	As at	
	March 31, 2023	March 31, 2022
Discount rate*	7.50%	7.25%
Methodology adopted for valuation is projected unit credit method.	7.50%	7.50%
Weighted average duration of defined projected benefit obligation**	15	15

* MCXCCL Discount rate 7.50% as at March 31, 2023 (as at March 31, 2022 - 7.25%)

** MCXCCL - 12 years as at March 31, 2023 (as at March 31, 2022 - 12 years)

₹ in Lakh

Sensitivity analysis	As at	
	March 31, 2023	March 31, 2022
Projected benefit obligation on current assumptions	1,382	1,254
Delta effect of +1% change in rate of discounting	(134)	(130)
Delta effect of -1% change in rate of discounting	157	152
Delta effect of +1% change in rate of salary increase	154	150
Delta effect of -1% change in rate of salary increase	(135)	(131)
Delta effect of +1% change in rate of employee turnover	(4)	(5)
Delta effect of -1% change in rate of employee turnover	4	5

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 ₹ 302 lakh to the plan assets during financial year 2023-24.

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.

Maturity profile of projected benefit obligation:

₹ in Lakh

Projected benefits payable in future years from the date of reporting	March 31, 2023	March 31, 2022
Within 1 year	70	42
1-2 year	32	50
2-3 year	39	30
3-4 year	93	37
4-5 year	60	94
5-10 years	898	798
11 years and above	2,327	2,208

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 Company are ₹ 377 lakh (previous year ₹ 335 lakh) (refer note 26).

₹ in Lakh

Particulars	As at	
	March 31, 2023	March 31, 2022
Contribution to provident and family pension fund	373	332
Contribution to labour welfare fund [#]	0	0
Contribution to employees deposit linked insurance (EDLI)	4	3

[#] 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, 2023 based on actuarial valuation carried out by using projected accrual benefit method resulted in decrease in liability by ₹ 17 lakh. (previous year - increase by ₹ 74 lakh).

a. Financial assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate*	7.50 % p.a.	7.25 % p.a.
Salary escalation rate	7.50 % p.a.	7.50 % p.a.

* MCXCCL Discount rate 7.50% as at March 31, 2023 (as at March 31, 2022 - 7.25%)

b. Demographic assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
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

39. Employee stock option plan (ESOP):

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. Out of which ESOP trust has granted (a) 1,313,250 number of options convertible into 1,313,250 equity shares of ₹ 10 each to eligible employees on July 02, 2008 and August 23, 2008 in aggregate; (b) 331,750 (including the lapsed options available for reissuance) numbers of options convertible into 331,750 equity shares of ₹ 10 each to eligible employees on October 24, 2011; (c) 10,000 numbers of options convertible into 10,000 equity shares of ₹ 10 each to an eligible employee on October 03, 2012; (d) 25,300 numbers of options convertible into 25,300 equity shares of ₹ 10 each to eligible employees on April 19, 2013 ; (e) 10,000 numbers of options convertible into 10,000 equity shares of ₹ 10 each to an eligible employee on February 19, 2014 and (f) 172,600 numbers of options convertible into 172,600 equity shares of ₹ 10 each to eligible employees on November 11, 2014.

Details of the options granted by the ESOP trust is as under :

Vesting period	No. of options granted	Exercise price	Grant date
July 02, 2008 to July 02, 2009	3,91,725	₹ 144.00	2-Jul-08
July 02, 2008 to July 02, 2010	3,91,725	₹ 144.00	
July 02, 2008 to July 02, 2011	5,22,300	₹ 144.00	
August 23, 2008 to August 23, 2009	2,250	₹ 144.00	23-Aug-08
August 23, 2008 to August 23, 2010	2,250	₹ 144.00	
August 23, 2008 to August 23, 2011	3,000	₹ 144.00	
October 24, 2011 to October 24, 2012	99,525	₹ 390.00	24-Oct-11
October 24, 2011 to October 24, 2013	99,525	₹ 390.00	
October 24, 2011 to October 24, 2014	1,32,700	₹ 390.00	
October 03, 2012 to October 03, 2013	3,000	₹ 1,282.75	03-Oct-12
October 03, 2012 to October 03, 2014	3,000	₹ 1,282.75	
October 03, 2012 to October 03, 2015	4,000	₹ 1,282.75	
April 19, 2013 to April 19, 2014	7,590	₹ 855.70	19-Apr-13
April 19, 2013 to April 19, 2015	7,590	₹ 855.70	
April 19, 2013 to April 19, 2016	10,120	₹ 855.70	
February 19, 2014 to February 19, 2015	1,000	₹ 516.50	19-Feb-14
February 19, 2014 to February 19, 2016	2,000	₹ 516.50	
February 19, 2014 to February 19, 2017	3,000	₹ 516.50	
February 19, 2014 to February 19, 2018	4,000	₹ 516.50	
November 11, 2014 to November 11, 2015	17,260	₹ 851.10	11-Nov-14
November 11, 2014 to November 11, 2016	34,520	₹ 851.10	
November 11, 2014 to November 11, 2017	51,780	₹ 851.10	
November 11, 2014 to November 11, 2018	69,040	₹ 851.10	

Each option entitles the holder to exercise the right to apply and seek allotment of one equity share of ₹ 10 each. Exercise period for each option granted on July 02, 2008 and August 23, 2008 is three years from the date of their respective vesting. Exercise period for each option granted on October 24, 2011, October 03, 2012, April 19, 2013 and February 19, 2014 and November 11, 2014 is one year from the date of their respective vesting.

The activity in the 2008 plan for equity-settled share based payment transactions during the year ended March 31, 2022 is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
2008 Plan: Employee stock options (ESOPs)				
Outstanding at the beginning of year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited and lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of year	-	-	-	-
Exercisable at the end of year	-	-	-	-

Lapsed options available for reissuance are 95,551 (As at March 31, 2022: 95,551) shares.

Since the options are lapsed, the unutilised balance lying in the ESOP compensation reserve has been transferred to retained earnings.

For options granted on July 02, 2008 and August 23, 2008 under ESOP 2008 scheme; the intrinsic value of each option is nil. The estimated fair value of each option is ₹ 15.64 and ₹ 16.62 for options granted on July 02, 2008 and August 23, 2008 respectively. The weighted average fair values have been determined using the binomial option pricing model considering the following parameters:

Particulars	For options granted in	
	2-Jul-08	23-Aug-08
Weighted average share price on the date of grant	₹ 90	₹ 90
Weighted average exercise price on the date of grant	₹ 90	₹ 90
Expected volatility (%)	1%	1%
Expected life of the option (years)	3.5 years	3.5 years
Expected dividends (%)	25%	25%
Risk-free interest rate (%)	9.14%	9.13%
Weighted average fair value as on grant date	₹ 85	₹ 85

Each option granted represents a right to the option grantee but not an obligation to apply for 1 fully paid up equity share of ₹ 10 each of the company at duly adjusted exercise price after consolidation of share and bonus issue i.e. ₹ 144 pursuant to the corporate action during the year ended March 31, 2011.

For options granted on October 24, 2011, October 3, 2012, April 19, 2013, February 19, 2014 and November 11, 2014 under ESOP 2008 schemes; the intrinsic value of each option is nil. The estimated fair value of each option is ₹ 324.99, ₹ 342.64, ₹ 202.34, ₹ 181.47 and ₹ 363.18 for options granted on October 24, 2011, October 3, 2012, April 19, 2013, February 19, 2014 and November 11, 2014 respectively. The weighted average fair values have been determined using the black schole formula considering the following parameters:

Particulars	For options granted in				
	24-Oct-11	03-Oct-12	19-Apr-13	19-Feb-14	11-Nov-14
Weighted average share price on the date of grant	₹ 390	₹ 1282.75	₹ 855.70	₹ 516.50	₹ 851.10
Weighted average exercise price on the date of grant	₹ 390	₹ 1282.75	₹ 855.70	₹ 516.50	₹ 851.10
Expected volatility (%)	2.26%	34.35%	32.75%	52.37%	52.22%
Expected life of the option (years)	1.5 Years	2.6 Years	2.6 Years	3.5 Years	3.5 Years
Expected dividends (%)	Not considered	Based on dividend declared prior to the date of grant	Based on dividend declared prior to the date of grant	Based on dividend declared prior to the date of grant	Based on dividend declared prior to the date of grant
Dividend yield (%)	-	1.87%	2.80%	4.65%	1.17%
Risk-free interest rate (%)	8.60%	8.12%	7.49%	8.86%	8.26%
Weighted average fair value as on grant date	₹ 385.00	₹ 1282.75	₹ 855.70	₹ 516.50	₹ 851.10

Notes forming part of the Consolidated financial statements

40. 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 follows:

₹ in Lakh

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Amortized cost:				
Financial assets at amortized cost:				
Cash and cash equivalents (refer note 10)	18,108	18,108	13,722	13,722
Bank balances (refer note 11)	99,678	99,678	83,824	83,824
Bank deposits with original maturity of more than twelve months (refer note 5)	15,728	15,728	19,916	19,916
Unbilled revenue (refer note 12)	4,381	4,381	4,149	4,149
Trade receivables (refer note 9)	1,464	1,464	1,147	1,147
Other financial assets (refer note 5 & 12)	6,516	6,516	7,889	7,889
Investment in PSU bank bonds (refer note 4 & 8)	24,074	24,074	15,605	15,605
Investment in state development loan (refer note 4)	25,137	25,137	-	-
Investment in target maturity funds (refer note 4)	17,644	17,644	-	-
Investment in associates (refer note 4)	3,831	3,831	1,241	1,241
Investments in unquoted equity shares of other entities (refer note 4)	-	-	1,268	1,268
Financial liabilities at amortized cost:				
Trade payables (refer note 19)	2,135	2,135	2,641	2,641
Other financial liabilities (refer note 17 & 20)	81,086	81,086	69,564	69,564
Financial assets at FVTPL:				
Mutual funds	27,133	27,133	90,964	90,964
ETF bond	5,232	5,232	5,006	5,006
Financial assets at FVTOCI:				
Investments in unquoted equity shares of other entities (refer note 8)	1,602	1,602	1,665	1,665

Note:-

- 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.
- The fair value of mutual funds is based on quoted price.
- The fair value of unlisted equity shares is based on the valuation provided by the certified valuer.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2023:

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, 2023	As at March 31, 2022	Level	Hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Financial Assets				
Investments in Mutual Funds (FVTPL)	27,133	90,964	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)*	1,602	1,665	3	Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
Investments in ETF (FVTPL)	5,232	5,006	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

1. 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.

2. 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.

3. 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.

4. 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.

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, 2023		As at March 31, 2022	
	₹ In Lakh	Amount in Foreign Currency	₹ In Lakh	Amount in Foreign Currency
Trade receivables				
In USD	92	111,360	1	1,484
Trade payables				
In USD	242	294,583	99	130,659
In EURO	22	24,608	-	-
In GBP	-	-	5	6,152

5. Sensitivity analysis

A change of 5% in foreign currency would have following impact on profit before tax

₹ in Lakh

Particulars	Year ended		Year ended	
	As at March 31, 2023		As at March 31, 2022	
	₹ In Lakh	₹ In Lakh	₹ In Lakh	₹ In Lakh
	5% Increase	5% Increase	5% Increase	5% Increase
Trade receivables				
USD*	5	(5)	0	(0)
Trade payables				
USD	12	(12)	5	(5)
EURO	1	(1)	-	-
GBP*	-	-	0	(0)

* figures are below rounding off norms adopted by the Group.

6. Derivative financial instruments

The Group has not entered into any forward exchange contract being derivative instruments.

7. 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 ₹ 1,464 lakh and ₹ 1,147 lakh as at March 31, 2023 and March 31, 2022 respectively, unbilled revenue amounting to ₹ 4,381 lakh and ₹ 4,149 lakh as at March 31, 2023 and March 31, 2022 respectively, non-current investments amounting to ₹ 84,413 lakh and ₹ 44,400 lakh as at March 31, 2023 and March 31, 2022 respectively, current investments amounting to ₹ 202,240 lakh and ₹ 71,349 lakh as at March 31, 2023 and March 31, 2022 respectively, other non-current financial assets amounting to ₹ 16,796 lakh and ₹ 21,971 lakh as at March 31, 2023 and March 31, 2022 respectively, cash and cash equivalents amounting to ₹ 181,108 lakh and ₹ 137,122 lakh as at March 31, 2023 and March 31, 2022 respectively and bank balances other than cash and cash equivalents amounting to ₹ 99,678 lakh and ₹ 83,824 lakh as at March 31, 2023 and March 31, 2022 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 high credit rating assigned by the credit rating agencies.

Ageing of account receivables

₹ in Lakh

Particulars	As at	
	March 31, 2023	March 31, 2022
Trade receivables		
< 1 year	884	741
1-5 years	626	475
> 5 years	-	-
Total	1,510	1,216

Movement in provisions of doubtful debts

₹ in Lakh

Particulars	As at	
	March 31, 2023	March 31, 2022
Opening provision	69	89
Add: Additional provision made	7	-
Less: Provision reversed	-	(6)
Less: Bad trade receivable written off	(30)	(14)
Closing provision	46	69

8. Liquidity risk:

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

9. Financial arrangements

The table below provides details regarding the contractual maturities of significant financial assets and financial liabilities as at March 31, 2023 and March 31, 2022:

₹ in Lakh

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at amortized cost:				
Cash and cash equivalents (refer note 10)				
< 1 Year	18,108	18,108	13,722	13,722
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Bank balances (refer note 11)				
< 1 Year	99,678	99,678	83,824	83,824
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Trade receivables (refer note 9)				
< 1 Year	884	884	741	741
1 - 5 Year	626	626	474	474
> 5 Year	-	-	-	-
Other financial assets (refer note 5 & 12)				
< 1 Year	9,829	9,829	9,983	9,983
1 - 5 Year	16,787	16,787	21,962	21,962
> 5 Year	9	9	9	9
Investments* (refer note 4 & 8)				
< 1 Year	18,638	18,638	69,684	69,684
1 - 5 Year	46,978	46,978	43,555	43,555
> 5 Year	35,206	35,206	-	-
Financial liabilities at amortized cost:				
Trade payables (refer note 19)				
< 1 Year	2,135	2,135	2,640	2,640
1 - 5 Year	-	-	1	1
> 5 Year	-	-	-	-
Other financial liabilities (refer note 17 & 20)				
< 1 Year	75,836	75,836	64,283	64,283
1 - 5 Year	5,250	5,250	1,566	1,566
> 5 Year	-	-	3,708	3,708

*Investment does not include investment in equity investment of subsidiary and associates.

10. 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.

11. 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.

12. 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

41. 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.

₹ in Lakh

Particulars	As at		As at	
	March 31, 2023 (refer note b)	March 31, 2022 (refer note b)	March 31, 2023	March 31, 2022
	IIBH		CCRL	
Current assets	12,743	-	2,085	4,020
Non-current assets	2,971	-	3,236	1,271
Total liabilities	(2,719)	-	(242)	(105)
Equity	12,995	-	5,080	5,186
Proportion of the group's ownership interest	20%	-	24%	24%
Carrying amount of the Group's interest	2,615	-	1,216	1,241

₹ in Lakh

Particulars	As at		As at	
	March 31, 2023 (refer note b)	March 31, 2022 (refer note b)	March 31, 2023	March 31, 2022
	IIBH		CCRL	
Revenue	412	-	415	480
Employee benefits expense	(569)	-	(307)	(292)
Depreciation and amortization expense	(165)	-	(29)	(5)
Administration and other expenses	(2,101)	-	(214)	(175)
Profit before tax	(2,423)	-	(134)	7
Tax expense	-	-	28	(5)
Profit for the year	(2,423)	-	(106)	2
Other comprehensive Income #	872	-	(0)	(5)
Total comprehensive Income for the year	(1,551)	-	(106)	(4)
Group's share of profit / (loss) for the year (net of tax) #	(472)	-	(26)	0
Group's share of other comprehensive income for the year #	169	-	(0)	(1)
Group's share of total comprehensive income for the year	(303)	-	(26)	(1)

figures are below rounding off norms adopted by the Group.

The associates had the following contingent liabilities and capital commitments

₹ in Lakh

Particulars	As at		As at	
	March 31, 2023 (refer note b)	March 31, 2022 (refer note b)	March 31, 2023	March 31, 2022
	IIBH		CCRL	
Contingent liabilities	-	-	-	-
Commitment: Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-

b. The holding Company along with NSE, India INX, NSDL and CDSL have formed a consortium in the form of a Company incorporated under the Companies Act, 2013. On June 04, 2021, India International Bullion Holding IFSC Limited (IIBH) has been incorporated in India. The holding Company has subscribed to 13,50,00,000 equity shares of IIBH of face value ₹ 1 at par amounting ₹ 1,350 lakh. The holding Company's stake in IIBH remain at 20% of the paid up capital of IIBH till March 3, 2022 and accordingly considered as an associate till March 3, 2022. After March 3, 2022, holding Company's stake fell below 20% of paid up capital of IIBH and came at 14.43%.

As on March 31, 2022 holding Company's stake was at 14.43% of paid up capital of IIBH.

During the year, the holding Company has additionally subscribed to 16,50,00,000 equity shares of IIBH of face value ₹ 1 at par amounting ₹ 1,650 lakh.

As on March 31, 2023 holding Company's stake was at 20% of paid up capital of IIBH.

Notes forming part of the Consolidated financial statements

42. 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.

₹ in Lakh

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gross amount required to be spent by the Group during the year.	360	371
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	258	64
The amount of shortfall at the end of the year out of the amount required to be spent by the Group during the year	102	307
The total of previous years' shortfall amounts	126	110
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.	300	371
Reason for shortfall	Pertain to ongoing projects	Pertain to ongoing projects
Nature of CSR activities	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.	Infrastructure support, Care for Elderly Citizens with an objective to improve health and overall living conditions, Education support for the girls/women, Equipment support to Government / Municipal Hospitals.

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 (MCXCCCL)	India	100%	100%
CDSL Commodity Repository Limited (CCRL)	India	24%	24%
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)	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	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		
Holding										
Multi Commodity Exchange of India Limited	79%	1,17,461	87%	12,993	(74%)	(71)	86%	12,922		
Subsidiary (Indian)										
MCXCCCL	8%	12,395	16%	2,402	(2%)	(2)	16%	2,400		
Associates (Indian)										
CDSL Repository Limited*	3%	5,080	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)	9%	12,995	(3%)	(472)	176%	169	(2%)	(303)		
Total	100%	1,47,930	106%	14,897	251%	96	104%	14,993		

* figures are below rounding off norms adopted by the Group.

₹ in lakh

2021-22									
Name of the entities	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)		Amount
	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidated TCI		
Holding									
Multi Commodity Exchange of India Limited	92%	1,30,255	83%	11,846	98%	(276)	81%	11,443	
Subsidiary (Indian)									
MCXCCL	7%	10,316	18%	2,626	18%	(51)	18%	2,575	
Associates (Indian)									
CDSL Repository Limited*	1%	1,241	0%	0	0%	(1)	0%	(1)	
India International Bullion Holding IFSC Limited (IBH) (w.e.f. June 3, 2021 upto March 3, 2022)*	0%	-	(1%)	(127)	(16%)	45	0%	45	
Total	100%	1,41,811	102%	14,345	132%	(283)	100%	14,062	

* figures are below rounding off norms adopted by the Group.

44. Securities and Exchange Board of India, vide circular CIR/MRD/DRMN/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 :

₹ in Lakh

Particulars	March 31, 2023	March 31, 2022
Contribution during the year	-	-
Total	-	-

In the event of a clearing member (member) failing to honour settlement commitments, the core SGF shall be used to fulfill the obligations of that member and complete the settlement without affecting the normal settlement process.

₹ in lakh

Year ended	MCXCCL contribution	MCX contribution	Penalties/ Interest	Total
March 31, 2023	32,217	11,115	15,644	58,976
March 31, 2022	30,052	10,478	12,029	52,559

The contribution made by MCXCCL and MCX includes the income accrued thereon.

45. In accordance with the guidance note issued by the Institute of Chartered Accountants of India on “Accounting for credit available in respect of MAT under the Income Tax Act, 1961”, the Group can recognize MAT credit as an asset only when and to the extent there is convincing evidence that the Group will be liable to pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said assets is created by way of a credit to the Statement of Profit and Loss. The Group reviews the same at each Balance Sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period. Accordingly, the Group had recognized MAT credit entitlement of ₹ 2,065 Lakh in financial year 18-19 and in previous financial year FY 2021-22 ₹ 990 Lakh has been utilised and short MAT credit utilisation relating to previous year of ₹ 436 lakh has been recognized.

46. During the past years, Hon’ble Supreme Court has stayed assessment proceedings on the request of the Company for AY 2010-11, AY 2011-12 and AY 2014-15 and the Hon’ble High Court, Mumbai had earlier admitted the matter for AY 2012-13 and AY 2013-14. Further during the previous year, on the basis of special audit report, assessing officer has passed assessment order u/s 143 (3) r.w.s. 142 (2A) and 144C (3) of the Income Tax Act, 1961 for AY 2015-16 determining demand of ₹ 644 lakh (including interest of ₹ 242 lakh). Company is contesting the above demands in addition to demands raised in previous years for AY 2010-11 ₹ 5,160 lakh (including interest ₹ 2,731 lakh), for AY 2014-15 ₹ 3,331 lakh including interest ₹ 1,314 lakh) and for AY 2013-14 ₹ 2,774 lakh (including interest ₹ 868 lakh). In the opinion the legal counsel the Company has strong case on merit, accordingly management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group’s financial position and results of operation. Accordingly no provision has been made as at March 31, 2023 and the above amounts are shown under contingent liabilities.

47. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2022-23, to the extent the Group has received intimation from the "Suppliers" regarding their status under the Act.

₹ in lakh

Particulars	As at	
	March 31, 2023	March 31, 2022
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.	33	4
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.

48. Event occurring after Balance Sheet date

The Board of Directors has recommended equity dividend of ₹ 19.09 per share (previous year ₹ 17.40) for the financial year 2022-23.

Dividend by the holding Company

₹ in Lakh, except equity shares

Particulars	As at	
	March 31, 2023	March 31, 2022
Equity shares	509,98,369	509,98,369
Final dividend for the year ended March 31, 2023 of ₹ 19.09 (March 31, 2022 - ₹ 17.40/-) per fully paid share	9,736	8,874
Dividends not recognized at the end of the reporting period	9,736	8,874

**49. Additional regulatory information required by Schedule III
a. Financial ratio disclosure**

Ratio	Numerator	Denominator	in lakh		
			March 31, 2023	March 31, 2022	% variance Reason for variance
Current ratio (in times)	Current assets	Current liabilities	1.81	2.30	(21.37%)
Return on equity ratio (in %)	Net profit for the year	Average shareholder's equity	10.28%	10.12%	1.66%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	39.33	35.91	9.54%
Trade payables turnover ratio	Other expenses	Average trade payable	11.39	5.33	113.52% Due to increase in software support charges, computer technology and communication expenses by 164% in current year without corresponding increase in average trade payables.
Net capital turnover ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	0.71	0.36	98.25% Due to increase in revenue from operations by 40% in current year and liquidation of current investments, which is invested in long term investments, lying in non-current assets.
Net profit ratio (in %)#	Net profit for the year	Revenue from operations	29.01%	39.11%	(25.82%) Due to increase in revenue from operations by 40% offsetted by increase in software support charges, computer technology and communication expenses by 164% in current year.
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed (Networth + Deferred tax liabilities / (asset))	13.24%	12.91%	2.53%
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	5.93%	5.06%	17.25%

b. Relation with struck off Companies

₹ in Lakh

Name of Struck off Company	Nature of Transactions with Struck off Company	Transactions during the year ended March 31, 2023	Balance outstanding as at March 31, 2023	Relationship with the Struck off Company, if any, to be disclosed
A.J. Commodities Private Limited	Receivables	-	(12)	Member
Arihant Capital Markets Limited	Receivables	2	-	Member
Bull Bear Device Private Limited	Receivables	(10)	-	Member
Chaitanya Commodities Private Limited	Receivables	(27)	(11)	Member
Blue Chip Commodities Broking Private Limited [#]	Receivables	-	0	Member
Skyline Tradecom Private Limited [#]	Receivables	-	(0)	Member
Aadya Commodities Private Limited	Receivables	-	118	Member
Orion Broking Services (India) Private Limited [#]	Receivables	(0)	(1)	Member
Dreams Comtrade Private Limited [#]	Receivables	(0)	(0)	Member
F6 Commodities Private Limited	Receivables	3	(90)	Member
Fair Commodities Trading Private Limited [#]	Receivables	-	(0)	Member
Altos Advisory Services Limited [#]	Receivables	(0)	(22)	Member
Ficus Commodities Private Limited	Receivables	(1)	-	Member
Indhu Commodities Private Limited	Receivables	(5)	(4)	Member
Kedia Commodity Limited [#]	Receivables	-	0	Member
Max Planwealth Commodities Limited [#]	Receivables	0	-	Member
Moneyhouse Commodity Private Limited	Receivables	-	(97)	Member
Omji Commotrade Private Limited [#]	Receivables	(0)	(0)	Member
Silverline Commodities [#]	Receivables	0	(15)	Member
Informatic Value Research Private Limited	Payables	-	282	Vendor

[#] figures are below rounding off norms adopted by the Group.

c. Other information:

(i) Details of benami property held:

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) Wilful defaulter:

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Compliance with number of layers of Companies:

The Group does not have number of layers of Companies.

(iv) Compliance with approved scheme(s) of arrangements:

The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(v) Utilisation of borrowed funds and share premium:

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.

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) Undisclosed income:

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) Details of crypto currency or virtual currency:

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(viii) Title deeds of immovable properties not held in name of the Company:

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.

50. The holding Company had entered into an agreement in August 2018 with a software vendor to develop a trading system for the spot market. As per the milestones, payments were made to the said software vendor from time to time. The Holding Company has incurred amount of ₹ 2,043 lakh on the said project and was shown as intangible asset under development. On account of non- fulfilment of the scope of the Project within the timelines and disputes arising between the parties, the Board has constituted an empowered Committee to evaluate the financial and technical aspects of the said System developed by the said vendors. The dispute was referred to Singapore International Arbitration Centre ("SIAC"). The Company and the software vendor, have reached an amicable out of court resolution which was confirmed by SIAC. Accordingly, the Company has settled the dues and obtained the delivered codes and specification documents of the platform. Based on the Standing Committee on Technology recommendation, a Technical Committee there after evaluated the Codes afresh and concluded in its technical report that the Codes cannot be used directly for any specific use case of the Exchange. Accordingly the Management has discontinued further development of this intangible asset under development and consequently the entire expenditure of ₹ 2,043 lakh has been impaired in FY 2021-22.

51. 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 is under development, the group 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 Ltd, initially for a period for quarter ending December 2022 for ₹ 60 Cr (plus applicable taxes). Accordingly, for the quarter ended December 31, 2022, the Group had incurred expenditure amounting to ₹ 60 crore (excluding applicable taxes). Later these services were extended for another two quarters ending June 30, 2023 for ₹ 81 Cr per quarter (plus applicable taxes) as per the minimum period of services offered by the vendor. Accordingly, for the quarter ended March 31, 2023, the Group had incurred expenditure amounting to ₹ 81 crore. (excluding applicable taxes).

52. The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post- employment, received Presidential assent in September 2020. The said code is made effective prospectively from May 3, 2023. The Group is assessing the impact, if any, of the Code.

53. Previous year figures have been regrouped/reclassified wherever necessary to conform to current year figures.

54. The Consolidated Financial Statements were approved by the Audit Committee and Board of Directors on May 20, 2023.

For and on behalf of the Board of Directors

P.S. Reddy

Managing Director & CEO
DIN : 01064530

Dr. Harsh Kumar Bhanwala

Chairman
DIN : 06417704

Shankar Aggarwal

Director
DIN : 02116442

Manisha Thakur

Company Secretary

Satyajeet Bolar

Chief Financial Officer

Place: Mumbai

Date: May 20, 2023

CSR INITIATIVES



Special School Bus for Mentally Challenged Children, AARAMBH, Aurangabad District, Maharashtra



Ambulance Type D For abandoned and orphan elderly people, SHEOWS, Garhmukhteshwar, Uttar Pradesh



Digital X-ray Machine For abandoned and orphan elderly people, SHEOWS, Garhmukhteshwar, Uttar Pradesh

CSR INITIATIVES



Adaptive communication Devices for their Multiple Disabilities & Visual Impairment (MDVI) children, Muskan Foundation, Mumbai, Maharashtra



Special School Bus for Mentally Challenged Children, HOM, Kanyakumari District, Tamil Nadu