

MCX/SEC/2103

September 03, 2022

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 2021-22**

Dear Sir/Madam,

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 2021-22 along with the Notice of the 20<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Tuesday, 27<sup>th</sup> September, 2022.

The Annual Report is also available on the Company's website: [www.mcxindia.com](http://www.mcxindia.com)

Kindly take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully,

**For Multi Commodity Exchange of India Limited**

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

### AGM NOTICE

NOTICE is hereby given that the 20<sup>th</sup> Annual General Meeting (“AGM”) of the Shareholders of Multi Commodity Exchange of India Limited (“Company”) will be held on **Tuesday, 27<sup>th</sup> September 2022 at 11.30 a.m.** IST through Video Conferencing (VC)/ Other Audio Visual Means (“OAVM”) facility, to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a. Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2022 together with the Reports of the Board of Directors and Auditors thereon.
  - b. Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March 2022 and the Report of Auditors thereon.
2. To declare dividend of ₹ 17.40 per Equity Share of face value of ₹ 10 each for the Financial Year ended 31<sup>st</sup> March 2022 .
3. To consider and approve the retirement of Mr. Chengalath Jayaram (DIN: 00012214), as Shareholder Director of the Company 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 of the Companies Act, 2013 and relevant rules framed thereunder, Mr. Chengalath Jayaram (DIN: 00012214), who retires by rotation at the 20<sup>th</sup> Annual General Meeting, does not seek re-appointment upon expiry of his term at this Annual General Meeting.”

#### SPECIAL BUSINESS:

4. To alteration of the Object Clause of the Memorandum of Association of the Company and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 4, 13 and other applicable provisions, of the Companies Act, 2013 (“the Act”), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in accordance with the Table A of the Schedule I of the Act, consent of the members be and is hereby accorded for alteration in the existing Memorandum of Association(MoA) of the Company subject to the approval of the Securities and Exchange Board of India (SEBI) and other approvals in this regard as may be necessary including and subject to such condition(s) and modification(s) as may be prescribed and imposed by SEBI or any other authorities while granting such approval(s), permission(s) and sanction(s), as may be necessary, accordingly the existing Main Objects of Clause III (A)(I) be and are hereby altered by replacing it with the following new Clauses:

**A. THE MAIN OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**

1. a) To facilitate, promote, assist, regulate and manage in the public interest, dealings in commodity derivatives, goods and securities of all kinds (which shall include all goods and securities defined as such under the Securities Contracts (Regulations) Act, 1956 and all other instruments of any kind permitted by the Regulators including derivatives, money market instruments, etc.) and to provide specialised, advanced, automated and modern facilities for trading, clearing and settlement of aforesaid securities, commodity derivatives, goods and other instruments with a high standard of integrity and honour, and to ensure trading in a transparent fair and open manner with access to investors from areas in or outside India.
- b) To initiate facilitate and undertake all steps of all such activities in relation to Stock Exchange, Commodities Markets, Currency Markets, Money Markets, Financial Markets, Securities Markets, Capital Markets, as are required for better investor service and protection, including but not limited to taking measures for ensuring greater liquidity (both in terms of breadth and depth of commodity derivatives, goods, securities and other instruments) for the investor providing easier access to the Exchange, facilitating inter-market dealings and generally to facilitate transactions in the aforesaid securities and instruments in a cost effective, expeditious and efficient manner.
- c) To support, develop, promote and maintain a healthy market in the best interest of the investor and the general public and the economy and to introduce high standards of professionalism among themselves and with investors and the financial securities, money, Capital Markets, Commodities Markets and Currency Markets in general.

**RESOLVED FURTHER THAT** pursuant to the Act and in accordance with the Table A of the Schedule I of the Act, consent of the members be and is hereby accorded for alteration in the MoA of the Company, to the extent of merging existing Clause III B titled 'The Objects incidental or ancillary to the attainment of the Main Objects' and existing Clause III (C) titled 'Other objects' of the MoA, into new Clause III (B) to be titled 'Matters which are necessary for furtherance of the objects'.

**RESOLVED FURTHER THAT** all headers and Object Nos.- 22, 26, 30 and 42 of the MoA be modified to replace "Companies Act, 1956" with "Companies Act, 2013".

**RESOLVED FURTHER THAT** Managing Director & CEO and/ or Company Secretary and/or Deputy Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, and incorporation of amendment/ suggestion/ observation made by the Registrar of Companies (ROC) and Securities Exchange Board of India (SEBI), to the extent applicable, without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**5. To amend the Articles of Association as per Companies Act, 2013**

**To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Sections 5 and 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any amendments, variations, Statutory modification(s), re-enactments thereof) and in order to align it with the requirement of the provisions of the Companies Act, 2013, and subject to approval of Securities & Exchange Board of India (SEBI) and subject to such condition(s) and modification(s) as may be prescribed and imposed by SEBI or any other authorities while granting such approval(s), permission(s) and sanction(s), consent of the shareholders be and is hereby accorded for alteration/ deletion/ substitution in the existing Articles of the Association as set out in the Explanatory Statement for this resolution.

**RESOLVED FURTHER THAT** Managing Director & CEO and/ or Company Secretary and/or Deputy Company Secretary be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient for the purpose of giving effect to the above Resolution and for matters connected therewith or incidental thereto, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with SEBI or any other authority, and incorporation of amendment/ suggestion/ observation made by the Registrar of Companies and SEBI, to the extent applicable, without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

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

Mumbai  
26<sup>th</sup> August 2022

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

## Notes:

1. An explanatory statement pursuant to section 102(l) of the Companies Act, 2013 ("the Act") and Secretarial Standard - 2 (SS-2) with respect to Item No. 4 and 5 of the Notice is annexed hereto.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (SEBI LODR), and pursuant to the General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 2/2022 issued by the Ministry of Corporate Affairs ("MCA") and Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 issued by SEBI, companies are allowed to hold Annual General Meeting through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) up to 31<sup>st</sup> December 2022, without the physical presence of Members at a common venue. Accordingly, the 20<sup>th</sup> Annual General Meeting of the Company is being conducted through VC is herein after called as "e-AGM".
3. e-AGM: The Company has appointed Central Depository Services (India) Limited (hereinafter referred as "CDSL"), to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
4. The term 'Members' has been used to denote Shareholders of the Company.
5. Pursuant to the provisions of the circulars of MCA on the VC/OVAM(e-AGM):
  - a) Members can attend the meeting through log in credentials provided to them to connect to Video conference;
  - b) Pursuant to above MCA circulars physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be made available for the 20<sup>th</sup> AGM and hence the Proxy Form, Attendance Slip and route map are not annexed to this Notice.
  - c) Body Corporates are entitled to appoint authorised representatives to attend the e-AGM through VC/OAVM and participate thereat and cast their votes through e-voting;
6. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
7. Up to 1000 members will be able to join on a First-Come-First-Served (FCFS) basis to the e-AGM, as per MCA circulars.
8. No restrictions on account of FCFS entry into e-AGM will be applicable to 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.
9. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM facility. Institutional Investors and Corporate members intending to authorize their representatives to participate and vote during the meeting are requested to upload the scanned certified true copy (PDF Format) of the Board resolution / authorization letter on the e-voting website [www.evotingindia.com](http://www.evotingindia.com) and send a copy to the scrutinizer on email [naithanipcs@gmail.com](mailto:naithanipcs@gmail.com). The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Event No."
10. As per the provisions under the MCA Circulars, Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. Procedure for obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:

In terms of MCA and SEBI Circulars, the Company has sent the Annual Report, Notice of e-AGM and e-Voting instructions only in electronic form to the registered email address of the shareholders. Therefore, those shareholders who have

not yet registered their email address are requested to get the same registered through the procedure given below:

- a) Those shareholders who have registered/not registered their email address and mobile number including communication address and bank details may please contact and validate/update their details with the Depository Participant in case of shares are held in electronic form and with the Company's Registrar and Share Transfer Agent, M/s KFin Technologies Limited (KFin) in case the shares held in physical form.
- b) Shareholders are also requested to visit the website of the Company [www.mcxindia.com](http://www.mcxindia.com) or the website of the CDSL [www.evotingindia.com](http://www.evotingindia.com) for downloading the Annual Report and Notice of the e-AGM. Notice and Annual Report are available on the website of Stock Exchange, BSE Limited [www.bseindia.com](http://www.bseindia.com) as well.
- c) Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the duly signed request letter providing the folio number, email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for obtaining the Annual report, Notice of e-AGM and the e-votifng instructions.
- d) Pursuant to Regulation 46 of Securities Contract Regulations (Stock Exchanges and Clearing Corporations) Regulation, 2018 (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 Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), securities of listed companies can only be transferred in Demat mode w.e.f. 01<sup>st</sup> April 2019. In view of the above, Shareholders are advised to dematerialize the shares held in physical mode.
- e) Shareholders holding shares in physical form are advised to update their KYC details and Nomination details with KFin as mandated under SEBI Circular Nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 03<sup>rd</sup> November 2021 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated 14<sup>th</sup> December 2021 to avoid freezing of their folios on or after 1<sup>st</sup> April 2023.
- f) 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.

## 12. Voting:

All members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date **Tuesday, 20<sup>th</sup> September 2022** only shall be entitled to vote at AGM by availing the facility of remote e-voting or by voting at the AGM.

- (i) The Company has appointed Central Depository Services (India) Limited (CDSL) for providing facility of voting through electronic means. The facility of casting votes by a member using remote e-Voting as well as the e-Voting system on the date of the AGM will be provided by CDSL. Hence, in compliance with the Circulars, the Twentieth AGM of the Company is being held through VC.

The Company requests all the shareholders to participate and effectively exercise their vote(s) either by remote e-voting or by voting at e-AGM, on the resolutions moved by the Company in the Notice of AGM.

Further, the Company as an initiative to encourage huge participation in the voting, shall strive to send the necessary reminder(s) via email, to all the eligible Shareholders before the remote e-voting commences. Please note that the reminder will be sent to only shareholders, whose email address is available in the RTA records.

- (ii) Mr. Prasen Naithani, Practicing Company Secretary (FCS No.:3830 & COP No.:3389), Proprietor of M/s P. Naithani & Associates, Company Secretaries, Mumbai has been appointed as the Scrutinizer to scrutinize the remote

e-voting process in a fair and transparent manner. He has communicated his willingness to be appointed and will be available for the same purpose.

- (iii) Any person who becomes a Member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. Tuesday, 20<sup>th</sup> September 2022 may obtain the login details in the manner as mentioned below.

13. Instructions for members for remote e-Voting and e-Voting during AGM and joining meeting through VC are as under:

- (i) The remote voting period begins Saturday, 24<sup>th</sup> September 2022 (9.00 AM IST) to Monday, 26<sup>th</sup> September 2022 (5.00 PM IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 20<sup>th</sup> September 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned for remote e-voting.
- (iii) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system.
- (iv) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned for Remote e-voting.
- (v) The members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again. However, the Members who could not vote through remote e-voting may avail the e-voting facility provided during the e-AGM.
- (vi) Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
- (vii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (viii) Please note that Participants connecting from Mobile Devices or Tablets or through Laptop 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.
- (ix) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 days prior to meeting (i.e. till 23<sup>rd</sup> September 2022) mentioning their name, demat account number/folio number, email id, mobile number at [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries atleast 3 days prior to meeting (i.e. till 23<sup>rd</sup> September 2022) mentioning their name, demat account number/folio number, email id, mobile number at [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com). These queries will be replied to by the Company.
- (x) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (xi) If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (xii) In view of negligible participation in the e-voting process by the public non-institutional shareholders/retail shareholders and to increase the efficiency of the voting process SEBI vide its circular dated December 09, 2020, has directed to enable e-voting to all the demat account holders, by way of a single login credential, through their demat

accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KFIN/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting 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 name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>



	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no.1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders, holding in Demat form & shareholders holding securities in physical mode.****

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting

of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

<b>Login type</b>	<b>For Shareholders holding shares in physical mode and shareholders other than individual shareholders holding shares in demat mode</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details  <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in DD/MM/YYYY format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for <Multi Commodity Exchange of India Limited> on which you choose to vote.
- (v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (x) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xi) Facility for Non – Individual Shareholders and Custodians – Remote Voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [naithanipcs@gmail.com](mailto:naithanipcs@gmail.com) and [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com) respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

(xii) If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

14. Members may note that the Board of Directors, in its meeting held on 16<sup>th</sup> May 2022 has recommended a final dividend of ₹ 17.40 per equity share for the Financial Year ended 31<sup>st</sup> March 2022. The record date for the purpose of final dividend will be **Tuesday, 20<sup>th</sup> September 2022**. The final dividend, once approved by the members in the ensuing 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 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 depository participants(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends. The members having shares in physical form may send their request to the Company's Registrar and Transfer Agent (RTA) at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for updating the above details. Members are also requested to give the MICR Code of their bank to their 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.

#### 15. Tax on Dividend:

As you are aware that as per the Income tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after 01<sup>st</sup> April 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend within thirty days of declaration.

**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 2022-23 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 Permanent Account Number (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., 2022-23 under Sr. No.4 of the said Form 15G / Form 15H. Similarly, please also indicate in the Declaration/Verification the previous year ending on as 31<sup>st</sup> March 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 Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.
- ii. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident. In case TRC is furnished in a language other than English, the said TRC would have to be translated from such other language to English language and thereafter duly notarized and apostilled copy of the TRC would have to be provided.
- iii. Self 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, 20<sup>th</sup> September 2022**. 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 2022-23 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 01<sup>st</sup> April 2022, Tax is required to be deducted at twice the applicable rates, if Income Tax Return is not filed by the resident shareholders for preceding financial year (i.e FY 2020-21).
- 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 (FI) and Foreign Portfolio Investors (FPI) shareholder.

Kindly note that the aforementioned documents are required to be emailed to [dividendtax@mcxindia.com](mailto:dividendtax@mcxindia.com) on or before **Tuesday, 20<sup>th</sup> September 2022**, 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, 20<sup>th</sup> September 2022**. The Company is obligated to deduct tax at source (TDS) based on the records available with RTA and no request will be entertained for revision of TDS return.

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

16. Dividend for the Financial Year ended 31<sup>st</sup> March 2022, as recommended by the Board of Directors of the Company, if approved at the e-AGM, will be paid to the Members within thirty days of declaration. Dividend will be paid to those members whose names appear in the Register of members of the Company as on the Record date i.e. Tuesday, 20<sup>th</sup> September 2022.
17. 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 and deduction of TDS.

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>.

18. 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.

19. The Company had transferred the IPO application amount, unpaid and unclaimed dividends declared up to Financial Year 2013-14 (final) and the corresponding shares on which dividend was unclaimed for seven consecutive years, to the IEPF. Details of the unpaid/ unclaimed dividends/shares transferred are also uploaded on the Company's website [www.mcxindia.com](http://www.mcxindia.com). Shareholders who have so far not encashed their dividend warrant/s for the Financial Year 2014-15 (final dividend) and onwards are requested to make their claims either with the Secretarial Department at the Registered Office of the Company or the office of the Registrar and Share Transfer Agent (RTA), (KFin), before the unclaimed dividend is transferred to IEPF.

20. Procedure for inspection of documents:

The following documents/registers/data shall be available for inspection through electronic mode till the AGM, basis the prior request being sent to [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com).

- All the documents referred to in the accompanying Notice and Explanatory Statement.
- The certificate from the Auditors of the Company certifying that the Employee Stock Option Scheme of the Company is being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- The resolutions passed at the General Meetings of the Company.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act.

Any member seeking additional information as regards Accounts of the Company is requested to send their queries in writing to the Company so as to reach at least one week in advance to enable the Management to make the desired information available to the members.

21. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depository Participants. Members holding shares in physical form are requested to submit their PAN to the Company or its RTA.
22. The Company has designated an exclusive email ID viz. [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com) to enable the investors to post their grievances, if any, and monitor their redressal.
23. The Scrutinizer shall immediately after the conclusion of voting at e-AGM, count the votes cast during the meeting through e-voting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than 2 working days from the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the meeting or a person authorised by him in writing who shall countersign the same.

The Chairman or such person as authorised by him in this regard shall declare the result of voting forthwith.

24. The results declared along with the report of the scrutinizer shall be available on the website of the Company and on the website of CDSL, 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.
25. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Annual General Meeting.
26. The recorded transcript of the meeting, as soon as possible, will be available on the website of the Company i.e. [www.mcxindia.com](http://www.mcxindia.com).

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	<b>Tuesday, 20<sup>th</sup> September 2022</b>
2.	Cut-off date for e-Voting	<b>Tuesday, 20<sup>th</sup> September 2022</b>
3.	For updating Email id & other details before Cut-off date for e-Voting	Refer point no. 11
4.	Time period for remote e-Voting	Commences on: Saturday, 24 <sup>th</sup> September 2022, 9.00 a.m.  Ends on: Monday, 26 <sup>th</sup> September 2022, 5.00 p.m.
5.	Speaker Registration/ Post your Queries	Refer point no.13 (ix)
6.	TDS on Dividend	Refer point no.15

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

#### **ITEM NO. 3**

Mr. Chengalath Jayaram (DIN: 00012214) was appointed as Shareholder Director on the Board of your Company since 25<sup>th</sup> November 2016. Pursuant to Section 152(6) of the Companies Act, 2013, Mr. Jayaram is liable to retire by rotation at 20<sup>th</sup> AGM of the Company. Although being eligible for reappointment, he has not offered himself for re-appointment at the 20<sup>th</sup> AGM, owing to his pre-occupation. Accordingly, Mr. Jayaram would cease to hold office as a Director of the Company at the conclusion of the 20<sup>th</sup> AGM of the Company. The Board of Directors places on record their appreciation to the invaluable contributions and guidance extended by Mr. Jayaram to the Board and the Management during his association.

The composition of the Board of Directors of your Company as on 26<sup>th</sup> August 2022 is in line with the Securities Contracts (Stock Exchanges and Clearing Corporations) Regulations, 2018, Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015.

Except Mr. Jayaram and his relatives none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at **Item No. 3** of the Notice.

The Board recommends passing of the Ordinary Resolution as set out at **Item No. 3** of the accompanying Notice for approval by the Members of the Company.

#### **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:

The Company is currently providing platform for trading in Commodity contracts and will continue to do so. With the Regulators permitting trading in newer products and segments, the Exchange is seeking to include in its main objects clause, trading in all permitted Goods and Securities as defined under Securities Contracts (Regulations) Act, 1956 and all other instruments to reap opportunities by expanding its products basket. The bullion SPOT exchange platform is one such opportunity. To tap the emerging business opportunities in the changed business environment it is proposed to expand the objects of the Company by amending the object clause of Memorandum of Association ("MOA") as stated in **Resolution No. 4**.

Further, the Companies Act, 2013, has revised the format of MOA for public companies limited by shares. Accordingly, with a view to align the existing MOA of the Company with Table A of the Schedule I of the Act and in accordance with Section 4 and 13 of the Act, it is proposed to merge the existing Clause III B titled 'The Objects incidental or ancillary to the attainment of the Main Objects are:' and existing Clause III C titled 'Other objects' of the Memorandum of Association, into new Clause III (B) to be titled 'Matters which are necessary for furtherance of the objects', without any changes to the content.

Additionally, wherever there is reference to the erstwhile Companies Act, 1956 including headers and clauses 22, 26, 30 and 42, it needs to be replaced with Companies Act, 2013.

The list of proposed amendments and the proposed MoA are available at the web link <https://www.mcxindia.com/investor-relations> and the amendments shall be effective subject to necessary Regulatory approvals.

As per SECC Regulations 2018, the proposed amendment(s) shall first be approved by the Governing Board of the Stock Exchange, followed by Shareholder's approval (wherever applicable), then shall be submitted to SEBI for approval and then published in the Gazette of India (wherever applicable) and the respective State.

The Board of Directors at their meeting held on 26<sup>th</sup> August 2022 has approved the amendments to the Memorandum of Association of the Company and the approval of the members of the Company is being sought for the same. The proposed change of object clause requires the approval of shareholders through **Special Resolution** pursuant to the provisions of Section 13 of the Companies Act, 2013.

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

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise, in the resolution set out at **Item No. 4** of the accompanying Notice, except as a member to the extent of their shareholding in the Company.

#### **Item No. 5**

The existing Articles of Association (AOA) are based on the Companies Act, 1956. Hence, the existing AOA contains references to specific sections of the Companies Act, 1956 and few Articles need to conform with the Companies Act, 2013 and the rules made thereunder. Therefore, it is considered expedient to modify the AOA as stated in **Annexure-1**: which is available at the web link <https://www.mcxindia.com/investor-relations>.

As per SECC Regulations, the proposed amendment(s) shall first be approved by the governing board of the stock exchange, followed by shareholders' approval, then shall be submitted to SEBI for approval and then published in the Gazette of India (wherever applicable) and the respective State.

Based on Management's recommendations, the Board of Directors vide their resolution passed at their meeting held on 26<sup>th</sup> August 2022 accorded their consent pursuant to Section 5 and 14 of the Companies Act, 2013 for amending/ adding/ substituting/ deletion of the articles which are inconsistent as per the new Act, subject to the shareholders' approval.

The resolution seeks approval of members by amending/adding/substituting/deletion and modifying the existing Articles of Association to bring consistency with the applicable provisions of the Act and the rules made thereunder.

The list of amendment and the proposed draft Articles of Association are available on the Company's website at <https://www.mcxindia.com/investor-relations> for perusal by the shareholders.



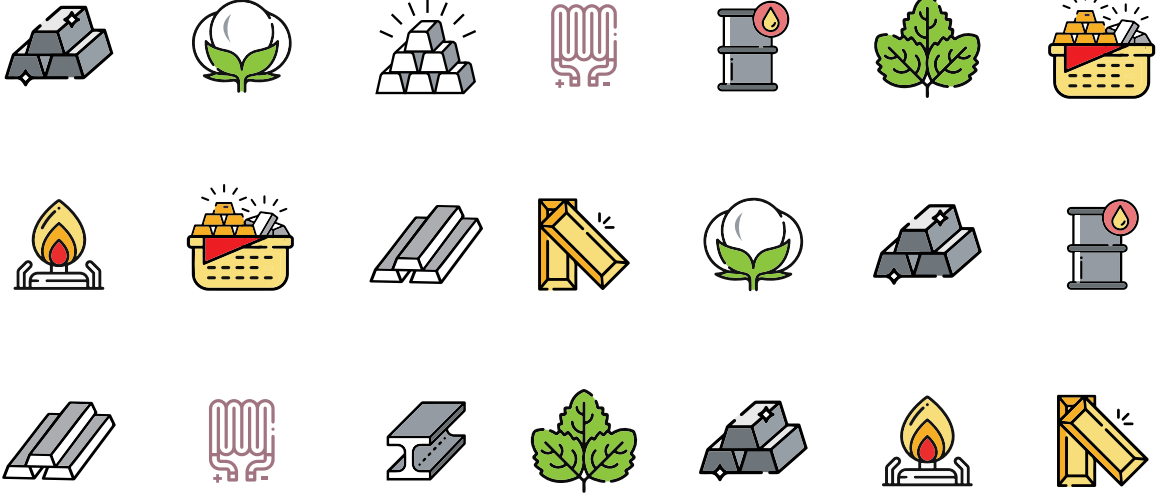
The Board of Directors recommends the resolution set forth in **item No. 5** for the approval of the Members as **Special Resolution**.

None of the directors and key managerial personnel and their relatives are in any way, financially or otherwise, interested or concerned in these resolutions except as a member to the extent of their shareholding in the Company.

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

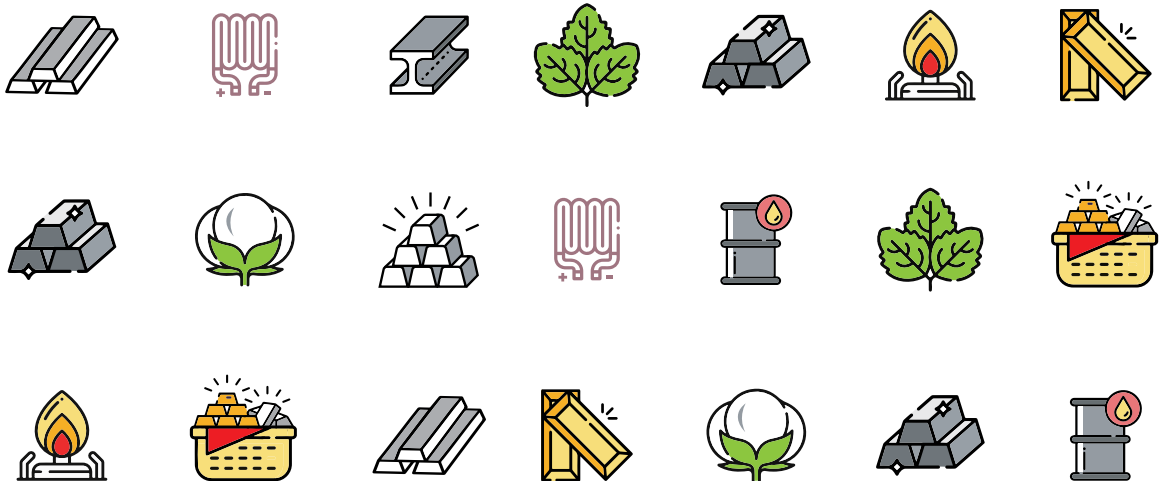
Mumbai  
26<sup>th</sup> August 2022

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



**MAKE IN INDIA**  
**TRADE IN INDIA**  
**PRICE IN INDIA**

**Striving for a True Atmanirbhar Bharat**



**MCX**  
**METAL & ENERGY**  
Trade with Trust

**ANNUAL REPORT 2021-2022**



## Striving for a True Atmanirbhar Bharat

“भारत जब आत्मनिर्भरता की बात करता है, तो आत्मकेंद्रित व्यवस्था की वकालत नहीं करता। भारत की आत्मनिर्भरता में संसार के सुख, सहयोग और शांति की चिंता होती है”


**When India speaks of becoming self-reliant, it doesn't advocate self-centred system. In India's self-reliance, there is concern for the whole world's happiness, cooperation and peace**

**— Shri Narendra Modi, Hon'ble Prime Minister of India.**

The goal of self-reliance has relentlessly been pursued by India for a long time, the cherished fruits of which are being reaped by all the citizens in terms of a strong foundation of the economy in all fields. The recent turn of events in global geopolitics has also highlighted not just the relevance, but also emphasised the necessity of pursuing self-reliance by nations, especially emerging economies like India. Towards this end, national policies are being formulated and institutions are gearing up to achieve the vision of a self-reliant India i.e. *'Atmanirbhar Bharat'*.

The commodity derivatives market, and institutions like commodity exchanges in India, play a significant role in achieving the vision of self-reliance. India's commodity exchanges are among the best in the world in terms of diversity of product offerings, participation and robustness in operational processes. Continuous initiatives and innovations in integrating the financial markets and physical commodity markets intend to make the domestic commodity derivatives market as attractive as the best in the world, so that the domestic stakeholders can use the domestic market over the overseas market for risk management, price discovery or investment. These initiatives are also expected to strengthen the price discovery process and thereby make the exchange-traded Indian prices well-accepted benchmarks within and beyond the country. Besides, an Exchange like MCX is setting robust domestic standards even for internationally referenced commodities like metals, facilitating the participation of domestic suppliers which meet these standards and helping in creation and setting up of international standards.

By facilitating this transformation, MCX can achieve the objective of “Make in India, Trade in India, Price in India” and be instrumental in fulfilment of the larger national vision of an *'Atmanirbhar Bharat'*.



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## CORPORATE INFORMATION

### Board of Directors (as on 26<sup>th</sup> August 2022)

1. Mr. Shankar Aggarwal	Public Interest Director
2. Dr. Bhartendu Kumar Gairola	Public Interest Director
3. Ms. Pravin Tripathi	Public Interest Director
4. Mr. Chandra Shekhar Verma	Public Interest Director
5. Dr. Harsh Kumar Bhanwala	Public Interest Director
6. Mr. Chengalath Jayaram	Shareholder Director
7. Mr. Hemang Raja	Shareholder Director
8. Mr. Mohan Narayan Shenoi	Shareholder Director
9. Mr. Vivek Krishna Sinha	Shareholder Director
10. Mr. P.S. Reddy	Managing Director and Chief Executive Officer

### Company Secretary

Mr. Ajay Puri

### Chief Financial Officer

Mr. Satyajeet Bolar

### Statutory Auditors

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

### Bankers

HDFC Bank

Kotak Mahindra Bank

Union Bank of India

### 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](mailto: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](http://www.mcxindia.com)

Email id: [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com)

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## PROFILE OF ALL BOARD MEMBERS (as on 26<sup>th</sup> August 2022)



**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.



**Dr. Bhartendu Kumar Gairola, *Public Interest Director***

- Serving as Deputy Chairman Haryana Parivar Pehchan Authority, Government of Haryana
- Founding member of National Informatics Centre (NIC) and served as Director General at NIC.
- Served as Mission Director, e-governance, Government of India.
- Played key role in a large number of e-governance projects in Central and State Governments.
- Founder Director / Vice Chancellor, International Institute of Information Technology (IIT), Naya Raipur, Chattisgarh.
- Assisting various Central and State Governments in their Information Technology (IT) initiatives.
- Has more than 47 years of experience in the fields of IT and Research.



**Ms. Pravin Tripathi, *Public Interest Director***

- Former Deputy Comptroller & Auditor General of India & Chairperson Audit Board.
- Was the member of Competition Appellate Tribunal and also the member of Airport Economic Regulatory Authority Appellate.
- Director on the Boards of various companies in different sectors and has an extensive all-round experience.



**Mr. Chandra Shekhar Verma, *Public Interest Director***

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



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

- Executive Chairman of Capital India Finance Limited.
- Former Chairman of National Bank of Agriculture and Rural Development (NABARD).
- Has over 37 years of experience in Development Finance, Organisational Transformation and Solving Rural Problems, enhancing farmer's income and promoting sustainable agriculture.



**Mr. Chengalath Jayaram, Shareholder Director**

- Currently on the Board of Kotak Mahindra Bank Limited, as a Non-Executive and Non-Independent Director.
- Former Joint Managing Director of Kotak Mahindra Bank Limited.
- Over 43 years of diverse experience in Financial Sector & related businesses.



**Mr. Hemang Raja, Shareholder Director**

- His last assignment was MD and Head India in Private Equity and Fund Management with Credit Suisse AG 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, Shareholder Director**

- Has over 43 years of wide ranging experience in the Banking industry.



**Mr. Vivek Krishna Sinha, Shareholder director**

- Chief General Manager, Department of Refinance in NABARD.
- Has over 34 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 of Central Depository Services (India) Limited for 12 years.
- Worked with BSE Limited for 18 years. Was in charge of various departments and represented in various Committees of the Exchange.
- Has over 33 years of diverse experience in Indian capital market, especially in Stock Exchange, Clearing Corporation and its eco system.



**DIRECTORS' REPORT**

Dear Shareholders,

The Board of Directors are pleased to present the Twentieth Annual Report on the business and operations of your Company, along with the Audited Statement of Accounts and the Auditors' Report, for the Financial Year (FY) ended 31<sup>st</sup> March 2022.

**FINANCIAL RESULTS**

The Company's financial performance for the year ended 31<sup>st</sup> March 2022 is summarized below:

(₹ in lakh, except EPS)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Total Income	40,323	45,542	43,331	49,434
Total Operating Expenditure	20,143	20,409	20,463	20,543
Profit before Interest, depreciation, exceptional items and tax	20,180	25,133	22,868	28,891
Less: Depreciation	2,214	2,164	2,270	2,206
Less: Interest	26	31	24	19
Less: Exceptional item	2,043	-	2,043	-
Add / (Less): Share of Profit of Associate	-	-	(127)	9
Profit after exceptional items and Share of Profit of Associate but before tax	15,897	22,938	18,405	26,675
Less: Provision for tax	4,051	4,156	4,059	4,153
Profit after tax	11,846	18,782	14,345	22,522
Add/(Less) : Other Comprehensive Income (net of tax)	(276)	(97)	(283)	(94)
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)	11,570	18,685	14,062	22,428
Earnings per share (EPS)				
i. Basic (₹)	23.27	36.90	28.18	44.25
ii. Diluted (₹)	23.27	36.90	28.18	44.25

**GLOBAL COMMODITY MARKET**

Global commodity markets witnessed a surge in prices in the second half of 2021, particularly for energy commodities. Between 2020 and 2021, price of natural gas in US rose sharply by about 95%, as per the April 2022 edition of 'Commodity Market Outlook' released by the World Bank. Rapid rollout of vaccines against Covid-19 and lifting of lockdowns across most countries witnessed a sharp rise in demand for commodities following pickup in global economic activity. Following the escalation in geopolitical tensions stemming from Russia-Ukraine conflict, crude oil prices reached a 14-year high in March 2022 as indicated in the RBI's Monetary Policy Statement 2022-23. The war led to U.S. announcing a ban on Russian energy imports, and Europe levying sanctions on seaborne crude oil imports, while UK stated phasing out of Russian products by end of year.

To tide over the economic downturn during the pandemic and associated lockdowns through 2020 and part of 2021, governments and central banks across the world had followed accommodative fiscal and monetary policies in order to boost growth and generate employment. However, the steep rise in global commodity prices beginning 2022 aggravated inflationary pressures, prompting the need to unwind the accommodative monetary and fiscal policies. Unwinding the accommodative policies, in turn, led to concerns over growth prospects. Besides, apprehensions about emergence of new Covid-19 variants and its spread to new geographies have further strained the global supply chains and compounded volatilities in commodity prices, threatening economic growth prospects.

Global commodity derivatives markets witnessed a moderate growth in volumes of agriculture and metals segments, but a modest fall in volumes of energy segment during 2021. According to data released by the Futures Industry Association (FIA), the aggregate global volumes of exchange traded commodity derivatives increased by only about 2.2% in 2021 over that in 2020, as against a year-on-year rise of 29% in the previous year. Further, volumes fell across all the segments during January-April 2022, as per FIA data.

According to the IMF's World Economic Outlook April 2022, global economic growth is expected to slow down to about 3.6% in 2022 from 6.1% in 2021 due to rising inflation and the economic damage emanating from the war in Ukraine. The IMF expects the economic costs of war to spread globally through commodity markets, contributing further to inflation. In addition, resurgence of the Covid-19 pandemic remains a cause for concern. These factors can threaten economic recovery and growth during the year 2022 and beyond.

Your Company's performance during the FY 2021-22 and outlook during FY 2022-23 may be analysed against this backdrop.

### **EXTENDED LOCKDOWN WITH RESURGENCE OF COVID-19 WITH NEW VARIANTS**

Lockdown, first announced at the national level in FY 2020-21, was extended in many states in FY 2021-22 with the resurgence of Covid-19 pandemic with new variants. Yet, your Company remained fully functional as the Exchange-related services were classified under 'essential services'. The Exchange continued 'Work from Home' policy for its staff, and only minimal critical staff operated from the office premises, till the end of October 2021. Thereafter, all employees of the Exchange resumed office from 01<sup>st</sup> November 2021. The Exchange had also put in place social distancing norms and other measures such as mandatory masks, restricted visitors entry, virtual meetings, sanitized workplaces, safe physical distancing, thermal screening at entry points, availability of hand sanitizers at entry/exit points, common places, etc. to contain the spread of the pandemic at the workplace.

The operations of member brokers had also been adversely affected during the lockdown due to restrictive movements and dampened sentiments. Likewise, the lockdown caused disruptions in the physical market for commodities, especially with regard to availability of spot prices, warehousing operations and logistics infrastructure, including availability of labour.

### **FINANCIAL HIGHLIGHTS**

For FY 2021-22, your Company's (Standalone) total income stood at ₹ 40,323 lakh as compared to ₹ 45,542 lakh in FY 2020-21. The operating income during the year under review was ₹ 32,978 lakh as against ₹ 34,485 lakh in FY 2020-21. Net profit after tax in FY 2021-22 was ₹ 11,846 lakh as compared to ₹ 18,782 lakh in FY 2020-21.

In accordance with the provisions of the Income Tax Act, 1961, the rate of taxation remained the same as previous year i.e. 25%. Further, during the year the Company has fully utilized MAT credit of ₹ 990 lakh for FY 2021-22 and the MAT credit of ₹ 436 lakhs of earlier years.

The net worth of the Company as at 31<sup>st</sup> March 2022 stood at ₹ 1,55,530 lakh.

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 vendor. 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 thereafter 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.

### **Trading Performance**

During FY 2021-22, the Average Daily Turnover (ADT)\* of commodity futures contracts stood at ₹ 26,178 crore vis-à-vis ₹ 31,595 crore in FY 2020-21, witnessing a decline of 17.1%. However, during the same period, the options ADT went up by 733% to ₹ 7,860 crore from ₹ 943 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 (UCC – PAN based<sup>#</sup>) during the period increased from 4.67 lakh to 4.71 lakh.

*# includes futures and options*

The total turnover of commodity futures traded on your Exchange declined by 15.8% to ₹ 67.54 lakh crore in FY 2021-22 as against ₹ 80.25 lakh crore in FY 2020-21. In contrast, options turnover for the year went up by 746.4% to a record total turnover of ₹ 20.28 lakh crore as against ₹ 2.40 lakh crore in the previous year. The futures in bullion, energy, metals and agriculture registered turnover of ₹ 26.45 lakh crore, ₹ 24.02 lakh crore, ₹ 15.08 lakh crore and ₹ 1.12 lakh crore, respectively, as against ₹ 44.84 lakh crore, ₹ 18.25 lakh crore, ₹ 15.66 lakh crore and ₹ 1.01 lakh crore in the previous year. On the other hand, options turnover in energy, bullion and metals recorded total of ₹ 17.69 lakh crore, ₹ 2.58 lakh crore and ₹ 0.006 lakh crore, respectively, during FY 2021-22 vis-à-vis ₹ 0.48 lakh crore, ₹ 1.92 lakh crore and ₹ 0.0009 lakh crore, in the previous year.

In terms of metal delivery, a total of 81,499 metric tonnes (MT) of Base Metals were delivered through the exchange mechanism during FY 2021-22 as against 59,848 metric tonnes in FY 2020-21. During FY 2021-22, your Company's market share in commodity futures market stood at 93.6% as against 96.04% in the previous year. The volume (in terms of commodity futures contracts traded on the Exchange) decreased by 29% in FY 2021-22, to 144.9 million lots, as compared to 204 million lots in FY 2020-21.

*\* ADT excludes Muhurat Trading Day in day count and includes index futures for FY 2020-21 and FY 2021-22.*

**SHARE CAPITAL**

There has been no change in the share capital of your Company during the year under review. As on 31<sup>st</sup> March 2022, 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.

**TRANSFER TO RESERVES**

For FY 2021-22, your Company does not propose to transfer any amount to the General Reserve. An amount of ₹ 1,16,306 lakh is proposed to be retained as surplus in the Profit and Loss Account.

**DIVIDEND**

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI (LODR) Regulations, 2015") Regulations, 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](https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/dividend-distribution-policy_july2020.pdf?sfvrsn=c9a29890_2).

The Board of Directors of your Company in its meeting held on 16<sup>th</sup> May 2022, have recommended a dividend of ₹17.4 (174%) per equity share on a face value of ₹ 10 per share for the financial year ended 31<sup>st</sup> March 2022, subject to the approval of shareholders at the ensuing Annual General Meeting.

The outgo on account of the proposed dividend of 174 % (Previous Year 276%) to be paid by the Company aggregates to approximately ₹ 8,874 lakh, being a payout of 75% of the profit after tax (PAT) for the year ended 31<sup>st</sup> March 2022, as against ₹ 14,076 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.

**MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Company is currently providing platform for trading in Commodity contracts. With the Regulators permitting trading in newer products and segments, the Exchange is also seeking to exploit all expansion opportunities by expanding its products basket. The Bullion SPOT exchange platform is one such opportunity. To tap the emerging business opportunities in the changed business environment, it is proposed to expand the objects of the Company by amending the object clause of Memorandum of Association. These amendments shall be effective subject to necessary Regulatory approvals. The Board of Directors have approved alteration of the Memorandum of Association of the Company and the approval of the members of the Company has been sought for the same.

Further, the Articles of Association of the Company currently in force were originally adopted when the Company was incorporated under the Companies Act, 1956. It is thus necessary to amend the existing Articles of Association to make it consistent with the provisions of Companies Act, 2013 including the Rules framed thereunder. Accordingly, a proposal for alteration of the Articles of Association of the company is being placed before the Member for their approval.

**UNCLAIMED DIVIDEND AND TRANSFER OF SHARES**

In terms of applicable provisions of the Companies Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), during the year under review, unpaid or unclaimed dividend amounting to ₹ 5,26,554 (Rupees five lakh twenty six thousand five hundred and fifty four only) was transferred by the Company to the Investor Education and Protection Fund ("IEPF"), established by the Government of India. Further, 797 shares (Seven hundred and ninety seven) shares were transferred to IEPF Authority during the year, in accordance with the IEPF Rules, as the dividend(s) has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more.

**PUBLIC DEPOSITS**

Your Company has not invited any deposits from the public, and as such, no amount of principal or interest related thereto was outstanding as on 31<sup>st</sup> March 2022.

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

The details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on 31<sup>st</sup> March 2022, are set out in Note 4 & 8 to the Standalone Financial Statements of the Company.

## MEETINGS OF THE BOARD

9 (Nine) meetings of the Board of Directors were held during FY 2021-22. For further details, please refer to the section on Corporate Governance forming part of this Annual Report.

## 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 (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, leadership, finance and legal. A multi-faceted talent-pool enables leveraging multitude of thoughts, perspectives, knowledge base, skills and industry experiences, to ensure effective corporate governance and sustained commercial success of the Company.

As on 31<sup>st</sup> March 2022, the Board comprised of 11 (eleven) Directors, of which 6 (six) were Public Interest Directors (PID), 4 (four) were Shareholder 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.

During the year under review, the tenure of Mr. Basant Seth (DIN: 02798529) as a Public Interest Director of the Company was completed on 18<sup>th</sup> May 2021 pursuant to SECC Regulations, 2018. In order to fill the resulting vacancy, SEBI had approved the appointment of Mr. Chandra Shekhar Verma (DIN: 00121756) as a Public Interest Director for a period of three years with effect from 22<sup>nd</sup> May 2021.

During the FY 2021-22, the tenure of Dr. Deepali Pant Joshi (DIN:07139051) as a Public Interest Director was completed on 07<sup>th</sup> August 2021 pursuant to SECC Regulations, 2018. In order to fill the resulting vacancy, SEBI had approved the appointment of Dr. Harsh Kumar Bhanwala (DIN: 06417704) as a Public Interest Director for a period of three years with effect from 08<sup>th</sup> August 2021.

Mr. Amit Goela (DIN: 01754804), Shareholder Director had tendered his resignation from the Board of your Company w.e.f. 09<sup>th</sup> August 2021, due to personal reasons.

Mr. Mohan Narayan Shenoji (DIN: 01603606) and Mr. Vivek Krishna Sinha (DIN: 08667163) were appointed as Shareholder Directors of the Company at the 19<sup>th</sup> Annual General Meeting ("AGM") of the Company held on 03<sup>rd</sup> September 2021. Thereafter, SEBI vide its letter dated 30<sup>th</sup> September 2021 had approved their appointment as Directors of the Company in terms of Regulation 24(1) of SECC Regulations, 2018. Accordingly, they were appointed with effect from 30<sup>th</sup> September 2021.

Mr. Hemang Harish Raja (DIN: 00040769), Shareholder Director, who was liable to retire by rotation at the 19<sup>th</sup> AGM of the Company, was re-appointed with the approval of the shareholders and SEBI w.e.f. 03<sup>rd</sup> September 2021.

In accordance with the provisions of the Companies Act, 2013, Mr. Chengalath Jayaram (DIN: 00012214), Shareholder Director, who has been longest in office since his appointment, is liable to retire by rotation at the ensuing AGM, does not seek re-appointment upon expiry of his term.

Mr. Saurabh Chandra (DIN: 02726077), Public Interest Director and Chairman of the Company, has completed his tenure on the Board of the Company on 02<sup>nd</sup> July 2022, pursuant to Regulation 24(3) of SECC Regulations, 2018.

The Board of Directors places on record their earnest appreciation to the invaluable contributions, leadership and guidance

extended by Mr. Saurabh Chandra and Mr. Chengalath Jayaram to the Board and the Management of the Company during their association.

### INDEPENDENT EXTERNAL EXPERT

During the year under review, the tenure of Prof. Rajat Moona as an Independent External Expert in the Standing Committee on Technology (SCT) was completed on 11<sup>th</sup> February 2022, pursuant to SECC Regulations, 2018. In view of the same, Mr. Moiz Hussain Ali was appointed as an Independent External Expert in Standing Committee on Technology with effect from 28<sup>th</sup> March 2022.

Further, the tenure of Mr. Suresh Gupta as an Independent External Expert in the Memeber Core Settlement Guarantee Fund Committee (MCSGFC) was completed on 21<sup>st</sup> August 2022, pursuant to SECC Regulations 2018. Mr.S. Gopalan was appointed as an Independent External Expert in MCSGFC with effect from 22<sup>nd</sup> August 2022.

### KEY MANAGERIAL PERSONNEL (KMP)

The following employees became KMPs under the SECC Regulations, 2018 during FY 2021-22:

Sr. No.	Name	Effective Date
1	Muthappa Kaveriappa Nellamakada- Vice President- Procurement	01 <sup>st</sup> April 2022
2	Komal Kanzaria – Vice President – Business Development	01 <sup>st</sup> April 2022
3	Rashmi Nihalani - Vice President – Investor Services Department/IPF	01 <sup>st</sup> April 2022
4	Suresh Raval- Vice President - Technology	01 <sup>st</sup> April 2022
5	Vaibhav Pramod Aggarwal - Vice President - Technology	03 <sup>rd</sup> May 2021
6	Vijay Patel - Vice President - Technology	06 <sup>th</sup> May 2021
7	Ramesh Gurram - Chief Information Security Officer	30 <sup>th</sup> September 2021
8	Manoj Jain - Chief Operating Officer	01 <sup>st</sup> November 2021
9	Rajendran Narayanan - Chief Digital Officer	03 <sup>rd</sup> November 2021

Further, the following employees ceased to be KMPs under the SECC Regulations, 2018 during FY 2021-22:

Sr. No.	Name	Last working day
1	Dhananjay Chandrashekhar Rokde - Chief Information Security Officer	02 <sup>nd</sup> July 2021
2	Manav Jain - Chief Technology Officer - New Projects	21 <sup>st</sup> September 2021
3	Neetu Juneja - Vice President , Investor Services Department/IPF	11 <sup>th</sup> October 2021
4	C N Upadhyay - Vice President , Inspection & Audit	29 <sup>th</sup> October 2021
5	Pradip Dey - Vice President ,Technology	31 <sup>st</sup> December 2021

Mr. Sanjay Golecha, ceased to be the Chief Regulatory Officer (“CRO”) of the Company with effect from 30<sup>th</sup> June 2022. In view of the pending appointment of CRO, Mr. Himanshu Ashar, Vice President, Market Operations & Surveillance & Investigation has taken interim charge of the office of the CRO with effect from 01<sup>st</sup> July 2022 until further orders.

Mr. Shashank Sathe has been appointed as Chief Technology Officer (CTO) of the Company with effect from 07<sup>th</sup> April 2022.

### PERFORMANCE EVALUATION OF THE BOARD

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

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

Your Company has implemented a system of evaluating p erformance 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, fulfillment and ability to function as a team, initiatives taken, adherence to the rules/regulations, having independent views and judgement, providing guidance to senior management and Board members, etc.

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

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

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

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

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

**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.

**CHANGE IN THE NATURE OF BUSINESS**

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

**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 amongst top seven global commodity futures exchanges, based on traded volume in commodity futures during the Calendar Year 2021 (CY21). (Source: FIA Annual Volume trading statistics January 2022).

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. Recently in the month of 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 1011 kg of Indian refined Gold valued at ₹493 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 2021-22.

# Note: Excludes Muhurat Trading Day while calculating level ADT/ADV

The Bullion segment attained various landmarks during FY 2021-22:

The MCX Gold kg Options contract registered an average daily turnover of ₹857 crore in 2021-22 up by 41% from ₹ 608 crore in 2020-21. It's highest turnover (post LES) of ₹4284 crore on 24<sup>th</sup> March 2022.

After success of Silver Options with Silver (30 kg) Futures as underlying contract, MCX launched Silver Mini Options with Silver Mini (5 kg) Futures as underlying on 19<sup>th</sup> July 2021.

The average daily turnover of Silver Mini Options with Silver Mini (5 kg) Futures as underlying during FY 2021-22 was ₹ 12.66 crore. The contract recorded it's highest volume and turnover of 8105 kg and ₹ 52 crore respectively on 15<sup>th</sup> February 2022 and recorded the highest open interest of 11405 kg on 04<sup>th</sup> February 2022.

Continued success of new product design in Bullion:

Gold Petal Futures contract has seen delivery of 61.5 kg (61490 coins), since its launch in October 2019 till 31<sup>st</sup> March 2022.

Similarly, Silver (1kg) Micro contract has seen successful delivery of 40004 kg from February 2020 series onwards till 31<sup>st</sup> March 2022 and Silver Mini (5 Kg) has seen successful delivery of 75995 kg from June 2020 series onwards till 31<sup>st</sup> March 2022.

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**

### **Fundamental Scenario**

The global economy showed resilience in recovering from the pandemic. This was aided by continued progress with global vaccination efforts, supportive macro-economic policies of the major economies of the world, strength in labour markets & asset prices and overall favourable financial conditions. Due to this, the demand for road transport fuels and petrochemical feedstocks revived and led the global energy demand into a growth trajectory.

The economic momentum gathered further pace, as the emerging and developing economies also provided the much needed impetus backed by rising incomes especially with revival being observed in business activity and air travel reaching near pre-pandemic levels.

Emphasis of governments had shifted from short term goals to sustainable, inclusive growth agendas. However, in the later part of the financial year, Russia's invasion of Ukraine sent ripples in the energy markets and brought in a paradigm shift in the world energy supply landscape.

### **MCX Energy Contracts Performance**

The MCX crude oil futures contract registered an average daily turnover of ₹4,481 crore in 2021-22, up by 60% from ₹ 2,807 crore in 2020-21. The MCX crude oil options contract clocked a phenomenal increase from ₹ 189 crore in 2020-21 to ₹ 6,616 crore in 2021-22. On 16<sup>th</sup> March 2022, the crude oil options contract recorded its highest daily turnover (since inception) of ₹39,723 crore.

With our vision of providing the market participants with cost effective and efficient derivative instruments in the energy complex, the Exchange launched the natural gas options contract on 17<sup>th</sup> January 2022. The contract garnered wide acceptance from market participants and achieved an average daily turnover of ₹1,168 crore. The company's natural gas futures contract also performed well, by an increase of 10% in average daily turnover which increased to ₹ 4,829 crore in 2021-22, compared to ₹ 4,378 crore in the previous financial year.

## **Agricultural Commodities**

MCX agriculture commodities futures registered an average daily turnover of ₹ 435 crore in FY 2021-22 compared to ₹ 397 crore in FY 2020-21. The MCX Cotton contract made significant growth in FY 2021-22 with an average daily turnover of ₹ 160 crore in FY 2021-22, up by 175% from ₹ 58 crore in FY 2020-21. Average daily turnover of Mentha oil increased by 73% in FY 2021-22.

Until the suspension of the CPO futures, which came into effect from 20<sup>th</sup> December 2021, the contract had achieved average daily turnover of ₹ 369 crore in FY 2021-22 up from ₹ 333 crore in FY 2020-21. 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 remain 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 domestic Refined Lead producers, namely; Pilot Industries Ltd and Gravita India Ltd, were empanelled as MCX approved brands during the FY 2021-22.

Post the conversion to delivery based contracts, the delivery mechanism of the Exchange has helped the industry to give or

take deliveries according to the prevalent market conditions. Over the last year, the prices of various base metals have skyrocketed because of unprecedented war situation and recurring Covid-19 waves. The Exchange mechanism has supported the industry which is vulnerable to price risk due to extreme volatility in this tough phase.

In all 81,499 MTs of base metals were delivered via the Exchange settlement in FY 2021-22. 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 the collective needs of the wider audience. Additional delivery centres are now operational at Kolkata (West Bengal), Palwal (NCR/Haryana), Chennai (Tamil Nadu) and Thane (Maharashtra) for all metals with an exception being Zinc, which is deliverable at Thane (Maharashtra) and Kolkata (West Bengal) at present. The additional centres have started witnessing inflows of various metals.

FY 2021-22 also witnessed the deliveries of the additional deliverable grades of Aluminium. T-bars and Sows at Raipur (Chhattisgarh).

### **Index Futures**

The ADT<sup>#</sup> during FY 2021-22 for index futures witnessed a growth of 6.4% and registered an ADT of ₹ 333 crore vis-à-vis ₹ 313 crore in FY 2020-21. During FY 2021-22 (October 21), the Exchange also launched futures on its third sectoral index, i.e. MCX iCOMDEX Energy (ENRGDEX), which received a decent response from market stakeholders. However, the debacle of Nickel futures at London Metal Exchange on 08<sup>th</sup> March 2022 triggered by settlement crisis at LME and sharp surge in Nickel prices in the midst of ongoing Russia-Ukraine war and its repercussions on the domestic markets in the form of high margins had adversely affected MCX Nickel futures and METLDEX<sup>®</sup> futures. MCX Nickel futures has a weight of over 25% in METLDEX<sup>®</sup>. Further, events as mentioned above and applicability of pre-expiry margins for ENRGDEX<sup>®</sup> futures also dented the performance of the contract. On a positive note, SEBI issued regulatory framework for Options on commodity indices on 24<sup>th</sup> March 2022.

*\* Count of Client (Unique PAN) across all the segment including PROP (\*OWN\*) account of the member.*

*# Excludes Muhurat Trading Day in day count while calculating ADT*

### **Transaction fees**

During FY 2021-22, options accounted for an ADT of around ₹ 7,860 crore vis-à-vis ₹ 943 crore for the previous year. Significantly, options got a major boost as the SEBI's peak margin client reporting framework came to force w.e.f. 01<sup>st</sup> December 2020 in phases. Options have gained traction in terms of turnover and participation. Exchange w.e.f. 01<sup>st</sup> October 2021 has started levying transaction charges in options contract.

### **Market Participants**

As on 31<sup>st</sup> March 2022, the Company has a national reach with 592 members, having 50,254 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 1,018 cities/towns across India. The unique traded client codes (UCC – PAN based\*) which are of significant importance to Exchange, witnessed a moderate rise from 4.6 lakh in FY 2020-21 to 4.7 lakh in FY 2021-22.

On the institutional front, three Mutual Funds have been active during FY 2021-22. Pursuant to issuance of SEBI norms for Silver Exchange Traded Funds (Silver ETFs) 3 AMCs introduced Silver ETFs with a provision for inclusion of Silver futures. Besides mutual funds, Category III Alternative Investment Funds and PMS are allowed in the Commodity Derivatives Market (CDM) segment. Four custodians have secured SEBI approval for providing custodial services. As on 31<sup>st</sup> March 2022, eight bank (broking) subsidiaries were registered with the Exchange. SEBI had earlier issued a consultation paper for allowing foreign portfolio investors (FPIs) to participate in commodity derivatives market, and subsequently have formally allowed their participation. The operating guidelines are awaited from the regulator, basis which the actual trading by FPIs will start in India.

### **REGULATORY DEVELOPMENTS- FY 2021-22**

During the year under review, SEBI, the sectoral regulator relaxed the timelines for compliance with various regulatory requirements for trading members /clearing members and listed companies due to the COVID-19 pandemic.

SEBI strengthened the mechanism for protection of client collateral from misappropriation/misuse by Trading Member (TM)/Clearing Member (CM) and default of TM/CM and/or other clients. SEBI adopted the framework for Segregation and Monitoring of collateral at client level.

SEBI approved the framework for Stock Exchange/s desirous of trading in electronic gold receipts (EGRs) to apply to SEBI for approval of trading of EGRs in new segment.

To increase the awareness regarding online grievance redressal mechanism, investors are being encouraged to lodge their complaints through online mechanism more specifically through SCORES for effective redressal of grievances.



SCORES is the web-based portal as well as mobile application designed by SEBI which is a robust and convenient way to lodge complaints by investors. The grievances lodged by investors are taken up with the concerned entity and continuously monitored as per the prescribed timeline.

Important regulatory developments during FY 2021-22, primarily by SEBI, are as hereunder:

#### **April 2021**

- I. In view of the situation arising due to COVID-19 pandemic and nationwide lockdown imposed by the Government and representations received from Association of National Exchanges Members of India (ANMI), Stock Exchanges and Depositories, relaxations were provided in timelines for compliance with various regulatory requirements to trading members/clearing members, depository participants, KYC registration agencies.

#### **June 2021**

- II. Devised a framework to mitigate the risk of misuse of client's funds. As specified, the actual settlement of funds and securities shall be done by the member depending on the mandate of the client with a maximum gap of 90/30 days (as per the choice of client viz. Quarterly/Monthly) between two settlements of running account.

#### **July 2021**

- III. Prescribed the Standard Operating Procedure (SOP) for handling Technical Glitches and to comply with the "Financial Disincentive" structure. This will encourage Mills to constantly monitor the performance and efficiency of their systems and upgrade/ enhance their systems etc. to avoid any possibility of technical glitches/disruption/disaster and restart their operations expeditiously in the event of glitch/disruption/disaster.
- IV. Reduced the number of days of advance intimation for modifications in contract specification of commodity derivative contract in all three categories i.e. Category A, Category B and Category C, to 10 days, to bring uniformity and that the modified contract represents a healthy replica of the physical market.
- V. Strengthened the mechanism of protection of client collateral from misappropriation/ misuse by TM/CM and default of TM/CM and/or other clients. Decided to adopt the framework for segregation and monitoring of collateral at client level.
- VI. Mandated submission of nomination details/declaration for opting out of nomination for investors opening new trading and or demat account(s) on or after 01<sup>st</sup> October 2021.

All existing eligible trading and demat account holders shall provide choice of nomination on or before 31<sup>st</sup> March 2022, failing which the trading accounts shall be frozen for trading and demat account shall be frozen for debits. Further, vide Circular dated 24<sup>th</sup> February 2022 it decided that, provisions of the said circular w.r.t. freezing of accounts shall come into force with effect from 31<sup>st</sup> March 2023 instead of 31<sup>st</sup> March 2022.

#### **October 2021**

- VII. The Stock exchanges shall ensure that once a member has been declared defaulter, the claim(s) shall be placed before the Member & Core Settlement Guarantee Fund Committee (MCSGFC, earlier known as erstwhile Defaulters' Committee) for sanction and ratification. MCSGFC's advice w.r.t. legitimate claims shall be sent to the IPF Trust for disbursement of the amount immediately. By any chance, if the claim amount is more than the coverage limit under IPF or the amount sanctioned and ratified by the MCSGFC is less than the claim amount then the investor will be at liberty to prefer for arbitration outside the Exchange mechanism/any other legal forum outside the Exchange mechanism for claiming of the balance amount.

#### **December 2021**

- VIII. To facilitate investor awareness various activities were provided which an investor deals with such as opening of account, KYC and in person verification, complaint resolution, issuance of contract notes and various statements, process for dematerialization/rematerialization etc., SEBI has prepared an Investor Charter for Stock Brokers *inter-alia* detailing the services provided to Investors, Rights of Investors, various activities of Stock Brokers with timelines, DOs and DON'Ts for Investors and Grievance Redressal Mechanism.
- IX. Ministry of Finance (Department of Economic Affairs) vide its notification dated 24<sup>th</sup> December 2021 declared "Electronic Gold Receipt" as securities under the Securities Contracts (Regulation) Act, 1956. "Electronic Gold Receipt" means an electronic receipt issued on the basis of deposit of underlying physical gold in accordance with the regulations.

#### **January 2022**

- X. Made a change in Exercise Mechanism of option contracts on commodity futures as follows:  
On expiry, following mechanism shall be adopted by Exchanges for exercise of the options contracts:

- All in the money (ITM) option contracts shall be exercised automatically, unless 'contrary instruction' has been given by long position holders of such contracts for not doing so.
  - All Out of the money (OTM) option contracts shall expire worthless.
  - All exercised contracts within an option series shall be assigned to short positions in that series in a fair and non-preferential manner.
- XI. To increase the awareness regarding online grievance redressal mechanism, investors are being encouraged to lodge their complaints through online mechanism more specifically through SCORES for effective redressal of grievances.
- SCORES is the web-based portal as well mobile application designed by SEBI which is a robust and convenient way to lodge complaints by investors. The grievances lodged by investors are taken up with the concerned entity and continuously monitored as per the prescribed timeline. As per SEBI directions, Stock Exchanges (including Commodity Derivatives Exchanges), display the link on the home page of their websites and mobile apps.
- XII. Approved the framework for Gold Exchange and SEBI (Vault Managers) Regulations, 2021. Stock Exchange/s desirous of trading in Electronic Gold Receipts (EGRs) may apply to SEBI for approval of trading of EGRs in new segment.
- The framework, *inter-alia*, states that the entire transaction in EGR segment has been divided into the following three tranches.
- In tranche 1, physical gold will be converted into EGR;
- In tranche 2, EGR shall be traded on stock exchanges; and
- In tranche 3, EGR can be converted into physical gold. The framework also states that Stock Exchanges may launch contracts with different denomination for trading and/or conversion of EGR into gold.

#### **February 2022**

- XIII. Issued notification regarding amendment of Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 wherein, the stock broker shall have such networth and shall deposit with the stock exchange such sum as may be specified by the Board/ stock exchange from time to time.

#### **March 2022**

- XIV. Permitted Stock Exchanges to further relax the limit up to one hundred and twenty (120) OPS, as against the present hundred (100). The limit on OPS may be further relaxed by the Stock Exchanges based on the increased peak order load observed and corresponding upgrade of infrastructure capacity to ensure that the capacity of trading system of the Stock Exchange remains at least four times the peak order load. The relaxation in limit shall be subject to approval of SEBI.
- XV. Permitted Recognised Stock Exchanges having a Commodity Derivative segment, to introduce options on commodity indices. Recognised Stock Exchanges with a Commodity Derivative segment, willing to introduce trading in options on commodity indices shall take prior approval of SEBI.
- XVI. Issued direction with respect to product specifications pertaining to the EGR segment in India, Stock Exchanges may launch products/contracts subject to complying with the guidelines.

*The following regulatory changes initiated by SEBI effective April, 2022 onwards:*

#### **April 2022**

- i. 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 01<sup>st</sup> July 2022.
- ii. Issued the risk management framework applicable to the Electronic Gold Receipt (EGR) segment on the recognized Stock Exchange/s.

#### **May 2022**

- iii. 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.
- iv. 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.

- v. 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 06<sup>th</sup> 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 MII shall approve the list of critical systems.
  - MIIs should conduct VAPT at least once in a financial year. However, for the MIIs, 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.
  - MIIs 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, MIIs are mandated to conduct comprehensive cyber audit at least 2 times in a financial year
- vi. Decided to modify clause 4.25 of SEBI circular no. SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 dated 01<sup>st</sup> July 2020 in order to provide equitable distribution of funds amongst investors.

### June 2022

- vii. 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 06<sup>th</sup> 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.
- viii. Issued circular in partial modification to Annexure -1 of its circular dated 03<sup>rd</sup> 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.
- ix. 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.

Sr. 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

- x. 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 01<sup>st</sup> 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 01<sup>st</sup> August 2022.
  - The validation of all KYC records (new and existing) shall commence from 01<sup>st</sup> August 2022.
- xi. 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 01<sup>st</sup> September 2022.
- xii. 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 03<sup>rd</sup> 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](mailto:sbdp-cyberincidents@sebi.gov.in).

### **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, 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 Board of Directors have constituted a Risk Management Committee (RMC) for, *inter alia*, identification, measurement and monitoring the risk profile of the Exchange. As on 31<sup>st</sup> March 2022, the RMC comprised of two Public Interest Directors and an Independent External Expert. The 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 control over financial reporting is reviewed by the Audit Committee.

To ensure effective monitoring of matters relating to Technology, Information and Cyber Security, Business Continuity and Disaster Recovery it was decided by the Board that the same shall be overseen by the Standing Committee on Technology. The Risk Officer reviews the Internal Audit Report(s) and suggests measures to improve the controls.

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

### **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 lakh per client, with no member-wise limit for SEBI-registered members declared defaulter on or after 24<sup>th</sup> January 2018. Further, the limits of ₹ 2 lakh per investor per defaulter member and ₹ 200 lakh per defaulter member shall continue to be applicable for claims against members, declared defaulter prior to 24<sup>th</sup> January 2018 and for non-SEBI registered members. As on 31<sup>st</sup> March 2022, the corpus of IPF (provisional) stood at ₹ 20793.45 lakh.

Your Company has also set up an Investor Service Fund (ISF) for providing 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 31<sup>st</sup> March 2022, the corpus of ISF stood at ₹ 1000.47 lakh.

In Order to enhance literacy and to promote investor education and awareness in the commodity derivatives market, 396 awareness programs/webinars were conducted under the banner of ISF in FY 2021-22. Out of these programs/webinars, over 11 programs were regional webinars conducted jointly with SEBI. In FY 2021-22, the Exchange has conducted awareness programs through webinars and also with physical presence of participants. These awareness programs/webinars were conducted across India, for investors, students, FPOs, hedgers, physical market participants/stakeholders from the bullion/ metal industries, energy markets and agricultural sector including farmers, farmer producer organisations

(FPO's) and also for micro small and medium enterprises (MSME's), corporates, etc.

Some major awareness initiatives in FY 2021-22 undertaken were as follows:

- i. World Investor Week (WIW) was celebrated from 22<sup>nd</sup> November 2021 – 28<sup>th</sup> November 2021 throughout India under the aegis of SEBI & IOSCO.
  - Total 105 awareness programs/webinars were conducted across India during WIW, which had over 5800 participants.
  - Under the guidance of SEBI, MCX successfully organized Opening Bell Ceremony for WIW on 22<sup>nd</sup> November 2021 in the presence of the following dignitaries:
    - a. Shri G P Garg - Executive Director, SEBI
    - b. Shri Krishnanand Raghavan – CGM, SEBI
    - c. Shri Sunil Kadam – Registrar, NISM
    - d. Shri Dhruv Patil-MCX-IPF Trustee
  - Total 271 participants took part in various contests in WIW 2021. out of 271 participants, 89 participants took part in crossword contest, 116 participated in riddles and 66 participated in slogan contest.
  - Under the “SMS-WhatsApp Campaign”, Awareness Creatives were sent to over 959 individuals each day through SMS.
  - As a special focus on creating awareness amongst the farmers/FPOs during the WIW, 34 awareness programs with physical presence of farmers/FPO in the State of Gujarat were conducted, maintaining social distancing and local government norms in line with the COVID -19 protocol.
- 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 2021-22, a number of investor awareness activities were carried out in partnership with various media across digital, electronic and print modes. MCX IPF knowledge series camps/webinars were conducted on digital platforms and the recorded episodes of the panel discussions were telecast on various TV channels. Webinars with FPOs for educating farmers about the benefits of hedging using commodity derivatives were conducted and aired on TV for a wider reach. Besides these, a commodities knowledge TV series “Simplifying Commodities: Options, Futures and Indices” was aired every week to create awareness amongst relevant stakeholders.

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.

MCX IPF uses various social media channels like YouTube, Twitter, Facebook, LinkedIn and Instagram for mass awareness and education

#### **TRAINING AND EDUCATION**

Your Company continues to reach out to various stakeholders to enhance knowledge about commodity derivatives, commodity trade, new products launched, and about using the derivatives exchange platform for price risk management and price discovery.

To achieve the said objectives, your Company during FY 2021-22:

- i. Recorded 397 (230 in FY 2020-21) registrations for the MCX Certified Commodity Professionals (MCCP) examination;
- ii. Launched Joint Certification Programmes (JCP) with various academic institutions;
- iii. Launched two new certification programmes, MCX Certified Options Professional (MCOP) and MCX Certified Index Professional (MCIP);
- iv. Introduced AI-proctored tests during the pandemic that has become standard for all professional certifications of MCX;
- v. Conducted customized training programmes & workshops for eight corporates & treasuries of four commercial banks covering four segments- Bullion, Base Metals, Energy & Agri-Commodities. Also held five Faculty Development Programmes for educational institutes;
- vi. Conducted several awareness programmes on multiple aspects of commodity derivatives for B-Schools, Colleges, Professional bodies & Farmer Producer Organisations (FPO's);

- vii. Successfully concluded the IV edition of MCX-IPF COMQUEST commodity quiz which saw a record number of participation from both the academic institutions and their students.

## **WAREHOUSING**

Consequent to the transfer of clearing and settlement division of the Exchange to Multi Commodity Exchange Clearing Corporation Ltd. (MCXCCL) w.e.f. 01<sup>st</sup> September 2018, physical deliveries of the commodities traded on the Exchange platform are effected through MCXCCL. Necessary warehousing arrangements with Warehouse Service Providers (WSP)/ Vault Service Providers (VSP) have been made by MCXCCL to cater to the storage requirements of various members of the Exchange and their respective constituents/ depositors, who are willing to store goods and give delivery on the Exchange platform. MCXCCL also undertakes accreditation of the warehouses/vaults, to ensure safe storage and preservation of quality of goods deposited by various business participants for delivery on the Company's platform.

MCXCCL has a wide network of warehouses for delivery of commodities traded on the Company's platform. This provides confidence to members to trade on the Company's platform. As of 31<sup>st</sup> March 2022, MCXCCL has entered into agreements with eight WSPs for facilitating physical deliveries in Agricultural Commodities and Base Metals. As at 31<sup>st</sup> March 2022, MCXCCL has accredited 52 warehouses of which 40 warehouses are registered with the Warehousing Development & Regulatory Authority (WDRA). The remaining 12 warehouses for metals do not fall under the jurisdiction of WDRA.

Further, MCXCCL entered into agreements with three VSP for facilitating door step deliveries in Bullion across the country. There are 24 accredited vaults of these agencies located at Ahmedabad, Delhi, Mumbai, Bengaluru, Chennai, Cochin, Hyderabad, Jaipur, Rajkot, Agra, Salem and Kolkata.

## **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 31<sup>st</sup> July 2019 and ending on 31<sup>st</sup> July 2022. SEBI vide its letter dated 19<sup>th</sup> May 2022, granted renewal of recognition to MCXCCL, to act as a Clearing Corporation for a period of three years commencing on 31<sup>st</sup> July 2022 and ending on 30<sup>th</sup> July 2025, subject to complying with all rules, regulations, guidelines and other instructions as may be issued by SEBI from time to time.

Risk management being an important function for a clearing corporation, MCXCCL has a well-defined Risk Management Framework and Risk Management Policy in place. This works at various levels across the enterprise to form a strategic defense 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 by European Securities & Markets Authority (ESMA) as 'third country' Central Counter Party (CCP) under European Market Infrastructure regulation, so that European participants can now apply lower risk weightage towards their exposures to MCXCCL. As commodity markets expand their outreach to the Eligible Foreign Entities (EFEs) interested in hedging their commodity exposures in Indian Commodity Markets and the Foreign Portfolio Investors that are permitted to trade in Exchange Traded Commodity Derivatives Market, this will make hedging by European entities cost efficient.

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

During the year under review, there was no change in the Authorized, Issued and Paid-up Share Capital of MCXCCL. As on 31<sup>st</sup> March 2022, Authorized Share Capital of MCXCCL stood at ₹ 30,000 lakh and issued and paid-up share capital stood at ₹ 23,999 lakh. The net worth as at 31<sup>st</sup> March 2022 was ₹ 39,195 lakh.

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

SEBI vide circular no. SEBI/HO/CDMRD/DRMP/CIR/2018/111 dated 11<sup>th</sup> July 2018, issued norms related to computation of SGF requirement and standardized stress testing for credit risk in commodity derivatives. The total Core SGF as on 31<sup>st</sup> March 2022 stood at ₹ 52,559 lakh, of which ₹ 10,478 lakh has been contributed by MCX, ₹ 30,052 lakh has been contributed by MCXCCL and ₹ 12,029 lakh has accrued from penalties, interest and other accruals.

## **ASSOCIATES**

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

Your Company entered into a Shares Sale/Purchase and Shareholders Agreement with Central Depository Services Limited (CDSL) and CDSL Commodity Repository Ltd. (CCRL) effective 18<sup>th</sup> May 2018, for setting up and operationalization of a new

repository under the Warehousing (Development and Regulation) Act, 2007. Pursuant to Section 2(6) of the Companies Act, 2013, CCRL became an associate company of MCX w.e.f. 04<sup>th</sup> June 2018, consequent to investment of ₹1200 lakh comprising of 12,000,000 equity shares of ₹10 each, equivalent to 24% stake in CCRL.

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

MCX, National Stock Exchange of India, National Securities Depository Limited, Central Depository Services Limited and BSE's subsidiaries India INX International Exchange and India International Clearing Corporation have joined hands for setting up of Market Infrastructure Institutions (MIIs) comprising of International Bullion Exchange, Clearing Corporation and Depository Company at Gujarat International Finance Tec-City (GIFT) via a Holding Company i.e. India International Bullion Holding IFSC Limited (IIBH), as per the Regulations issued by International Financial Services Authority (IFSCA). SEBI vide its letter dated 26<sup>th</sup> August 2021 had also granted approval to MCX for investment in IIBH, subject to a maximum limit of 20% of the paid-up capital of IIBH. The Hon'ble Prime Minister, Shri Narendra Modi has launched India's first International Bullion Exchange in July, 2022.

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 proposed 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 comprising of 30,00,00,000 equity shares of ₹ 1 each equivalent to 20% stake in IIBH as on 10<sup>th</sup> August 2022.

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>.

#### **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 04<sup>th</sup> June 2021 to 03<sup>rd</sup> March 2022). 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.

#### **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.

#### **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 2021-22 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 endeavor 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.

## **RESEARCH AND DEVELOPMENT**

Your Company undertakes research for developing new products against the backdrop of evolving market needs, changing policy and regulatory landscape and global best practices. Based on such research and market requirements, the Exchange launched futures contracts in MCX iCOMDEX Energy Index (MCX ENRGDEX), as well as Options on Futures of Silver Mini, Nickel and Natural Gas during the year 2021-22.

Based on its extensive domain expertise, market leadership and impeccable credentials, your Company was awarded a consultancy project by the Chittagong Stock Exchange (CSE), Bangladesh, to set up a Commodity Derivatives Platform at CSE. This would be Bangladesh's first Commodity Derivatives Exchange Segment. The Agreement was signed between MCX and CSE on 12<sup>th</sup> April 2022.

In accordance with SEBI guidelines on utilisation of IPF interest income on research activities, your Company completed four research studies in 2021-22, initiated in 2020-21, on various themes connected to commodity derivatives market. These studies were 'How futures market in India has improved efficiency of physical commodity markets' undertaken by IIT Kharagpur; 'Why commodities should be included in an investment portfolio? An analytical study' undertaken by IIM Kozhikode; 'Overcoming issues of quality standardization in agricultural commodities to facilitate participation in derivatives' undertaken by IIM Bangalore and 'Developing Domestic Price Benchmarks and Lessons from Global Markets – Case of Base Metals' undertaken by IIM Ahmedabad. The findings of the studies were widely disseminated through articles published in the print media and four widely-announced webinars conducted in association with the Commodity Participants Association of India (CPAI). The study reports were also shared with the market regulator and uploaded on the Exchange's website.

The Exchange, likewise, has initiated research on three themes for the year 2021-22, namely: 'Facilitating institutional participation in India's commodity derivatives market'; 'Regulatory Landscape in Equity Derivatives vs. Commodity Derivatives Markets in India'; and 'Evaluating Risk Management Tools in Indian Commodity Derivatives Market'.

A Primer on Electricity, covering the state of the electricity market, along with various facets and benefits of electricity derivatives, was prepared and distributed to educate various stakeholders about this commodity.

During the year 2021-22, your Company also engaged with a number of educational institutions and participated in research conferences conducted by institutions such as India Gold Policy Centre, The National Institute of Securities Management (NISM), etc.

To spread awareness and promote research in commodity markets and its ecosystem, the 'Commodity Insights Yearbook 2021' was published during the year 2021-22 in partnership with NISM, an institution established by SEBI. The same was released by Mr. G.P. Garg, Executive Director, SEBI, at the opening 'Ring the Bell' ceremony during WIW 2021. 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 2021 edition of the Yearbook focussed on the Base Metals segment. Like in earlier years, the Yearbook, together with relevant data in user-friendly spreadsheets, has been made available for free download on the Exchange's website to ensure maximum dissemination.

## **ENVIRONMENTAL RESPONSIBILITY**

Given the nature of its operations, your Company has a very low impact on the environment. Notwithstanding, your Company is committed to minimizing its environmental impacts through efficient use of natural resources, including electricity, which is the key touch point of the Exchange's technology driven business. Your Company is governed by an effective Environmental Policy. Your Company believes that in order to meet the objectives of its Environmental Policy, employee commitment is imperative. Your Company constantly endeavours to create awareness amongst employees and encourages them to adopt conservation practices on an ongoing basis. Your Company successfully completed ISO 14001:2015 surveillance audit and continues to monitor its Environment Management Plan, developed on the basis of the Environment Review conducted annually, to assess the impact of the Company's activities. Your 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 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 your Company to save the environment are water-tap aerators, rain water harvesting, cold fogging and password enabled printer to minimize wastage of paper. Your company monitors the environmental pollutions through smoke emission test, noise pollution test, water quality & air ambience test to ensure all parameters are within normal limits



## CORPORATE SOCIAL RESPONSIBILITY (CSR)

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 2021-22 was ₹ 320 lakh. Your Company has made specific allocations towards:

- Supply of medical equipment in order to complement the government's efforts towards making public hospitals more accessible and provide timely and affordable healthcare available for large sections of society belonging to humble backgrounds.
- Supporting/empowering elderly destitute and specially able adults and children in improving their quality and dignity of life by providing educational kits, computers, therapy equipment for promoting education for the visually challenged and hearing impaired youths;
- Scholarship support to encourage girl students from economically weaker backgrounds in pursuing higher education especially nursing courses;
- Supporting infrastructure requirements of Govt. schools in rural areas to improve the education infrastructure and promote a safe and holistic environment for receiving education to students in rural areas;
- Support to elderly for undertaking cataract, other surgeries and regular medicines to elderly destitute men and women to improve their health and give them a dignified life.

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>.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

SEBI, vide its circular dated 10<sup>th</sup> May 2021, made BRSR mandatory for the top 1,000 listed companies (by market capitalization) from FY 2022-23, while disclosure is voluntary for FY 2021-22. MCX has adopted the BRSR voluntarily for FY 2021-22 to provide enhanced disclosures on Environmental, Social and Governance (ESG) practices and priorities of the Company. Accordingly, Business Responsibility and Sustainability Report prepared in accordance with the guidelines issued by the SEBI, forms part of this Annual Report.

## 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.

## ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013, the Annual Return for FY 2021-22 is available at the web link <https://www.mcxindia.com/investor-relations>.

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

## 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>

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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/policy-on-related-party-transactions\\_may2020.pdf?sfvrsn=a9f19190\\_2](https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/policy-on-related-party-transactions_may2020.pdf?sfvrsn=a9f19190_2).

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. All 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.

Regulation 23 of SEBI (LODR), 2015, was amended by SEBI vide notification dated 09<sup>th</sup> 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), 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.

## 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.

## STATUTORY AUDITORS AND THEIR REPORT

M/s Shah Gupta & Co., Chartered Accountants (Firm Registration No. 109574W) were appointed as Statutory Auditors of the Company under casual vacancy for FY 2014-15. Subsequently, they were appointed as Statutory Auditors by the shareholders, at their 13<sup>th</sup> Annual General Meeting (AGM) held on 29<sup>th</sup> September 2015 for a period of five years, subject to ratification by the shareholders at every AGM. Further, in terms of the amendment in the provisions of the Companies Act, 2013, the shareholders at the 16<sup>th</sup> AGM of the Company held on 31<sup>st</sup> August 2018 approved that the said appointment would not be subject to ratification at every subsequent AGM.

Thereafter, the shareholders, at their 18<sup>th</sup> Annual General Meeting (AGM) held on 31<sup>st</sup> August 2020 have appointed M/s Shah Gupta & Co., Chartered Accountants (Firm Registration No. 109574W) for another term of 5 (five) consecutive years to hold office from the conclusion of the 18<sup>th</sup> AGM until the conclusion of the 23<sup>rd</sup> AGM of the Company, at a remuneration of ₹15 lakh (Rupees Fifteen lakh) for the FY 2020-21, plus reimbursement of out-of-pocket expenses and applicable taxes, with an escalation of upto 10% once in two years and change in the engagement partner.

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.

#### **SECRETARIAL AUDITORS AND THEIR REPORT**

M/s. Prasen Naithani & Associates, Practicing Company Secretaries, were appointed as the Secretarial Auditors by the Board to conduct the secretarial audit of the Company for the FY 2021-22. Further, M/s Makarand Joshi & Associates, Practicing Company Secretaries, were appointed as the Secretarial Auditors by the Board of MCXCCL to conduct their secretarial audit for the FY 2021-22.

In accordance with Section 204(1) of the Companies Act, 2013 and Regulation 24A of SEBI (LODR) Regulations, 2018 the Secretarial Audit Reports of the Company and MCXCCL for the Financial Year ended 31<sup>st</sup> March 2022 are annexed as **Annexure IV** to this Report.

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

#### **INTERNAL AUDITOR**

Internal Audit for the year ended 31<sup>st</sup> March 2022, was conducted by M/s Sarda & Pareek LLP, Chartered Accountants and the Internal Audit report at periodic intervals were placed before the Audit Committee.

#### **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.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year under review, 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).

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

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

The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Audit Committee of the Board actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Audit Committee of the Board and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors on the effectiveness of internal controls and the veracity of the financial statements. Such internal financial controls over financial reporting were operating effectively as of 31<sup>st</sup> March 2022.

#### **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.

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

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

#### **LEGAL UPDATE**

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

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

Pursuant to the transfer petition of SEBI, the Hon'ble Supreme Court *inter-alia* vide its order dated 24<sup>th</sup> July 2020 stayed the proceedings of all the Writ Petitions filed before various High Courts till the final disposal of the matter and tagged the petition of SEBI with the Company's petition. The Transfer petitions were listed for hearing and final disposal on 01<sup>st</sup> September 2022. 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.

**PESB Vs MCX (Singapore International Arbitration Centre):**

On 15<sup>th</sup> January 2021, PESB filed Notice of Arbitration before Singapore International Arbitration Centre (SIAC) *inter-alia* for a claim of Singapore Dollar (SGD) 4.5 - 5 million on a rough and preliminary basis. On 29<sup>th</sup> January 2021, the Company filed its Response and Counter Claim, whereby the Company claimed an amount of approximate SGD 32,82,874.

Thereafter, the Parties initiated discussion for amicable settlement of the dispute which culminated into execution of settlement agreement dated 20<sup>th</sup> October 2021. SIAC informed both the parties vide common email dated 21<sup>st</sup> December 2021 regarding closure of Arbitration and the dispute stands resolved as on date as per the terms of the settlement agreement. Please refer Notes to Financial Statement for further details.

**Compounding of offences:**

During FY 2014-15, your Company had filed 9 applications seeking compounding of offences of earlier years, under Section 621A of the Companies Act, 1956, against the Show Cause Notices received from the Registrar of Companies, Mumbai. Compounding had been effected in respect of 8 applications and the Company had paid the fees imposed by the Compounding Authority relating thereto aggregating to ₹ 7,43,000/-. The Company had also received the copy of the Orders passed by the relevant authority in respect of the 8 compounding applications. As on 31<sup>st</sup> March 2022, one compounding application is pending for hearing with the Regional Director, Western Region, Mumbai.

**HUMAN RESOURCE DEVELOPMENT**

Human Resource (HR) is a strategic business partner and plays a pivotal role in developing company's strategy by enhancing employees perception throughout the workforce and providing a well - rounded experience for the employee. As on 31<sup>st</sup> March 2022, the Exchange had 345 employees (includes confirmed employees and 5 trainees/management trainees).

Structured 'Internal Job Posting' provides opportunities to deserving employees to be considered for lateral & hierarchical career growth within the organization .

For ensuring employee safety along with achieving the business targets, the Company setup systems to enable work from home for most staff (except critical operations) for a period of over one and half years, post which work from office was gradually re-initiated. Considering the ongoing pandemic and keeping in mind the health of the employees, the Company arranged multiple COVID Vaccination drives for all employees.

Exchange has also rewarded employee's children for their exceptional efforts in passing 10<sup>th</sup> and 12<sup>th</sup> standard examination with flying colors.

**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 2021- 22 in relation thereto.

**EMPLOYEE STOCK OPTION SCHEME**

The stock options granted to the employees of the Company, operate under the "Employee Stock Option Scheme 2008 (ESOP 2008)" of the Company, formulated in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, which was approved by the shareholders at the Extraordinary General Meeting held on 27<sup>th</sup> February 2008. MCX ESOP Trust constituted by the Company is responsible for administration and implementation of the scheme under the directions of the Nomination and Remuneration Committee. There has been no change in the Scheme during the year ended 31<sup>st</sup> March 2022.

There were no grants pending for vesting as at 31<sup>st</sup> March 2022. No new grants were made during FY 2021-22.

The relevant disclosures required under the SEBI Regulations for the year ended 31<sup>st</sup> March 2022 are available on the website of the Company at <https://www.mcxindia.com/investor-relations/corporate-governance>.

**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 forms part of this Report as **Annexure V**, and is also available under the weblink [https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/remuneration-policy\\_march2019.pdf?sfvrsn=ebedd890\\_2](https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/remuneration-policy_march2019.pdf?sfvrsn=ebedd890_2).

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

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

### **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 Center. This cools only the equipment and not the external environment, thereby, ensuring that no energy is wasted in running compressors excessively, to maintain the desired temperature levels of external environment. Additionally, your Company has Variable Refrigerant Volume (VRV) air-conditioning system for the entire building, which works on inverter compressor, resulting in energy saving.

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 reduces the electricity consumption due to lesser requirement of lighting during the day.

Your Company has installed Motion/Occupancy Sensors in low footfall area for controlling lights and reduce 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. The Company uses low energy consuming electrical equipment with modern efficient devices such as LED lights, IP based cameras etc. Also, energy audit, heat load calculations and power factor corrections are carried out at regular intervals.

##### **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 old UPS with new energy efficient Modular VMMS( Variable Module Management System) UPS with Lithium Ion Battery which has long life as well as consumes less energy.

Your Company has replaced Data-Centre Precision Air Conditioning system which delivers same cooling output while consuming less energy.

#### **B) TECHNOLOGY ABSORPTION**

##### **(i) The efforts made towards technology absorption are:**

###### **Cloud Initiative – IaaS & DaaS**

This year, your Company undertook the first step to avail public cloud services i.e. Infrastructure as services (IaaS) requirement for testing & development environments provisioning and Desktop as services (DaaS) for development to leverage its benefits without initial huge capital expenditure and be able to scale up/down based on demand of required infrastructure. By availing the aforementioned public cloud services, your Company has been able to save on efforts, time and capital involved in provisioning the required infrastructure for testing and development environments.

###### **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 2021-22.

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's existing Trading and Clearing & Settlement platform has been developed and supported by M/s 63 Moons. Since the software licence with M/s 63 Moons was expiring on 30<sup>th</sup> September 2022, MCX floated an RFP in October 2020 for developing the Exchange's Commodity Derivatives Platform (CDP). It may be noted that as per extant agreements executed between MCX and M/s 63 Moons, a vendor for development of CDP could not be engaged before two years of expiry of the contract. Hence, the earliest the RFP could be floated was October 2020. In response to the RFP, M/s 63 Moons chose not to submit any bid, leading to the Exchange finalising the contract by assessing the proposals of the remaining bidders.

M/s Tata Consultancy Services Ltd (TCS) was selected as the vendor for development of the CDP and issued a letter of intent in February 2021. Although the CDP was to go-live by July 2022, the project timelines have since been revised to go-live after September 2022 due to complexity in platform development and integration.

In light of the delayed implementation of the new platform, your Company needs to ensure continuity of support for the existing platform of M/s 63 Moons, for which various options are being explored. Some of the options include the following:

1. Extension of the M/s 63 Moons support contract for existing service provider's Trading and Clearing & Settlement software. If the extension proposal is found to be commercially viable, the contract may be extended by a maximum period of six months;
2. In the absence of continuity of services by M/s 63 moons, the existing system will be operated by in-house IT team and, if necessary, the team will be augmented by such expertise as may be required. No code changes and enhancements are envisaged under this option. It may be noted that MCX has the license to use the Software beyond the expiry of the Support and Managed Services Agreement.

We are keenly working towards managing the situation and have also kept SEBI informed of the developments related to the migration to the new technology platform.

However, in the event that none of the options are found viable, the risk quotient of the Exchange's operations may go up till the new platform is fully implemented.

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

During FY 2021-22, 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 2021-22 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.

**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.

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 114 resources in these functions at various designations as on 31<sup>st</sup> March 2022. Each of such department is headed by a senior official of the Company, reporting to the Chief Regulatory Officer, who in turn reports to MD & CEO. The total cost incurred by the Exchange towards these functions in FY 2021-22 was ₹ 13,61,89,000.

Department	Count
Inspection & Audit	24
Investor Protection Fund	4
Investor Services Department	21
Market Operations	21
Membership	19
Regulatory Compliance	5
Surveillance & Investigation	20
<b>Total</b>	<b>114</b>

**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 31<sup>st</sup> March 2022, 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 31<sup>st</sup> March 2022 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.

**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.

**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.

**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 2021-22 and the date of this Report.

**ACKNOWLEDGMENTS**

The Board of Directors wishes to place on record their sincere gratitude for the valuable guidance and continued support extended by the SEBI, Reserve Bank of India, Stock Exchanges, Ministry of Corporate Affairs, other government authorities, Banks 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**

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

**Shankar Aggarwal**  
**Public Interest Director**  
**(DIN: 02116442)**

**Mumbai**  
**26<sup>th</sup> August 2022**

**New Delhi**  
**26<sup>th</sup> August 2022**



**Annexure I****Statement containing salient features of the financial statement of  
Subsidiary /Associate/Joint Venture Companies in 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]

**PART "A": SUBSIDIARY**

₹ in lakh, except % of shareholding

Sr. No.	Particulars	Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)
1	% of Shareholding	100%
2	Reporting Period	01 <sup>st</sup> April 2021 – 31 <sup>st</sup> March 2022
3	Reporting Currency	INR
4	Share Capital	23,999
5	Reserves & Surplus	(13,682)
6	Total Assets	1,24,672
7	Total Liabilities (including Share Capital, Reserves & Surplus and Core Settlement and Gurantee Fund)	1,24,672
8	Investments	-
9	Turnover	7,694
10	Profit/(Loss) before taxation	2,634
11	Provision for taxation	8
12	Profit/(Loss) after taxation	2,626
13	Proposed Dividend	-

**Note:-**

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

**PART "B": ASSOCIATE**

₹ in lakh, except % of shareholding

Sr. No.	Particulars	CDSL Commodity Repository Limited (CCRL)
1	Latest audited Balance Sheet Date (Financial year ended)	31 <sup>st</sup> March 2022
2	Date on which the Associate was associated or acquired	18 <sup>th</sup> May 2018
3	Shares of Associate or Joint Ventures held by the company on the year end <ul style="list-style-type: none"> <li>• No. of Shares</li> <li>• Amount of Investment in Associates</li> <li>• Extent of Holding (in percentage)</li> </ul>	1,20,00,000 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	5,186.02
7	Profit or Loss for the year <ul style="list-style-type: none"> <li>• Considered in Consolidation</li> <li>• Not Considered in Consolidation</li> </ul>	1.85 Not Applicable

**Note:**

The Company's holding in India International Bullion Holding IFSC Limited (IIBH) remain at 20% of the paid up capital of IIBH till 03<sup>rd</sup> March 2022 and accordingly considered as an associate till 03<sup>rd</sup> March 2022. After 03<sup>rd</sup> March 2022, Exchange's holding fell below 20% of paid up capital of IIBH and stood at 14.43%. As on 31<sup>st</sup> March 2022 Exchange's holding was at 14.43% of paid up capital of IIBH.

**For Multi Commodity Exchange of India Limited**

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

**Mumbai**  
26<sup>th</sup> August 2022

**Shankar Aggarwal**  
Public Interest Director  
(DIN: 02116442)

**New Delhi**  
26<sup>th</sup> August 2022

## ANNEXURE-II

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

*(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 / 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 endeavor to create economic, social and environmental capital, MCX is focused on creating a positive social and environmental impact by leveraging its resources and expertise.

The company has been an active citizen and proactively working on causes of nation building like:

- Supply of medical equipment in order to complement the government's efforts towards making public hospitals more accessible and provide timely and affordable healthcare available for large sections of society belonging to humble backgrounds;
- Supporting empowering destitute elderly and specially able adults and children in improving their quality of life and provide them dignity of life by providing educational kits, computers, therapy equipment for promoting education for the visually challenged and hearing impaired youths;
- Scholarship support to encourage girl students from economically weaker backgrounds in pursuing higher education especially nursing courses for employability;
- Supporting infrastructure requirements of govt. schools in rural areas to improve the education infrastructure and promote a safe and holistic environment for receiving education in rural areas;
- Support to elderly for undertaking cataract, other surgeries and regular medicines to destitute elderly men and women to improve their health and give them a dignified life.

The interventions during the year epitomize the conviction of MCX to serve and empower the needy communities and to contribute towards the development of the nation. 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 thrust areas of:

- Support to public hospitals during the critical COVID-19 pandemic by supplying equipment and protective gears for the frontline workers;
- Rural development projects related to adoption of villages and rural community development;
- 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. Your Company has also supported the Government in its fight against COVID-19. Although, the COVID-19 restrictions have delayed the implementation of some of the projects approved during the year it has not deterred the company from identifying and planning further a pipeline of need based projects that will go a long way in supporting the various agencies working on COVID-19 and other humanitarian causes that further strengthen accomplishing the sustainable development goals. Accordingly, identified projects that support multiple causes like, girl child education, supply of equipment to public hospitals to speed up patient diagnosis, towards education for disabled children, contribution to incubators (promoting products that generate

livelihood and are environmentally sustainable) along with contribution to organizations that work towards supporting the underprivileged with disabilities to bring about more inclusiveness and better quality of life for them.

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

## 2. The Composition of the CSR Committee:

As on 31<sup>st</sup> March 2022, 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\$	Ms. Pravin Tripathi (Chairperson)	Public Interest Director	4	4
2*	Dr. Deepali Pant Joshi	Public Interest Director	1	1
3	Dr. Bhartendu K. Gairola	Public Interest Director	3	3
4#	Mr. Amit Goela	Shareholder Director	1	0
5	Mr. Hemang Raja	Shareholder Director	3	3
6	Mr. Mohan Narayan Shenoi	Shareholder Director	2	2
7	Mr. Vivek Krishna Sinha	Shareholder Director	2	1

\$ Ms. Pravin Tripathi was appointed the Chairperson of the CSR Committee on 14<sup>th</sup> August 2021

\* Dr. Deepali Pant Joshi ceased to be the member of CSR Committee consequent to the completion of term effective from 07<sup>th</sup> August 2021.

# Mr. Amit Goela ceased to be the member of CSR Committee consequent to the resignation from the Board w.e.f. 09<sup>th</sup> August 2021.

\*\* Number of meetings held during the tenure of Director.

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

Web-link of the website where the Composition of CSR committee, is disclosed	<a href="https://www.mcxindia.com/about-us/committees-of-the-board">https://www.mcxindia.com/about-us/committees-of-the-board</a>
Web-link of the website where CSR Policy approved by the Board, is disclosed	<a href="https://www.mcxindia.com/about-us/csr">https://www.mcxindia.com/about-us/csr</a>
Web-link of the website where CSR projects approved by the Board is disclosed	<a href="https://www.mcxindia.com/about-us/csr">https://www.mcxindia.com/about-us/csr</a>

## 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	2021-2022	NIL	NIL
2	2020-2021	NIL	NIL
3	2019-2020	NIL	NIL

## 6. Average net profit of the company for last three financial years as per section 135(5): ₹15982 lakh

### 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):	320
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):	320

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

Total Amount Spent for the FY 2021-22 (₹ 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	Date of transfer
12.60*	307.40	27.04.2022	NA	NA	NA

\*₹ 12.60 lakh was spent upto 31<sup>st</sup> March 2022 and ₹ 82.27 lakh was spent upto 31<sup>st</sup> July 2022.

**8 (b). Details of CSR amount spent for ongoing projects for the financial year:**

1 Sr. No.	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act	4 Local area (Yes/ No)	5 Location of the project		6 Project duration (in months)	7 Amount allocated for the project (₹ in lakh)	8 Amount spent in the Current financial Year (in lakh)	9 Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakh)	10 Mode of Implementation Direct (Yes/No)	11 Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No
1	Infrastructure support to Sachana Boys Primary Government School, Jamnagar, Gujarat with the objective of providing safe infrastructure to students and teachers in rural areas to improve the quality of education.	ii	No	Gujarat	Jamnagar	36	95.02	9.5	85.52	No	Saurashtra Medical & Educational Charitable Trust (SMECT)	CSR00006926
2	Care for Elderly Citizens with an objective to improve health and overall living conditions of elderly for a dignified living by: a. Sponsoring 1000 Cataract surgeries for elderly, rural citizens from humble backgrounds at Gujarat. b. Healthcare service for the elderly, abandoned widows at Mathura, UP	i	No	a. Gujarat b. Uttar Pradesh	a. Ahmedabad, Mehsana, Kutch, Rajkot etc. b. Mathura	36	56.0 a. 31 b. 25	a.3.1 b.0	52.9 a.27.9 b. 25.0	No	a. Blind People's Association, Gujarat b. Paramhansa Yogananda Public Charitable Trust (PYPCT), Mathura	a. CSR00000936 b. CSR00003285
3	Infrastructure support initiatives to improve the quality of life for the specially able children.	iii	No	Puducherry	NA	36	36.09	NIL	36.09	No	Satya Special School	CSR00003953
4	Education support for the girls/ women pursuing Nursing courses from weaker economic background	ii	Yes	Maharashtra	Mumbai	36	65	NIL	65	No	a. Holy Spirit Institute of Nursing Education b. National Health And Education Society	a. CSR00001395 b. CSR00004756

1 Sr. No.	2 Name of the Project	3 Item from the list of activities in Schedule VII to the Act	4 Local area (Yes/ No)	5 Location of the project		6 Project duration (in months)	7 Amount allocated for the project (₹ in lakh)	8 Amount spent in the Current financial Year (in lakh)	9 Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakh)	10 Mode of Implementation Direct (Yes/No)	11 Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No
5	Infrastructure and equipment support for the education and therapy of specially able children	ii	Yes	Maharashtra	Mumbai	36	34.25	NIL	34.25	No	Stephen School for the Deaf and Aphasiac	CSR00002453
6	Equipment support for supporting digital literacy and skill development of youth affected by hearing impairment towards livelihood generation	ii	Yes	Maharashtra	Mumbai	36	6.20	NIL	6.20	No	Development Education Empowerment of the Disadvantaged In Society	CSR00000703
<b>TOTAL*</b>							<b>320</b>	<b>12.6</b>	<b>307.4</b>			

\*The total amount of ₹ 320 lakh includes the cost of Impact Assessment and Administrative charges to the tune of ₹ 16 lakh and ₹ 11.75 lakh respectively.

**8 (c). Details of CSR amount spent against other than ongoing projects for the financial year 2021-22: Nil**

**8 (d). Amount spent in Admin Overheads: Nil**

**8 (e). Amount spent on Impact Assessment, if applicable: NA**

**8 (f). Total Amount Spent for the FY 2021-22 (8b+8c+8d+8e): ₹12.60 Lakh**

**8 (g). Excess amount for set off, if any: Nil**

Sr. No.	Particular	Amount (₹ in lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	320.0
(ii)	Total amount spent for the financial year	12.60
(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 (a). Details of Unspent CSR amount for the preceding six financial years:**

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lakh)	Amount spent in the reporting Financial Year (₹ 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	12.60	NA	NA	NA	307.04
2	2020-21	357	142.71	NA	NA	NA	214.29
3	2019-20	NA	333.18	NA	NA	NA	(59.84)
4	2018-19	NA	252.19	NA	NA	NA	17.51
5	2017-18	NA	181.05	NA	NA	NA	105.99
6	2016-17	NA	328.90	NA	NA	NA	(20.85)

**9 (b). Details of CSR amount spent in the financial year i.e. 2021-2022 for ongoing projects of the preceding financial year(s) 2020-2021:**

1	2	3	4	5	6	7	8	9
Sr. No.	Project ID	Name of the project	Financial Year of commencement of project	Project Duration	Total amount allocated for the project (₹ in Lakh)	Amount spent on the project in the reporting Financial Year (₹ in lakh)	Cumulative amount spent at the end of reporting Financial Year (₹ in lakh)	Status of the project - Completed /Ongoing
1	FY31.03.2021_1	Support to Government / Municipal Hospitals for improving the Health care facilities & COVID 19 support	2020-21	24	241.43	124.24	206.43	Ongoing
2	FY31.03.2021_2	Support girls and women from economically weaker backgrounds in completing their Nursing education with an endeavor to help them join the mainstream workforce	2020-21	36	39.50	21.70	39.46	Closed
3	FY31.03.2021_3	Support girls and women from economically weaker backgrounds in completing their education (graduation in any stream ) in an endeavour to enable them join the mainstream workforce	2020-21	36	31.40	NIL	NIL	Ongoing
4	FY31.03.2021_4	Fulfilling infrastructural requirements for specially able children , orphans and elderly	2020-21	36	43.24	32.12	32.12	Ongoing
5	FY31.03.2021_5	Livelihood creation through support to incubation centres for development of environmentally sustainable products	2020-21	36	40.00	16.00	16.00	Ongoing
6	FY31.03.2021_6	Support to National Association for the Blind by promoting education for the visually challenged persons	2020-21	24	56.87	23.82	56.87	Closed
7	FY31.03.2021_7	Fulfilling infrastructural requirements for specially able children , orphans and elderly	2020-21	36	95.02	86.57	86.57	Ongoing project
	<b>Total</b>				<b>547.46</b>	<b>304.45</b>	<b>437.75</b>	

**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: NIL**

- (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

**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 been able to acknowledge, in a small way, the outstanding work undertaken even during the unprecedented lockdowns to support public hospitals and institutions working on various social causes like girl child education, various organisations working on visual, hearing and multiple disabilities for the underprivileged sections of society. However, on account of COVID-19 restrictions, your Company was not able to fully spend the CSR budget applicable to the fiscal year. Further, the Company would make every effort to ensure that the amount to be spent for CSR activities is spent within the timelines provided.

**12. Responsibility Statement:**

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, complies 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)**

**Mumbai**  
**26<sup>th</sup> August 2022**

**Pravin Tripathi**  
**Chairperson of CSR Committee**  
**(DIN: 06913463)**

**New Delhi**  
**26<sup>th</sup> August 2022**

**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.

There were no contracts or arrangements or transactions entered into during the financial year ended 31<sup>st</sup> March 2022, which were not at arm's length basis.

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	Please see Annexure to AOC-2
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	Please see Annexure to AOC-2
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 <sup>th</sup> June 2021 to 03 <sup>rd</sup> March 2022)	Bullion Holding Company	14.43%

\*The company's holding in IIBH was 20% of the paid up capital of IIBH till 03<sup>rd</sup> March 2022 and accordingly considered as an associate till 3<sup>rd</sup> March 2022. After 03<sup>rd</sup> March 2022, Exchange's holding fell below 20% of paid up capital of IIBH and stood at 14.43%. As on 31<sup>st</sup> March 2022 Exchange's holding was at 14.43% of paid up capital of IIBH.



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

Name of Related Party	Nature of Transactions	For the FY ended 31 <sup>st</sup> March 2022 (₹ in lakh)	For the FY year ended 31 <sup>st</sup> March 2021 (₹ in lakh)
Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)	Re-imburements charged to the Company	32	10
	Recoveries charged by the Company	27	15
	Clearing & settlement fees	3,899	4,120
	Rent income	246	243
	IT and other infrastructure income	2,815	2,540
	Status report-processing charges recovery	1	1
	Regulatory fees, transactions charges, fines & penalties and other collections by MCXCCL on behalf of MCX	1,05,302	1,19,774
	Other deposits paid	-	1
	<b>Balances as at 31<sup>st</sup> March 2022</b>		
	Outstanding balance receivable / (payable)	(537)	(14)
Rent deposit	(61)	(61)	

**Note:**

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

Name of Related Party	Nature of Transactions	For the financial year ended 31 <sup>st</sup> March 2022 (₹ in lakh)	For the financial year ended 31 <sup>st</sup> March 2021 (₹ in lakh)
India International Bullion Holding IFSC Limited (IIBH)	Equity share capital (face value ₹ 1)	1,350	-
	Reimbursement of professional fees	5	-

There were no transactions with Associate Company CCRL during FY 2021-22.

**For Multi Commodity Exchange of India Limited**

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

**Mumbai**  
26<sup>th</sup> August 2022

**Shankar Aggarwal**  
Public Interest Director  
(DIN: 02116442)

**New Delhi**  
26<sup>th</sup> August 2022

**ANNEXURE IV****Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members,

**MULTI COMMODITY EXCHANGE OF INDIA LIMITED**

Exchange Square, Chakala, Suren Road,

Andheri (East), Mumbai – 400 093

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Multi Commodity Exchange of India Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31st March, 2022, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial year ended on 31st March, 2022, according to the provisions of the following Acts and any amendments thereto:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder.
4. 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 ;
5. 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - f) Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

All other relevant applicable laws including those specifically applicable to the Company, the examination and the reporting of these laws and rules are limited to whether there are adequate systems and processes in place to monitor and ensure compliance with those laws.

I further report that, the Company has complied with the following laws applicable specifically to the Company:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreement executed by the Company pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with BSE Ltd for Equity shares.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. 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 with relevant approvals, adequate notice was given to all

directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, except in few cases. Thereafter, Management has endeavored to circulate the agenda within prescribed timelines. 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.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

I further report that during the audit period there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of above referred Laws, Regulations, Guidelines, Standards etc.

#### **For P. Naithani & Associates**

##### **Company Secretaries**

**Prasen Naithani**

**FCS No. 3830**

**C.P. No. 3389 PR.No.1131/2021**

**Place: Mumbai**

**Date: 26<sup>th</sup> August 2022**

**UDIN: F003830D000850588**

This report is to be read with my letter of even date which is annexed as **Annexure I** and forms an integral part of this report.

### **Annexure I**

To,

The Members,

#### **MULTI COMMODITY EXCHANGE OF INDIA LIMITED**

My Secretarial Audit Report for Financial Year ended on 31st March, 2022 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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 secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company

#### **For P. Naithani & Associates**

##### **Company Secretaries**

**Prasen Naithani**

**FCS No. 3830**

**C.P. No. 3389 PR.No.1131/2021**

**Place: Mumbai**

**Date: 26<sup>th</sup> August 2022**

**UDIN: F003830D000850588**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies

To

The Members,

**Multi Commodity Exchange Clearing Corporation Limited,**

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** (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.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on 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 requires 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 material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

**Unmodified Opinion:**

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 (hereinafter called the '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 31st March, 2022 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 there under;
- (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'): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during the Audit Period)
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable to the company.
  - c. The 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) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the Company during the 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 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, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period);
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the 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')

**We further report that**, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with SECC Regulations, 2018 which is specifically applicable.

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

Further, in two of the instances, there is difference of interpretation between Company's and our view w.r.t. Charge Creation under Section 77 read with Section 2(16) of the Act and form filing under Section 117 read with Section 179 of the Act for which company has obtained third party Opinion and we have relied upon the same.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The re-appointment of Director, which took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda 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 unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, 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.

**For MMJB & Associates LLP,  
Practicing Company Secretaries**

**Saurabh Agarwal  
Designated Partner  
FCS No. F9290  
CP No. 20907**

**UDIN: F009290D000697967  
Peer Review No: 904/2020**

Place: Mumbai

Date: 27<sup>th</sup> July 2022

\*This report is to be read with our letter of event 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,**  
Exchange Square, CTS 255,  
Suren Road, Andheri (East)  
Mumbai 400093

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
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 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. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For MMJB & Associates LLP,  
Practicing Company Secretaries**

**Saurabh Agarwal  
Designated Partner  
FCS No. F9290  
CP No. 20907**

**UDIN: F009290D000697967**

**Peer Review No: 904/2020**

Place: Mumbai  
Date: 27<sup>th</sup> July 2022

## NOMINATION AND REMUNERATION POLICY

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

### Objectives/Purpose of the Policy:

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

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and to ensure long term sustainability of managerial persons and create competitive advantage;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration payable to Directors and Key Managerial Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals and aligns with the longer term interests of the Company and its shareholders.

### Definitions:

**"Act"** means the Companies Act, 2013 and includes the Rules framed thereunder.

**"Board"** means the Board of Directors of the Company.

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

**"Directors"** means Directors of the Company.

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

**"Independent Director"** means a Director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulation, 2015.

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

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

Further, as defined in Regulation 2 (1) (j) of the SECC Regulations, 2018 "Key Management Personnel" (KMP) includes a person serving as head of any department or in such senior executive position that stands higher in hierarchy to the head(s) of the department(s) in the recognised stock exchange, or any person who directly reports to Chief Executive Officer or to the Director on the governing board of the recognised stock exchange, or any person up to two levels below the Chief Executive Officer or Managing Director, or any other person as may be identified by its Nomination and Remuneration Committee.

Note: KMPs includes the Senior Management Personnel of the Exchange. (as defined in the Listing Regulation, 2015)

**"Public Interest Directors"** 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 SEBI, is in conflict with his role.

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

**"Regulatory Department"** refers to the following departments of the Exchange:

- Surveillance & Investigation

- Regulatory Compliance
- Legal Compliance
- Market Operations

“SEBI” means the Securities and Exchange Board of India.

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

## **GENERAL PRINCIPLES ON APPOINTMENT/ REAPPOINTMENT AND REMOVAL / RETIREMENT OF DIRECTORS AND KMPs**

### **APPOINTMENT:**

- **Criteria and qualifications:**

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

Additionally, while determining the qualifications and positive attributes for appointment of a person as a Director, the Committee shall also consider the criteria and qualifications/disqualifications prescribed under provisions of the Act, Listing Regulations, 2015 and SECC Regulation, 2018. Further, the Committee shall also take into consideration any other criteria for appointment, as may be set out in the Company's internal policies.

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

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

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

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

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

The tenure of KMPs in a regulatory department, shall be till he/ she ceases to be the employee of the Company or as may be decided by the Committee/ Board.

### **Removal / Retirement:**

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

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

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



**REMUNERATION OF DIRECTORS INCLUDING MANAGING DIRECTOR AND KMPs:**

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

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

At the time of seeking prior approval of SEBI for the appointment of the Managing Director/CEO, the Exchange shall also seek prior approval for his/her compensation from SEBI. Any change in the terms and conditions of the Compensation of Managing Director/CEO will also require prior approval of SEBI.

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

- a) Role and responsibilities of the Managing Director /Chief Executive Officer;
- b) Financial condition / health of the Exchange;
- c) Comparability to the industry standards;
- d) Revenues, net profit of the Exchange;
  - average levels of compensation payable to employees in similar ranks;
  - periodic review;
- e) Ensure that the variable component of the remuneration of Managing Director /Chief Executive Officer does not exceed one third of the fixed remuneration.
  - 50% of the variable component of the remuneration is paid only after the audited annual accounts for the year are approved by the Board of Directors and also subject to such payment being approved by the Board; and
  - the balance 50% of the variable pay will be paid on a deferred basis after three years;
 

The payment of the entire variable component is subject to the provisions of 'malus' and/or 'clawback' provisions.
- f) No incentives are provided for excessive risks in the short term;
- g) 'Value Add' perceived by the Committee and Board based on the relevant experience of the candidate and his/her exposure to Commodity Market.

ESOPs and other equity linked instruments in the stock exchange shall not be offered or provided as part of the compensation to Managing Director/Chief Executive Officer.

**Remuneration of Non-Executive Directors:-**

Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof, as approved by the Board, from time to time, within the permissible limit prescribed under the Companies Act, 2013, the SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015, the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and other regulatory guidelines, as amended from time to time.

Any Change in sitting fees will be recommended by the NRC and approved by the Board, if made within the limits prescribed under the Companies Act, 2013.

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

- Contribution expected from Directors considering size and complexity of organization,
- Comparison with the Peers/ Industry benchmarking,
- Regulatory guidelines as applicable, etc.

The Non-Executive Directors are also entitled to reimbursement of expenses in lieu of arrangement made by the Exchange for participation in the meeting of the Board and the Committees thereof.

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

**Remuneration of other KMPs:**

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

- a) Value added from time to time / their contribution to the Exchange growth;
- b) Financial condition / health of the Exchange;

- e) Ensure that the variable component of the remuneration of other KMPs is basis the Performance rating as per the matrix adopted by the Exchange which under any circumstances does not exceed one third of the fixed remuneration.
- 50% of the variable component of the remuneration is paid only after the audited annual accounts for the year are approved by the Board of Directors and also subject to such payment being approved by the Board; and
  - the balance 50% of the variable pay will be paid on a deferred basis after three years;  
The payment of the entire variable component is subject to the provisions of 'malus' and/or 'clawback' provisions.
- f) No incentives are provided for excessive risks in the short term;
- g) 'Value Add' perceived by the Committee and Board based on the relevant experience of the candidate and his exposure to Commodity Market.

ESOPs and other equity linked instruments in the stock exchange shall not be offered or provided as part of the compensation to Key Management Personnel.

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

**Malus and clawback arrangements:**

A malus arrangement permits the stock exchange to prevent vesting of all or part of the amount of a deferred remuneration.

A clawback is a contractual agreement between the employee and the stock exchange in which the employee agrees to return previously paid or vested remuneration to the stock exchange under certain circumstances.

The aforesaid clauses shall be triggered under the following circumstances:

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

**General parameters to consider increase in the remuneration:**

The salary increment budget would be ascertained by the Committee / Board every year, based on following parameters:

1. Current year's Company performance;
2. Employee appraisal rating scale provided by HR;
3. Consumer Price Index.

**Remuneration of other Employees of the Company:**

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

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

**ANNEXURE - VI****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:**

S r . 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 2021-2022**	Managing Director – 21.49
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 2021-2022	Managing Director – NA Company Secretary – 10 % Chief Financial Officer – 10%
III	The percentage increase in the median remuneration of employees in the financial year 2021-2022	The median remuneration of the employees in the financial year increased by 9%. 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 345 employees as on 31 <sup>st</sup> March 2022.*
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 10.06 % as against 7.49 % 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 2021-22. #
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 confirmed employees and 5 trainees/management 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(6) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 [SECC Regulations] for the year ended 31<sup>st</sup> March 2022:**

Sr. No	Name of the employee	Designation of the employee	Ratio
1	Mr. Padala Subbi Reddy	MD & CEO	21.49
2	Mr. Rishi Nathany	Head- Business Development & Marketing	9.38
3	Mr. Shivanshu Mehta	Head- Bullion	7.06
4	Mr. Ajay Puri	Company Secretary & Compliance Officer	7.56
5	Mr. Chittaranjan Rege	Head – Base Metal	7.20
6	Mr. DG Praveen	Head - Corporate Office & Projects, Risk Officer and Index Derivatives	6.68
7	Mr. Sanjay Gakhar	Vice President- Business Development	5.43
8	Mr. Himanshu Ashar	Vice President- Surveillance & Investigation & Market Operations	4.91
9	Mr. Sanjay Golecha	Chief Regulatory Officer	5.78
10	Mr. Satyajeet Bolar	Chief Financial Officer	5.75
11	Ms. Ruchi Shukla	Head - Energy	2.51
12	Mr. Puneet Shadija	Vice President - Technology	4.50
13	Mr. Sambit Patnaik	Vice President- Financial Institutional Marketing	3.39
14	Mr. Radheshyam Yadav	Vice President- Technology	2.51
15	Mr. Pravin Gade	Vice President- Technology	4.43
16	Ms. Rashmi Nihalani	Vice President- Investor Services Department/IPF	4.99
17	Mr. Suresh Raval	Vice President - Technology	3.16

19	Mr. Muthappa Kaveriappa Nellamakada	Vice President – Business Development	2.99
20	Mr. Manav Jain	Chief Technology Officer - New Projects	@
21	Ms. Neetu Juneja	Vice President- Investor Services Department & IPF	@
22	Mr. Pradip Dey	Vice President - Technology	@
23	Mr. C. N. Upadhayay	Vice President- Inspection & Audit	@
24	Mr. Dhananjay Rokde	Chief Information Security Officer	@
25	Mr. Vaibhav Pramod Aggarwal	Vice President - Technology	@
26	Mr. Vijay Patel	Vice President - Technology	@
27	Mr. Ramesh Gurram	Chief Information Security Officer	@
28	Mr. Manoj Jain	Chief Operating Officer	@
29	Mr. Rajendran Narayanan	Chief Digital Officer	@

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

**Note:**

Total remuneration considered for the purpose of calculating ratios includes the total variable pay pertaining to FY 2020-21 which has been paid during FY 2020-21. It may be noted that 50% of such variable pay will be paid on deferred basis after 3 years as per SECC Regulations.

**For Multi Commodity Exchange of India Limited**

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

**Mumbai**  
**26<sup>th</sup> August 2022**

**Shankar Aggarwal**  
**Public Interest Director**  
**(DIN: 02116442)**

**New Delhi**  
**26<sup>th</sup> August 2022**

**ANNEXURE – VII**

**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:**

Sr. No.	Name of the employee	Age (Yrs.)	Qualification & experience of the employee	Designation of the employee	Total Remuneration (in Rs)	Approx. Experience (in years)	Date of Commencement of employment	Last Employment
<b>Employed throughout the Financial Year</b>								
1	Mr. Padala Subbi Reddy	59	Master's degree in Economics , Bachelor's degree in Economics	MD & CEO	2,52,01,896/-	35	10 <sup>th</sup> May 2019	MD & CEO , Central Depository Services(India) Limited
2	Mr. Rishi Nathany	48	Post Graduate Program in Management , Bachelor's degree in Commerce	Head- Business Development & Marketing	1,01,81,914/-	30	02 <sup>nd</sup> July 2018	Chief - Financial Segment, National Commodity & Derivatives Exchange Limited
3	Mr. Ajay Puri	65	Company Secretary, Bachelor's degree in Commerce, Bachelor's degree in law	Company Secretary & Compliance Officer	88,62,528 /-	37	07 <sup>th</sup> December 2018	President, LSI Financial Services Private Limited
4	Mr. Shivanshu Mehta	46	Post Graduate Diploma in Business Management, BE	Head- Bullion	82,84,594/-	23	01 <sup>st</sup> March 2007	Assistant Vice President - Metal, National Commodity & Derivatives Exchange Limited
5	Mr. Chittaranjan Rege	49	Masters of Business Administration	Head – Base Metal	79,09,840/-	26	01 <sup>st</sup> December 2006	Manager, Hindalco Industries Ltd.
6	Mr. DG Praveen	45	Chartered Financial Analyst, Masters of Business Administration, Master's Degree in Arts	Head - Corporate Office & Projects, Risk Officer and Index Derivatives	72,63,584/-	22	15 <sup>th</sup> July 2004	Faculty Team Leader, ICFAI University
7	Mr. Satyajeet Bolar	58	Chartered Accountant, Bachelor's degree in Commerce	Chief Financial Officer	67,48,363/-	29	09 <sup>th</sup> April 2019	Chief Financial Officer, Multi Commodity Exchange Clearing Corporation Limited
8	Mr. Sanjay Golecha	55	Chartered Accountant, Bachelor's degree in Commerce,	Chief Regulatory Officer	67,76,506/-	33	18 <sup>th</sup> July 2016	Vice President- Investor Grievance, Arbitration & Regulatory Compliance, Metropolitan Stock Exchange of India Ltd.
9	Mr. Sanjay Gakhar	53	Post Graduate Diploma in Rural Management, Bachelor's degree in Commerce	Vice President- Business Development	58,85,450/-	29	01 <sup>st</sup> August 2005	Manager, National Agricultural Cooperative Marketing Federation of India
10	Mr. Himanshu Ashar	51	Chartered Financial Analyst, Bachelor's degree in Commerce	Vice President- Surveillance & Investigation & Market Operations	57,59,042/-	27	15 <sup>th</sup> December 2014	Vice President – Market Operations, Metropolitan Stock Exchange of India Ltd.
11	Mr. Pravin Gade	47	Bachelor's Degree in Electronics & Telecommunication	Vice President- Technology	51,96,379/-	24	01 <sup>st</sup> October 2015	Assistant Vice President, Financial Technology India Limited

12	Mr. Radheshyam Yadav	49	Bachelor's degree in Science	Vice President-Technology	29,46,517/-	22	01 <sup>st</sup> October 2015	Assistant Vice President, Indian Energy Exchange
13	Mr. Sambit Patnaik	47	Post Graduate Diploma in Management, Bachelor's Degree in Science	Vice President – Business Development(FIM)	39,75,996/-	22	01 <sup>st</sup> March 2021	Senior Vice President – Marketing and Business Development, TickerPlant Limited
14	Mr. Puneet Shadija	39	Masters of Science in Computer Technology, Bachelor's Degree in Software Systems	Vice President - Technology	52,76,004/-	16	08 <sup>th</sup> February 2021	Senior Vice President, Yes Securities Ltd
15	Ms. Ruchi Shukla	43	Chartered Accountant, Diploma in Information Systems Auditor, Post Graduate Diploma in Securities Law, Executive Program in Advanced Business Analytics	Head - Energy	29,49,093/-	18	29 <sup>th</sup> August 2016	Independent Practising Chartered Accountant
16	Mr. Suresh Raval	60	Post Graduate Diploma in Data Processing, Masters of Business Management, Bachelor of Science	Vice President – Technology	37,03,187/-	37	30 <sup>th</sup> January 2017	Proprietor – SunVistas Financial Catalysts
17	Ms. Rashmi Nihalani	47	Post Graduate Diploma in Mass Communications, BA in Economics and Statistics	Vice President – Investor Services Department/ Investor Protection Fund	55,35,831/-	24	20 <sup>th</sup> May 2004	Deputy Editor – Minerals and Metal View , Asian Industries and Information Services
18	Mr. Muthappa Kaveriappa Nellamakada	48	Masters of Science, Bachelors of Science	Vice President – Business Development	35,01,683/-	23	01 <sup>st</sup> October 2013	Assistant Vice President- Business Development , Bahrain Financial Exchange
19	Ms. Komal Kanzaria	48	Masters of Business Administration, B.E.	Vice President – Business Development	53,52,067/-	23	02 <sup>nd</sup> May 2007	Manager- Indusind Bank Ltd.

**Employed for part of the Financial Year**

Sr. No.	Name of the employee	Age	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. Manav Jain	47	Masters of Science, Bachelors of Arts (Hons)	Chief Technology Officer - New Projects	75,54,733/-	23	01 <sup>st</sup> September 2020	Director- Head of Global Development Center, G4S
2	Mr. Pradip Dey	50	Masters of Computer Applications, Bachelor's Degree in Science	Vice President - Technology	35,67,651/-	22	10 <sup>th</sup> February 2021	Head – IT & Delivery, IRIS Business Services
3	Mr. Dhananjay Rokde	38	Master's Degree in Information Technology in Software Development, Bachelor's Degree in Information Technology, Masters in Social Work (MSW)	Chief Information Security Officer	11,33,334/-	16	18 <sup>th</sup> March 2021	AVP & Head – Technology, D'Decor Home Fabrics

4	Mr. C N Upadhyay	58	Chartered Accountant, Bachelor's degree in Commerce, Bachelor's degree in Law, Master's degree in Law	Vice President- Inspection & Audit	33,99,424/-	28	19 <sup>th</sup> May 2015	Assistant Vice President – Inspection, ISC, Collaterals, Arbitration & Enforcement, National Stock Exchange of India Ltd.
5	Ms. Neetu Juneja	46	Chartered Accountant	Vice President- Investor Services Department & IPF	21,43,916/-	21	03 <sup>rd</sup> December 2007	Deputy Manager- Business Development, BSE Limited
6	Mr. Vaibhav Pramod Aggarwal	49	Bachelors of Commerce	Vice President - Technology	49,20,968/-	17	03 <sup>rd</sup> May 2021	Vice President – Indian Energy Exchange
7	Mr. Vijay Patel	40	Bachelors of Engineering	Vice President - Technology	51,41,533/-	15	06 <sup>th</sup> May 2021	Product Head- ZebPay
8	Mr. Ramesh Gurram	44	Masters of Business Administration, Masters of Science, Bachelors of Science	Chief Information Security Officer	19,99,109/-	22	30 <sup>th</sup> September 2021	Chief Manager- Information Security – Bank of Baroda
9	Mr. Manoj Jain	49	Masters of Business Administration, Bachelors of Technology	Chief Operating Officer	31,15,000/-	24	01 <sup>st</sup> November 2021	Deputy Vice President – Axis Bank
10	Dr. Rajendran Narayanan	53	Phd in Computer Science, Masters of Computer Applications, Bachelors of Science	Chief Digital Officer	54,23,074/-	21	03 <sup>rd</sup> November 2021	Chief Executive Officer - Indian Financial Technology and Allied Services

**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].
2. Total Remuneration includes salary, reimbursement, taxable value of perquisites etc. excluding gratuity.
3. All the 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, 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 31<sup>st</sup> March 2022, 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 31<sup>st</sup> March 2022, none of the employees of the Company are posted and working in a country outside India.

**For Multi Commodity Exchange of India Limited**

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

**Mumbai**  
26<sup>th</sup> August 2022

**Shankar Aggarwal**  
Public Interest Director  
(DIN: 02116442)

**New Delhi**  
26<sup>th</sup> August 2022

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

During the year 2021-22, India stood out as one of the fastest growing major economies with an impressive recovery, despite the spread of new variants of COVID-19 in the recent past. Widespread rollout of vaccination drives across the country helped in inoculation of India's vast population rapidly, thereby helping in re-opening of work places to become fully operational. Market Infrastructure Institutions (MIIs) have played a pivotal role in ensuring continued stable operations for the Indian Capital Markets throughout the pandemic.

#### Economic outlook

The Indian economy is estimated to have a record significant recovery in its growth at 8.7% in FY 2021-22 from a contraction of 6.6% in the previous year, as per the latest estimates released on 31<sup>st</sup> May 2022 by the National Statistical Office, Ministry of Statistics and Programme Implementation (MOSPI), Government of India. The global economy is estimated to have expanded by about 6.1% in the calendar year (CY) 2021 as per the estimates of the International Monetary Fund (IMF) in the latest *World Economic Outlook* released in April 2022.

As the domestic, as well as, global economies are on the recovery path, steep escalation in commodity prices have become a potential cause for concern with a sharp rise in inflation. Ballooning commodity prices were initially triggered by the sudden surge in demand with quick recovery in economic activity across the globe and subsequently fuelled by the elevated geopolitical tensions due to war in Ukraine. As a result, the India's economic growth is expected to slow down in FY 2022-23 to 7.2%, according to the latest projections by the Reserve Bank of India (RBI) in its *Monetary Policy Statement 2022-23* released in April 2022. The slowdown is expected on account of factors like high crude oil prices and other commodity prices contributing to inflationary pressures, tightening of global financial conditions, persistence of supply-side disruptions and a significantly weaker external demand.

The prospects of global output growth has also deteriorated during the year 2022 with worsening of the geopolitical situation, mainly from the war in Ukraine and resultant supply disruptions. The IMF forecasts global output to grow by about 3.6% for CY 2022, as the economic costs of war are expected to spread across the world through commodity markets, trade, supply chain disruptions and financial interlinkages.

#### Global Commodity Markets

Global commodity prices witnessed a surge across all the major segments during CY 2021, especially those in energy and base metal segments. Prices of energy commodities recorded a sharp increase with about 95% increase in natural gas prices in US and about 66% rise in Brent crude oil price in CY 2021 with rise in demand from resumption of economic activity in CY 2021, as per the *Commodity Market Outlook* released by the World Bank in April 2022. Similarly, base metals prices after falling steadily for 2 years, increased significantly by about 51% in Copper, 45% in Aluminium, 21% in Lead, 34% in Nickel and 33% in Zinc prices in CY 2021.

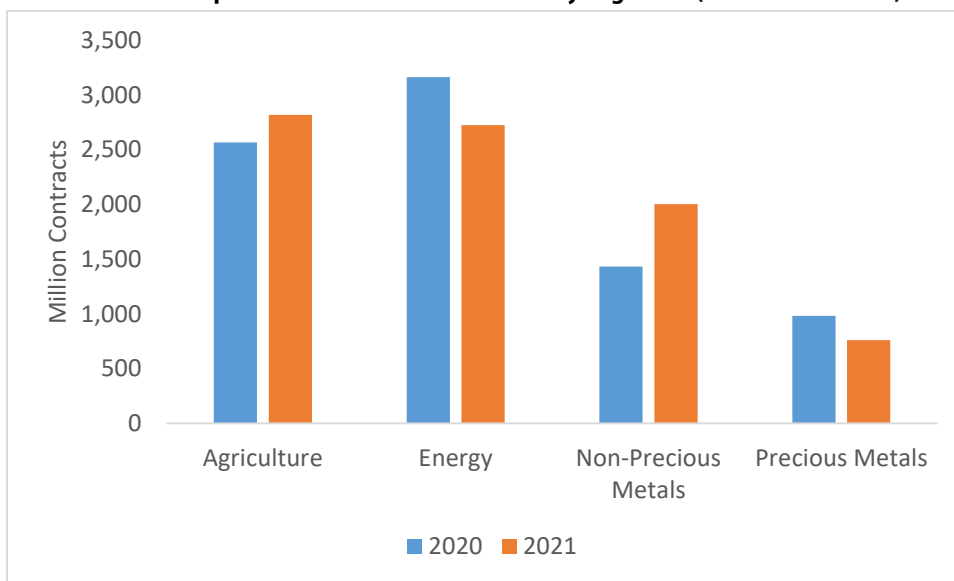
Prices of precious metals, however, rose less in comparison to energy and base metals. Prices rose by about 23% in case of silver and 2% for gold during CY 2021. Prices of agricultural commodities also gained substantially, dominated primarily by vegetable oils, grains, cotton and rubber. Prices of soya oil rose by 65%, palm oil by 50%, maize by 58%, wheat by 36%, cotton by 38% and rubber by 24% in CY 2021 compared to those in the previous year as per the above-mentioned World Bank estimates.

As for the volumes traded in the global commodity derivatives markets, the markets witnessed only a marginal growth in CY 2021 with mixed trends across different segments. Aggregate volumes rose marginally by about 2% to 8.3 billion contracts in CY 2021, according to the data released by the Futures Industry Association (FIA). Trade volumes of non-precious metals rose by 40%, while that of energy and precious metals fell by about 14% and 23% respectively, in CY 2021 over those in CY 2020. However, agricultural commodities registered a moderate growth rate of about 10% in CY 2021. Consequently, the share of non-precious metals and agricultural commodities went up by 7% and 2%, respectively, while those of energy and precious metals declined by about 6% and 3%, respectively, in the total commodity derivative volumes.



The trends in global commodity derivatives volumes are presented in **Chart 1**.

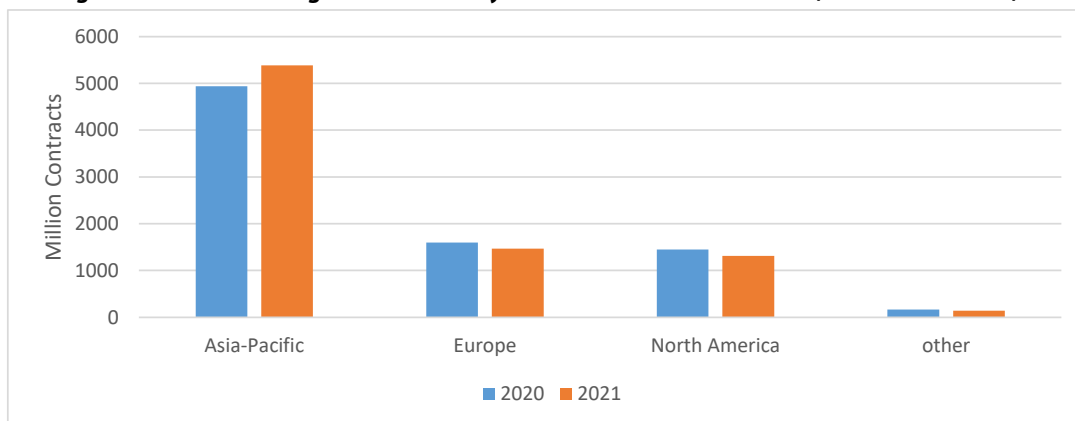
**Chart 1: Global Futures and Options Volumes across Commodity Segments (CY 2020 and 2021)**



Source: Futures Industry Association

Trends in region-wise traded volumes of commodity derivatives indicate continued dominance of Asia-Pacific region as being the only region which registered a positive growth in CY 2021. Asia-Pacific region contributed for about 65% of global commodity derivatives traded in CY 2021 (**Chart 2**) followed by Europe and North America contributing for about 18% and 16%, respectively.

**Chart 2: Regional distribution of global commodity derivatives trade volumes in (CY 2020 and 2021).**



Source: Futures Industry Association

**Performance of Domestic Commodity Markets in FY 2021-22**

Indian commodity derivatives markets witnessed mixed trends in trading activity in FY 2021-22 with a rise in terms of value but fall in terms of volume (number of contracts). Trading in commodity derivatives rose in value terms by about 8.7% to ₹100.3 lakh crore, while it fell in volume terms by about 11.9% to about 20.2 crore contracts which included Futures, Options and Index Futures traded across all exchanges. Unlike in the global markets, Indian Commodity Futures witnessed an increase in trading activity in energy commodities in both volume and value terms, as evident in **Table 1** and **Table 2**.

Commodity Futures trading in Indian Commodity Exchanges posted a reduction in FY 2021-22 by about 13.6% to ₹ 72.2 lakh crore of traded value, primarily due to a steep 41% reduction in precious metals segment. However, agri-commodities and energy commodity segments posted a significant growth of 34% and 32%, respectively, while base metals witnessed a marginal fall of about 1.7% in FY 2021-22.

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

	Futures			Options			Total		
	FY 2020-21	FY 2021-22	Change (%)	FY 2020-21	FY 2021-22	Change (%)	FY 2020-21	FY 2021-22	Change (%)
Agri Commodities	113	124	9.0	0.01	0.14	1592.1	113	124	9.1
Base Metal	137	95	-30.5	0.01	0.03	314.3	137	95	-30.5
Bullion	1167	815	-30.1	122	172	40.7	1289	987	-23.4
Energy	738	527	-28.6	14	286	1930.3	752	813	8.1
<b>Total</b>	<b>2155</b>	<b>1561</b>	<b>-27.6</b>	<b>136</b>	<b>458</b>	<b>236.8</b>	<b>2291</b>	<b>2019</b>	<b>-11.9</b>

Note: Includes commodity index futures also

Source: SEBI Bulletin April 2022

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

	Futures			Options (notional)			Total		
	FY 2020-21	FY 2021-22	Change (%)	FY 2020-21	FY 2021-22	Change (%)	FY 2020-21	FY 2021-22	Change (%)
Agri Commodities	4,29,654	5,74,375	34	33	487	1,370	4,29,687	5,74,862	34
Base Metal	15,74,910	15,48,808	-2	89	601	579	15,74,998	15,49,410	-2
Bullion	45,26,348	26,87,169	-41	8,19,018	10,40,961	27	53,45,366	37,28,130	-30
Energy	18,24,984	24,06,724	32	47,892	17,68,774	3,593	18,72,876	41,75,498	123
<b>Total</b>	<b>83,55,895</b>	<b>72,17,076</b>	<b>-14</b>	<b>8,67,032</b>	<b>28,10,824</b>	<b>224</b>	<b>92,22,927</b>	<b>1,00,27,900</b>	<b>9</b>

Note: Includes commodity index futures also

Source: SEBI Bulletin April 2022

Nevertheless, trading in Options contracts picked up significantly in FY 2021-22. Options trading both in terms of volume and value increased by more than 3 times to 458 lakh contracts and ₹28.1 lakh crore notional turnover respectively in FY 2021-22. The sharp increase in trade activity in Options was primarily due to manifold increase in trading of Options in the energy segment. Further, Options in precious metals also witnessed a steep increase in trading by about 27% in value and 41% in volume terms.

Consequently, trade in energy commodities dominated the Options segment with about 63% share, followed by precious metals with about 37% share in total exchange-traded Options in the country. Trading in Options of base metals and agri commodity segments also picked up during the year, but accounted for less than 1% of total options traded in FY 2021-22.

#### MCX BUSINESS OVERVIEW IN FY 2021-22<sup>#</sup>

MCX remained the market leader in commodities trading among domestic exchanges, accounting for about 93.6% of total traded value of Commodity Futures in the country during FY 2021-22. Among international exchanges, the position of MCX continued at 7<sup>th</sup> largest by the number of Commodity Futures traded and 6<sup>th</sup> largest by the number of Commodity Options traded in the CY 2021, as per data released by the FIA. Further, MCX BULLDEX Futures contract stood as the most traded commodity Index Futures contract in the world in CY 2021.

The average daily trade value of Futures (including Index Futures) on MCX registered a fall of about 17.1% to ₹ 26,178 crore in FY 2021-22 from ₹31,595 crore in FY 2020-21 due to a sharp fall in precious metals segment. However, the average daily notional turnover in the Options segment jumped up manifold to ₹ 7,860 crore in FY 2021-22 from ₹ 943 crore in the previous year.

Among the different commodity segments, energy commodities dominated with a steep growth of 30% in Average Daily Turnover (ADT) in the Futures segment and a phenomenal (>3500%) increase in ADT (notional) in the Options segment during FY 2021-22. However, ADT in Base Metal Futures declined by about 5.18% while that in agri-commodities increased by about 10% during FY 2021-22 compared to FY 2020-21. The details are presented in **Table 3**.

<sup>#</sup> ADT excludes Muhurat Trading day in day count.

**Table 3: Average Daily Turnover of commodity derivatives on MCX (₹ crore)**

ADT Base Asset	Futures			Options		
	FY 20-21	FY 21-22	% change	FY 20-21	FY 21-22	% change
Agri	397	435	9.5%	-	-	-
Base Metal	6167	5847	-5.2%	0.35	2.3	568.9%
Bullion	17655	10253	-41.9%	754	1002	32.8%
Energy	7185	9310	29.6%	189	6856	3536.0%
Index	313	333	6.4%	-	-	-
<b>TOTAL</b>	<b>31595</b>	<b>26178</b>	<b>-17.1%</b>	<b>943</b>	<b>7860</b>	<b>733.3%</b>

Source: MCX

In terms of volumes (number of contracts) traded, the Average Daily Volume (ADV) in Commodity Futures on MCX registered a steep fall of about 29.8% to 5.61 lakh contracts in FY 2021-22 from 8 lakh contracts a year before. The fall was contributed by all the four segments. The ADV of Options contracts, on the other hand, rose manifold to 1.1 lakh contracts in FY 2021-22 from 7644 contracts in FY 2020-21, as indicated in **Table 4**. Options in Energy commodities segment contributed most to the steep increase in FY 2021-22 over FY 2020-21.

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

ADV Base Asset	Futures			Options		
	FY 20-21	FY 21-22	% change	FY 20-21	FY 21-22	% change
Agri	5251	4731	-9.9%	-	-	-
Base Metal	53308	34941	-34.5%	3	11.4	307.8%
Bullion	451445	313709	-30.5%	2118	2692	27.1%
Energy	290641	203971	-29.8%	5554	111012	1898.8%
Index	4153	4300	3.5%	-	-	-
<b>TOTAL</b>	<b>803180</b>	<b>561652</b>	<b>-30.1%</b>	<b>7674</b>	<b>113715</b>	<b>1381.7%</b>

Source: MCX

## PRODUCT-WISE PERFORMANCE

Product-wise performance of your Company during FY 2021-22 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 2021-22, even though the Company's total income reduced to ₹ 40,323 lakh from ₹ 45,542 lakh in FY 2020-21 registering a decline of 11% but the Company continued to perform well during the fiscal with a net profit margin of 36%. The operating expenses reduced to ₹ 20,143 lakh from ₹ 20,409 lakh in FY 2020-21, registering a decline of 1%.

The profit before tax for FY 2021-22 decreased to ₹ 15,897 lakh vis-à-vis ₹ 22,938 lakh in the last financial year, registering a decline of 31%. During FY 2021-22, the profit after tax reduced by 37% to ₹ 11,846 lakh as against ₹ 18,782 lakh in FY 2020-21.

The Company operates in a commodity derivatives market segment business. Transaction fees comprise a significant portion (approximately 95%) of the Exchange's revenue. The revenue from transaction fee during FY 2021-22 was ₹ 31,192 lakh, as against ₹ 32,821 lakh in the previous year. The Company continued deployment of surplus funds in assets such as mutual funds, fixed deposits, perpetual bonds, Exchange traded funds and tax-free bonds. The investment income was ₹ 5,502 lakh in FY 2021-22 (Previous year ₹ 9,837 lakh) including gain / (loss) on fair valuation of mutual funds and bonds (**Table 5**).

**Table 5: MCX's Income (₹ in lakh)**

Particulars	FY 2021-22	FY 2020-21	Change Increase / (Decrease)
Transaction Revenue	31,192	32,821	(5) %
Other Operating Income	1,786	1,664	7 %
Investment Income	5,502	9,837	(44)%
Other Income	1,843	1,220	51 %
<b>Total</b>	<b>40,323</b>	<b>45,542</b>	<b>(11) %</b>

**Operating revenue:**

The Company's operating revenue stood at ₹32,978 lakh for FY 2021-22 as against ₹34,485 lakh for previous year. Decrease in operating revenue by ₹1,507 lakh is due to decrease in revenue from transaction fees by ₹1,629 lakh (decrease by 5%).

**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 2021-22	FY 2020-21	Change Increase / (Decrease)
Employee benefit expense	6,511	6,234	4 %
Clearing and Settlement charges	3,899	4,120	(5) %
Depreciation and amortization	2,214	2,164	2%
Computer technology and Software support	6,456	6,449	0.1 %
Other expenses*	3,303	3,637	(9) %
<b>Total</b>	<b>22,383</b>	<b>22,604</b>	<b>1 %</b>

\*Other expenses primarily comprises 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 decreased by ₹266 lakh (decrease by 1%) from ₹20,409 lakh in FY 2020-21 to ₹20,143 lakh in FY 2021-22.

**Exceptional items:**

The Company's exceptional items for FY 2021-22 is ₹2,043 lakh (previous year Nil) on account of recognition of impairment of intangible assets under development.

**Provision for taxation:**

The Company's provision for tax for FY 2021-22 is ₹4,051 lakh (previous year ₹4,156 lakh).

**Earnings per share (EPS):**

Earnings per share stood at ₹23.27 per equity share (of ₹10/- each) for FY 2021-22 as against ₹36.90 per equity share (of ₹10/- each) for previous year. Decrease in earnings per share is due to decrease in other income by ₹3,712 lakh and recognition of impairment of intangible assets under development amounting to ₹2,043 lakh.

**Profit analysis:**

The net profit margin stood at 36% in FY 2021-22 (Previous year: 54%).

**Financial performance and operational performance parameters:**

The transaction fees has decreased by 5% to ₹31,192 lakh in FY 2021-22 from ₹32,821 lakh in FY 2020-21.

**Shareholders' funds****Share capital:**

As on 31<sup>st</sup> March 2022, the Company's share capital stood at ₹5,099.84 lakh, i.e. 509.98 lakh shares of ₹10 each. (Previous year: ₹5,099.84 lakh i.e. 509.98 lakh shares of ₹10 each).

**Other equity**

The Company's other equity decreased to ₹1,50,430 lakh as on 31<sup>st</sup> March 2022 from ₹1,52,936 lakh as on 31<sup>st</sup> March 2021. The net worth stood at ₹1,55,530 lakh as on 31<sup>st</sup> March 2022 as against ₹1,58,036 lakh as on 31<sup>st</sup> March 2021. Decrease in other equity / net worth is mainly due to recognition of impairment of intangible asset under development amounting to ₹2,043 lakh.

**Secured loans:**

The Company had no secured loans in its books as on 31<sup>st</sup> March 2022, as well as, on 31<sup>st</sup> March 2021.

**Fixed assets:**

The Company's fixed assets (including capital work in progress) stood at ₹24,687 lakh as on 31<sup>st</sup> March 2022, as against ₹18,402 lakh as on 31<sup>st</sup> March 2021.

**Investments:**

As on 31<sup>st</sup> March 2022, the Company's investments (Non-current and Current) stood at ₹1,39,788 lakh, as against ₹1,44,464 lakh as on 31<sup>st</sup> March 2021. Decrease in investment by ₹4,676 lakh is mainly due to cash outflow on account of dividend payout as well as due to procurement of IT assets during the year.

### Current assets and current liabilities:

The current assets consisting of trade receivables, cash and cash equivalent, bank balances, loans and other current assets is ₹ 81,689 lakh as on 31<sup>st</sup> March 2022, as compared to ₹ 68,896 lakh as on 31<sup>st</sup> March 2021. The above figures includes current investments of ₹ 71,349 lakh as on 31<sup>st</sup> March 2022 and ₹ 59,845 lakh as on 31<sup>st</sup> March 2021.

The current liabilities consisting of creditors, security deposits and others stood at ₹ 19,232 lakh as on 31<sup>st</sup> March 2022, as against ₹ 15,221 lakh as on 31<sup>st</sup> March 2021.

### Key Financial Indicators:

Sr. No.	Indicators	Standalone		Consolidated	
		FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
1	Debtors Turnover	13 days	9 days	10 days	7 days
2	Current Ratio (Current assets/Current liabilities)	4.25	4.53	2.30	2.02
3	Operating Profit Margin (Operating Profit/Turnover)	41.41%	60.15%	43.92%	62.60%
4	Net Profit Margin (Net profit/Turnover)	35.92%	54.46%	39.11%	57.67%
5	Return on Net worth (Net profit/ Net worth)	7.62%	11.88%	10.11%	15.88%

### IMPACT OF COVID – 19 ON THE BUSINESS OF THE COMPANY

#### Capital and financial resources

Your Exchange has adequate capital and retained earnings and does not foresee any impact on the capital and financial resources due to continuing COVID-19 situation at present.

#### Profitability

The COVID-19 impact in FY 2021-22 on trading volumes and revenues was not much discernible, as most of the market participants were fully operational.

#### Liquidity position

The Company's retained earnings are invested substantially in Mutual Fund Instruments/Tax free Instruments/ Perpetual Bonds/ ETFs. These instruments are largely liquid and are traded in the debt market. Therefore, the Company will not face any liquidity issue. Also, the Company was debt free as on 31<sup>st</sup> March 2022.

#### Assets

The Company is utilizing plant & equipment and intangible assets as part of its normal operations and there is no impairment of any of the assets of the Company. Further, Financial Investments are made in accordance with the Investment Policy of the Company and is monitored on a regular basis. There is no impairment of any financial investments.

#### Supply chain

All our vendors (IT and admin) continued to provide services during the COVID-19 period without any disruption.

#### Demand for products/services

No discernible impact on the demand of products / services of the Exchange during FY 2021-22 due to COVID-19 situation.

### 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, garnering about 93.6% of market share in commodity Futures trading and nearly 100% in case of Options on Futures trading in FY 2021-22. 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.

#### **High Standards 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.

Your 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). 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.

#### **Process Excellence**

The robustness of your Company's processes was amply demonstrated with uninterrupted trading and clearing services during the lockdown of FY 2020-21 and FY 2021-22. Even amidst such challenges, the Exchange launched new products during FY 2021-22, such as index based Futures contracts on MCX iCOMDEX Energy Index (ENRGDEX). Subsequently, Options on Futures of Silver Mini, Nickel, Natural Gas and Gold Mini contracts were also launched during FY 2021-22.

Besides, notwithstanding the disruptions from the pandemic, the delivery and settlement systems ensured successful deliveries across all major commodities' segments during the year.

From the financial year 2020-21, MCX had started empanelling Indian gold refiners for delivery on the Exchange platform. These domestic refiners successfully delivered 1,011 kg of Indian refined gold through the MCX Gold Mini Futures contracts during FY 2021-22. Taking the process of indigenisation further in FY 2021-22, your Company has brought domestic Lead brands within the Exchange delivery mechanism by empanelling two domestic refined Lead producer facilities as eligible deliverable brands of lead in FY 2021-22.

#### **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**

Emerging economic developments and market trends, together with support from policy and regulatory environments, have been facilitating the growth and development opportunities for commodity derivatives markets. These developments and trends offer several new opportunities for your Company.

#### **Bullion Spot Exchange**

The Government, in the Union Budget 2021, had announced that SEBI will be the regulator for domestic gold exchanges in India. Subsequently, the regulator provided the framework for operationalizing the gold spot exchanges in India, as well as the trading features pertaining to the Electronic Gold Receipts (EGR) segment and Standard Operating Guidelines for the Vault Managers and Depositories. More recently, SEBI prescribed a Comprehensive Risk Management Framework for EGR segment on 11<sup>th</sup> April 2022.

Setting up of a gold spot exchange under a regulatory oversight would fulfil the long-awaited wish of India's gold market stakeholders for a reliable platform to discover spot prices and undertake spot transactions in the commodity in a transparent manner. This could provide a potential opportunity for your Company to increase its business and also to further fortify its dominant position in the commodity markets, especially in gold.

#### **Expansion of Derivative Products**

SEBI issued guidelines on product design and risk management framework for introduction of Options in commodity indices on 24<sup>th</sup> March 2022. In view of the investors' strong interest in index Options in other segments of the Indian securities market, Options on commodity indices can become a significantly important new product, when launched.

In October 2021, the Hon'ble Supreme Court has favourably disposed the regulatory jurisdictional matter in terms of the agreement reached upon by SEBI and Central Electricity Regulatory Commission (CERC). This has paved the way for introduction of Electricity derivatives in the Indian securities market, an opportunity that your Company is keen to explore, subject to clearances and approvals. Towards this objective, the Exchange has entered into a Memorandum of Understanding (MOU) with the European Energy Exchange AG (EEX) for knowledge sharing in the rapidly evolving international electricity markets, as well as, sharing of best practices in the domain of electricity derivatives.

#### **Expansion of Participant Categories**

In February 2022, SEBI had released a Consultation Paper for allowing Foreign Portfolio Investors (FPIs) in the commodity derivatives market, which was subsequently approved by the Board of SEBI. It is expected that the participation of this important category of institutional participants can enhance the depth in India's commodity derivatives market and also inject much-needed liquidity in the far-month contracts.

#### **Partnerships**

MCX's knowledge leadership and domain expertise in commodity markets has provided an opportunity to the Exchange to undertake a consultancy project for the Chittagong Stock Exchange (CSE), Bangladesh. The project involves setting up of a commodity derivatives platform at CSE, which would be the first commodity derivatives platform in Bangladesh. The Agreement to this effect was signed between MCX and CSE on 12<sup>th</sup> April 2022.

The creation of products and institutions for the development of market ecosystems has always been an integral part of MCX's growth strategy. Towards this end, the Exchange has partnered with two other exchanges and two depositories for setting up the India International Bullion Exchange (IIBX), along with a clearing corporation and depository supporting the Exchange, at the International Financial Services Centre at GIFT City, Gujarat. IIBX was inaugurated by the Hon'ble Prime Minister Shri. Narendra Modi on 29<sup>th</sup> July 2022.

## POTENTIAL THREATS

### Impact from COVID-19 Pandemic

The COVID-19 pandemic and associated lockdowns have posed challenges to the normal operations of your Company during the last two years. While the threat has ebbed at present, and large-scale vaccination against the virus is aiding the fight against this global challenge, emergence of new strains of the virus or strains which are resistant to the vaccines, may derail the normalization process. Such an emergency may require different measures to address the situation resulting in impact on the Exchange operations, or the precautions needed to prevent the spread of the contagion.

### 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 is continuously monitoring, evaluating and implementing various 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 the staff for protection, early identification, detection, quick response and recovery in case of any type of 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 has adopted a defense-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 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

#### Negative impact on revenue from volatility in commodity prices

After a steep fall in FY 2020-21, global demand for commodities recovered significantly in FY 2021-22 with lifting of lockdowns and resumption of economic activities to normalcy across the world. As a result, commodity prices and their volatilities increased significantly during the year. Further, the war in Ukraine resulted in supply disruptions in commodities leading to significant volatilities in commodity prices during January-March 2022 and beyond. Nonetheless, risks of global developments leading to steep fall in commodity prices, also remain. Recurring waves of COVID-19 pandemic, especially as witnessed in China in year 2022, remain a cause for concern for global commodity markets with possibility of potential disruption to economic activity, leading to fall in commodity prices in FY 2022-23. As the Exchange's transaction fee is calculated on the basis of the value of commodity futures contracts traded on the Exchange, the volume and value of contracts traded on it have a direct impact on the Company's revenues.

The June 2022 edition of the *Financial Stability Report* of the Reserve Bank of India has focused on the susceptibility of the Indian economy to commodity price volatility. As per the Systemic Risk Survey quoted in the Report, 'Commodity Price Risk' has been identified as the biggest risk (out of 32 identified risks) in the Indian financial system, and the perception of this risk has also gone up between November 2021 and May 2022.

#### Disruption in global benchmark exchanges

As India is a price taker in many international commodities, many stakeholders of MCX use prices discovered at global exchanges or international trading hubs as benchmarks. Any disruption in such global exchanges or trading hubs, which causes disruption in the process of price discovery of international commodities 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.

The Company has taken multiple measures to address risk of High Attrition which included:

- Internal job posting is an important tool which is used to address the risk of high attrition. In case of any vacancy if any employee fits the criteria as per the policy he/she can apply through Internal Job Posting which can result into change in department or designation or both. This motivates the employees and helps in combatting attrition;
- Compensation fitment /role upgradation is done for deserving, talented high performing employees;
- Variable Pay is paid over and above the fixed compensation based on Company and individual performers;
- HR recommends promotion /level fitment for deserving employees based on the eligibility defined in promotion policy to HoDs for consideration;
- Employee efforts and contribution is recognized through personalized message/token of appreciation hamper sent to the employee families;
- The term insurance cover has been enhanced to ₹ 50 lakh for all employees as a welfare measure to provide security to employee families in case of unfortunate accident;
- Other employee welfare, benefits engagement policies and initiatives are undertaken to keep the employees engaged with the company.

### **Market Risks**

#### **Falling yield on Treasury Income**

Treasury income comprises of Dividend Income, Interest Income, Gain / Loss on sale of investments and on account of fair valuation of financial assets at each balance sheet date. The regime of continued accommodative monetary policy being observed by the RBI owing to COVID-19 pandemic, has been having an adverse impact on the interest income of the Company. Though the Central Bank's stance has recently started reversing, mainly to counter inflationary pressures in the economy, the effect of such a stance on turnaround in interest rates and therefore your Company's interest income, may take some time to materialise.

#### **Macro-economic Trends and Risk**

Macro-economic conditions in domestic, as well as, global economy in terms of growth, production and consumption activities have a significant impact on commodity derivatives markets and consequently on your Company's growth. Although there has been a pickup in economic activity starting from the last quarter of FY 2021-22, risks to India's economic growth remain. Within the domestic economy, inflationary pressures threaten to destabilise the recovery story. Outside the economy, the escalation of the geopolitical tensions and the accompanying surge in international crude oil and other commodity prices threaten to pose potential supply-side disruptions. A weak external demand is another potential downside risk to the growth outlook. A significant fall in economic activity can reduce demand for commodities, thereby leading to a decline in the demand for commodity risk management. This can have a potential adverse impact on your Company's growth prospects. Similarly, significant slide in the value of Rupee, vis-à-vis the US Dollar is also a risk for your Company. The Rupee has depreciated by about 7% in year 2022 (January – July) against the US Dollar, on account of various external factors like the Russia-Ukraine conflict, tightening of the oil markets etc. Any large depreciation of the Rupee increases your Company's payout obligations denominated in US dollars, and therefore is a risk for the Company.

### **Technology Risk**

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

Your Company's existing Trading and Clearing & Settlement platform has been developed and supported by M/s 63 Moons. Since the software licence with M/s 63 Moons was expiring on 30<sup>th</sup> September 2022, MCX floated an RFP in October 2020 for developing the Exchange's Commodity Derivatives Platform (CDP). It may be noted that as per extant agreements executed between MCX and M/s 63 Moons, a vendor for development of CDP could not be engaged before two years of expiry of the contract. Hence, the earliest the RFP could be floated was October 2020. In response to the RFP, M/s 63 Moons chose not to submit any bid, leading to the Exchange finalising the contract by assessing the proposals of the remaining bidders.

M/s Tata Consultancy Services Ltd (TCS) was selected as the vendor for development of the CDP and issued a letter of intent in February 2021. Although the CDP was to go-live by July 2022, the project timelines have since been revised to go-live after September 2022 due to complexity in platform development and integration.

In light of the delayed implementation of the new platform, your Company needs to ensure continuity of support for the existing platform of M/s 63 Moons, for which various options are being explored. Some of the options include the following:

1. Extension of the M/s 63 Moons support contract for existing service provider's Trading and Clearing & Settlement software. If the extension proposal is found to be commercially viable, the contract may be extended by a maximum period of six months;
2. In the absence of continuity of services by M/s 63 moons, the existing system will be operated by in-house IT team and, if necessary, the team will be augmented by such expertise as may be required. No code changes and enhancements are envisaged under this option. It may be noted that MCX has the license to use the Software beyond the expiry of the Support and Managed Services Agreement.

We are keenly working towards managing the situation and have also kept SEBI informed of the developments related to the migration to the new technology platform.

However, in the event that none of the options are found viable, the risk quotient of the Exchange's operations may go up till the new platform is fully implemented.

#### **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 have some impact on technology operations and technology enhancements required, if any.

#### **Financial Risk**

##### **Imposition or enhancement of statutory costs**

Any new tax or increase in a tax like Commodities Transaction tax (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 and put Company to other greater regulatory related risks. This may impede the Company's ability to operate and grow its business.

##### **Suspension/ ban of trading in derivative contracts**

The Market Regulator, has, in the past suspended trading of derivatives contracts in some commodities, including those traded on MCX. Such suspension or ban on trading has direct and indirect consequences. Directly, it leads to an abrupt and unplanned loss of transaction revenue for the Company. Indirectly, it erodes confidence of market participants in the continuity of other derivative contracts too. Such acts of suspension/ ban may pose risks to the business of your Company.

#### **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 is continuously rejigging its portfolio to be in line with the market trends, and if situation warrants, reduce the tenure of the portfolio to minimise fluctuations in treasury income. Further your Company constantly monitors it's investments, including those made in various Debt Schemes of Mutual Funds. Your Company also 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 has also strengthened its BCP-DR initiative and regularly conducts mock drills to test the readiness and effectiveness of IT infrastructure at its Data Centre and also its DR Site. Your Company had carried out two days of unannounced live trading twice from its DR Site in FY 2021-22 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 & settlement and 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. 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, Exposure Free Deposit for MTM Shortage, etc. Further, it has laid down various margin requirements to safeguard members and the ecosystem against adverse market movements.

### **STRATEGY**

Your Company aims to further consolidate its position as the leading exchange providing a wide array of Commodity Derivatives with increased focus on enhancing overall market size, expanding its product and service offerings and integrating exchange eco system with domestic physical industry. Your Company also constantly look for new product innovation and development, and offers state-of-art services to all its stakeholders. Your Company will also continue to make relentless efforts in tapping the opportunities unfolding in India's commodity market.

#### **Focusing on physical market integration, wider participation and in expanding product suite**

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 brands includes that of MD overseas, Kundan Care Products, Augmont Enterprises and Titan company. Delivery of 1011 kg of Indian refined gold valued at ₹493 crore was delivered under this route during FY 2021-22.

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 Gravita India Ltd and Pilot Industries as good delivery brands and the empanelment for many other domestic producers are under process. Further, your Company continues to bring in measures for further 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. In another significant move, your Company has accredited a warehouse for storing of base metals pledged for margin purpose in Arshiya Free Trade Warehousing Zone (FTWZ), Panvel, Mumbai. This expanded the scope of collateral to include metal deposits at FTWZs.

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

The regulatory developments has led to entry of mutual funds, portfolio management services and bank broking subsidiaries in the commodity derivatives market. Your Company also looks forward to more participation from institutional players and now with imminent entry of foreign portfolio investors in this market, we expect greater market depth, liquidity and price efficiency.

Your Company has also enhanced its focus on Options, which gained traction following conducive regulatory measures. The Company witnessed a stupendous growth in options during FY 2021-22 and capitalized on the opportunity by levying transaction charges w.e.f. 01<sup>st</sup> October 2021. Further, your Company also plans to introduce shorter duration contracts like monthly option contracts with bi-monthly Gold KG futures as underlying to reduce premium cost, thereby facilitating greater participation.

#### **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 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. (TCS). Since the software licence with the existing service provider, M/s 63 Moons, was expiring on 30<sup>th</sup> September 2022, MCX floated an RFP for developing the Exchange's Commodity Derivatives Platform (CDP) in October 2020, the earliest when it could have been floated under terms of the extant Agreement with M/s 63 Moons.

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 and systems in order to uphold the trust bestowed by its stakeholders. During the FY 2021-22, 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**

Your Company successfully launched a Futures contract on the MCX iCOMDEX Energy Index or ENRGDEX on 07<sup>th</sup> October 2021, the third index based Futures contract. The MCX iCOMDEX Energy Index is constituted of the liquid and much popular MCX Crude Oil and MCX Natural Gas Futures contracts, thus providing investors the opportunity to take exposure to the entire energy basket of the Exchange through a single product.

During the year, your Company also launched Options on Silver Mini (5 kg) Futures on 19<sup>th</sup> July 2021, Options on Nickel Futures on 13<sup>th</sup> December 2021, Options on Natural Gas Futures on 17<sup>th</sup> January 2022 and Options on Gold Mini (100 grams) on 25<sup>th</sup> April 2022. The Options on highly liquid Futures contracts of MCX provide an efficient and cost-effective avenue for risk management to stakeholders of the commodities' value chain. The Options on Mini Futures, particularly, are ideal for small stakeholders as they carry lower premiums, apart from offering the inherent flexibility of Options contracts.

### **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 prescribed detailed guidelines on 'MCX Good Delivery Norms for BIS-Standard Gold/Silver' to facilitate the entry of local refiners into the Exchange's delivery process. As per the specified guidelines, four qualified Indian refiners have been empanelled for the delivery for gold till June 2022. These refiners facilitated successful delivery of 1,011 kg of Indian refined gold through the MCX Gold Mini Futures contracts in FY 2021-22.

Similarly, to make the Exchange's Base Metal derivative contracts more relevant to the physical market players, your Company empanelled two domestic refined Lead producer facilities as eligible deliverable brands of Lead. The metal supplied by these Indian manufacturers, meeting the requisite specifications and standards, are accepted as MCX Good Delivery Lead with a purity of 99.98% and above. These domestic Lead producers contributed for delivery of 968 tonnes of the metal in their first delivery cycle in April 2022.

These initiatives to empanel local brands and producers in the Exchange delivery mechanism can spur development of a nationwide organized metal trade, strengthen price discovery, enhance transparency, create one-nation-one-price and encourage small and medium enterprises, who need an Indian platform to hedge their price risk to approach the Exchange for their risk management needs.

To strengthen the linkage between the physical and derivatives markets of the Base Metals, MCX opened several additional delivery centres during the year. Additional delivery centres were opened at Chennai, Kolkata, National Capital Region (NCR) and Raipur. The opening of new delivery centres is also expected to enhance the footprint of the Base Metals derivatives market across the country.

### **Outreach initiatives**

MCX has been constantly taking initiatives for spreading awareness among diverse stakeholders, as well as, academic and research community about the need and benefits of a well-functioning, efficient, transparent commodity derivatives

market. With the aim to develop a culture of risk management, your Company undertook various measures to educate potential hedgers on the necessity, benefits and modalities of price risk management using exchange traded commodity derivatives. Several investor awareness campaigns were also launched to educate potential investors about investing in this asset class using the instrument of exchange-traded derivatives. Awareness programmes have been conducted for various stakeholders of commodity markets, in association with various entities like exchange members, media, industrial associations, banks, broker associations, etc. With the prevailing COVID-19 pandemic and resultant social distancing norms in place, awareness and outreach programmes were also conducted through online modes, wherever there were restrictions in conducting them in physical mode.

The details of outreach initiatives are given below:

- i) Your Company conducted around 2437 awareness programmes across various stakeholders for commodities and products during FY 2021-22. A number of these programmes were conducted in partnership with industry associations, media and professional bodies such as IMC, ANMI, CPAI, CII, ASSOCHAM, PHDCCI, CNBC, ET Now, Zee Business, Rubber Board, India Bullion and Jewellers Association, All India Gems and Jewellery Domestic Council, etc. with the aim to create awareness about commodity hedging/ investment among the respective stakeholders;
- ii) MCX conducted 59 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 the price discovery and price dissemination initiatives of commodity exchanges can enable them to realize better prices while selling their agricultural produce;
- iii) MCX observed 'World Investor Week' from 22<sup>nd</sup> November 2021 to 28<sup>th</sup> November 2021 spreading awareness and information about investment in safe and regulated marketplaces.

To mark this occasion, MCX organized the opening 'Ring the Bell' ceremony on 22<sup>nd</sup> November 2021 where the *Commodity Insights Yearbook 2021*, a joint publication of MCX with National Institute of Securities Markets (NISM), was released by Shri G.P. Garg, Executive Director, SEBI, in the presence of senior officers from SEBI and NISM during the ceremony. Further, as part of the World Investor Week 2021, the Exchange organized 105 investor awareness programmes, and a series of online competitions during the week for generating awareness about commodity derivatives.

### **Educational Initiatives**

Your Company engaged with numerous educational institutions to spread knowledge about commodity markets among students and academicians. During the FY 2021-22, the Exchange launched two certification programs – the *MCX Certified Commodity Index Professional (MCIP)* and *MCX Certified Commodity Options Professional (MCOP)*, targeting professionals, traders, students, academicians and other aspirants in the commodity markets. The details of educational initiatives undertaken by the Company during the FY 2021-22 has been elaborated in the Directors Report.

### **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 policy-makers about various policy changes that can further its growth. Senior 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 *Commodity Insights Yearbook*, monthly MCX's newsletters, such as 'Commodity Connect' and 'Commodity Research Digest' widely circulated and uploaded on the website are other effective tools 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 completed four research studies in FY 2021-22, initiated in FY 2020-21, on various themes connected to commodity derivatives market. The studies completed in FY 2021-22 were '*How futures market in India has improved efficiency of physical commodity markets*' undertaken by IIT Kharagpur; '*Why commodities should be included in an investment portfolio? An analytical study*' undertaken by IIM Kozhikode; '*Overcoming issues of quality standardization in agricultural commodities to facilitate participation in derivatives*' undertaken by IIM Bangalore and '*Developing Domestic Price Benchmarks and Lessons from Global Markets – Case of Base Metals*' undertaken by IIM Ahmedabad. The findings of the studies were widely disseminated through articles published in the print media and webinars conducted exclusively for this purpose. Further, three research studies were initiated during the FY 2021-22. These include '*Facilitating institutional participation in India's commodity derivatives market*', '*Regulatory Landscape in Equity Derivatives vs. Commodity Derivatives Markets in India*' and '*Evaluating Risk Management Tools in Indian Commodity Derivatives Market*'.

## OUTLOOK

The prospects for the Indian economy have improved significantly in FY 2022-23 with resumption of economic activities following the widespread rollout of vaccination and lifting of lockdowns, which characterized much of the previous two years. The recovering economic growth prospects and reviving demand for commodities provide a positive outlook for your Company. The broad outlook for your Company in the near to medium term is discussed below:

### Improving growth prospects to boost commodity demand

India's economic growth scenario improved in FY 2021-22 despite recurring new cases of outbreak of the COVID-19 pandemic, largely due to rapid vaccination and limited disruptions of economic activity from lockdowns, which was experienced in the previous year. However, from the last quarter of FY 2021-22, escalating inflationary pressures and worsening geopolitical factors have been threatening to derail the recovery story. The war in Ukraine has already disrupted international supply chains and transport lines, exacerbating the derailment of global economy. Rising inflation in several major economies, including India's, emanating from steep rise in global commodity prices, has prompted the need for unwinding an accommodative monetary policies and tightening of policy rates by most central banks. In India, the RBI increased the policy rate by 40 basis points in May 2022 and by 50 basis points each time in June 2022 and August 2022, indicating withdrawal of accommodative monetary stance which could lead to further increase in policy rates in the coming months. This may result into dampening of growth prospects in FY 2022-23 with increased costs of capital and investment.

Nevertheless, pent up demand for the past two years may continue to support domestic production and thereby growth in the current financial year. This in turn will support the domestic demand for commodities. Further, persisting geopolitical tensions resulting from war in Ukraine may continue to keep commodity price volatility at elevated levels and thus, the demand for hedging in various instruments such as exchange-traded commodity derivatives in the near term. Such scenario would further provide new opportunities for your Company to innovate and introduce new derivative products fulfilling the requirements of the stakeholders in both agricultural and non-agricultural commodities. The outlook for your Company, thus, is positive 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. The Apex Court's disposal of the regulatory jurisdictional matter between SEBI and CERC provides your Company the opportunity to launch electricity derivatives, after receiving due permissions. Likewise, your Company looks forward to launch Futures and Options on new commodities in order to cater to market demand in the months ahead.

Gold Spot Exchange is another potential opportunity that your Company would explore. A Gold Spot Exchange under regulatory oversight would fulfil the long-awaited wish of India's gold market stakeholders for a reliable platform to discover spot prices and undertake spot transactions in the commodity in a transparent manner.

These opportunities suggest an immense potential for advancing the growth of commodity derivatives market and signal bright prospects for your Company.

### Growth Opportunity at gold exchange at IFSC

The India International Bullion Exchange (IIBX) has started trial-run operations at the International Financial Services Centre (IFSC) at GIFT City. The first Bullion Deposit Receipts have successfully been created and transacted via the IIBX platform. Your Company holds equal stake, together with other Mills in the holding company, India International Bullion Holding IFSC Limited (IIBH), which has set up the Exchange, Clearing Corporation and Depository companies. We expect the demand for the Exchange's products and services to grow over time, supported by enabling policies. For instance, the Ministry of Commerce & Industries has permitted IFSCA notified 'Qualified Jewellers' to transact as trading members/ clients on IIBX for the purpose of import of gold into India. The Exchange was formally inaugurated by the Hon'ble Prime Minister Shri. Narendra Modi on 29<sup>th</sup> July 2022.

The new Exchange is expected to not only internationalise India's bullion trade, but also emerge as an institution fulfilling the vision of making India a price setter in bullion by creating a vibrant trading hub at the IFSC.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

As on 31<sup>st</sup> March 2022, your Company employed 345 employees includes confirmed employees and 5 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 initiatives during the year. 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 and most important is the constant review of work policies & practices in order to make the Exchange the best place to work for. The Exchange has been rewarding employee's children for their exceptional efforts in passing 10<sup>th</sup> and 12<sup>th</sup> standard examination with excellence. The Company provides Crèche facility for female employees. Company also has tie-ups with diagnostic centres and hospitals for Health screening of employees.

The COVID-19 pandemic has changed the ways of working. For ensuring employee safety along with achieving the business targets, the Company setup systems to enable work from home for most staff (except critical operations) for a period of over one and half years, post which work from office was gradually re-opened. Considering the ongoing pandemic and keeping in mind the health of the employees, the Company arranged multiple COVID-19 vaccination drives for all employees. For ensuring employees' safety, which also ensured continuity in Exchange operations, all employees of the Company have been vaccinated with 2 doses against COVID-19 (except for an employee who had been medically advised to not get vaccinated).

The policies were reviewed and HR Manual with updated policies was released to all employees. The updated Disciplinary Action policy was also released. 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.

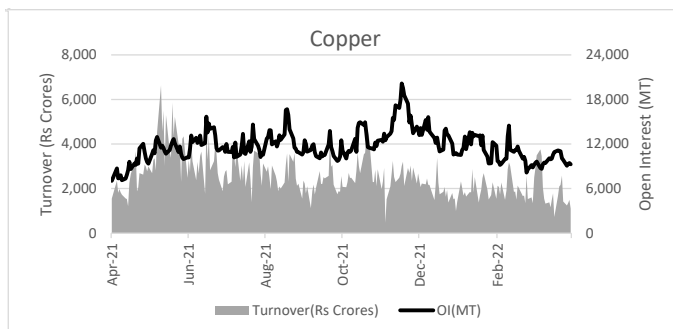
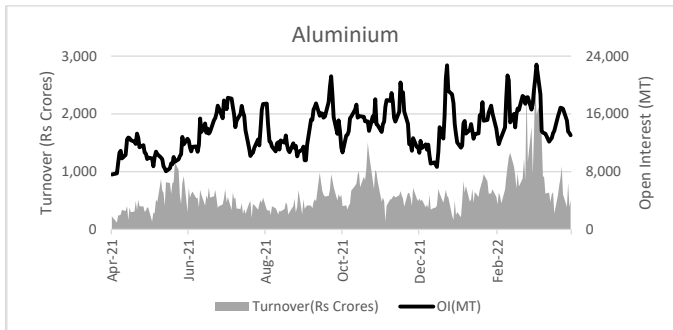
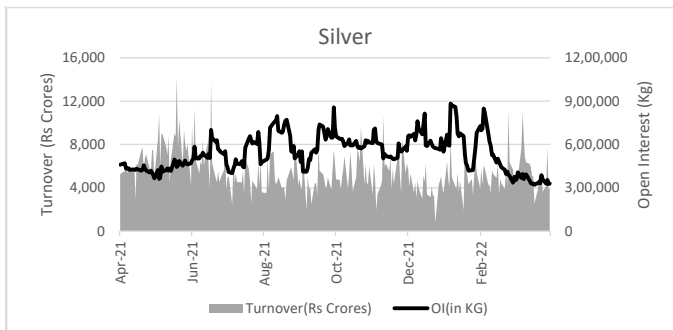
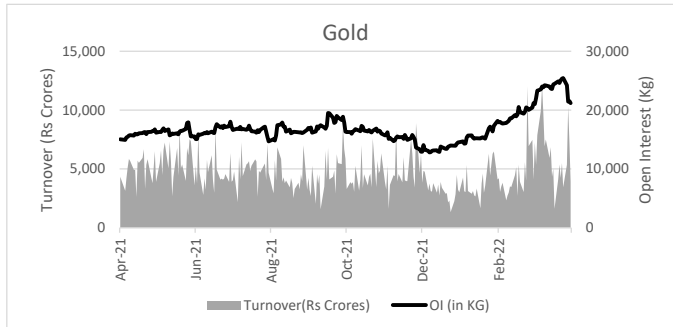
#### **CAUTIONARY STATEMENT**

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.

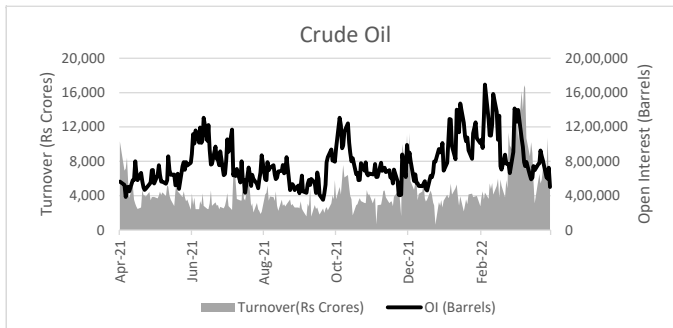
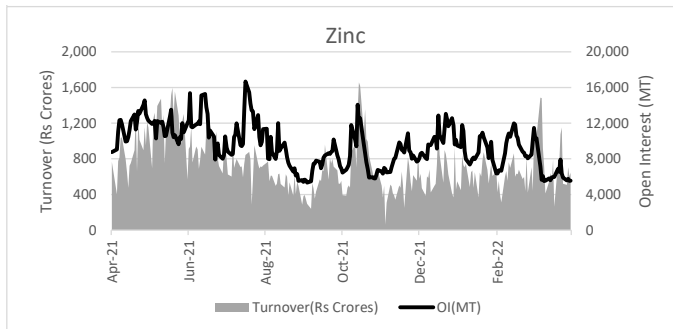
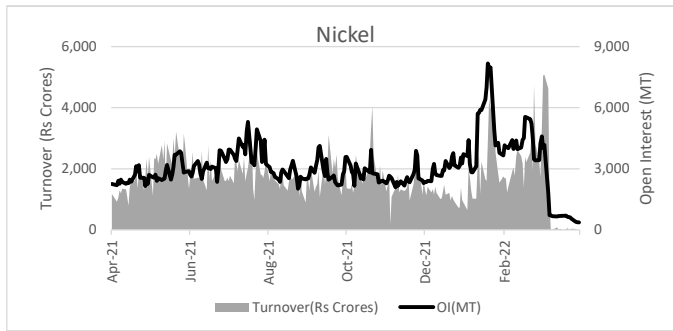
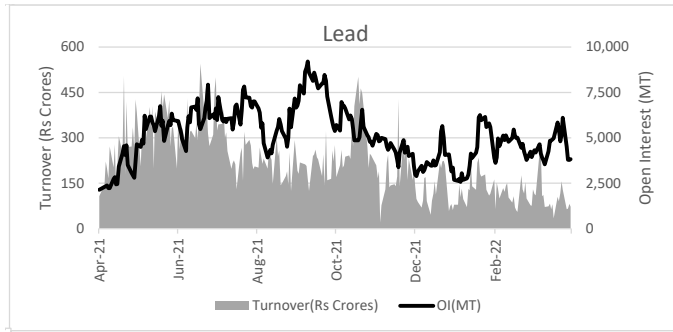
**ANNEXURE I**

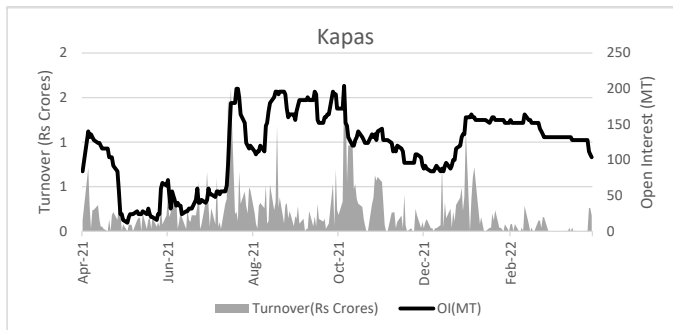
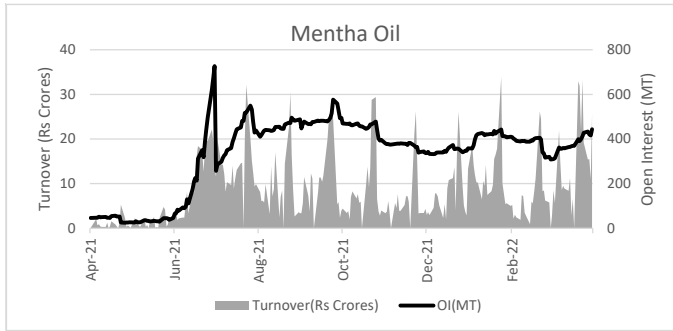
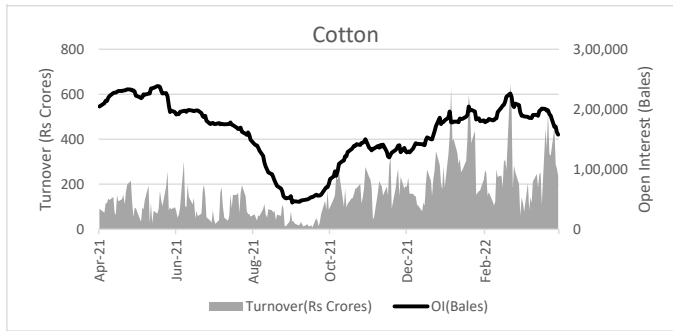
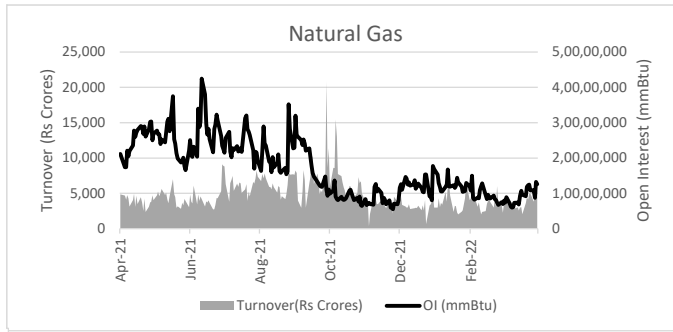
**Turnover and Open Interest of Commodity Futures Contracts Traded on MCX in FY 2021-22**

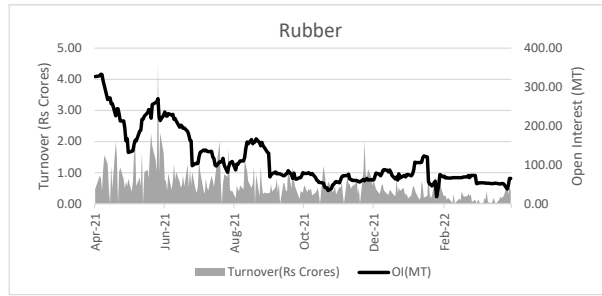
(All variants of each commodity combined)



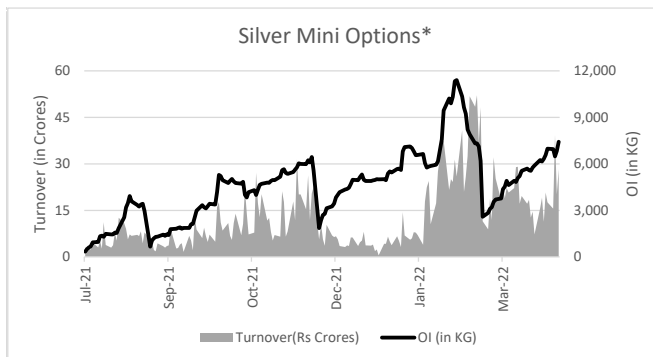
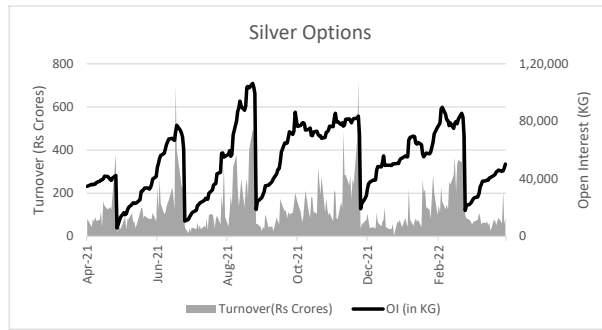
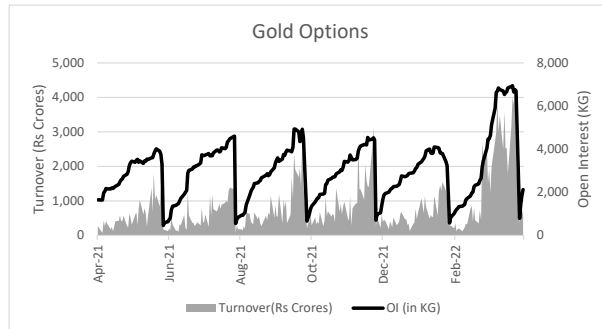




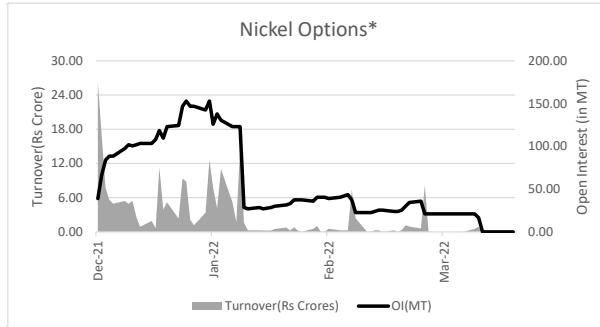
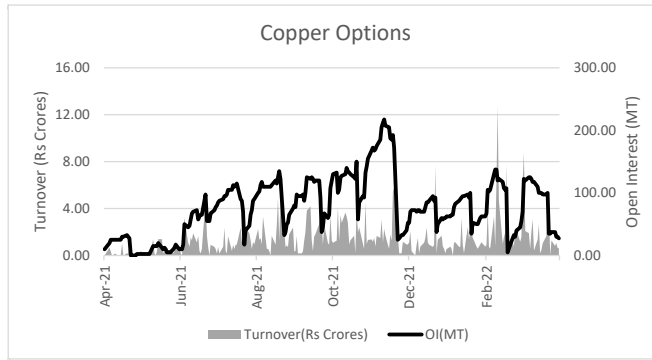




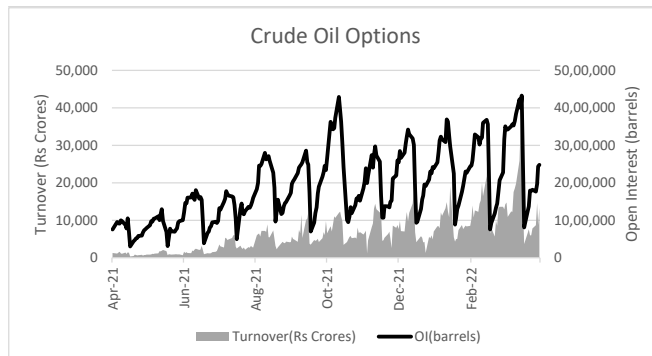
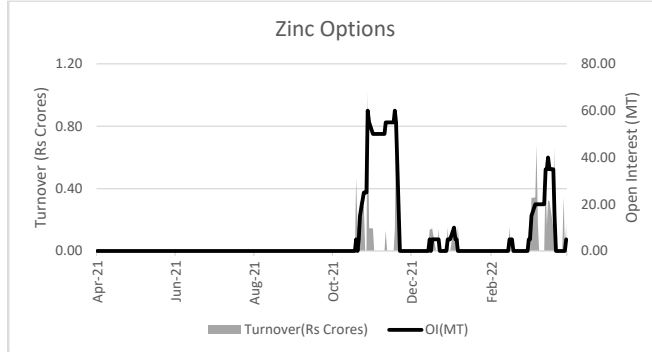
**Notional Turnover and Open Interest of Commodity Options Contracts Traded on MCX in FY 2021-22**

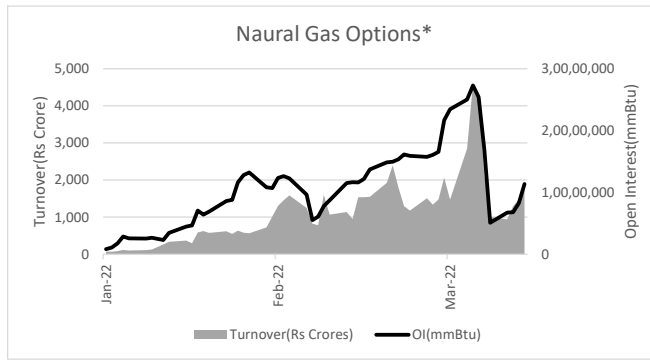


\*Launched on 19<sup>th</sup> July 2021

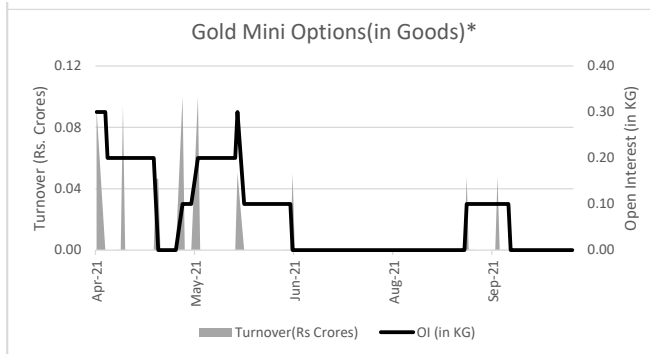


\* Launched on 13<sup>th</sup> December 2021



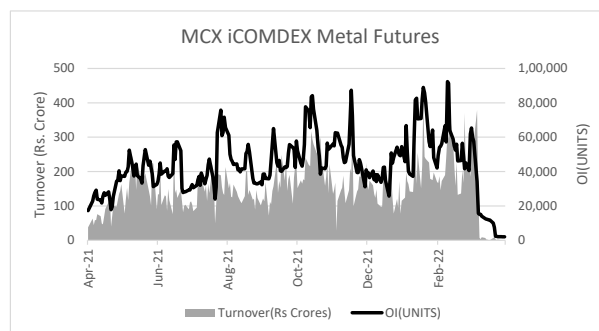
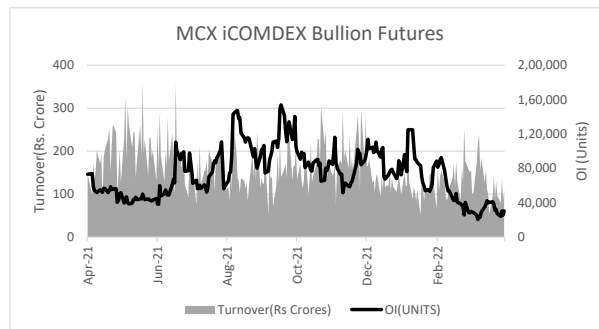


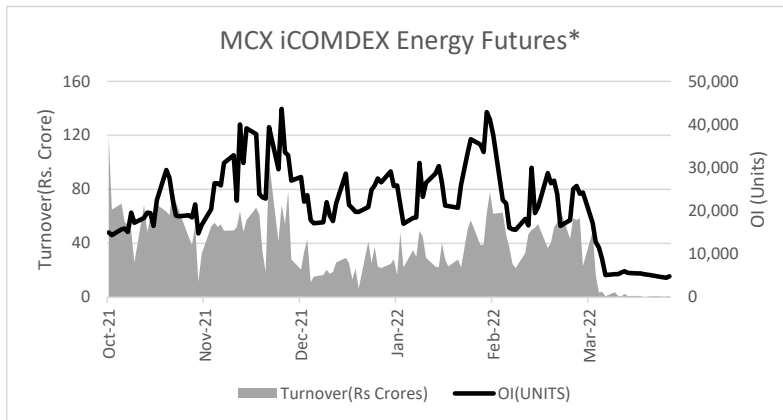
\* Launched on 17<sup>th</sup> January 2022



\*Discontinued on 03<sup>rd</sup> November 2021

**Turnover and Open Interest of Commodity Indices Traded on MCX in FY 2021-22**





\* Launched on 07<sup>th</sup> October 2021

## CORPORATE GOVERNANCE REPORT

A detailed Report on Corporate Governance for the Financial Year (FY) 2021-22, 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 ourself 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:

The Company's Board had an optimum combination of Executive and Non-Executive Directors as on 31<sup>st</sup> March 2022 with 1 (one) Woman Independent Director. The Directors are experienced professionals. They bring to the Board, their expertise in diverse areas such as management, technology, governance, leadership, finance and legal.

During the FY 2021-22, the tenure of Mr. Basant Seth as a Public Interest Director ("PID") of the Company completed on 18<sup>th</sup> May 2021. To fill in the resulting vacancy, SEBI had approved the appointment of Mr. Chandra Shekhar Verma as a PID on the Board of MCX for a period of three years. Accordingly, Mr. Chandra Shekhar Verma was appointed as PID of the Company with effect from 22<sup>nd</sup> May 2021.

Further, the tenure of Dr. Deepali Pant Joshi as a PID of the Company also completed on 07<sup>th</sup> August 2021. In order to fill the resulting vacancy, SEBI approved the appointment of Dr. Harsh Kumar Bhanwala as a PID on the Board of MCX for a period of three years. Accordingly, Dr. Harsh Kumar Bhanwala was appointed as PID of the Company with effect from 08<sup>th</sup> August 2021.

Mr. Amit Goela, Shareholder Director had tendered his resignation vide email dated 09<sup>th</sup> August, 2021 with immediate effect, for personal reasons.

Mr. Hemang Harish Raja, Shareholder Director, who was liable to retire by rotation at the 19<sup>th</sup> Annual General Meeting ("AGM") of the Company held on 03<sup>rd</sup> September 2021, was re-appointed with the approval of the shareholders and SEBI w.e.f. 03<sup>rd</sup> September 2021.

Further, Mr. Mohan Narayan Shenoi and Mr. Vivek Krishna Sinha were appointed as the Shareholder Directors of the Company at the 19<sup>th</sup> AGM of the Company held on 03<sup>rd</sup> September 2021, which was approved by SEBI vide its letter dated 30<sup>th</sup> September 2021. Accordingly, Mr. Shenoi and Mr. Sinha were appointed as the Shareholder Directors of the Company with effect from 30<sup>th</sup> September 2021.

As on 31<sup>st</sup> March 2022, the Board comprised of 11 (eleven) directors, of which 6 (six) were Public Interest Directors, 4 (four) Shareholder 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 03 <sup>rd</sup> September 2021	Number of Directorship(s) in other Companies (*) as on 31 <sup>st</sup> March 2022	Names of other listed entities where serving as a Director as on 31 <sup>st</sup> March 2022	Chairmanship(s) and Membership(s) of Board Committees in other Companies (***) as on 31 <sup>st</sup> March 2022	
			Held <sup>#</sup>	Attended				Chairman	Member
1.	Mr. Saurabh <sup>1</sup> Chandra (DIN: 02726077)	Chairman, Non-Executive, Independent	9	9	Yes	3	1. J. K. Cement Limited - Non-Executive, Independent	0	3
2.	Mr. Amit Goela <sup>2</sup> (DIN: 01754804)	Non-Executive, Non-Independent	3	3	NA	NA	-	NA	NA
3.	Mr. Basant Seth <sup>3</sup> (DIN: 02798529)	Non-Executive, Independent	1	0	NA	NA	-	NA	NA
4.	Dr. Bhartendu Kumar Gairola (DIN: 02442205)	Non-Executive, Independent	9	9	Yes	1	-	0	0
5.	Mr. Chengalath Jayaram (DIN: 00012214)	Non-Executive, Non-Independent	9	9	Yes	3	1. Kotak Mahindra Bank Limited – Non-Executive, Non-Independent	0	3
6.	Dr. Deepali Pant Joshi <sup>4</sup> (DIN: 07139051)	Non-Executive, Independent	3	3	NA	NA	-	NA	NA
7.	Mr. Hemang Raja <sup>5</sup> (DIN: 00040769)	Non-Executive, Non-Independent	9	9	Yes	1	1. IDFC First Bank Limited- Non-Executive, Independent	0	0
8.	Ms. Pravin Tripathi (DIN:06913463)	Non-Executive, Independent	9	9	Yes	5	1. Jay Bharat Maruti Limited - Non-Executive, Independent 2. Minda Industries Limited – Non-Executive, Independent 3. JBM Auto Limited - Non-Executive, Independent	1	2
9.	Mr. Shankar Aggarwal (DIN: 02116442)	Non-Executive, Independent	9	9	Yes	9	1. Dish TV India Limited- Non-Executive, Independent 2. U P Hotels Limited- Non-Executive, Independent	3	5
10.	Mr. Chandra Shekhar Verma <sup>6</sup> (DIN: 00121756)	Non-Executive, Independent	8	8	Yes	4	1. SML Isuzu Limited - Non-Executive, Independent	0	1



11.	Dr. Harsh Kumar Bhanwala <sup>7</sup> (DIN: 06417704)	Non-Executive, Independent	6	6	Yes	3	1. Bayer Cropscience Limited 2. Capital India Finance Limited	0	1
12.	Mr. Vivek Krishna Sinha (DIN: 08667163)	Non-Executive, Non-Independent	4	4	NA	0	-	0	0
13.	Mr. Mohan Narayan Shenoi (DIN: 01603606)	Non-Executive, Non-Independent	4	4	NA	0	-	0	0
14.	Mr. P.S. Reddy (DIN:01064530)	Executive	9	9	Yes	1	-	0	1

Note: (a) There are no inter-se relationships between the Board Members.

(b) None of the Directors are holding any shares in the Company.

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

\*\* Only Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies have been considered.

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. Mr. Saurabh Chandra completed his tenure on the Board of the Company on 02<sup>nd</sup> July 2022.
2. Mr. Amit Goela, Shareholder Director resigned w.e.f. 09<sup>th</sup> August, 2021.
3. Mr. Basant Seth, upon completion of tenure ceased to be an Independent Director w.e.f. 18<sup>th</sup> May 2021.
4. Dr. Deepali Pant Joshi, upon completion of tenure ceased to be an Independent Director w.e.f. 07<sup>th</sup> August 2021.
5. Mr. Hemang Raja retired by rotation and was reappointed at the AGM held on 03<sup>rd</sup> September, 2021.
6. Mr. Chandra Shekhar Verma was appointed as an Independent Director w.e.f. 22<sup>nd</sup> May 2021.
7. Dr. Harsh Kumar Bhanwala was appointed as an Independent Director w.e.f. 08<sup>th</sup> August 2021.

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

The Board Meetings are convened to consider matters critical to the business of the Company, including important policy issues, compliance with regulatory stipulations etc. Except in case of emergency meetings, convened to take care of exigencies of business, the Company gives adequate notice of meetings to the Board of Directors. The meetings held at a shorter notice were attended by adequate number of Independent Directors and were in compliance with the provisions of the Companies Act, 2013 and Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018 ("SECC Regulations, 2018") During the FY 2021-22, 9 (Nine) 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 04<sup>th</sup> May 2021, 22<sup>nd</sup> May 2021, 24<sup>th</sup> July 2021, 14<sup>th</sup> August 2021, 24<sup>th</sup> September 2021, 23<sup>rd</sup> October 2021, 22<sup>nd</sup> December 2021, 29<sup>th</sup> January 2022 and 28<sup>th</sup> March 2022. 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 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 09<sup>th</sup> July 2021 and 04<sup>th</sup> January 2022.

**(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 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 2021-22/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, has been obtained for the FY 2021-22 and forms part of this Annual Report.

**(G) Code of Conduct for Prevention of Insider Trading and Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information:**

The Company has adopted the 'Code of Conduct for Prevention of Insider Trading' in accordance with requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013, with a view to 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 2022 along with the shareholding as at 31<sup>st</sup> March 2022 is as below:

Particulars	Mr. P. S. Reddy (MD & CEO) (Amount in ₹)
<b>Remuneration</b>	
<b>Fixed Component:</b>	
Salary and allowances*	2,19,75,996
Monetary value of perquisites	3,98,400
Reimbursement of expenses	-
<b>Variable Component:</b>	
Commission	-
Bonus/Incentive/ Variable pay #	22,50,000
<b>Total</b>	<b>2,46,24,396</b>
Leave Encashment	5,77,500
<b>Gross Total</b>	<b>2,52,01,896</b>
<b>Directors Sitting Fees for FY 2021-22</b>	<b>N.A.</b>
<b>Shareholding as at 31<sup>st</sup> March 2022 (in Nos.)</b>	<b>N.A.</b>

\*It includes employees contribution to provident fund

# Variable Pay includes only the amount paid out during the Financial Year. The above mentioned figures exclude gratuity, if applicable.

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. 10<sup>th</sup> 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 31<sup>st</sup> March 2022 and their shareholding as at 31<sup>st</sup> March 2022 is as below:**

Name of the Director	Gross Sitting Fees (Amount in ₹)		Outstanding Stock options (in Nos.)	Shareholding in the Company as at 31st March 2022 (in Nos.)
	Board Meetings	Committee Meetings		
Mr. Saurabh Chandra*	9,00,000	19,50,000	N.A.	-
Mr. Amit Goela	3,00,000	1,50,000	N.A.	-
Dr. Bhartendu Kumar Gairola	9,00,000	15,25,000	N.A.	-
Mr. Basant Seth	-	50,000	N.A.	-
Mr. Chengalath Jayaram	9,00,000	9,00,000	N.A.	-
Dr. Deepali Pant Joshi	3,00,000	4,00,000	N.A.	-
Mr. Hemang Raja	9,00,000	16,25,000	N.A.	-

Ms. Pravin Tripathi	9,00,000	32,50,000	N.A.	-
Mr. Shankar Aggarwal	9,00,000	26,25,000	N.A.	-
Mr. Chandra Shekhar Verma	8,00,000	10,50,000	N.A.	-
Dr. Harsh Kumar Bhanwala	6,00,000	7,00,000	N.A.	-
Mr. Mohan Narayan Shenoi	4,00,000	5,00,000	N.A.	-
Mr. Vivek Krishna Sinha	4,00,000	50,000	N.A.	-

\*Mr. Saurabh Chandra completed his tenure on the Board of the Company on 02<sup>nd</sup> July 2022.

There were no pecuniary relationships or transactions between the Non-Executive Directors and the Company during FY 2021-22, 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, 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 2021-22.

**(I) The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company:**

- i. Systems and Technology – Understanding the growing demands of the market, anticipating future technological trends and monitoring the efficiency, resilience and efficacy of the system.
- ii. Regulatory and Governance – Developing good corporate governance practices, protecting the legitimate interests of the Company, its employees, stakeholders and the communities in which it operates, maintaining Board and Management accountability and understanding the regulatory framework and ensuring compliance thereof in letter and spirit, risk assessment and its minimization.
- iii. Leadership and Strategic Planning – Leadership experience in business development and strategic planning, driving change and long term growth, formulation and execution of strategies in the best interest of the Company.
- iv. Finance and Accounting – Management of the finance function including investments, ensuring integrity of financial information and ensuring that the financial controls are robust and defensible.
- v. Diversity – Diversity of knowledge, experience, gender, outlook and principles, understanding of different geographies/cultures.
- vi. Treasury Management – Financial planning aimed at sustaining and growing long-term wealth with steady returns.

The specific skills/expertise of individual Board members have been highlighted in the table below:

Name of the Director	Area of expertise					
	Systems and Technology	Regulatory and Governance	Leadership and Strategic Planning	Finance and Accounting	Diversity	Treasury Management
Mr. Saurabh Chandra*	✓	✓	✓	-	✓	-
Dr. Bhartendu Kumar Gairola	✓	✓	✓	-	✓	-
Ms. Pravin Tripathi	-	✓	-	✓	✓	✓
Mr. Shankar Aggarwal	✓	✓	✓	✓	✓	-
Mr. Chengalath Jayaram	✓	✓	✓	✓	-	✓
Mr. Hemang Raja	-	✓	✓	✓	✓	✓

Name of the Director	Area of expertise					
	Systems and Technology	Regulatory and Governance	Leadership and Strategic Planning	Finance and Accounting	Diversity	Treasury Management
Mr. Chandra Shekhar Verma	-	✓	✓	✓	✓	✓
Dr. Harsh Kumar Bhanwala	-	✓	✓	✓	✓	✓
Mr. Mohan Narayan Shenoi	✓	✓	✓	✓	-	✓
Mr. Vivek Krishna Sinha	-	✓	✓	✓	-	✓
Mr. P.S. Reddy	-	✓	✓	✓	✓	✓

*\*completed his tenure on 02<sup>nd</sup> July 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 Company Secretary and 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.

**II. Powers of the Committee:**

The Audit Committee has powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The Committee may also call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.

**III. Role of the Committee:**

The role of the Audit Committee and the information to be reviewed by the Audit Committee are as specified in the SEBI Listing Regulations, 2015 (as may be amended from time to time).

Further, the Committee reviews compliance with the provisions of the Code of Conduct for Prevention of Insider Trading of MCX at least once in a financial year and verifies that the systems for internal control are adequate and are operating effectively.

**IV. Composition, meetings and attendance during the financial year:**

During the FY 2021-22, 8 (eight) Audit Committee meetings were held and the gap between any two successive meetings did not exceed one hundred and twenty days. The said meetings were held on 07<sup>th</sup> May 2021, 22<sup>nd</sup> May 2021, 24<sup>th</sup> July 2021, 22<sup>nd</sup> September 2021, 23<sup>rd</sup> October 2021, 29<sup>th</sup> January 2022, 28<sup>th</sup> February 2022 and 21<sup>st</sup> March 2022. The constitution and the number of meetings attended by the members are as under:

Members*	Category	Meetings held	Meetings attended
Mr. Shankar Aggarwal (Chairman)	Non-Executive, Independent	8	8
Mr. Basant Seth @	Non-Executive, Independent	1	0
Mr. Chengalath Jayaram	Non-Executive, Non-Independent	8	7
Ms. Pravin Tripathi	Non-Executive, Independent	8	8
Mr. Chandra Shekhar Verma	Non-Executive, Independent	6	6
Dr. Harsh Kumar Bhanwala	Non-Executive, Independent	5	4

\* During the year, Audit Committee was re-constituted on 22<sup>nd</sup> May 2021 and 14<sup>th</sup> August 2021.

@ The tenure of Mr. Basant Seth as an Independent Director completed on 18<sup>th</sup> May 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 Annual General Meeting of the Company held through Video Conferencing on 03<sup>rd</sup> September 2021.

**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 2021-22, 10 (ten) meetings of the Nomination and Remuneration Committee were held. The said meetings were held on 07<sup>th</sup> April 2021, 24<sup>th</sup> April 2021, 07<sup>th</sup> May 2021, 21<sup>st</sup> May 2021, 16<sup>th</sup> June 2021, 14<sup>th</sup> July 2021, 16<sup>th</sup> September 2021, 14<sup>th</sup> December 2021, 08<sup>th</sup> March 2022 and 17<sup>th</sup> March 2022. The constitution and the number of meetings attended by the members are as under:

Members*	Category	Meetings held	Meetings attended
Mr. Shankar Aggarwal (Chairman)	Non-Executive, Independent	10	10
Mr. Saurabh Chandra@	Non-Executive, Independent	10	10
Ms. Pravin Tripathi#	Non-Executive, Independent	6	6
Dr. Harsh Kumar Bhanwala	Non-Executive, Independent	4	4

\*During the year, Nomination and Remuneration Committee was re-constituted by the Board on 14<sup>th</sup> August 2021.

#Ms. Pravin Tripathi ceased to be a Member w.e.f. 14<sup>th</sup> August 2021 and was re-appointed on 06<sup>th</sup> May 2022.

@ Mr. Saurabh Chandra completed his tenure on the Board of the Company on 02<sup>nd</sup> July 2022.

Mr. Shankar Aggarwal, Chairman of the Committee, attended the last Annual General Meeting of the Company held through Video Conferencing on 03<sup>rd</sup> September 2021.

**III. Performance evaluation criteria of the Board**

The policy is framed in compliance of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and the SEBI circular ref. no. SEBI/HO/MRD/DOP2DSA2/ CIR/P/2019/26 dated 05<sup>th</sup> February 2019.

The Policy has been framed with an objective to ensure individual Directors of the Company (“Directors”) and the Board as a whole, work efficiently and effectively in achieving their functions, for the benefit of the Company and its stakeholders. Also, to improve performance on three levels - the organisational, board and individual director level. A properly executed Board evaluation shall benefit across these levels in terms of

improved leadership, improved teamwork, greater accountability, better decision making, improved communication, greater clarity of roles and responsibilities, and more efficient Board operations.

Accordingly, the Policy provides a framework for evaluation/review of the performance of:

- (i) individual Directors (including Independent Directors seeking extension for another term);
- (ii) the Board as a whole;
- (iii) Chairperson of the Board (taking into account the views of executive Directors and non-executive Directors); and
- (iv) various committees of the Board (“Board Committees”).

**Mechanism for performance evaluation:**

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

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

It covers the internal mechanism for annual evaluation of all the individual directors, Board as a whole, Chairperson of the Board and the Board Committees at the end of every financial year.

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

It covers the mechanism for external evaluation of the Public Interest Directors (whose term is due to expire and seeking extension for a further term as specified in SECC Regulations) by a ‘Management or Human Resources Consulting Firm’.

**Disclosures as prescribed under SEBI circular dated 10<sup>th</sup> May 2018 are given below:**

- **Observations of Board evaluation carried out for the year**  
No observations.
- **Previous year’s observations and actions taken**  
Since no observations were received, no actions were taken.
- **Proposed actions based on current year observations**  
Since no observations were received, no actions were taken.

**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 2021-22, 1 (one) meeting of the Stakeholders’ Relationship Committee was held. The said meeting was held on 16<sup>th</sup> December 2021. The constitution and the attendance of the members at the said meeting is as under:

Members*	Category	Meetings held	Meetings Attended
Ms. Pravin Tripathi (Chairperson) @	Non-Executive, Independent	1	1
Mr. Chengalath Jayaram	Non-Executive, Non- Independent	1	1
Mr. Hemang Raja	Non-Executive, Non- Independent	1	1
Mr. Mohan Narayan Shenoi	Non-Executive, Non- Independent	1	1
Mr. Vivek Krishna Sinha	Non-Executive, Non- Independent	1	0

\*During the year, the Committee was re-constituted by the Board on 14<sup>th</sup> August 2021 and 23<sup>rd</sup> October 2021.

@ Dr. Deepali Pant Joshi completed her tenure as an Independent Director w.e.f. from 07<sup>th</sup> August 2021.



Ms. Pravin Tripathi, Chairperson of the Committee, attended the last Annual General Meeting of the Company held through Video Conferencing on 03<sup>rd</sup> September 2021.

Mr. Ajay Puri, Company Secretary and Compliance Officer of the Company, is the Secretary to the Committee. He can be reached out at the registered office address of the Company (email: [ig-mcx@mcxindia.com](mailto:ig-mcx@mcxindia.com), Tel: +91-22-6731 8888, Fax: +91-22-6649 4151).

Details of the number of complaints received from shareholders and attended during the financial year ended 31<sup>st</sup> March 2022 are given below:

Number of complaints pending as on 01 <sup>st</sup> April 2021	Number of Shareholder complaints received during FY 2021-22	Number of Shareholder complaints attended during FY 2021-22	Number of complaints not solved to the satisfaction of the shareholders	Number of complaints pending as on 31 <sup>st</sup> March 2022
0	18	18*	0	0

\*Includes queries on unclaimed dividend and AGM which was resolved immediately.

Details of shares lying in the suspense account as at 31<sup>st</sup> March 2022 (Pursuant to Regulation 34(3) and Schedule V Part F of the SEBI Listing Regulations, 2015):

Sr. No.	Particulars	No. of shareholders	No. of shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 01 <sup>st</sup> April 2021	0	0
2.	Number of shareholders who approached the issuer for transfer of shares from suspense account during the year	0	0
3.	Number of shareholders to whom shares were transferred from suspense account during the year	0	0
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as at 31 <sup>st</sup> March 2022	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 2021-22, 4 (four) meetings of the Corporate Social Responsibility Committee were held. The said meetings were held on 03<sup>rd</sup> August 2021, 19<sup>th</sup> October 2021, 11<sup>th</sup> January 2022 and 10<sup>th</sup> March 2022. The constitution and the attendance of the members at the said meetings is as under:

Members*	Category	Meetings held	Meetings Attended
Ms. Pravin Tripathi	Non-Executive, Independent	4	4
Mr. Amit Goela	Non-Executive, Non- Independent	1	0
Dr. Deepali Pant Joshi @	Non-Executive, Independent	1	1
Dr. Bhartendu Kumar Gairola	Non-Executive, Independent	3	3
Mr. Hemang Raja	Non-Executive, Non- Independent	3	3

Mr. Mohan Narayan Shenoi	Non-Executive, Non- Independent	2	2
Mr. Vivek Krishna Sinha	Non-Executive, Non- Independent	2	1

\*During the year, Corporate Social Responsibility Committee was re-constituted on 14<sup>th</sup> August, 2021 and 23<sup>rd</sup> October 2021.

@ Dr. Deepali Pant Joshi completed her tenure as an Independent Director w.e.f. from 07<sup>th</sup> August 2021.

**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 2021-22, 2 (two) meetings of the Risk Management Committee were held. The said meetings were held on 29<sup>th</sup> June 2021 and 23<sup>rd</sup> December 2021. The constitution and the attendance of the members at the said meetings is as under:

Members*	Category	Meetings held	Meetings Attended
Dr. Bhartendu Kumar Gairola (Chairman)	Non-Executive, Independent	2	2
Dr. Deepali Pant Joshi @	Non-Executive, Independent	1	1
Ms. Pravin Tripathi	Non-Executive, Independent	2	2
Dr. Anil Kumar Sharma	Independent External Expert	2	2

\*During the year, Risk management Committee was re-constituted on 22<sup>nd</sup> May 2021 and 14<sup>th</sup> August, 2021.

@ Dr. Deepali Pant Joshi completed her tenure as an Independent Director of the Company w.e.f. from 07<sup>th</sup> August 2021.

**The broad terms of reference & constitution as at 31<sup>st</sup> March 2022, 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 2021-22, 14 (fourteen) meetings of the Committee were held. Implementation of Commodity Derivative Platform was also discussed in 12 meetings. Further, an internal Committee namely "Udaan Empowered Committee" was constituted with the approval of the Board to monitor the progress of the development of Commodity Derivative Platform by TCS. Thirteen meetings of this sub-committee were convened to discuss this matter. The members of the Standing Committee on Technology are given below:

Mr. Shankar Aggarwal (C)

Dr. Bhartendu Kumar Gairola

Ms. Pravin Tripathi

Mr. C. S Verma

Mr. Hemang Raja

Mr. Mohan Narayan Shenoi

Mr. P. S. Dhekne (Independent External Expert)

Mr. Moiz Hussain Ali (Independent External Expert)

- ii. **Independent Directors'/Public Interest Directors' Committee:** The Committee, *inter-alia*, reviews 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 2021-22, 2 (two) meetings of the Committee were held. The members of the Committee are given below:

Mr. Saurabh Chandra (C)\*

Dr. Bhartendu Kumar Gairola

Ms. Pravin Tripathi

Mr. Shankar Aggarwal

Mr. Chandra Shekhar Verma

Dr. Harsh Kumar Bhanwala

*\*Mr. Saurabh Chandra completed his tenure on the Board of the Company on 02<sup>nd</sup> July 2022.*

- 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 2021-22, 14 (fourteen) meetings of the Committee were held. The members of the Committee are given below:

Ms. Pravin Tripathi (C)

Mr. Saurabh Chandra\*

Mr. Suresh Gupta (Independent External Expert)#

Mr. P.S. Reddy

*\*Mr. Saurabh Chandra completed his tenure on the Board of the Company on 02<sup>nd</sup> July 2022.*

*# Mr. Suresh Gupta completed his tenure as Independent External Expert on Member and Core Settlement Guarantee Fund Committee on 21<sup>st</sup> August 2022*

- 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 2021-22, 5 (five) meetings of the Committee were held. The members of the Committee are given below:

Mr. Shankar Aggarwal (C)

Mr. Saurabh Chandra\*

Mr. C.S. Verma

Mr. Suresh Gupta (Independent External Expert)

*\*Mr. Saurabh Chandra completed his tenure on the Board of the Company on 02<sup>nd</sup> July 2022.*

- 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 2021-22, 3 (three) 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 2021-22, 5 (five) meetings of the Trust were held. The members of the Trust are given below:

Mr. Shankar Aggarwal (C)

Mr. Saurabh Chandra\*

Ms. Pravin Tripathi

Mr. Dhruv Patil (Representative from Investor Association recognized by SEBI)

Mr. Sanjay Golecha (Chief Regulatory Officer) @

*\*Mr. Saurabh Chandra completed his tenure on the Board of the Company on 02<sup>nd</sup> July 2022.*

*@Mr. Sanjay Golecha ceased to be Chief Regulatory Officer w.e.f. 30<sup>th</sup> June 2022.*

- 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 2021-22, 9 (nine) meetings of the Committee were held. The members of the Committee are given below:

Mr. Chengalath Jayaram (C)

Mr. Hemang Raja

Ms. Pravin Tripathi

Mr. Chandra Shekhar Verma

Dr. Harsh Kumar Bhanwala

Mr. Mohan Narayan Shenoi

#### 4. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue of the meeting
2020-21 19 <sup>th</sup> AGM	03 <sup>rd</sup> September 2021	11.30 a.m.	Held through Video Conferencing
2019-20 18 <sup>th</sup> AGM	31 <sup>st</sup> August 2020	11.30 a.m.	Held through Video Conferencing
2018-19 17 <sup>th</sup> AGM	20 <sup>th</sup> September 2019	11.30 a.m.	Ravindra Natya Mandir, Ground Floor, PL Deshpande Auditorium, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400025

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

Date	Particulars
03 <sup>rd</sup> September 2021	No Special Resolutions were passed.
31 <sup>st</sup> August 2020	No Special Resolutions were passed.
20 <sup>th</sup> September 2019	Approval for increase in total limit of Foreign Investment in the Company upto the prescribed sectoral cap of 49%.

- (C) Postal Ballot:** During the FY 2021-22, 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 2021-22.

#### 5. DISCLOSURES:

##### (A) Disclosures on materially significant related party transactions:

A detailed 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:**

The Company delayed by a day, for the first time, in uploading the disclosure pertaining to related party transactions on a consolidated basis for half year ended 30<sup>th</sup> September 2021 with BSE in terms of Regulation 23(9) of SEBI Listing Regulations, 2015. On request made by MCX, BSE vide email dated 14<sup>th</sup> March 2022 granted waiver of fine.

Except the one 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 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 16<sup>th</sup> May 2022. 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 31<sup>st</sup> March 2022, 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 2021-22 on a consolidated basis are as under:

Particulars	Amount in lakh (₹)
For audit	15
For tax audit	3
For other services	1
Reimbursement of out of pocket expenses	1
<b>Total</b>	<b>20</b>

**(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 2021-22, MCXCCL was a material subsidiary of MCX.

**6. MEANS OF COMMUNICATION:**

The quarterly, half yearly and annual results of the Company are generally published in the newspapers, namely, Business Standard/Economic Times, English daily newspapers with circulation in the whole or substantially the whole of India and Navshakti, Marathi daily newspapers. The financial results, shareholding pattern, press releases, stock information, annual reports, investor presentations etc. are uploaded on the website of the Company [www.mcxindia.com](http://www.mcxindia.com). The same are also disseminated to the Stock Exchange (i.e. BSE Ltd.) where the securities of the Company are listed, as required/prescribed under the SEBI Listing Regulations, 2015.

Significant events, if any, during the financial year, are reported to the Stock Exchange and also posted on the website of the Company from time-to-time. The Company's website gives information on trading, clearing & settlement, circulars issued by the Exchange, market data, Exchange Rules, Bye-Laws, Business Rules, products & their contract specifications, membership related information etc.

**Go Green Initiative:**

As a part of its green initiative, the Company has taken necessary steps to send documents viz. notice of the general meeting, annual report, etc. at the registered email addresses of shareholders. Those who have not yet registered their email ids are requested to register the same with the Registrar & Transfer Agent (RTA) in case of physical holdings and Depository Participants in case of electronic holdings with Depositories, to enable the Company to send the documents by the electronic mode.

Physical copies of the said documents are sent to all those members whose email addresses are not registered with the Company/RTA/Depository and to those who have requested the Company that they wish to receive the documents in physical mode. However, in view of the relaxation provided by the Securities and Exchange Board of India, no physical copies of the annual report for FY 2021-22 will be issued by the Company. Members can access the documents at the website of the Company [www.mcxindia.com](http://www.mcxindia.com); website of BSE Ltd. [www.bseindia.com](http://www.bseindia.com) and the website of RTA [www.kfintech.com](http://www.kfintech.com)

**7. GENERAL SHAREHOLDER INFORMATION:**

1. Day, Date, Time and Mode of Annual General Meeting (FY 2021-22)	<b>Tuesday, 27<sup>th</sup> September 2022 at 11:30 a.m.</b> through video conferencing (VC) or other audio visual means (OAVM) For details, please refer to the Notice convening this AGM.
2. Financial year	01 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022

3. Record date for such dividend	Record date (i.e. Cut off date) to determine shareholders who will be eligible to receive final dividend, subject to shareholder's approval, will be <b>Tuesday, 20<sup>th</sup> September 2022</b>						
4. Dividend payment date	Dividend for the Financial Year ended 31 <sup>st</sup> March 2022, 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	<p>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.</p> <p>It may be noted that dividend for FY 2021-22 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.</p> <p>In cases where bank account details are incomplete/unavailable, account payee/non-negotiable instruments shall be issued.</p>						
6. Listing on Stock Exchanges	<p>The equity shares of the Company are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. The applicable annual listing fee has been paid to BSE Limited.</p> <p>Further, in pursuance of Regulation 3.1.1 of the National Stock Exchange (Capital Market) Trading Regulations Part A and other relevant provisions, National Stock Exchange of India Limited (NSE) vide its Circular Ref. No.: 202/2012 dated 07<sup>th</sup> March 2012 notified that, with effect from 09<sup>th</sup> March 2012, the Company's equity shares were permitted to be traded and admitted to dealings on NSE (Capital Market segment).</p>						
7. Stock Market Code	<table border="1" data-bbox="612 1113 1298 1215"> <tr> <td>BSE</td> <td>534091</td> </tr> <tr> <td>Reuters</td> <td>MCEI.BO</td> </tr> <tr> <td>Bloomberg</td> <td>MCX:IN</td> </tr> </table>	BSE	534091	Reuters	MCEI.BO	Bloomberg	MCX:IN
BSE	534091						
Reuters	MCEI.BO						
Bloomberg	MCX:IN						
8. Registrar & Transfer Agent	<p>Kfin Technologies Limited (<i>Formerly known as "KFin Technologies Private Limited"</i>)  Selenium Tower B, Plot Nos. 31-32,  Gachibowli, Financial District  Nanakramguda, Serilingampally Mandal,  Hyderabad, Telangana – 500 032.  Ph: 040-67162222, Fax: 040-23001153  Toll Free no.: 1-800-309-4001  Email: <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a></p>						

9. Share Transfer system	<p>99.99% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the Depositories with no involvement of the Company.</p> <p>Regulation 40 of the SEBI Listing Regulations, 2015 provides that requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Further transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialized form.</p> <p>Further, as per Regulation 46 of the SECC Regulations, 2018, securities of a Recognised Stock Exchange shall be in dematerialised form. Therefore, shareholders holding shares in physical form are requested to dematerialise the same.</p>
10. Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	As at 31 <sup>st</sup> March 2022, the Company did not have any outstanding GDRs/ ADRs/ Warrants or any convertible instruments.
11. Commodity price risk or foreign exchange risk and hedging activities	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 15 <sup>th</sup> November 2018.
12. Exchange operations are located at	<p>The registered and corporate office is located at Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai - 400 093, India.</p> <p>The Disaster Recovery Site is situated at Gift City, Gandhinagar, Gujarat.</p>
13. Address for Correspondence	<p>Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai - 400 093, India.</p> <p>Tel: +91-22-6731 8888 Fax: +91-22-6649 4151</p> <p>Website: <a href="http://www.mcxindia.com">www.mcxindia.com</a></p>
14. Depository for Equity shares	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
15. International Securities Identification Number (ISIN) allotted to the equity shares of the Company under the Depository System	INE745G01035
16. Corporate Identification Number (CIN) of the Company	L51909MH2002PLC135594

**Unclaimed Dividend:**

As per the provisions of Sections 124 and 125 the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, dividends 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 2021-22, are as under:

Sr. No.	Transaction Type		Amount ( ₹ )	Date of Transfer
1	Dividend for FY 2013-14	Final	5,26,554	17 <sup>th</sup> November 2021

Shares with respect to dividends lying unpaid/unclaimed for 7 consecutive years, were also transferred to the IEPF Authority. Details of the same are available on our website at <https://www.mcxindia.com/investor-relations/details-of-transfer-of-shares-to-iepf>.

Further, details of the unpaid/unclaimed amounts lying with the Company are also available on the website of the Company at <https://www.mcxindia.com/investor-relations/iepf-unclaimed-unpaid-amount>.

Shareholders whose dividend/shares are transferred to the IEPF Authority, may claim the same by making an application in prescribed form to the IEPF Authority in this regard, details of which are available on [www.iepf.gov.in](http://www.iepf.gov.in). No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

#### Dematerialisation of Shares and Liquidity:

The shares of the Company are tradable compulsorily in dematerialised (electronic) form, and through KFin Technologies Limited (*Formerly known as Kfin Technologies Private Limited*), Registrar & Transfer Agent, we have established connectivity with both the depositories viz. NSDL and CDSL. The bifurcation of the category of shares in physical and electronic mode as on 31<sup>st</sup> March 2022 is given below:

Category	No. of shareholders	% of shareholders	Total Shares	% of Equity
Physical (A)	4	0.00	62	0.00
Demat				
- NSDL	101366	41.70	37347813	73.23
- CDSL	141696	58.30	13650494	26.77
<b>- Sub-total (B)</b>	<b>243062</b>	<b>100.00</b>	<b>50998307</b>	<b>100.00</b>
<b>Total (A+B)</b>	<b>243066</b>	<b>100.00</b>	<b>50998369</b>	<b>100.00</b>

#### 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-21	1559.00	1434.80	377715
May-21	1663.00	1466.00	451805
June-21	1635.00	1472.00	832532
July-21	1846.95	1480.70	1311200
August-21	1633.00	1455.00	888526
September-21	1744.55	1491.45	994609
October-21	2134.90	1621.20	2006819
November-21	2021.80	1581.00	761494
December-21	1833.30	1500.00	948081
January-22	1655.00	1462.00	625459
February-22	1564.60	1165.00	911806
March-22	1487.20	1210.50	941058

**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 31<sup>st</sup> March 2022:**

Sr. No.	Category (No. of shares)	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1	1-5000	240027	98.75	75650990	14.83
2	5001-10000	1663	0.68	12471730	2.45
3	10001-20000	672	0.28	9744460	1.91
4	20001-30000	241	0.10	6107310	1.20
5	30001-40000	73	0.03	2601980	0.51
6	40001-50000	61	0.03	2823400	0.55
7	50001-100000	103	0.04	7190100	1.41
8	100001 & Above	226	0.09	393393720	77.14
	<b>Total</b>	<b>243066</b>	<b>100</b>	<b>509983690</b>	<b>100</b>

**Shareholding pattern as on 31<sup>st</sup> March 2022:**

<b>Sr. No.</b>	<b>Category</b>	<b>No. of shares held</b>	<b>% of shareholding</b>
1.	Foreign Portfolio Investors	13524225	26.52
2.	Mutual Funds	15111957	29.63
3.	Resident Individuals	11019971	21.61
4.	Financial Institutions /Banks	9534933	18.70
5.	Employee Benefit Trust (under SEBI (Share Based Employee Benefit) Regulations, 2014)	95551	0.19
6.	NBFC	4152	0.01
7.	Others	1707580	3.34
	<b>Total</b>	<b>50998369</b>	<b>100.00</b>

Detailed shareholding pattern is provided in the Annual Return which is available on the website of the Company: at <https://www.mcxindia.com/investor-relations>

**Reconciliation of Share Capital Audit:**

Pursuant to Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31<sup>st</sup> December 2002, a qualified Practising 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)**

**Shankar Aggarwal**  
**Public Interest Director**  
**(DIN: 02116442)**

**Mumbai**  
**26<sup>th</sup> August 2022**

**New Delhi**  
**26<sup>th</sup> August 2022**

## CERTIFICATE FROM THE CEO & CFO FOR THE FY 2021-22

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, 2022 and to the best of our knowledge and belief -
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

The aforesaid are subject to the matters that have been highlighted by the Statutory Auditors in their report, read along with the notes to accounts in the financial statements.

**For Multi Commodity Exchange of India Limited**

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

**Satyajeet Bolar**  
**Chief Financial Officer**

Mumbai  
May 16<sup>th</sup>, 2022

### **DECLARATION BY CHIEF EXECUTIVE OFFICER UNDER REGULATION 34(3) READ WITH SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, IN RESPECT OF COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT.**

This is to confirm that the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Multi Commodity Exchange of India Limited, as applicable to them, for the Financial Year ended 31<sup>st</sup> March 2022.

Mumbai  
26<sup>th</sup> August 2022

**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 31<sup>st</sup> March 2022 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: 26<sup>th</sup> August 2022

UDIN: F003830D000850621

## 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](http://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 31<sup>st</sup> March, 2022 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	Mr. Saurabh Chandra*	02726077	03/07/2016
2	Dr. Bhartendu Kumar Gairola	02442205	17/09/2019
3	Mr. Chandra Shekhar Verma	00121756	22/05/2021
4	Mr. Chengalath Jayaram	00012214	25/11/2016
5	Dr. Harsh Kumar Bhanwala	06417704	08/08/2021
6	Mr. Hemang Harish Raja	00040769	30/06/2016
7	Mr. Mohan Narayan Shenoi	01603606	30/09/2021
8	Ms. Pravin Tripathi	06913463	17/09/2019
9	Mr. Shankar Aggarwal	02116442	01/10/2017
10	Mr. Subbi Reddy Venkatrama Padala	01064530	10/05/2019
11	Mr. Vivek Krishna Sinha	08667163	30/09/2021

\* 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 02<sup>nd</sup> 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: 26<sup>th</sup> August 2022  
UDIN: F003830D000850698

**Signature:**  
**Name: Prasen Naithani**  
Membership No.: 3830  
CP No.: 3389  
PR.No.1131/2021

## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

[Pursuant to Regulation 34(2)(f) of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

### Section A: General Disclosures

#### I. DETAILS

1.	<b>Corporate Identity Number (CIN) of the Company</b>	L51909MH2002PLC135594
2.	<b>Name of the Listed entity</b>	Multi Commodity Exchange of India Limited
3.	<b>Year of Incorporation</b>	2002
4.	<b>Registered office address</b>	Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai – 400093, Maharashtra, India.
5.	<b>Corporate office address</b>	Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai – 400093, Maharashtra, India.
6.	<b>E-mail ID</b>	info@mcxindia.com
7.	<b>Telephone</b>	+91-22-6731 8888 / +91-22-6649 4000
8.	<b>Website</b>	www.mcxindia.com
9.	<b>Financial year for which reporting is being done</b>	01 <sup>st</sup> April 2021 – 31 <sup>st</sup> March 2022
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	BSE
11.	<b>Paid-up capital</b>	₹ 5,099.84 Lakh
12.	<b>Name and contact details of the person who may be contacted in case of any queries on the BRSR report</b>	Name : Mr. Praveen DG, Chief Risk Officer Email ID : <a href="mailto:praveen.d@mcxindia.com">praveen.d@mcxindia.com</a> Contact no.: +91-22-6731 8888 / +91-22-6649 4000
13.	<b>Reporting boundary</b>	Disclosures made in this report are on standalone basis.

#### II. PRODUCTS / SERVICES

##### 14. 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.	82%
2.		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.	14%

##### 15. Products/services sold by the entity

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Administration of Financial Markets	6611	82%
2	Income from investment activities	-	14%

### III. OPERATIONS

#### 16. 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

#### 17. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	Pan-India
International (No. of Countries)	-

##### b. What is the contribution of exports as a percentage of the total Turnover of the entity?

Not applicable.

##### c. A brief on types of customers:

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

### IV. EMPLOYEES

#### 18. Details as at the end of Financial Year: 31<sup>st</sup> March 2022

##### a. Employees and workers\* (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	308	244	79%	64	21%
2.	Other than permanent (E)	37	33	89%	4	11%
<b>3.</b>	<b>Total employees (D + E)</b>	<b>345</b>	<b>277</b>	<b>80%</b>	<b>68</b>	<b>20%</b>

##### b. Differently abled employees and workers\*

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

\*Note: The Company does not have any 'worker', as defined in the guidance note on BRSR, issued by SEBI.

#### 19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	11	1	9.09%
Key Management Personnel	23	3	13.04%



**20. Turnover rate for permanent employees**

Particulars	FY22 (Turnover rate in current FY)			FY21 (Turnover rate in previous FY)			FY20 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	23%	31%	24%	13%	20%	14%	11%	16%	12%

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

**21 (a) Names of holding / subsidiary / associate companies / joint ventures as at 31<sup>st</sup> March 2022:**

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%	

**VI. CSR DETAILS**

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) ₹ 40,323 Lakhs

(iii) Net worth (in ₹) ₹ 1,55,530 Lakhs

**VII. TRANSPARENCY AND DISCLOSURE COMPLIANCES**

**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC):**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)#	FY22 Current Financial Year			FY21 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	18	-	-	16	-	-
Employees & Workers	Yes	-	-	-	-	-	-
Customers (Members)	Yes	Member Calls: 594 Emails: 37	-	-	Member Calls: 1210 Emails: 392	-	-
Customer (Investor - Client Grievances)	Yes	246	27*	-	747	13*	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)#	FY22 Current Financial Year			FY21 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customer (Arbitration)	Yes	72	14*	-	470^	290*	-
Customer (Appellate Arbitration)	Yes	16	4*	-	7	6*	-
Value Chain Partners	Yes	-	-	-	-	-	-
Others	Yes	-	-	-	1	1*	PESB case

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 was in receipt of large number of arbitration matters received from the members towards recovery of outstanding dues from their clients on account of negative settlement of Crude Oil April 2020 contract.

#### 24. 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:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Enlisting commodity derivatives	Opportunity	<ul style="list-style-type: none"> <li>• Price risk management provides a key social objective.</li> <li>• Enlisting of more commodity derivatives provides for transparent pricing and equal opportunity for all sections of participants.</li> <li>• Empowering of domestic refiners as good delivery brands supports the government's Atmanirbhar Bharat mission.</li> <li>• Encourages physical market participants to pass on benefits of price hedging &amp; transparency to consumers.</li> <li>• Ready availability of reference rates to pan Indian markets</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous price dissemination through various channels helps in mitigating disinformation.</li> <li>• Enhancement of participation, market liquidity and depth, products and improvements in ease of doing business.</li> </ul>	Positive <ul style="list-style-type: none"> <li>• Setting of standards for domestic entities boosts quality consciousness.</li> <li>• Encourages efficient and transparent pricing pan India.</li> <li>• Given the unorganized and fragmented physical commodity markets, there is immense scope to improve efficiencies, competitiveness and support infrastructure through Spot and Derivatives market integration.</li> </ul>
2.	Social responsibility	Opportunity	<ul style="list-style-type: none"> <li>• 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 were:                             <ol style="list-style-type: none"> <li>1. COVID-19 relief</li> <li>2. Healthcare</li> <li>3. Education</li> <li>4. Livelihoods</li> <li>5. Persons with disabilities</li> <li>6. Environmental sustainabilities</li> </ol> </li> </ul>	Kindly refer to the Annual Report FY21-22 – Report on Corporate Social Responsibilities Activities for further details.	Positive <ul style="list-style-type: none"> <li>• The company recognizes the importance of being socially responsible and plays a part in helping to uplift the less fortunate.</li> </ul>

## Section B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1- P9 as given below:

<b>P1</b>	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
<b>P2</b>	Businesses should provide goods and services in a manner that is sustainable and safe
<b>P3</b>	Businesses should respect and promote the well-being of all employees, including those in their value chains
<b>P4</b>	Businesses should respect the interests of and be responsive towards all its stakeholders
<b>P5</b>	Businesses should respect and promote human rights
<b>P6</b>	Businesses should respect, protect and make efforts to restore the environment
<b>P7</b>	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
<b>P8</b>	Businesses should promote inclusive growth and equitable development
<b>P9</b>	Businesses should engage with and provide value to their consumers in a responsible manner

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
a. Whether your entity's policy /policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
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.								
Web Link of the Policies, if available	<a href="https://www.mcxindia.com/investor-relations/corporate-governance">https://www.mcxindia.com/investor-relations/corporate-governance</a> Some policies may also include a combination of internal policies of the company which are accessible to all internal stakeholders and policies placed on the website/ intranet.								
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.								
Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, relevant policies are applicable to stakeholders/value chain partners.								
Name of the national and international codes / certifications/ labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) 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.								
Specific commitments, goals and targets set by the entity with defined timelines, if any	Yes, as applicable and relevant.								
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 endeavour 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 expanding 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 equipments to public hospitals in order to complement the government's efforts towards making public hospitals more accessible and enable them to provide timely and affordable healthcare for a large section of society belonging to humble backgrounds. Other interventions include supporting and empowering elderly destitute and differently abled adults and children in improving their quality of life and giving them a dignified life; providing educational kits, computers etc. towards promoting education for the visually challenged and hearing impaired youths; encouraging economically weaker girl students to pursue higher education and nursing courses; providing infrastructure support to reconstruct government schools in rural areas; providing financial assistance for undertaking cataract, other surgeries and regular medicines for elderly destitute to improve their health. The interventions during the year epitomize the conviction of the Company to serve and empower the needy communities and to contribute towards the development of the nation. Going forward, the Company aims to further strengthen its initiatives and continue to serve the society at large.

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

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					Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)				
	P1	P2	P3	P4	P5	P6	P7	P8	P9	
<b>Performance against above policies and follow up action</b>	Policies and procedures are reviewed periodically or on a need basis by the department heads and the management. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.									
<b>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</b>	The Company is in compliance with the regulations as applicable.									

**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/ Key Managerial Personnel (KMP)	6	During the year, the Board of Directors of the Company spent approximately 27 hours on various familiarisation programmes comprising organisations history and its operations, information about all the products, segments, etc.; functioning of various departments of the Company. 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
Employees other than Board of Directors or KMPs	5	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.	53%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
Particulars	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount in INR	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	P1	BSE Ltd.	₹ 5,900 which was thereafter waived	A fine was levied for one day delay, for the first time, in uploading on BSE, the disclosure on related party transactions on a consolidated basis for half year ended September 30, 2021. However, on request made by the Company, BSE vide email dated March 14, 2022 granted waiver of the fine.	No
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.**  
 Nil.
4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**  
 The Company's Code of Ethics, and Anti-Corruption and Anti-Bribery Policy describe company's zero tolerance towards bribery and corruption. Further, anti-bribery aspects are also covered in our HR manual. Anti-Corruption and Anti-Bribery Policy is available on the Company's website under Corporate Governance section of Investor Relations (<https://www.mcxindia.com/investor-relations/corporate-governance>).
5. **Number of Directors/KMPs/employees against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**  
 Nil.

**6. Details of complaints with regard to conflict of interest:**

Particulars	FY22 (Current Financial Year)		FY21 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
	Number of complaints received in relation to issues of Conflict of Interest of Directors	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.

**LEADERSHIP INDICATORS**

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year.**

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.

**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. In sourcing of vendors, the 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 has gone for R410A environment friendly cooling gas in its data center. The Company takes confirmation on Environmental & CSR policies, being pursued by the existing vendors and give preferences to those vendors having these policies. Further, due to energy savings, the Greenhouse Gas Emission (GHG) have reduced from 1374 MT CO<sub>2</sub> in FY 2020-2021 to 941 MT CO<sub>2</sub> in FY 2021-22.

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

77% 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)	82%	The Commodity / Product life cycle is governed by the guidelines and policies laid by the regulator, SEBI which is listed out in the circular No SEBI/HO/ CDMRD/DMP/ CIR/P/2017/6 dated 20 <sup>th</sup> January 2017. Approvals for renewals of contracts launch calendar are also granted by SEBI as per the SEBI policy & Regulations for relevant products	NA	Yes, Performance Review report of the commodity contracts are published annually as per SEBI guidelines on the Company's website in the Products section.

- 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not applicable.

- 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Not applicable.

- 4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed**

Not applicable.

- 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable.

**Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**
**ESSENTIAL INDICATORS**
**1. Details of measures for the well-being of employees**

Category	% of employees covered by										
	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)
<b>PERMANENT EMPLOYEES</b>											
Male	244	244	100%	244	100%	-	-	12	5%	-	-
Female	64	64	100%	64	100%	3	5%	-	-	1	2%
<b>Total</b>	<b>308</b>	<b>308</b>	<b>100%</b>	<b>308</b>	<b>100%</b>	<b>3</b>	<b>5%</b>	<b>12</b>	<b>5%</b>	<b>1</b>	<b>2%</b>
<b>OTHER THAN PERMANENT EMPLOYEES</b>											
Male	33	33	100%	33	100%	-	-	-	-	-	-
Female	4	4	100%	4	100%	-	-	-	-	-	-
<b>Total</b>	<b>37</b>	<b>37</b>	<b>100%</b>	<b>37</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Benefits	FY22 (Current Financial Year)		FY21 (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, wheel chair and cloakroom for differently abled people.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, Equal Opportunity Policy is available on the Company's intranet portal.

**5. Return to work and retention rates of permanent employees that took parental leave.**

Gender	Permanent Employees	
	Return to work rate	Retention rate
Male	100%	100%
Female	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**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 will in due course formally be made effective after necessary approvals. Human Rights Policy is available on Company's website under Corporate Governance section of Investor Relations (<https://www.mcxindia.com/investor-relations/corporate-governance>).

**7. Membership of employees in association(s) or Unions recognized by the Listed entity:**

Nil

**8. Details of training given to employees:**

Category	FY22 (Current Financial Year)					FY21 (Previous Financial Year)				
	Total (A)	On health and safety measures		On skill up gradation		Total (A)	On health and safety measures		On skill up gradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>										
Male	277	63	23%	205	74%	267	193	72%	54	20%
Female	68	21	31%	56	82%	76	51	67%	22	28%
<b>Total</b>	<b>345</b>	<b>84</b>	<b>24%</b>	<b>261</b>	<b>76%</b>	<b>343</b>	<b>244</b>	<b>71%</b>	<b>76</b>	<b>22%</b>

**9. Details of performance and career development reviews of employees**

Category	FY22 (Current Financial Year)			FY21 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)*	Total (C)	No. (D)	% (D/C)*
<b>EMPLOYEES</b>						
Male	277	227	81%	267	227	85%
Female	68	57	83%	76	62	81%
<b>Total</b>	<b>345</b>	<b>284</b>	<b>82%</b>	<b>343</b>	<b>289</b>	<b>84%</b>

\*As per Performance Management Policy of the Company, all employees on the Company's rolls as on 30<sup>th</sup> September are only eligible for annual performance assessment.

**10. Health and safety management system:**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Owing to the nature of the business, per se there are no occupational health and safety risks. Fire safety training and evacuation drill were conducted for employees. Additionally, online yoga and meditation sessions were also

conducted by the Company.

During COVID-19, awareness of health & safety protocols was enhanced through establishment of guidelines & frequent communication. Vaccination campaigns and webinars by the doctor were conducted by the Company for employees. The Company instituted protocols for office working and a Standard Operating Procedure on Management of Covid-19 was circulated to all employees on COVID-19 appropriate behaviours. Special Insurance cover for Covid-19 was taken in addition to other insurances. The Company provided services for the doctor tele-consultation, RT-PCR testing, hospital admission assistance for employees and their extended families.

**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 except critical staff 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 sanitisation 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 provided online consultation during pandemic. 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	FY22 (Current Financial Year)	FY21 (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 work place.**

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.

Owing to COVID-19 induced pandemic, health and safety issues became paramount for both, employees/visitors in the office premises. Various measures such as work from home, doctor's availability online, health status forms, thermal screening machines, segregated cafeteria sitting, hybrid work structure, online approvals were taken. For further details kindly refer 10 (a) above.

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

	FY22 (Current Financial Year)			FY21 (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:**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Health and safety practices	100%
Working Conditions	-

- 14. 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).**

The Company extends support to families in the event of an employee's death. This includes Term Life Cover, Personal Accident Cover (if applicable) 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. In addition, gratuity is calculated at a higher rate of 26 days' basic salary for each completed year of service.

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.**

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:**

	<b>Total no. of affected employees</b>		<b>No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment</b>	
	<b>FY22</b>	<b>FY21</b>	<b>FY22</b>	<b>FY21</b>
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:**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
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 Non-Governmental Organisations (NGOs) etc.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

S. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half yearly/ Quarterly / others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	Direct & other communication mechanisms	Daily	The Company follows an open door policy
2	Shareholders/ Investors	No	Email, SMS, newspaper advertisement, notice board, website, Annual General Meetings, intimation to stock exchanges, annual/ quarterly financials and investor meetings/ conferences	Frequent and need based	To stay abreast of developments in the Company
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 Corporate Social Responsibility (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 / incubators in 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 (ies)**

Category	FY22 (Current Financial Year)			FY21 (Previous Financial Year)		
	Total (A)	No. of employees covered (B)	% (B/A)	Total (C)	No. of employees covered (D)	% (D/C)
<b>EMPLOYEES</b>						
Permanent	-	-	-	343	15	4%
Other than permanent	-	-	-	-	-	-
Total Employees	-	-	-	343	15	4%

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	FY22 (Current Financial Year)					FY21 (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/D)	No. (F)	% (F/D)
<b>EMPLOYEES</b>										
Permanent										
Male	244	-	-	244	100%	240	-	-	240	100%
Female	64	-	-	64	100%	67	-	-	67	100%
<b>Other than Permanent</b>										
Male	33	-	-	33	100%	27	-	-	27	100%
Female	4	-	-	4	100%	9	-	-	9	100%

**3. Details of remuneration/salary:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration / salary/ wages of respective category
Board of Directors (BOD)	11	Refer note	1	Refer note
Key Managerial Personnel (other than BOD)	20	55,75,000	3	45,94,000
Employees other than BOD and KMP*	256	10,48,500	65	9,31,500

Note: The ratio of remuneration of each director to the median remuneration of the employees of the company for the FY21 and FY22 is 25.42% and 21.49% respectively. The aggregate value of salary and perquisites paid and payable to MD & CEO for FY21 and FY22 was ₹ 2,46,92,285 and ₹ 2,52,01,896/- respectively. For further details please refer the Annual Report FY21-22.

**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

	FY22 (Current Financial Year)			FY21 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
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. 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.

**8. Do human rights requirements form part of your business agreements and contracts?**

Yes, in certain business agreements and contracts where relevant.

**9. Assessments for the year**

	<b>% of offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	The Company is in compliance with the laws, as applicable
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others	

**10. 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, wheel chair and cloakroom for differently abled people.

**4. Details on assessment of value chain partners**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by the 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 actions 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:

Parameter	FY22 (Current Financial Year)	FY21 (Previous Financial Year)
Total electricity consumption (A)	7830000 Mega Joules	6980818 Mega Joules
Total fuel consumption (B)	60 Mega Joules	105 Mega Joules
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	<b>7830060 Mega Joules</b>	<b>6980923 Mega Joules</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

#### 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:

Parameter	FY22 (Current Financial Year)	FY21 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	2497	1802
(iii) Third party water	2330	1811
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>4827</b>	<b>3613</b>
<b>Total volume of water consumption</b>	<b>4128</b>	<b>3613</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>0.001</b>	<b>0.001</b>

#### 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No.

#### 5. Please provide details of air emissions (other than GHG emissions) by the entity.

Not applicable.

#### 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.

Parameter	Unit	FY22 (Current Financial Year)	FY21 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	941 Metric ton	1374 Metric ton

Parameter	Unit	FY22 (Current Financial Year)	FY21 (Previous Financial Year)
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		<b>0.00023</b>	<b>0.00042</b>

**7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Yes. Company has changed the old UPS to new energy efficient UPS, which saves 40% Energy, resultantly reduces the GHG emissions.

**8. Provide details related to waste management by the entity:**

Parameter (in metric tonnes)	FY22 (Current Financial Year)	FY21 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	0.12	0.07
E-waste recycled (B)	0.13	0.1
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	0.33	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	0.3 (Waste oil from DG)
Other Non-hazardous waste generated (H). (Break-up by composition i.e. by materials relevant to the sector)	4.52 (Paper, Cartons, Metal scraps etc.)	3 (Paper, Cartons, Metal Scraps etc.)
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>5.10</b>	<b>3.47</b>
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	5.10	3.47
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	<b>5.10</b>	<b>3.47</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No

**9. 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.

- 10. 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.**

Not applicable

- 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year**

Not applicable

- 12. 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. Provide break-up of the total energy consumed from renewable and non-renewable sources:**

Parameter	FY22 (Current Financial Year)	FY21 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	-	-
<b>From non-renewable sources</b>		
Total electricity consumption (D)	7830000 Mega Joules	6980818 Mega Joules
Total fuel consumption (E)	60 Mega Joules	105 Mega Joules
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>7830060 Mega Joules</b>	<b>6980923 Mega Joules</b>

- 2. Provide the following details related to water discharged**

Parameter	FY22 (Current Financial Year)	FY21 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) To Surface water</b>		
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
<b>(ii) To Groundwater</b>		
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
<b>(iii) To Seawater</b>		

<b>Parameter</b>	<b>FY22 (Current Financial Year)</b>	<b>FY21 (Previous Financial Year)</b>
-No treatment	4128	3613
-With treatment – please specify level of treatment	-	-
<b>(iv) Sent to third-parties</b>		
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
<b>(v) Others</b>		
-No treatment	-	-
-With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>4128</b>	<b>3613</b>

- 3. 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)
- 4. Please provide details of total Scope 3 emissions & its intensity:**  
 Not applicable.
- 5. With respect to the ecologically sensitive areas reported at Question 10 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.
- 6. 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:**  
 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.
- 7. 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 endeavours 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 FY21-22.
- 8. 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
- 9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**  
 Not applicable

**Principle 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

**ESSENTIAL INDICATORS**

1. a. **Number of affiliations with trade and industry chambers/ associations.**
- b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to:**

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/ National)
1.	International Organization of Securities Commissions (IOSCO)	International

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not Applicable

**LEADERSHIP INDICATORS**

1. **Details of public policy positions advocated by the entity.**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/Quarterly/ Others)	Web Link, if available
1.	Regulatory and economic reforms with the objective of deepening the Indian Commodity derivative market	Through Industry associations, joint representation with peer exchanges, sharing findings of evidence-based research with regulator/ policy-makers	Findings of evidence-based research available on the Company's website	As and when required	<a href="https://www.mcxindia.com/investor-relations/corporate-governance">https://www.mcxindia.com/investor-relations/corporate-governance</a>

**Principle 8 Businesses should promote inclusive growth and equitable development.**

**ESSENTIAL INDICATORS**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not applicable.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

Not applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Company has mechanism to receive and redress grievances of various stakeholders. General Grievance Redressal Policy is available on the Company's website under Corporate Governance section of Investor Relations (<https://www.mcxindia.com/investor-relations/corporate-governance>).

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

<b>Particulars</b>	<b>FY22 (Current Financial Year)</b>	<b>FY21 (Previous Financial Year)</b>
Directly sourced from MSMEs/ small producers	10%	30%
Sourced directly from within the district and neighbouring districts	77%	83%

**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**

<b>S. No.</b>	<b>CSR Project</b>	<b>No. of persons benefitted from CSR projects</b>	<b>% of beneficiaries from vulnerable and marginalized groups</b>
1.	Equipment support to government and municipal hospitals	9 Hospitals	These are public hospitals
2.	Scholarships to Girl students to pursue Nursing courses and other courses of regular discipline	11+ (approx.)	100%
3.	Infrastructure and Equipment support to orphanages, incubation support for development of environmentally sustainable products,	150+	85%+ approx.
4.	Integrated Watershed Management Project - jointly with NABARD and Nisarg Vikas Bahuuddeshiya Sevabhavi Sanstha	-	90%+ approx.

## 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](mailto: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 to 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. Meetings. 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 FY21-22

**4. Details of instances of product recalls on account of safety issues:**

Not applicable

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes. Cyber Security and Cyber Resilience Policy is available on the Company's intranet portal.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

**Product:** The commodity / product recall (delisting / non-renewal of contracts) is governed by the guidelines and policies laid down by the regulator, SEBI which is listed out in the circular no. SEBI/HO/CDMRD/DMP/CIR/P/2017/6 dated 20<sup>th</sup> January 2017. The primary reason for delisting / non-renewal of contracts is insufficient liquidity in contracts. There is no penalty/ actions taken by the regulatory authorities for the same.

**Cyber Security:** The Company has adopted a defense-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.

**LEADERSHIP INDICATORS**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

[www.mcxindia.com](http://www.mcxindia.com)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Product Management team conducts awareness programs for the market participants, in which awareness is spread on safe and responsible usage of services including information on Do's and Dont's.

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 FY21-22.

**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.

**5. Provide the following information relating to data breaches**

- a. Number of instances of data breaches along with impact**
- b. Percentage of data breaches involving personally identifiable information of customers**

No such instances were reported during FY 21-22

# **STANDALONE FINANCIAL STATEMENTS**

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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, 2022, 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, 2022, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Legal and Taxation Matters :</b></p> <p>Refer note 2.3, note 2.2.N. and note 31 of standalone financial statements.</p> <p>There are legal and tax cases against the Company and demand is raised against the Company. The Company has disputed such demands by litigating at relevant statutory forum.</p> <p>For pending litigations against the Company, high level of management judgement is required to determine whether an obligation exists and a provision is required or disclosures, if any.</p> <p>The measurement of the provision is based on the best estimate of the expenditure required to settle the present obligation.</p> <p>Considering the judgement and estimate involved, matter is considered as a key audit matter.</p>	<p><b>Principal Audit Procedures:</b></p> <p>For legal and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtain list of legal and tax cases against the Company and gained understanding thereof.</li> <li>• Testing key controls surrounding litigation and tax procedures;</li> <li>• Performing substantive procedures on the underlying calculations supporting the provisions recorded;</li> <li>• Considering external legal/tax consultants opinions obtained by the management on possible outcome of litigation;</li> <li>• Meeting with the management and reading subsequent Companies correspondence;</li> <li>• Discussing open matters with the Companies litigation and tax teams;</li> <li>• Assessing the Management's conclusions through understanding precedents set in similar cases; and</li> <li>• For the significant provisions made, understood and assessed the provisioning methodology. Tested the underlying data and assumptions used in the determination of the provisions recorded.</li> <li>• For cases where a provision was not recognized, evaluated the adequacy of disclosure made in the Ind AS financial statements.</li> </ul>
2.	<p><b>Valuation of Investments and its impairment:</b></p> <p>Quoted investments and unquoted investments represent the most significant amount on the balance sheet. The total of these investments aggregating to ₹ 1,39,788 Lakh represented 77.17% of total assets of the Company as at March 31, 2022.</p> <p>There is inherent uncertainty relating to the assumptions supporting such estimates and risk that the fair value of investments is not determined appropriately and hence valuation of investments and its impairment is considered as a key audit matter.</p>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>• We assessed the design and implementation of controls over valuation and existence of investments.</li> <li>• For the fair valuation models, we understood and assessed the methodology used. We tested the underlying data and assumptions used in the determination of the fair value.</li> <li>• We traced the quantity held from the independent confirmation provided by the Custodian and Fund houses.</li> <li>• We tested the valuation of the quoted and unquoted investments to independent pricing sources.</li> <li>• Assessed appropriateness and arithmetical accuracy of fair value disclosures pertaining to investments.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
3.	<p><b>Impairment of Intangible Assets Under Development:</b></p> <p>The Company had entered into an agreement in August 2018 with a software vendor to develop a trading system for the spot market. The Company has incurred amount of ₹ 2,043 Lakh on the said project and was shown as intangible asset under development.</p> <p>On account of non- fulfilment of the scope of the Project within the timelines and disputes arising between the parties, the dispute was referred to Singapore International Arbitration Centre ("SIAC").</p> <p>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 by the Company.</p> <p>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.</p> <p>We considered this a key audit matter as:</p> <ul style="list-style-type: none"> <li>• The amount involved was material.</li> <li>• The review of carrying values of intangible assets under development performed by the Company involves a number of significant judgments and estimates.</li> </ul>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>• Understanding, evaluating and testing the design and operating effectiveness of the controls in respect of the Company's processes for assessing the carrying value of intangible assets under development.</li> <li>• Analysing the reasonableness of key management assumptions and estimates used in the impairment analysis.</li> <li>• Review of minutes of Standing Committee on Technology.</li> <li>• Study of arbitration order issued by Singapore International Arbitration Centre ("SIAC").</li> <li>• Review of special audit report conducted by independent IT professionals.</li> </ul>
4.	<p><b>Development of New Commodity Derivatives Platform (Intangible Assets Under Development):</b></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 notes 3B of the standalone financial statements.</p> <p>We considered this a key audit matter as:</p> <ul style="list-style-type: none"> <li>• The amounts involved were material.</li> <li>• Judgments and estimate required by the management in assessing assets meeting the / capitalization criteria set out in Ind AS 38 Intangible Assets.</li> </ul>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Company's capitalization policy and assessed for compliance with the relevant accounting standards.</li> <li>• We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalization of assets.</li> <li>• We tested the internal approval notes and other documentation to ensure that the projects were appropriately approved by the MD &amp; CEO, Chief Financial Officer and other concerned HOD's as per the delegated authority matrix.</li> <li>• Testing a sample of projects to ensure appropriate capitalisation of qualifying employee cost and cost of external contractors/parties.</li> <li>• We Assessed whether initial assumptions applied in determining project feasibility continues to hold true and whether sufficient economic benefits are likely to flow from the projects to support the values to be capitalised.</li> <li>• We obtained understanding on management assessment relating to progress of project and their intention to bring the assets to its intended use.</li> </ul>

### **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, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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, 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, 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.

For **SHAH GUPTA & Co.**

Chartered Accountants

Firm Registration No.: 109574W

**Vedula Prabhakar Sharma**

Partner

Membership No.: 123088

UDIN: 22123088AJBWOM6316

Place: Mumbai

Date: May 16, 2022

## 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 fixed assets by which fixed assets 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 fixed assets were verified during the year by the Management. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds, of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company as at the balance sheet date.
- (d) According to the information and explanations given to us and the records examined by us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) The Company's nature of business does not require holding of any inventories. Accordingly, the clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets, and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, provided guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) The investments made by the Company, during the year, are not prejudicial to its interest. During the year the Company has not provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, clause 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of the investments made by it.  
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, 2022 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, 2022 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: 22123088AJBWOM6316

Place: Mumbai

Date: May 16, 2022

## **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, 2022 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, 2022, 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: 22123088AJBWOM6316

Place: Mumbai

Date: May 16, 2022

**Standalone Balance Sheet** as at March 31, 2022

₹ In Lakh

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2A	13,640	13,933
(b) Capital work-in-progress	2B	4,337	119
(c) Right of use assets	2C	75	141
(d) Intangible assets	3A	1,544	1,739
(e) Intangible assets under development	3B	5,091	2,470
(f) Financial assets			
(i) Non-current investments	4	68,439	84,619
(ii) Other non-current financial assets	5	1,470	1,773
(g) Deferred tax assets (net)	32	-	475
(h) Income tax assets (net)	6	4,514	4,468
(i) Other non-current assets	7	344	73
<b>Total non-current assets</b>		<b>99,454</b>	<b>1,09,810</b>
<b>(2) Current assets</b>			
(a) Financial assets			
(i) Current investments	8	71,349	59,845
(ii) Trade receivables	9	1,313	1,097
(iii) Cash and cash equivalents	10	356	241
(iv) Bank balances other than cash and cash equivalents (iii) above	11	1,071	191
(v) Other current financial assets	12	5,350	4,836
(b) Other current assets	13	2,250	2,686
<b>Total current assets</b>		<b>81,689</b>	<b>68,896</b>
<b>Total assets</b>		<b>1,81,143</b>	<b>1,78,706</b>
<b>Equity and liabilities</b>			
<b>(1) Equity</b>			
(a) Equity share capital	14	5,100	5,100
(b) Other equity	15	1,50,430	1,52,936
<b>Total equity</b>		<b>1,55,530</b>	<b>1,58,036</b>
<b>Liabilities</b>			
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Other non-current financial liabilities	16	5,129	5,176
(ia) Lease liabilities	35	46	85
(b) Deferred tax liabilities (net)	32	984	-
(c) Non-current provisions	17	222	188
<b>Total non-current liabilities</b>		<b>6,381</b>	<b>5,449</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	18	3,077	2,233
Total outstanding dues of micro enterprises and small enterprises	18	4	15
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	3,073	2,218
(ia) Lease liabilities	35	40	68
(ii) Other current financial liabilities	19	6,108	3,812
(b) Other current liabilities	20	9,691	8,029
(c) Current provisions	21	203	174
(d) Income tax liabilities (net)	22	113	905
<b>Total current liabilities</b>		<b>19,232</b>	<b>15,221</b>
<b>Total liabilities</b>		<b>25,613</b>	<b>20,670</b>
<b>Total equity and liabilities</b>		<b>1,81,143</b>	<b>1,78,706</b>

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

**Vedula Prabhakar Sharma**

Partner

Membership No. 123088

Place: Mumbai

Date: May 16, 2022

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

**P. S. Reddy**

Managing Director & CEO

DIN : 01064530

**Ajay Puri**

Company Secretary

Place: Mumbai/Delhi

Date: May 16, 2022

**Saurabh Chandra**

Chairman

DIN : 02726077

**Satyajeet Bolar**

Chief Financial Officer

**Pravin Tripathi**

Director

DIN : 06913463



**Standalone Statement of Profit and Loss** for the year ended March 31, 2022

₹ In Lakh, except EPS

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>I Income</b>			
Revenue from operations	23	32,978	34,485
Other income	24	7,345	11,057
<b>Total income</b>		<b>40,323</b>	<b>45,542</b>
<b>II Expenses</b>			
Employee benefits expense	25	6,511	6,234
Clearing and settlement charges	26	3,899	4,120
Finance costs	27	26	31
Depreciation and amortization expense	2A,2C,3A	2,214	2,164
Software support charges and product license fees	28	4,812	4,724
Computer technology and communication expenses	29	1,644	1,725
Other expenses	30	3,277	3,606
<b>Total expenses</b>		<b>22,383</b>	<b>22,604</b>
<b>III Profit before exceptional items and tax</b>		<b>17,940</b>	<b>22,938</b>
<b>IV Exceptional items:</b>			
Impairment of intangible assets under development	48	2,043	-
<b>V Profit before tax</b>		<b>15,897</b>	<b>22,938</b>
<b>VI Tax expenses</b>			
(1) Current tax	32	2,877	3,820
(2) Minimum alternate tax (MAT) credit utilised	32	990	499
(3) MAT credit entitlement relating to previous year	32	436	360
(4) Excess provision for tax relating to previous years	32	(317)	(153)
(5) Deferred tax	32	65	(370)
<b>Total tax expenses</b>		<b>4,051</b>	<b>4,156</b>
<b>VII Profit for the year</b>		<b>11,846</b>	<b>18,782</b>
<b>VIII Other comprehensive income</b>			
A) Items that will not be reclassified to profit or loss (net of tax)			
i) Changes in fair value of equity instruments		(101)	(103)
ii) Remeasurement of employee benefits obligations		(175)	6
<b>IX Total comprehensive income for the year</b>		<b>11,570</b>	<b>18,685</b>
<b>X Earnings per equity share (of 10/- each)</b>			
(1) Basic	36	23.27	36.90
(2) Diluted	36	23.27	36.90

**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

**Vedula Prabhakar Sharma**

Partner

Membership No. 123088

Place: Mumbai

Date: May 16, 2022

**For and on behalf of the Board of Directors**
**P.S.Reddy**

Managing Director &amp; CEO

DIN : 01064530

**Ajay Puri**

Company Secretary

Place: Mumbai/Delhi

Date: May 16, 2022

**Saurabh Chandra**

Chairman

DIN : 02726077

**Satyajeet Bolar**

Chief Financial Officer

**Pravin Tripathi**

Director

DIN : 06913463

**Standalone Statement of Changes in Equity** for the year ended March 31, 2022

₹ In Lakh

**A. Equity share capital**

**(1) For the year ended March 31, 2022**

Balance as at April 1, 2021	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

**(2) For the year ended March 31, 2021**

₹ In Lakh

Balance as at April 1, 2020	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, 2021
5,100	-	-	-	5,100

**B. Other equity**

**For the year ended March 31, 2022**

₹ In Lakh

Particulars	Reserves and surplus			Re-measurements gain/ (loss) on the defined employee benefit plans and equity instruments	Total
	Securities premium	Retained earnings	General reserve		
<b>Balance as at March 31, 2020</b>	<b>21,684</b>	<b>1,15,054</b>	<b>16,449</b>	<b>(3,635)</b>	<b>1,49,552</b>
Profit for the year	-	18,782	-	-	18,782
Dividend	-	(15,300)	-	-	(15,300)
Equity instruments through other comprehensive income	-	-	-	(103)	(103)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	6	6
<b>Balance as at March 31, 2021</b>	<b>21,684</b>	<b>1,18,536</b>	<b>16,449</b>	<b>(3,732)</b>	<b>1,52,936</b>
Profit for the year	-	11,846	-	-	11,846
Dividend	-	(14,076)	-	-	(14,076)
Equity instruments through other comprehensive income	-	-	-	(101)	(101)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	(175)	(175)
<b>Balance as at March 31, 2022</b>	<b>21,684</b>	<b>1,16,306</b>	<b>16,449</b>	<b>(4,008)</b>	<b>1,50,430</b>

As per our report of even date attached

**For Shah Gupta & Co.**

Chartered Accountants

Firm Registration Number : 109574W

**Vedula Prabhakar Sharma**

Partner

Membership No. 123088

Place: Mumbai

Date: May 16, 2022

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

**P.S.Reddy**

Managing Director & CEO

DIN : 01064530

**Ajay Puri**

Company Secretary

Place: Mumbai/Delhi

Date: May 16, 2022

**Saurabh Chandra**

Chairman

DIN : 02726077

**Satyajeet Bolar**

Chief Financial Officer

**Pravin Tripathi**

Director

DIN : 06913463

**Standalone cash flow** for the year ended March 31, 2022

₹ In Lakh

Particulars	Year ended	
	March 31, 2022	March 31, 2021
<b>A Cash flow from operating activities</b>		
Profit before taxes	15,897	22,938
<b>Adjustments for:</b>		
Depreciation and amortisation expense	2,214	2,164
Finance costs	26	31
Impairment of intangible assets under development	2,043	-
Gain on sale of investments (net)	(4,197)	(8,718)
Amortisation of government grant	(32)	(32)
Loss on fair valuation of investments (net)	1,051	1,931
Provision for expected credit loss	5	26
Provisions no longer required written back	(430)	-
Loss on sale of property, plant and equipment (net)	10	-
Interest income	(2,415)	(3,058)
Remeasurement of employee benefit	(124)	6
	<b>(1,849)</b>	<b>(7,650)</b>
<b>Operating profit before working capital changes</b>	<b>14,048</b>	<b>15,288</b>
<b>Adjustments for (increase) / decrease in:</b>		
Other non-current financial assets	303	(608)
Other non-current assets	(271)	787
Trade receivables	(221)	(440)
Other current financial assets	(1,511)	721
Other current assets	69	(1,274)
<b>Adjustments for increase/ (decrease) in:</b>		
Other non-current financial liabilities	(80)	48
Non-current provisions	34	36
Trade payables	1,285	(783)
Other current financial liabilities	1,242	1,703
Other current liabilities	425	(2,366)
Current provisions	29	24
	<b>1,304</b>	<b>(2,152)</b>
<b>Cash generated from operations</b>	<b>15,352</b>	<b>13,136</b>
Net income tax paid (net of refunds)	(3,426)	(4,202)
<b>Net cash generated from operating activities (A)</b>	<b>11,925</b>	<b>8,934</b>

₹ In Lakh

Particulars	Year ended	
	March 31, 2022	March 31, 2021
<b>B Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment including capital advances	(7,872)	(2,056)
Proceeds from sale of property, plant and equipment	22	-
Proceeds/ (purchase) of non-current investments-others (net)	18,896	6,087
Proceeds/(purchase) of current investments (net)	(11,504)	(1,173)
Bank balances other than classified as cash	(687)	443
Interest received	3,412	3,019
<b>Net cash generated from investing activities (B)</b>	<b>2,267</b>	<b>6,320</b>
<b>C Cash flow from financing activities</b>		
Dividend paid	(14,076)	(15,300)
Finance costs	(26)	(3)
Payment of lease liabilities	(87)	(91)
<b>Net cash (used) in financing activities (C)</b>	<b>(14,189)</b>	<b>(15,394)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>4</b>	<b>(140)</b>
Cash and cash equivalents at the beginning of the year	241	381
<b>Cash and cash equivalents at the end of the year (refer note 10)</b>	<b>245</b>	<b>241</b>

**Note to Cash Flow Statement:**

1 The cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".

2 Previous years' figures have been regrouped wherever necessary.

As per our report of even date attached  
**For Shah Gupta & Co.**

Chartered Accountants  
 Firm Registration Number : 109574W

**Vedula Prabhakar Sharma**

Partner  
 Membership No. 123088  
 Place: Mumbai  
 Date: May 16, 2022

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

**P.S.Reddy**  
 Managing Director & CEO  
 DIN : 01064530

**Ajay Puri**  
 Company Secretary  
 Place: Mumbai/Delhi  
 Date: May 16, 2022

**Saurabh Chandra**  
 Chairman  
 DIN : 02726077

**Satyajeet Bolar**  
 Chief Financial Officer

**Pravin Tripathi**  
 Director  
 DIN : 06913463

## Notes forming part of the Standalone financial statements

### 1 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.

### 2 Significant accounting policies, key accounting estimates and judgements

#### 2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified under Section 133 of the Companies Act, 2013 (‘Act’) read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy.

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.

#### 2.2 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.

##### Depreciation methods, estimated useful lives and residual value:

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

Asset class	Useful life
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.

##### B. Intangible assets

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably. Expenditure on an intangible item is expensed when incurred unless it forms part of the cost of intangible asset that meets the recognition criteria. Intangible assets are stated at cost of acquisition and are carried at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed at each financial year end.

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

Notes forming part of the Standalone financial statements (contd...)

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.

**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.

**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 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 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

Notes forming part of the Standalone financial statements (contd...)

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.

### **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

Notes forming part of the Standalone financial statements (contd...)

- Financial assets measured at fair value through other comprehensive income (FVTOCI)
  - Financial assets measure at fair value through profit and loss (FVTPL)
- Expected credit losses are measured through a loss allowance at an amount equal to:
- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
  - Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For recognition of impairment loss on other financial assets and risk exposure, the 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 method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

**De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**I. Investment in associate company**

Investment in associates are shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit and loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss .

**J. Revenue recognition**

Revenue is recognised on accrual basis and when no significant uncertainty as to measurement and realization exists.

- a. Transaction charges: Revenue is recognized on transactions in accordance with the company's fees scales as and when the transaction occurs.
- b. Admission fees (non-refundable) collected from new members for joining the Exchange are recognized once the membership is approved by regulatory authority.



Notes forming part of the Standalone financial statements (contd...)

- c. Subscription and other fees: Revenue is recognized on straight line basis over the period to which fee relates.
- d. Dividend income is recognised when the company's right to receive dividend is established.
- e. Interest income accrued on time proportion basis. The amounts disclosed as revenue are net of taxes and amounts collected on behalf of third parties.

#### **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.

#### **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 profit or loss, they are immediately recorded in retained earnings.

##### **b. Short term employee benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and performance incentives.

##### **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.

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

Notes forming part of the Standalone financial statements (contd...)

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 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.

## **O. Ind AS 116 "Leases"**

### **a. As a lessee**

The company, as a lessee, recognizes a right-of-use asset 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 right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost which comprise the initial amount of lease liability adjusted for any lease payments made before the commencement date. The right of use asset 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 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 financing cash flows.

### **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 expenses 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.

Notes forming part of the Standalone financial statements (contd...)

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 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 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 or 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 or loss over the expected

Notes forming part of the Standalone financial statements (contd...)

useful lives of the assets concerned.

**T. 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.

**U. 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.

**2.3 Key accounting estimates and Judgments**

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Critical accounting estimates and assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**Income taxes**

The company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**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 is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

**Defined benefit plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

**Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Provisions**

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Notes forming part of the Standalone financial statements (contd...)

**Global health pandemic on Covid-19**

The management has assessed the potential impact of COVID-19 on the Company. Based on current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of its assets and liabilities is minimal.

**2.4 Recent accounting pronouncements which are not yet effective**

Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification dated 23 March 2022. Following amendments and annual improvements to Ind AS are applicable from 1 April 2022.

**Ind AS - 103 Business Combination -**

The amendment specifies that for identified assets and liabilities to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

**Ind AS - 16 Property Plant and Equipment -**

The amendment clarifies that sale proceeds of items produced in the process of making PPE available for its intended use cannot be deducted from the cost of PPE. Instead, such proceeds shall be recognized in the statement of profit or loss. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

**Ind AS - 37 Provisions, Contingent Liabilities and Contingent Assets -**

The amendment clarifies that the 'costs to fulfil' a contract include both incremental costs (direct labour and material) and an allocation of other direct costs (e.g: depreciation charge for an item of PPE used in fulfilling the contract). The Company has evaluated the amendment and there is no impact on its standalone financial statements.

**Annual improvements to Ind AS 109 - Financial instruments**

The amendment clarifies while performing the '10 percent test' for derecognition of financial liabilities, borrower includes only fees paid or received between borrower and lender directly or on behalf of the other's behalf. The Company does not expect the above amendments / improvements to have any significant impact on its standalone financial statements.

Notes forming part of the Standalone financial statements (contd...)

**2A. Property, plant and equipment**

₹ In Lakh

Particulars	Land - freehold	Buildings	Office equipments (including computer hardware)	Networking equipment	Furniture and fixtures	Vehicles	Total
<b>Gross carrying amount</b>							
Balance as at April 1,2020	5,061	6,268	7,101	33	572	85	19,120
Additions	-	-	1,085	-	-	37	1,122
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31,2021</b>	<b>5,061</b>	<b>6,268</b>	<b>8,186</b>	<b>33</b>	<b>572</b>	<b>122</b>	<b>20,241</b>
Additions	-	-	859	-	32	43	935
Disposals	-	-	184	-	-	45	229
<b>Balance as at March 31 2022</b>	<b>5,061</b>	<b>6,268</b>	<b>8,861</b>	<b>33</b>	<b>604</b>	<b>120</b>	<b>20,947</b>
<b>Accumulated depreciation</b>							
Balance as at April 1,2020	-	540	4,082	31	321	29	5,003
Additions	-	115	1,134	1	37	19	1,307
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31,2021</b>	<b>-</b>	<b>655</b>	<b>5,216</b>	<b>32</b>	<b>358</b>	<b>48</b>	<b>6,310</b>
Additions	-	115	1,021	-	37	23	1,196
Disposals	-	-	174	-	-	25	199
<b>Balance as at March 31 2022</b>	<b>-</b>	<b>770</b>	<b>6,063</b>	<b>32</b>	<b>395</b>	<b>46</b>	<b>7,307</b>
<b>Net carrying amount</b>							
Balance as at March 31,2021	5,061	5,613	2,970	1	214	74	13,933
Balance as at March 31 2022	5,061	5,498	2,798	1	209	74	13,640

**2B. Capital work-in-progress**

₹ In Lakh

Balance as at March 31,2021	-	-	119	-	-	-	119
Additions	-	-	4,337	-	-	-	4,337
Capitalised during the year	-	-	119	-	-	-	119
<b>Balance as at March 31 2022</b>	<b>-</b>	<b>-</b>	<b>4,337</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,337</b>

**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 year	1-2 years	2-3 years	More than 3 years	
Projects in process	4,337	-	-	-	4,337
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>4,337</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,337</b>

**Capital work-in-progress ageing schedule (as on March 31, 2021)**

₹ in Lakh

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in process	119	-	-	-	119
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119</b>

Note: There are 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.

Notes forming part of the Standalone financial statements (contd...)

Accordingly, no additional disclosure is required

**2C. Right of use assets**

₹ in Lakh

Particulars	Lease of office premises	Total
<b>Balance as at April 1,2020</b>	<b>273</b>	<b>273</b>
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2021</b>	<b>273</b>	<b>273</b>
Additions	2	2
Disposals	-	-
<b>Balance as at March 31, 2022</b>	<b>275</b>	<b>275</b>
<b>Accumulated depreciation</b>		
<b>Balance as at April 1,2020</b>	<b>53</b>	<b>53</b>
Additions (refer note 35)	79	79
Disposals	-	-
<b>Balance as at March 31, 2021</b>	<b>132</b>	<b>132</b>
Additions (refer note 35)	68	68
Disposals	-	-
<b>Balance as at March 31, 2022</b>	<b>200</b>	<b>200</b>
<b>Net carrying amount</b>		
<b>Balance as at March 31, 2021</b>	<b>141</b>	<b>141</b>
<b>Balance as at March 31, 2022</b>	<b>75</b>	<b>75</b>

**3A. Intangible assets**

₹ In Lakh

Particulars	Computer software	Trademark and copyright	Total
<b>Gross carrying amount</b>			
<b>Balance as at April 1,2020</b>	<b>5,483</b>	-	<b>5,483</b>
Additions	1,099	9	1,108
Disposals	-	-	-
<b>Balance as at March 31,2021</b>	<b>6,582</b>	<b>9</b>	<b>6,591</b>
Additions #	756	0	756
Disposals	-	-	-
<b>Balance as at March 31 2022</b>	<b>7,338</b>	<b>9</b>	<b>7,347</b>
<b>Accumulated depreciation</b>			
<b>Balance as at April 1,2020</b>	<b>4,074</b>	-	<b>4,074</b>
Additions#	778	0	778
Disposals	-	-	-
<b>Balance as at March 31,2021</b>	<b>4,852</b>	<b>0</b>	<b>4,852</b>
Additions	950	1	951
Disposals	-	-	-
<b>Balance as at March 31 2022</b>	<b>5,802</b>	<b>1</b>	<b>5,803</b>
<b>Net carrying amount</b>			
<b>Balance as at March 31,2021</b>	<b>1,731</b>	<b>8</b>	<b>1,739</b>
<b>Balance as at March 31 2022</b>	<b>1,536</b>	<b>8</b>	<b>1,544</b>

Notes forming part of the Standalone financial statements (contd...)

# figures are below rounding off norms adopted by the company

<b>3B. Intangible assets under development</b>			<b>₹ In Lakh</b>
<b>Balance as at March 31, 2021</b>	<b>2,470</b>	-	<b>2,470</b>
Additions	4,999	-	4,999
Capitalised during the year	335		335
Impaired during the year (refer note 48)	2,043	-	2,043
<b>Balance as at March 31 2022</b>	<b>5,091</b>	-	<b>5,091</b>

<b>Intangible assets under development ageing schedule (as on March 31, 2022)</b>						<b>₹ In Lakh</b>
<b>Particulars</b>	<b>Amount in intangible assets under development for a period of</b>					<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>		
Projects in process	4,890	201	-	-		5,091
Projects temporarily suspended	-	-	-	-		-
<b>Total</b>	<b>4,890</b>	<b>201</b>	<b>-</b>	<b>-</b>		<b>5,091</b>

<b>Intangible assets under development ageing schedule (as on March 31, 2021)</b>						<b>₹ In Lakh</b>
<b>Particulars</b>	<b>Amount in intangible assets under development for a period of</b>					<b>Total</b>
	<b>Less than 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>		
Projects in process	524	12	-	-		536
Projects temporarily suspended	25	224	1,685	-		1,934
<b>Total</b>	<b>549</b>	<b>236</b>	<b>1,685</b>	<b>-</b>		<b>2,470</b>

**Note:**

There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan. Accordingly, no additional disclosure is required.

**4. Non-current investments**

<b>Particulars</b>	<b>Face Value</b>	<b>As at March 31, 2022</b>		<b>As at March 31, 2021</b>	
	<b>Per share</b>	<b>No. of shares</b>	<b>₹ in Lakh</b>	<b>No. of shares</b>	<b>₹ in Lakh</b>
<b>A Investments in equity instruments (unquoted fully paid up):</b>					
(i) of Subsidiary - FVTOCI					
Multi Commodity Exchange Clearing Corporation Limited	₹ 10	23,99,85,000	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
(iii) Others - cost					
India International Bullion Holding IFSC Limited	₹ 1	13,50,00,000	1,350	-	-
			<b>26,549</b>		<b>25,199</b>
<b>B Investment in mutual funds - FVTPL (unquoted fully paid up)</b>					
Aditya Birla Sun Life Fixed Term Plan - Series RC	₹ 10	-	-	80,00,000	1,005
Aditya Birla Sun Life Fixed Term Plan Series PU Direct Growth	₹ 10	-	-	50,00,000	654
HDFC Fixed Maturity Plan October, 2018 (43) 1 Direct Growth	₹ 10	-	-	70,00,000	888



## Notes forming part of the Standalone financial statements (contd...)

HDFC Fixed Maturity Plan September, 2018 (42) -1-1381 Direct Growth	₹ 10	-	-	80,00,000	1,029
ICICI Pru FMP Series 84 1293 days -Direct Growth	₹ 10	-	-	1,00,00,000	1,279
Kotak FMP Series 247 - 1308 days - Direct Growth	₹ 10	-	-	1,00,00,000	1,283
Nippon India FHF 39 Series 4 FMP - Direct Growth	₹ 10	-	-	70,00,000	904
Nippon India FHF 39 Series 6 FMP - Direct Growth	₹ 10	-	-	80,00,000	1,029
Nippon India FHF 39 Series 9 FMP - Direct Growth	₹ 10	-	-	80,00,000	1,019
Axis Money Market Fund - Direct - Growth	₹ 1,000	87,036	1,002	-	-
DSP Ultra Short Fund - Direct - Growth	₹ 1,000	67,692	2,005	-	-
HDFC Money Market Fund - Direct - Growth	₹ 1,000	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	1,003	-	-
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	1,002	-	-
Kotak Money Market Scheme - Direct - Growth	₹ 1,000	27,689	1,003	-	-
Kotak Savings Fund - Direct - Growth	₹ 10	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	1,002	-	-
SBI Savings Fund - Direct - Growth	₹ 10	28,18,452	1,002	-	-
Tata Money Market Fund - Direct - Growth	₹ 1,000	26,237	1,004	-	-
Tata Ultra Short Term Fund - Direct - Growth	₹ 10	1,68,52,901	2,007	-	-
				<b>22,779</b>	<b>9,090</b>
<b>C Investment in tax free bonds - FVTPL(quoted and fully paid-up)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
7.19% Indian Railway Finance Corporation Limited, tax free bonds (maturity date 31 July, 2025)	₹ 10,00,000	-	-	400	4,439
7.11% National High Authority of India, tax free bonds (maturity date 18 September, 2025)	₹ 10,00,000	-	-	500	5,564
7.07% Housing and Urban Development Corporation Limited, tax free bonds (maturity date 01 October, 2025)	₹ 10,00,000	-	-	440	4,880
7.11% NTPC Limited, tax free bonds (maturity date 05 October, 2025)	₹ 1,000	-	-	62,457	694
7.11% Power Housing Finance Corporation Limited, tax free bonds (maturity date 17 October, 2025)	₹ 1,000	-	-	25,670	285
7.35% National High Authority of India, tax free bonds (maturity date 11 January, 2031)	₹ 1,000	-	-	1,08,849	1,332
7.49% Indain Renewable Energy Development Agency Limited, tax free bonds (maturity date 21 January, 2031)	₹ 1,000	-	-	1,36,241	1,576

Notes forming part of the Standalone financial statements (contd...)

7.39% Housing and Urban Development Corporation Limited, tax free bonds (maturity date 15 March, 2031)	₹ 1,000	-	-	1,30,244	1,595
7.35% Indian Railway Finance Corporation Limited, tax free bonds (maturity date 22 March, 2031)	₹ 1,000	-	-	1,50,000	1,831
7.35% National Bank For Agriculture And Rural Development, tax free bonds (maturity date 23 March, 2031)	₹ 1,000	-	-	4,95,649	6,050
7.38% India Infrastructure Finance Company Limited, tax free bonds (maturity date 15 November, 2027)	₹ 10,00,000	-	-	50	578
8.20% Housing And Urban Development Corporation Limited, tax free bonds (maturity date 05 March, 2027)	₹ 1,000	-	-	50,000	593
					<b>29,417</b>
<b>D Investment in PSU bank bonds - amortised cost (quoted and fully paid-up)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
Bank of Baroda 8.60% ( perpetual basel III tier I ATI series VIII) C 01 August, 2022	₹ 10,00,000	-	-	150	1,501
State Bank Of India perp AT 1 8.75% (series 1) 30 August, 2024 (CALL)	₹ 10,00,000	200	2,025	200	2,035
Bank of Baroda 8.70% ( perpetual basel III tier I ATI Series X) C 28 November,2024	₹ 10,00,000	450	4,503	450	4,505
SBI 8.50% Series II perpetual AT1 bonds basel- III 22 November,2024 (Call)	₹ 10,00,000	550	5,548	550	5,564
Bank of Baroda 9.14% (perpetual series VII basel III tier I) C 22 March, 2022	₹ 10,00,000	-	-	50	500
SBI 7.73% series II perpetual AT1 bonds basel- III 24 November, 2025 (Call)	₹ 10,00,000	200	2,028	200	2,035
			<b>14,105</b>		<b>16,140</b>
<b>E Investment in ETF bonds - FVTPL (quoted and fully paid-up)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
BHARAT bond FOF - April 2023 - Dir - growth	₹ 1,000	3,00,000	3,511	3,00,000	3,351
Nippon India ETF Nifty CPSE bond plus SDL - 2024 maturity	₹ 100	13,80,000	1,495	13,80,000	1,422
			<b>5,006</b>		<b>4,773</b>
<b>Total</b>			<b>68,439</b>		<b>84,619</b>
Aggregare market value of quoted investments			19,111		50,330
Aggregare amount of quoted investments			18,534		46,946
Aggregate amount unquoted investments			49,329		34,288

**5. Other non-current financial assets**

₹ In Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Unsecured, considered good:</b>		
Security deposits	1,047	1,052
Bank deposits with more than 12 months maturity (refer note 11)	423	721
<b>Total</b>	<b>1,470</b>	<b>1,773</b>

Notes forming part of the Standalone financial statements (contd...)

<b>6. Income tax assets (net)</b>		<b>₹ In Lakh</b>			
<b>Particulars</b>	<b>As at</b>		<b>As at</b>		
	<b>March 31, 2022</b>		<b>March 31, 2021</b>		
Advance income tax [net of provisions ₹ 73,304 lakh (as at March 31, 2021 ₹ 75,360 lakh)]		4,514		4,468	
<b>Total</b>		<b>4,514</b>		<b>4,468</b>	
<b>7. Other non-current assets</b>		<b>₹ In Lakh</b>			
<b>Particulars</b>	<b>As at</b>		<b>As at</b>		
	<b>March 31, 2022</b>		<b>March 31, 2021</b>		
Capital advances		264		-	
<b>Others</b>					
Prepaid expenses		80		73	
<b>Total</b>		<b>344</b>		<b>73</b>	
<b>8. Current investments</b>					
<b>Particulars</b>	<b>Face value</b>	<b>As at March 31,2022</b>		<b>As at March 31,2021</b>	
		<b>No. of shares</b>	<b>₹ in Lakh</b>	<b>No. of shares</b>	<b>₹ in Lakh</b>
<b>A Investments in equity instruments (unquoted fully paid up):</b>	<b>Per share</b>				
<b>of other Entities - FVTOCI</b>					
Metropolitan Clearing corporation of India Limited (formerly known as MCX SX Clearing Corporation Limited)	₹ 10	27,58,941	238	27,58,941	238
Metropolitan Stock Exchange of India Limited (formerly known as MCX Stock Exchange Limited)	₹ 1	33,17,77,008	1427	33,17,77,008	1559
			<b>1,665</b>		<b>1,797</b>
<b>B Investment in mutual funds - FVTPL (unquoted fully paid up)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
Aditya Birla Sun Life Fixed Term Plan - Series RA	₹ 10	-	-	50,00,000	613
HDFC Fixed Maturity Plan September, 2018 (42) -1-1115 Direct Growth	₹ 10	-	-	50,00,000	626
Invesco India Fixed Maturity Plan Series XXXII Direct Growth	₹ 10	-	-	50,00,000	630
Kotak FMP Series 245 - 1140 days - Direct Growth	₹ 10	-	-	80,00,000	994
Nippon India FHF 38 Series 6 FMP - Direct Growth	₹ 10	-	-	50,00,000	626
SBI Magnum DFS C - 26 -1125 Days Direct Growth	₹ 10	-	-	1,00,00,000	1,257
UTI Fixed Term Income Fund Series XXX Plan 5	₹ 10	-	-	80,00,000	1,003
Aditya Birla Sun Life Fixed Term Plan - Series RC	₹ 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	-	-

Notes forming part of the Standalone financial statements (contd...)

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	-	-
Axis Arbitrage Fund - Direct - Growth	₹ 10	61,92,216	1,002	-	-
Axis Liquid Fund Direct Growth	₹ 1,000	21,166	500	-	-
Axis Banking & PSU Debt Fund Direct Growth	₹ 1,000	60,260	1,318	60,260	1,264
Axis Money Market Fund - Direct - Growth	₹ 1,000	90,424	1,041	90,424	1,001
DSP Liquidity Fund Direct Growth	₹ 1,000	-	-	71,739	2,110
DSP Ultra Short Fund - Direct - Growth	₹ 1,000	35,084	1,039	35,084	1,001
HDFC Arbitrage Fund - Direct - Growth	₹ 10	62,24,013	1,001	-	-
HDFC Low Duration Fund Direct Growth	₹ 10	33,57,861	1,672	33,57,861	1,597
HDFC Short Term Debt Fund Direct Growth	₹ 10	50,21,996	1,317	50,21,996	1,253
ICICI Prudential Money Market Fund Direct Growth	₹ 100	3,05,077	936	3,05,077	901
ICICI Pru Banking & PSU Debt Fund Direct Growth	₹ 1,000	51,95,885	1,399	51,95,885	1,331
ICICI Prudential Corporate Bond Fund - Direct - Growth	₹ 10	42,75,538	1,051	42,75,538	1,005
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	4,76,727	2,001
ICICI Prudential Liquid - Direct - Growth *	₹ 100	10,048	32	10,048	31
IDFC Arbitrage Fund - Direct - Growth	₹ 10	35,88,410	1,002	-	-
IDFC Banking & PSU Debt Fund - Direct - Growth	₹ 10	52,81,993	1,077	52,81,993	1,032
IDFC Ultra Short Term Fund - Direct - Growth	₹ 10	83,63,094	1,038	83,63,094	1,001
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	39,481	1,032
Invesco India Money Market Fund - Direct - Growth	₹ 1,000	40,954	1,041	40,954	1,001
Invesco India Short Term Fund - Direct - Growth	₹ 1,000	33,095	1,048	33,095	1,002
Invesco India Ultra Short Term Fund - Direct - Growth	₹ 1,000	67,580	1,560	67,580	1,502
Kotak Banking and PSU Debt Fund - Direct - Growth	₹ 10	39,27,851	2,132	39,27,851	2,024
Kotak Bond Fund - Direct - Growth	₹ 10	15,20,094	1,037	15,20,094	984
Kotak Corporate Bond Fund - Direct - Growth	₹ 1,000	89,285	2,797	89,285	2,665
Kotak Equity Arbitrage Fund - Direct - Growth	₹ 10	31,60,798	1,001	-	-
Kotak Floating Rate Fund - Direct - Growth	₹ 1,000	86,247	1,059	86,247	998
Kotak Money Market Scheme - Direct - Growth	₹ 1,000	28,730	1,040	28,730	1,001
Kotak Savings Fund - Direct - Growth	₹ 10	43,31,451	1,561	43,31,451	1,502
L&T Banking and PSU Debt Fund - Direct - Growth	₹ 10	-	-	51,22,301	1,030
L&T Short Term Bond Fund - Direct - Growth	₹ 10	-	-	46,29,977	1,002
L&T Triple Ace Bond Fund - Direct - Growth	₹ 10	-	-	16,66,442	994
L&T Ultra Short Term Fund - Direct - Growth	₹ 10	-	-	42,78,886	1,502
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	1,40,55,549	2,308
Nippon India Floating Rate Fund Direct Growth	₹ 10	27,93,835	1,055	27,93,835	1,005
Nippon India Liquid Fund Direct Growth	₹ 10	-	-	33,805	1,701

Notes forming part of the Standalone financial statements (contd...)

Nippon India Liquid Fund Direct Growth *	₹ 1,000	407	21	407	20
Nippon India Low Duration Fund - Direct - Growth	₹ 1,000	66,362	2,103	66,362	2,004
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	31,830	1,502
SBI Savings Fund - Direct - Growth	₹ 10	29,27,168	1,041	29,27,168	1,001
SBI Short Term Debt Fund - Direct - Growth	₹ 10	39,40,861	1,073	39,40,861	1,026
Tata Arbitrage Fund - Direct - Growth	₹ 10	83,50,801	1,001	-	-
Tata Liquid Fund Direct Growth	₹ 1,000	14,883	500	68,337	2,219
Tata Money Market Fund - Direct - Growth	₹ 1,000	27,288	1,044	27,288	1,001
UTI Arbitrage Fund - Direct - Growth	₹ 10	33,69,615	1,001	-	-
UTI-Liquid Cash Plan -Direct- Growth	₹ 1,000	-	-	1,39,741	4,710
UTI-Liquid Cash Plan -Direct- Growth *	₹ 1,000	1,003	34	1,003	34
			<b>68,184</b>		<b>58,048</b>
<b>C Investment in PSU bank bonds - Amortised cost (quoted and fully paid-up)</b>	<b>Per Unit</b>	<b>No. of Units</b>	<b>₹ in Lakh</b>	<b>No. of shares</b>	<b>₹ in Lakh</b>
Bank of Baroda 8.60% ( Perpetual Basel III Tier I AT1 Series VIII) C 01 August 2022	₹ 10,00,000	150	1,500	-	-
			<b>1,500</b>		<b>-</b>
<b>Total</b>			<b>71,349</b>		<b>59,845</b>
<b>* Earmarked towards the Investor Service Fund - aggregate value ₹ 88 lakh (as at March 31, 2021 : ₹ 85 lakh)</b>					
Aggregate market value quoted investments			1,500		-
Aggregate amount of quoted investments			1,500		-
Aggregate market value of unquoted investments			69,849		59,845

<b>9. Trade receivables</b>		<b>₹ in Lakh</b>	
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>	
Secured, considered good *	1	5	
Unsecured, considered good #	617	1,092	
Doubtful	764	89	
	<b>1,382</b>	<b>1,186</b>	
Less: Allowance for doubtful trade receivables (refer note 40)	(69)	(89)	
<b>Total</b>	<b>1,313</b>	<b>1,097</b>	

\* 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

Notes forming part of the Standalone financial statements (contd...)

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.

**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 months - 1 year	1-2 years	2-3 years	More than 3 years	
(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
<b>Total</b>	<b>746</b>	<b>163</b>	<b>115</b>	<b>305</b>	<b>53</b>	<b>1,382</b>
<b>Allowance for doubtful trade receivables (refer note 40)</b>						(69)
<b>Total trade receivables</b>	<b>747</b>	<b>163</b>	<b>115</b>	<b>305</b>	<b>53</b>	<b>1,313</b>

# figures are below rounding off norms adopted by the company

**Trade receivables ageing schedule (as at March 31, 2021)** ₹ in Lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	604	14	17	8	15	659
(ii) Undisputed trade receivables – which have significant increase in credit risk	76	-	-	-	-	76
(iii) Undisputed trade receivables – credit impaired	-	28	1	6	14	48
(iv) Disputed trade receivables– considered good	-	-	5	8	6	19
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	296	12	76	384
<b>Total</b>	<b>680</b>	<b>43</b>	<b>319</b>	<b>34</b>	<b>111</b>	<b>1,186</b>
<b>Allowance for doubtful trade receivables (refer note 40)</b>						(89)
<b>Total trade receivables</b>	<b>680</b>	<b>43</b>	<b>319</b>	<b>34</b>	<b>111</b>	<b>1,097</b>

Notes forming part of the Standalone financial statements (contd...)

**10. Cash and cash equivalents** ₹ in Lakh

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- in current accounts	245	241
Earmarked fund*		
- in current accounts	111	-
<b>Total</b>	<b>356</b>	<b>241</b>
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>245</b>	<b>241</b>

\*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.

**11. Bank balances other than cash and cash equivalents** ₹ in Lakh

Particulars	As at March 31, 2022	As at March 31, 2021
Bank deposits	1,409	831
Less :Bank deposits with more than 12 months maturity (refer note 5)	(423)	(721)
Bank deposits with less than 12 months maturity	986	110
In earmarked accounts		
- unpaid dividend accounts	85	79
- other earmarked accounts*	-	2
<b>Total</b>	<b>1,071</b>	<b>191</b>

\*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, 2022	As at March 31, 2021
<b>Secured, considered good</b>		
Security deposits	-	12
Unbilled revenue*	4,079	2,566
<b>Unsecured, considered good (unless stated otherwise)</b>		
Other receivables	685	686
Less: Provision for doubtful receivables	(2)	(13)
	683	673
Interest accrued but not due on fixed deposits	46	10
Interest accrued but not due on tax free bonds	542	1,575
<b>Total</b>	<b>5,350</b>	<b>4,836</b>

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

Notes forming part of the Standalone financial statements (contd...)

<b>13. Other current assets</b>		<b>₹ in Lakh</b>	
<b>Particulars</b>	<b>As at</b>		<b>As at</b>
	<b>March 31, 2022</b>	<b>March 31, 2021</b>	
<b>a) Unsecured, considered good (unless stated otherwise)</b>			
Prepaid expenses	1,180		1,181
Balance with government authorities	267		416
Advances for supply of services other than capital advances	728		1,048
Other advances	75		41
	<b>2,250</b>		<b>2,686</b>
<b>b) Unsecured, considered doubtful</b>			
Other recoverable	282		282
Less : Provision for doubtful advance	(282)		(282)
<b>Total</b>	<b>2,250</b>		<b>2,686</b>

<b>14. Equity share capital</b>		<b>As at March 31, 2022</b>		<b>As at March 31, 2021</b>	
<b>Particulars</b>	<b>Number of shares</b>	<b>₹ in Lakh</b>	<b>Number of shares</b>	<b>₹ in Lakh</b>	
<b>Authorized</b>					
Equity shares of ₹ 10/- each	7,00,00,000	7,000	7,00,00,000	7,000	
<b>Issued</b>					
Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100	
<b>Subscribed and paid-up</b>					
Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100	
	<b>5,09,98,369</b>	<b>5,100</b>	<b>5,09,98,369</b>	<b>5,100</b>	

**a. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:**

<b>Particulars</b>	<b>As at March 31, 2022</b>		<b>As at March 31, 2021</b>	
	<b>Number of shares held</b>	<b>₹ in Lakh</b>	<b>Number of shares held</b>	<b>₹ in Lakh</b>
Opening balance at the beginning of the year	5,09,98,369	5,100	5,09,98,369	5,100
Add: Shares issued during the year	-	-	-	-
<b>Closing balance at the end of the year</b>	<b>5,09,98,369</b>	<b>5,100</b>	<b>5,09,98,369</b>	<b>5,100</b>

**b. Rights, preferences and restrictions attached to equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the proportion of equity shares held.



Notes forming part of the Standalone financial statements (contd...)

**c. Details of shares held by each shareholder holding more than 5% Shares:**

Name of shareholders	As at 31 March, 2022		As at 31 March, 2021	
	Number of shares	% of holding	Number of shares	% of holding
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.**
**15. Other equity** ₹ in Lakh

Particulars	Reserves and surplus				
	Securities premium	Retained earnings	General reserve	Re-measurements gain/(loss) on the defined employee benefit plans and equity instruments	Total
<b>Balance as at March 31, 2020</b>	<b>21,684</b>	<b>1,15,054</b>	<b>16,449</b>	<b>(3,635)</b>	<b>1,49,552</b>
Profit for the year	-	18,782	-	-	18,782
Dividend	-	(15,300)	-	-	(15,300)
Equity instruments through other comprehensive income	-	-	-	(103)	(103)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	6	6
<b>Balance as at March 31, 2021</b>	<b>21,684</b>	<b>1,18,536</b>	<b>16,449</b>	<b>(3,733)</b>	<b>1,52,936</b>
Profit for the year		11,846			11,846
Dividend		(14,076)			(14,076)
Equity instruments through other comprehensive income				(101)	(101)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)				(175)	(175)
<b>Balance as at March 31, 2022</b>	<b>21,684</b>	<b>1,16,306</b>	<b>16,449</b>	<b>(4,008)</b>	<b>1,50,430</b>

- i) 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.
- ii) ESOP compensation reserve – refer note 39.

**16. Other non-current financial liabilities** ₹ In Lakh

Particulars	As at March 31, 2022	As at March 31, 2021
Trade / security deposits from - Members*	4,911	5,008
Employee benefits payable	218	168
<b>Total</b>	<b>5,129</b>	<b>5,176</b>

\*includes base minimum capital from members ; in addition to the cash component of base minimum capital, the amount of bank guarantees/fixed deposits receipts (non cash component) forming part of base minimum capital as on March 31, 2022 ₹ 5,479 lakhs on March 31, 2021 is ₹ 5,700 lakh.

Notes forming part of the Standalone financial statements (contd...)

**17. Non-current provisions** ₹ In Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Provision for compensated absences (refer note 38)	222	188
<b>Total</b>	<b>222</b>	<b>188</b>

**18. Trade payables** ₹ In Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 44)	4	15
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,073	2,218
<b>Total</b>	<b>3,077</b>	<b>2,233</b>

**Trade payables ageing schedule (as at March 31, 2022)** ₹ In Lakh

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

# figures are below rounding off norms adopted by the company

**Trade payables ageing schedule (as at March 31, 2021)** ₹ In Lakh

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Accrued expense	Total
(i) MSME	13	1	-	-	-	-	15
(ii) Others#	269	84	236	0	7	1,623	2,218
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>282</b>	<b>85</b>	<b>236</b>	<b>0</b>	<b>7</b>	<b>1,623</b>	<b>2,233</b>

# figures are below rounding off norms adopted by the company

**19. Other current financial liabilities** ₹ In Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Advance received from members and applicants towards		
- Member's security deposits	1,634	1,570
- Application money (pending admission)	48	48
SEBI regulatory fund	6	6
Employee benefits payable	881	940
Payable to employees	9	13
Payable for purchase of fixed assets	3,188	892
Unclaimed dividends*	85	80
Security deposits	257	263
<b>Total</b>	<b>6,108</b>	<b>3,812</b>

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

Notes forming part of the Standalone financial statements (contd...)

**20. Other current liabilities** ₹ In Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Statutory remittances	7,463	6,180
Payable to Multi Commodity Exchange Investor Protection Fund (IPF)	737	602
Investor Services Fund (ISF)*	1,000	846
Networking Equipment Deposits#	-	0
Advance received from members and applicants	448	325
Income received in advance	43	76
<b>Total</b>	<b>9,691</b>	<b>8,029</b>

\* SEBI vide its circular CIR/CDMRD/DEICE/CIR/P/2017/53 dated June 13,2017 has mandated to set up Investor Service Fund (ISF) for providing basic minimum facilities at various Investor Service Centers. Accordingly, Contribution during the year ₹ 312 lakh and utilized ₹ 197 Lakh (previous year ended March 31,2021 ₹ 330 lakh and utilized ₹ 89 lakh respectively)

# figures are below rounding off norms adopted by the company

**21. Current provisions**
₹ In Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Provision for compensated absences (refer note 38)	53	35
Provision for gratuity (refer note 38)	150	139
<b>Total</b>	<b>203</b>	<b>174</b>

**22. Income tax liabilities (net)**
₹ in Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Provision for tax [net of advance tax ₹ 2,741 lakh (as at March 31, 2021 ₹ 2,916 lakh)]	113	905
<b>Total</b>	<b>113</b>	<b>905</b>

**23. Revenue from operations**
₹ in Lakh

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
<b>Sale of services</b>		
Transaction fees	31,192	32,821
Annual subscription fees	167	189
Membership admission fees	120	150
Terminal charges	28	26
	<b>31,507</b>	<b>33,186</b>
<b>Other operating revenues</b>		
Connectivity income	445	600
Others recoveries from members	464	256
Data feed income	562	443
	<b>1,471</b>	<b>1,299</b>
<b>Total</b>	<b>32,978</b>	<b>34,485</b>

Notes forming part of the Standalone financial statements (contd...)

<b>24. Other income</b>		₹ In Lakh	
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	
<b>Interest income:</b>			
- on bank deposits#	0	23	
- on tax free bonds	2,353	3,027	
- on income tax refund	59	-	
- from others#	3	0	
<b>Net gain on sale of :</b>			
- current investments	1,884	8,718	
- long-term investments	2,313	-	
Gain/(loss) on fair valuation of mutual funds	1,262	(3,814)	
Gain/(loss) on fair valuation of ETF	234	284	
Gain/(loss) on fair valuation of tax free bonds	(2,547)	1,599	
Rental income from operating lease	368	310	
Provisions/Liability no longer required written back	430	-	
Miscellaneous income	986	910	
<b>Total</b>	<b>7,345</b>	<b>11,057</b>	
# figures are below rounding off norms adopted by the company			
<b>25. Employee benefits expense</b>		₹ In Lakh	
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	
Salaries, allowances and bonus	5,859	5,686	
Contribution to provident and other funds	368	306	
Staff welfare expenses	118	118	
Compensated absences	166	124	
<b>Total</b>	<b>6,511</b>	<b>6,234</b>	
<b>26. Clearing and settlement charges</b>		₹ In Lakh	
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	
Clearing and settlement fees (refer note 37)	3,899	4,120	
<b>Total</b>	<b>3,899</b>	<b>4,120</b>	
<b>27. Finance costs</b>		₹ In Lakh	
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	
Interest expenses on :			
- Interest on lease liabilities (refer note 35)	10	19	
- Others	16	12	
<b>Total</b>	<b>26</b>	<b>31</b>	

Notes forming part of the Standalone financial statements (contd...)

<b>28. Software support charges and product license fees</b>		₹ In Lakh	
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	
Software support charges	3,198	3,320	
Product license fees	1,614	1,404	
<b>Total</b>	<b>4,812</b>	<b>4,724</b>	
<b>29. Computer technology and communication expenses</b>		₹ In Lakh	
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	
Computer technology expenses	1,208	1,339	
Communication expenses	436	386	
<b>Total</b>	<b>1,644</b>	<b>1,725</b>	
<b>30. Other expenses</b>		₹ In Lakh	
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	
Advertisement	176	187	
Electricity charges (net of recoveries)	235	229	
Repairs and maintenance - others	152	170	
Insurance	49	42	
Rates and taxes	24	24	
Travelling and conveyance	160	124	
Printing and stationery	15	9	
Business promotion	37	34	
CSR related expenses (refer note 41)	320	557	
Legal and professional charges	535	569	
Sponsorships and seminar expenses	37	33	
Membership fees and subscriptions	60	94	
Security service charges	118	113	
Provision for doubtful trade receivables#	5	26	
SEBI - exchange regulatory fees	170	184	
<b>Payment to the auditors</b>			
- For audit	15	15	
- For taxation matters	3	3	
- For other services	1	1	
- Reimbursement of out of pocket expenses	1	1	
	<b>20</b>	<b>20</b>	
Contribution to Multi Commodity Exchange Investor Protection Fund (IPF)	312	330	
Contribution to investor service fund	312	330	
Net loss on foreign currency transactions and translations	25	14	
Loss on sale of property, plant and equipment	10	-	
Directors sitting fees	222	220	
Office expenses	229	190	
Miscellaneous expenses	54	107	
<b>Total</b>	<b>3,277</b>	<b>3,606</b>	

# Net of bad debts written off ₹ 28 lakh (previous year ₹ 110 lakh)

Notes forming part of the Standalone financial statements (contd...)

**31. Contingent liabilities and commitments (to the extent not provided for) ₹ In Lakh**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Contingent liabilities :</b>		
Claims against the company not acknowledged as debts:		
- Income tax demands against which the company is in appeals (including interest upto date of order) (net of rectification orders)	12,705	14,952
- Others (excluding interest)	62	74
<b>Capital commitments:</b>		
The estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	12,322	4,385

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.

**Other commitments:**

The Company has commitments to pay for the services related to (i) maintenance of core network equipment and (ii) technology support and managed services based on long-term agreements, the cancellation of which may entail monetary compensation.

**32. Taxation ₹ In Lakh**

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Current income tax</b>	2,877	3,820
Excess provision for tax relating to previous years	(317)	(153)
Deferred tax	65	(370)
MAT credit entitlement relating to previous year	436	360
Minimum alternate tax (MAT) credit utilised	990	499
<b>Total income tax expense</b>	<b>4,051</b>	<b>4,156</b>

₹ in Lakh (except as otherwise stated)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
<b>Reconciliation:</b>		
Profit before tax	15,897	22,938
Applicable tax rate	29.12%	29.12%
Computed expected tax expense	4,629	6,679
<b>Add:</b>		
Expenses disallowed	873	893
Income from other source	737	353
Less:		
Ind AS impact (net)	297	553
Expenses allowed	(742)	(730)
Loss adjusted against long term capital gain	-	-
Exempt income/other income offered separately	(1,927)	(3,430)
Deduction under section 80G	-	-

Notes forming part of the Standalone financial statements (contd...)

₹ in Lakh (except as otherwise stated)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
<b>Normal income tax liability</b>	<b>3,867</b>	<b>4,319</b>
MAT-income tax liability	2,877	3,820
Excess provision for tax relating to prior year	(317)	(153)
<b>Income tax expense as per profit &amp; loss account</b>	<b>2,560</b>	<b>3,667</b>
<b>Effective tax rate</b>	<b>16.10%</b>	<b>15.99%</b>

**Deferred tax relates to the following:**

₹ in Lakh

Particulars	Balance Sheet	
	As at March 31, 2022	As at March 31, 2021
Expenses allowable on payment basis	265	155
Other items giving rise to temporary differences (including impact on fair value of investments)	(57)	87
Difference between WDV of property, plant and equipment as per books of accounts & income tax	(1,196)	(1,195)
Difference between WDV of right of use assets as per books of accounts & income tax	(22)	(41)
Lease liability	26	45
Minimum alternate tax (MAT) credit entitlement (refer note 42)	(1,426)	(859)
Minimum alternate tax (MAT) credit entitlement reversed	1,426	2,284
<b>Deferred tax asset / (liability)</b>	<b>(984)</b>	<b>475</b>

**Reconciliation of deferred tax assets / (liabilities) net:**

₹ in Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Opening balance as on April 01, 2021	475	938
Tax income / (expense) during the year recognized in profit & loss account	(65)	366
Differences on other comprehensive income	32	31
Minimum alternate tax (MAT) credit entitlement	(1,426)	(859)
<b>Closing balance</b>	<b>(984)</b>	<b>475</b>

**33. Segment reporting**

IND AS 108 establishes standards for the way that companies report information about operating segments and related disclosures about products and services, and geographical areas. Based on the risks and returns identified, organizational structure and the internal financial reporting system, the business segment is the primary segment for the company and accordingly "business of facilitating trading in commodities and incidental activities thereto" is considered as the only primary reportable business segment. Further, since the company renders services only in the domestic market in India and there is no geographical segment.

Notes forming part of the Standalone financial statements (contd...)

**34. Foreign currency transactions** ₹ in Lakh

Particulars	Year ended	
	March 31, 2022	March 31, 2021
<b>Expenditure in foreign currency</b>		
- License fees	1,495	1,485
- Membership and subscription	40	23
- Professional charges	18	7
- Computer technology and communication expenses	104	61
- Legal expenses	-	1
- Software license fees expenses	20	24
- Bank charges	1	1
<b>Earnings in foreign exchange</b>		
- Data feed income	214	132

**35. Leases**

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:** ₹ in Lakh

Particulars	March 31, 2022	March 31, 2021
<b>Opening balance</b>	153	225
Additions during year	5	-
Finance costs incurred during the year	10	19
Payment of lease liabilities	(82)	(91)
<b>Closing balance</b>	<b>86</b>	<b>153</b>

**b. The carrying value of the right of use and depreciation charged during the year** ₹ in Lakh

Particulars	March 31, 2022	March 31, 2021
<b>Opening balance</b>	141	220
Additions during year	2	-
Depreciation charged during the year	68	79
<b>Closing balance</b>	<b>75</b>	<b>141</b>

**c. Amounts recognised in statement of profit or loss:** ₹ in Lakh

Particulars	March 31, 2022	March 31, 2021
Depreciation on right of use asset	68	79
Finance costs incurred during the year	10	19
Rent expense	(82)	(91)
<b>Total amounts recognised in profit or loss</b>	<b>(4)</b>	<b>7</b>

**d. Maturity analysis of lease liabilities** ₹ in Lakh

Particulars	March 31, 2022	March 31, 2021
<b>Maturity analysis of contractual undiscounted cash flows</b>		
Less than one year	47	80
One to five years	56	89
More than five years	4	16
<b>Total undiscounted lease liability</b>	<b>107</b>	<b>185</b>
Non-current lease liability	46	85
Current lease liability	40	68
<b>Total lease liability</b>	<b>86</b>	<b>153</b>



Notes forming part of the Standalone financial statements (contd...)

**36. Earnings per share**

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share: ₹ in Lakh

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Weighted average shares outstanding - basic	5,09,02,818	5,09,02,818
Effect of dilutive securities on account of ESOP	-	-
<b>Weighted average shares outstanding - diluted</b>	<b>5,09,02,818</b>	<b>5,09,02,818</b>

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

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Earnings available to equity shareholders	11,846	18,782
Earnings available for equity shareholders for diluted earnings per share	11,846	18,782
Basic earnings per share	23.27	36.90
Diluted earnings per share	23.27	36.90

**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) (from June 4, 2021 to March 3, 2022)
Shareholders' directors	Mr. Hemang Raja @
	Mr. Chengalath Jayaram
	Mr. Mohan ShenoI (w.e.f. September 30, 2021)
	Mr. Vivek Sinha (w.e.f. September 30, 2021)*
	Mr. Amit Goela (upto August 8, 2021)
	*Sitting fees are paid directly to their nominee institutions
Public interest directors	Mr. Saurabh Chandra
	Mr. Shankar Aggarwal
	Mr. Bhartendu Kumar Gairola
	Ms. Pravin Tripathi
	Mr. Chandra Shekhar Verma (w.e.f. May 22, 2021)
	Dr. Harsh Kumar Bhanwala (w.e.f. August 8, 2021)
	Mr. Basant Seth (upto May 18, 2021)
Dr. Deepali Pant Joshi (upto August 6, 2021)	

Notes forming part of the Standalone financial statements (contd...)

	Mr. P.S. Reddy, MD & CEO
	Mr. Ajay Puri, Company Secretary
	Mr. Satyajeet Bolar, Chief Financial Officer##
	<b>Others:</b>
	Mr. Manoj Jain* (w.e.f. November 1, 2021)
	Mr. Rajendran Narayanan* (w.e.f. November 3, 2021)
	Mr. Sanjay Golecha, Chief Regulatory Officer
	Mr. Praveen Dalvani Ganapathi#
	Mr. Chittaranjan Rege#
	Mr. Shivanshu Mehta#
	Mr. Rishi Nathany#
	Mr. Himanshu Ashar#
	Mr. Sanjay Gakhar#
	Mr. Pravin Gade##
Key managerial personnel (KMP)	Mr. Radheshyam Yadav##
	Mrs. Ruchi Shukla##
	Mr. Puneet Shadija##
	Mr. Sambit Patnaik##
	Mr. Vaibhav Aggarwal (w.e.f. May 03, 2021)##
	Mr. Vijay Patel (w.e.f. May 6, 2021)
	Mr. Suresh Raval (w.e.f. April 1, 2021)
	Ms. Rashmi Nihalani (w.e.f. April 1, 2021)
	Ms. Komal Kanzaria (w.e.f. April 1, 2021)
	Mr. NK Muthappa (w.e.f. April 1, 2021)
	Mr. Ramesh Gurram (w.e.f. September 30, 2021)
	Mr. Dhananjay Chandrashekar Rokde (upto July 02, 2021)##
	Mr. Manav Jain Chief Technology Officer* (upto September 21, 2021)
	Mrs. Neetu Juneja# (upto October 11, 2021)
	Mr. Chandrakant Upadhyay# (upto October 29, 2021)
	Mr. Pradip Dey (upto December 31, 2021)##
Others	-
Relatives of KMPs or company in which KMP is interested and where transaction exists	
Company in which director is interested and where transaction exists	Hotel Queen Road Private Limited
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 director Mr. Hemang Raja on it's board.

#Identified as KMP's under SECC Regulations, 2018 by the nomination and remuneration committee, in its meeting held on November 16, 2018.

##Identified as KMP's under SECC Regulations, 2018 from their date of joining.

Notes forming part of the Standalone financial statements (contd...)

**Transactions with related parties:**

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

Particulars	As at March 31, 2022									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	Public interest directors	Company in which director is interested and where transaction exists	KMPs	Relatives of KMPs or company in which KMP is interested	
<b>Transactions</b>										
Re-imbursments charged to the company	32	-	-	-	-	5	-	8	-	44
Recoveries charged by the company	27	-	-	22	-	-	-	-	-	49
Clearing & settlement fees	3,899	-	-	-	-	-	-	-	-	3,899
Rent income	246	-	-	-	-	-	-	-	-	246
IT and other infrastructure income	2,815	-	-	-	-	-	-	-	-	2,815
Status report-processing charges recovery	1	-	-	-	-	-	-	-	-	1
Regulatory fees, transactions charges, fines & penalties and other collections by MCXCCL on behalf of MCX	1,05,302	-	-	-	-	-	-	-	-	1,05,302
Sitting fees paid	-	-	-	-	52	170	-	-	-	222
Trustee sitting fees paid	-	-	-	-	-	8	-	-	-	8
Dividend paid	-	-	-	26	-	-	-	7	0.26	34
Equity share capital (face value ₹ 1)	-	-	1,350	-	-	-	-	-	-	1,350
Reimbursement of professional fees	-	-	5	-	-	-	-	-	-	5
<b>Balances as at March 31, 2022</b>										
Outstanding balance receivable / (payable)	(537)	-	-	-	-	-	-	-	-	(537)
Rent deposit	(61)	-	-	-	-	-	-	-	-	(61)

The details of transactions with related parties for the year ended March 31, 2021 are as follows: ₹ in Lakh

Particulars	As at March 31, 2021							Total
	Subsidiary	Associate	Others					
	MCX CCL	CDSL Commodity Repository Limited	MCX ESOP Trust	Shareholder's directors	Public interest directors	Company in which director is interested and where transaction exists	KMPs	
<b>Transactions</b>								
Re-imbursments charged to the company	10	-	-	-	1	-	7	18
Recoveries charged by the company	15	-	2	-	-	-	-	17
Clearing & settlement fees	4,120	-	-	-	-	-	-	4,120
Rent income	243	-	-	-	-	-	-	243
IT and other infrastructure income	2,540	-	-	-	-	-	-	2,540
Status report-processing charges recovery	1	-	-	-	-	-	-	1

Notes forming part of the Standalone financial statements (contd...)

Particulars	As at March 31, 2021							Total
	Subsidiary	Associate	Others					
	MCX CCL	CDSL Commodity Repository Limited	MCX ESOP Trust	Shareholder's directors	Public interest directors	Company in which director is interested and where transaction exists		
Regulatory fees, transactions charges, fines & penalties and other collections by MCXCCL on behalf of MCX	1,19,774	-	-	-	-	-	-	1,19,774
Other deposits paid	1	-	-	-	-	-	-	1
Sitting fees paid	-	-	-	67	153	-	-	220
Trustee sitting fees paid	-	-	-	-	4	-	-	4
Dividend paid	-	-	29	-	-	-	5	34
<b>Balances as at March 31, 2021</b>								
Outstanding balance receivable / (payable)	(14)	-	-	-	-	-	-	(14)
Rent deposit	(61)	-	-	-	-	-	-	(61)

**Terms and conditions of transactions with related parties**

The services provided to and received from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured, interest free and will be settled in cash. There have been no guarantees received or provided for any related party receivables or payable.

**Compensation of key managerial personnel of the company**

₹ in Lakh

Particulars	2021-22	2020-21
Short-term employment benefits	1,624	1,113
Post-employment benefits	45	20

**Transactions with key managerial personnel :**

₹ in Lakh

Nature of Transactions	Year ended March 31, 2022	Year ended March 31, 2021
<b>1. Salary and allowances paid/payable to KMPs*:</b>		
Mr. P.S. Reddy	241	236
Mr. Ajay Puri	84	85
Mr. Satyajeet Bolar	64	57
Others	1,235	736
<b>2. Dividend paid to KMPs:</b>		
Others	7	5

\* Excludes gratuity and long term compensated absences which are actuarially valued at company level and where separate amounts are not identifiable.

Notes :

- There are no amounts written off or written back during the year in respect of debts due from or to related parties.
- KMPs as on the respective dates are considered.
- Amount paid to ex-employee who were erstwhile KMP's are not included above.

Notes forming part of the Standalone financial statements (contd...)

**38. Employee benefit plans:**
**1.a. Post employment defined benefit plans :**

The company makes annual contributions to the employee's group gratuity assurance scheme administered by the Life Insurance Corporation of India ('LIC'), a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to fifteen days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs on completion of five years of service.

The following tables set out the funded status of the gratuity plans and the amounts recognized in the company's financial statements as at March 31, 2022 and March 31, 2021. ₹ in Lakh

Particulars	Year ended	
	March 31, 2022	March 31, 2021
<b>Change in benefit obligations</b>		
Present value of benefit obligation at the beginning of the year	789	717
Interest cost	54	49
Current service cost	93	90
Benefits paid from the fund	(68)	(43)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions #	0	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(46)	2
Actuarial (gains)/losses on obligations - due to experience	217	(26)
<b>Present value of benefit obligations at the end of the year</b>	<b>1040</b>	<b>789</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	651	592
Interest income	45	41
Return on plan assets excluding interest income	(4)	(13)
Contributions by the employer	266	74
Benefits paid from the fund	(68)	(43)
<b>Fair value of plan assets at the end of the year</b>	<b>890</b>	<b>651</b>
<b>Net (liability)/asset recognised in the balance sheet</b>	<b>(150)</b>	<b>(138)</b>

# figures are below rounding off norms adopted by the company

Amount for the year ended March 31, 2022 and March 31, 2021 recognized in the statement of profit and loss under employee benefits expenses.

₹ in Lakh

Recognized in Profit and Loss	Year ended	
	March 31, 2022	March 31, 2021
Current service cost	93	90
Net interest cost	9	9
<b>Expenses recognized</b>	<b>102</b>	<b>99</b>

Notes forming part of the Standalone financial statements (contd...)

Amount for the year ended March 31, 2022 and March 31, 2021 recognized in statement of other comprehensive income:

Recognized in other comprehensive income	₹ in Lakh	
	Year ended	
	March 31, 2022	March 31, 2021
<b>Actuarial (gains) / losses on obligation for the year</b>	171	(24)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	4	13
<b>Net (income)/expense for the year recognized in OCI</b>	<b>175</b>	<b>(11)</b>

The weighted-average assumptions used to determine benefit obligations as at March 31, 2022 and March 31, 2021 are set out below:

Weighted average actuarial assumptions	₹ in Lakh	
	As at	
	March 31, 2022	March 31, 2021
Discount rate	7.25%	6.87%
Weighted average rate of increase in compensation levels	7.50%	7.50%
<b>Weighted average duration of defined projected benefit obligation</b>	<b>15</b>	<b>15</b>

Sensitivity analysis	₹ in Lakh	
	As at	
	March 31, 2022	March 31, 2021
Projected benefit obligation on current assumptions	1,040	789
Delta effect of +1% change in rate of discounting	(109)	(89)
Delta effect of -1% change in rate of discounting	128	105
Delta effect of +1% change in rate of salary increase	126	103
Delta effect of -1% change in rate of salary increase	(110)	(89)
Delta effect of +1% change in rate of employee turnover	(4)	(6)
Delta effect of -1% change in rate of employee turnover	4	7

**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 ₹ 232 lakhs to the plan assets during financial year 2022-23.

Actuarial gains/losses are recognized in the period of occurrence under other comprehensive income (OCI). All above reported figures of OCI are gross of taxation.

Notes forming part of the Standalone financial statements (contd...)

Maturity profile of projected benefit obligation:

₹ in Lakh

Projected benefits payable in future years from the date of reporting	March 31, 2022		March 31, 2021	
Within 1 year		35		24
1-2 year		45		17
2-3 year		25		38
3-4 year		31		27
4-5 year		60		24
5-10 years		331		221
11 years and above		2,208		1,749

**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 ₹ 274 Lakhs (previous year ₹ 216 Lakh). (refer note 25)

₹ in Lakh

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Contribution to provident and family pension fund	272	214
Contribution to employees state insurance scheme (ESIC)	-	-
Contribution to labour welfare fund#	0	0
Contribution to employees deposit linked insurance (EDLI)	2	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, 2022 is based on actuarial valuation carried out by using projected accrual benefit method which resulted in increase in liability by ₹ 52 lakh. (previous year - increased by ₹ 47 lakh).

**a. Financial assumptions**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Discount rate	7.25 % p.a.	6.87 % p.a.
Salary escalation rate	7.50 % p.a.	7.50 % p.a.

**b. Demographic assumptions**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
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 (2006-08) Ultimate

Notes forming part of the Standalone financial statements (contd...)

**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.



Notes forming part of the Standalone financial statements (contd...)

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, 2022		As at March 31, 2021	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
<b>2008 Plan: Employee stock options (ESOPs)</b>				
Outstanding at the beginning of year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited and lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
<b>Outstanding at the end of year</b>	-	-	-	-
<b>Exercisable at the end of year</b>	-	-	-	-

Lapsed options available for reissuance are 95,551 (As at March 31, 2021: 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
Grant date		
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

Notes forming part of the Standalone financial statements (contd...)

Particulars	For options granted in				
	24-Oct-11	03-Oct-12	19-Apr-13	19-Feb-14	11-Nov-14
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, short term loans from banks 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, 2022 were as follows:

₹ in Lakh

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets at amortized cost:</b>				
Cash and cash equivalents (refer note 10)	356	356	241	241
Bank balances (refer note 11)	1,071	1,071	191	191
Bank deposits with original maturity of more than twelve months (refer note 5)	423	423	721	721
Unbilled revenue (refer note 12)	4,079	4,079	2,566	2,566
Trade receivables (refer note 9)	1,313	1,313	1,097	1,097
Other financial assets (refer note 5 & 12)	2,318	2,318	3,322	3,322
Investment in PSU bank bonds (refer note 4)	15,604	15,604	16,140	16,140
<b>Financial liabilities at amortized cost:</b>				
Trade payables (refer note 18)	3,077	3,077	2,233	2,233
Other financial liabilities (refer note 16 & 19)	11,237	11,237	8,988	8,988
<b>Fair value through profit or loss:</b>				
Investments (refer note 4 & 8)				
Tax free bonds	-	-	29,417	29,417
Mutual funds	90,963	90,963	67,139	67,139
ETF bond	5,006	5,006	4,773	4,773

Notes forming part of the Standalone financial statements (contd...)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Fair value through OCI:</b>				
Investments in unquoted equity shares of subsidiary	23,999	23,999	23,999	23,999
Investments in unquoted equity shares of other entities	1,665	1,665	1,797	1,797

**Note:-**

- 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. The fair value of tax free bonds is based on quoted prices and market observable inputs.
- 3) The fair value of warrants & 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 as at March 31, 2022:

₹ in Lakh

Particulars	As at March 31, 2022	As at March 31, 2021	Level	Hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
<b>Financial Assets</b>				
Investments in mutual funds (FVTPL)	90,963	67,139	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 tax free bonds (FVTPL)	-	29,417	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)*	25,664	25,796	3	Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
Investments in ETF (FVTPL)	5,006	4,773	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.

Notes forming part of the Standalone financial statements (contd...)

**(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, 2022		As at March 31, 2021	
	₹ In Lakh	Amount in Foreign Currency	₹ In Lakh	Amount in Foreign Currency
<b>Trade receivables</b>				
In USD#	1	1,484	0	695
<b>Trade Payables</b>				
In USD	99	1,30,659	-	-
In GBP	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	2021-22		2020-21	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
	5% Increase	5% decrease	5% Increase	5% decrease
<b>Trade receivables</b>				
USD#	0	(0)	0	(0)
<b>Trade Payables</b>				
USD	5	(5)	-	-
GBP#	0	(0)	-	-

# figures are below rounding off norms adopted by the company

Notes forming part of the Standalone financial statements (contd...)

**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 ₹ 1,383 lakh and ₹ 1,186 lakh as at March 31, 2022 and March 31, 2021 respectively and unbilled revenue amounting to ₹ 4,079 lakh and ₹ 2,566 lakh as at March 31, 2022 and March 31, 2021 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 & bonds is with financial institutions with high credit rating assigned by the international credit rating agencies.

Ageing of account receivables

₹ in Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Trade receivables</b>		
< 1 Year	841	633
1 - 5 Year	473	464
> 5 Year	-	-
<b>Total</b>	<b>1,313</b>	<b>1,097</b>

Movement in provisions of doubtful debts

₹ in Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Opening provision	102	186
Add: Additional provision made		27
Less: Provision reversed	(17)	-
Less: Bad trade receivable written off	(14)	(111)
<b>Closing provision</b>	<b>71</b>	<b>102</b>

**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 (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Notes forming part of the Standalone financial statements (contd...)

**9. Financial arrangements**

The table below provides details regarding the contractual maturities of significant financial assets and financial liabilities as at March 31, 2022 and March 31, 2021:

₹ in Lakh

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets at amortized cost:</b>				
Cash and cash equivalents (refer note 10)				
< 1 Year	356	356	241	241
1 - 5 Year				
> 5 Year				
Bank balances (refer note 11)				
< 1 Year	1,071	1,071	191	191
1 - 5 Year				
> 5 Year				
Other financial assets (refer note 5 & 12)				
< 1 Year	5,350	5,350	4,836	4,836
1 - 5 Year	1,470	1,470	1,773	1,773
> 5 Year				
Investments (refer note 4 & 8)				
< 1 Year	69,684	69,684	58,049	58,049
1 - 5 Year	41,891	41,891	59,420	59,420
> 5 Year				
<b>Financial liabilities at amortized cost:</b>				
Trade payables (refer note 18)				
< 1 Year	3,076	3,076	1,990	1,990
1 - 5 Year	1	1	243	243
> 5 Year				
Other financial liabilities (refer note 16 & 19)				
< 1 Year	6,108	6,108	3,812	3,812
1 - 5 Year	1,421	1,421	386	386
> 5 Year	3,708	3,708	4,790	4,790

\*Investment does not include investment in equity investment of subsidiary and associates.

**10. Capital risk management**
**(a) 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.

Notes forming part of the Standalone financial statements (contd...)

### 11. Regulatory risk

The company requires a number of regulatory approvals, licenses, registrations and permissions to operate our business. For example, the company has 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 change. 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, 2022	Year ended March 31, 2021
Gross amount required to be spent by the company during the year.	320	288
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	13	143
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	307	145
The total of previous years' shortfall amounts	110	269
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.	320	557
Reason for shortfall	Pertain to ongoing projects	Pertain to ongoing projects
Nature of CSR activities	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.	Infrastructure support, Education support for the girls/ women, Equipment support to Government / Municipal Hospitals, Infrastructure support for the disadvantaged groups, Seed support to incubators, Support to the visually disabled

Notes forming part of the Standalone financial statements (contd...)

- 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 current 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 opinionion 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, 2022 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 2021-22, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

₹ in Lakh

Particulars	As at	
	March 31, 2022	March 31, 2021
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. Interest due on above.	4	15
ii. Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iii. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.



Notes forming part of the Standalone financial statements (contd...)

**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, 2022	Amount outstanding at March 31, 2021	Maximum balance outstanding during the year March 31, 2022	Maximum balance outstanding during the year March 31, 2021
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. Event occurring after balance sheet date**

The Board of Directors has recommended equity dividend of ₹ 17.40 per share (previous year ₹ 27.60) for the financial year 2021-22.

₹ in Lakh, except equity shares

Particulars	As at March 31, 2022	As at March 31, 2021
Equity shares	5,09,98,369	5,09,98,369
Final dividend for the year ended March 31, 2022 of ₹17.40 (March 31, 2021 - ₹ 27.60/-) per fully paid share	8,874	14,076
Dividends not recognized at the end of the reporting period	8,874	14,076

**47. Additional regulatory information required by Schedule III**

**a. Financial ratio disclosure**

₹ in Lakh

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% variance
Current ratio (in times)	Current assets	Current liabilities	4.25	4.53	-6.18%
Return on equity ratio (in %)*	Net profit for the year	Average shareholder's equity	8.00%	12.00%	-33.33%
Trade receivables turnover ratio **	Revenue from operations	Average trade receivables	27.37	38.53	-28.96%
Trade payables turnover ratio	Other expenses	Average trade payable	5.13	5.40	-5.00%
Net capital turnover ratio	Revenue from operations	Working capital (Current assets - Current liabilities)	0.53	0.64	-17.19%
Net profit ratio (in %) ***	Net profit for the year	Revenue from operations	36.00%	54.00%	-33.33%

Notes forming part of the Standalone financial statements (contd...)

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% variance
Return on capital employed (in %) #	Profit before tax and finance costs	Capital employed (Networth + Deferred tax liabilities)	10.17%	14.53%	-30.04%
Return on investment (in %) ##	Income generated from treasury investments	Average invested funds in treasury investments	5.25%	9.39%	-44.08%

\* due to decrease in net profit and effect of exceptional item.

\*\* due to decrease in revenue from operations. (due to decrease in average daily turnover).

\*\*\* due to effect of exceptional item.

# due to effect of exceptional item in profit before tax.

## MTM loss impact on mutual fund investment.

**b. Relation with struck off Companies**

- (i) Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**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**

- (1) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. 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
  - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (2) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a. 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
  - b. 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.

Notes forming part of the Standalone financial statements (contd...)

**(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.**

- 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 management has assessed the potential impact of COVID-19 on the Company. Based on current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of its assets and liabilities is minimal.
- 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 13,50,00,000 equity shares of IIBH of face value ₹ 1 at par amounting to ₹ 1350 lakh. The company's holding 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, Exchange's holding fell below 20% of paid up capital of IIBH and stood at 14.43%.  
As on March 31, 2022 Exchange's holding was at 14.43% of paid up capital of IIBH.
- 51.** The Board of Directors of the company at its meeting held on February 04, 2021 has decided to award the contract of implementation of commodity derivatives platform to Tata Consultancy Services Ltd (TCS). The said contract is under process.
- 52.** The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post- employment benefits has received Presidential assent on in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The company will assess the impact of the Code when it comes into effect and will record any related impact in the period of the Code becomes effective.
- 53.** Previous year figures have been regrouped/reclassified wherever necessary to conform to current year figures.
- 54.** The Financial Statements were approved by the Audit Committee and Board of Directors on May 16, 2022.

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

<b>P.S.Reddy</b> Managing Director & CEO DIN : 01064530	<b>Saurabh Chandra</b> Chairman DIN : 02726077	<b>Pravin Tripathi</b> Director DIN : 06913463
<b>Ajay Puri</b> Company Secretary	<b>Satyajeet Bolar</b> Chief Financial Officer	

Place: Mumbai  
Date: May 16, 2022

Place: Mumbai/Delhi  
Date: May 16, 2022

# **CONSOLIDATED FINANCIAL STATEMENTS**

**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 profit in its associates, which comprise the consolidated balance sheet as at March 31, 2022, 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 to below 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, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing, as specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b>Legal and Taxation and matter:</b></p> <p>Refer note 2.4., note 2.3.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><b>Principal Audit Procedures:</b></p> <p>For legal and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtain list of legal and tax cases against the Holding Company and gained understanding thereof.</li> <li>• Testing key controls surrounding litigation and tax procedures;</li> <li>• Performing substantive procedures on the underlying calculations supporting the provisions recorded;</li> <li>• Considering external legal/tax consultants opinions obtained by the management on possible outcome of litigation;</li> <li>• Meeting with the management and reading subsequent Companies correspondence;</li> <li>• Discussing open matters with the Holding Companies litigation and tax teams;</li> <li>• Assessing the Management's conclusions through understanding precedents set in similar cases; and</li> <li>• For the significant provisions made, understood and assessed the provisioning methodology. Tested the underlying data and assumptions used in the determination of the provisions recorded.</li> <li>• For cases where a provision was not recognized, evaluated the adequacy of disclosure made in the Ind AS financial statements.</li> </ul>
2.	<p><b>Valuation of Investments and its impairment:</b></p> <p>Quoted investments and unquoted investments of Holding Company represent the most significant amount on the balance sheet. The total of these investments aggregating to ₹ 1,39,788 Lakh represented 77.17% of total assets of the Company as at March 31, 2022.</p> <p>There is inherent uncertainty relating to the assumptions supporting such estimates and risk that the fair value of investments is not determined appropriately and hence valuation of investments and its impairment is considered as a key audit matter.</p>	<p><b>Principal Audit Procedures:</b></p> <p>Holding Company auditors audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We assessed the design and implementation of controls over valuation and existence of investments.</li> <li>• For the fair valuation models, we understood and assessed the methodology used. We tested the underlying data and assumptions used in the determination of the fair value.</li> <li>• We traced the quantity held from the independent confirmation provided by the Custodian and Fund houses.</li> <li>• We tested the valuation of the quoted and unquoted investments to independent pricing sources.</li> <li>• Assessed appropriateness and arithmetical accuracy of fair value disclosures pertaining to investments.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
3.	<p><b>Impairment of Intangible Assets Under Development:</b></p> <p>The Holding Company had entered into an agreement in August 2018 with a software vendor to develop a trading system for the spot market. The Holding Company has incurred amount of ₹ 2,043 Lakh on the said project and was shown as intangible asset under development.</p> <p>On account of non- fulfilment of the scope of the Project within the timelines and disputes arising between the parties, the dispute was referred to Singapore International Arbitration Centre ("SIAC").</p> <p>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 by the Holding Company.</p> <p>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.</p> <p>We considered this a key audit matter as:</p> <ul style="list-style-type: none"> <li>• The amount involved was material.</li> <li>• The review of carrying values of intangible assets under development performed by the Holding Company involves a number of significant judgments and estimates.</li> </ul>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>• Understanding, evaluating and testing the design and operating effectiveness of the controls in respect of the Holding Company's processes for assessing the carrying value of intangible assets under development.</li> <li>• Analysing the reasonableness of key management assumptions and estimates used in the impairment analysis.</li> <li>• Review of minutes of Standing Committee on Technology.</li> <li>• Study of arbitration order issued by Singapore International Arbitration Centre ("SIAC").</li> <li>• Review of special audit report conducted by independent IT professionals.</li> </ul>
4.	<p><b>Development of New Commodity Derivatives Platform (Intangible Assets Under Development):</b></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 notes 3B of the standalone financial statements.</p> <p>We considered this a key audit matter as:</p> <ul style="list-style-type: none"> <li>• The amounts involved were material.</li> <li>• Judgments and estimate required by the management in assessing assets meeting the /capitalization criteria set out in Ind AS 38 Intangible Assets.</li> </ul>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Holding Company's capitalization policy and assessed for compliance with the relevant accounting standards.</li> <li>• We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalization of assets.</li> <li>• We tested the internal approval notes and other documentation to ensure that the projects were appropriately approved by the MD &amp; CEO, Chief Financial Officer and other concerned HOD's as per the delegated authority matrix.</li> <li>• Testing a sample of projects to ensure appropriate capitalisation of qualifying employee cost and cost of external contractors/parties.</li> <li>• We Assessed whether initial assumptions applied in determining project feasibility continues to hold true and whether sufficient economic benefits are likely to flow from the projects to support the values to be capitalised.</li> <li>• We obtained understanding on management assessment relating to progress of project and their intention to bring the assets to its intended use.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
5.	<p><b>Key Audit Matter of the Subsidiary</b></p> <p><b>Computation of Core Settlement Guarantee Fund ("Core SGF"):</b></p> <p>Computation of Core Settlement Guarantee Fund ("Core SGF") is a mandatory compliance requirement for the Clearing corporation which involves the evaluation of the historic information, large variety and complexity of computation as well as involvement of significant judgment in the computation of price of underlying commodities, future contracts etc and is clarified by Securities and Exchange Board of India ("SEBI") through various Circulars.</p> <p>As per SEBI regulations, maintenance of SGF is a regulatory requirement for the clearing corporation to guarantee the settlement of trades executed on the stock exchange, non-compliance with which may attract penalty from SEBI. In the event of a clearing member failing to honour settlement commitments, the SGF is used to fund the obligations of such member and complete the settlement without affecting the normal settlement process.</p> <p>Due to the level of judgement and complexity involved relating to computation of SGF, this is considered to be a key audit matter.</p>	<p><b>Principal Audit Procedures:</b></p> <p>Audit procedures of subsidiary auditor, in respect of this area included:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the regulatory framework to be complied by the subsidiary for the maintenance of Core SGF;</li> <li>• Understood, evaluated and validated the design of the process adopted by the subsidiary over the computation of Core SGF;</li> <li>• Compared the computation method applied by the management with the computation method prescribed by the SEBI;</li> <li>• Tested the Core SGF computation under various scenarios keeping in view the assumption made by the management;</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 ₹ 1,24,672 Lakh as at March 31, 2022, total revenues of ₹ 7,694 Lakh and net cash inflows amounting to ₹ 10,743 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 ₹ 127 Lakh and total comprehensive loss ₹ 83 Lakh for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of two associates (in respect of one associate from September 17, 2021 to March 03, 2022), 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(xxii) 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 separates 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, 2022 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, 2022 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 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.

- (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, no funds have been advances or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of subsidiary and 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 associates 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, 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 associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditor of the subsidiary and associate 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.

For **SHAH GUPTA & Co.**

Chartered Accountants

Firm Registration No.: 109574W

**Vedula Prabhakar Sharma**

Partner

Membership No.: 123088

UDIN: 22123088AJBWOW3822

Place: Mumbai

Date: May 16, 2022

## **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: 22123088AJBWOW3822

Place: Mumbai

Date: May 16, 2022

## **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, 2022, 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 auditor of the subsidiary incorporated in India, in terms of their report 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, 2022, 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 one subsidiary and two associates (in respect of one associate from September 17, 2021 to March 03, 2022), 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: 22123088AJBWOW3822

Place: Mumbai

Date: May 16, 2022

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**Consolidated Balance Sheet** as at March 31, 2022

₹ in Lakh

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2A	13,669	13,952
(b) Capital work- in- progress	2B	4,337	119
(c) Right of use assets	2C	75	141
(d) Intangible assets	3A	1,902	1,845
(e) Intangible assets under development	3B	5,142	2,513
(f) Investment in associate	4	1,241	1,242
(g) Financial assets			
(i) Non-current investments in others	4	43,159	59,421
(ii) Other non-current financial assets	5	21,971	51,511
(h) Deferred tax assets (net)	32	-	476
(i) Income tax assets (net)	6	5,966	6,125
(j) Other non-current assets	7	344	73
<b>Total non-current assets</b>		<b>97,806</b>	<b>1,37,418</b>
<b>(2) Current assets</b>			
(a) Financial assets			
(i) Current investments	8	71,349	59,846
(ii) Trade receivables	9	1,147	896
(iii) Cash and cash equivalents	10	13,836	2,979
(iv) Bank balances other than cash and cash equivalents (iii) above	11	83,710	39,629
(v) Other current financial assets	12	9,983	7,104
(b) Other current assets	13	2,223	2,379
<b>Total current assets</b>		<b>1,82,248</b>	<b>1,12,833</b>
<b>Total assets</b>		<b>2,80,054</b>	<b>2,50,251</b>
<b>Equity and liabilities</b>			
<b>(1) Equity</b>			
(a) Equity share capital	14	5,100	5,100
(b) Other equity	15	1,36,711	1,36,723
<b>Total equity</b>		<b>1,41,811</b>	<b>1,41,823</b>
<b>(2) Core settlement guarantee fund</b>			
	16	<b>52,559</b>	<b>46,923</b>
<b>Liabilities</b>			
<b>(3) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Other non-current financial liabilities	17	5,274	5,423
(ia) Lease liabilities	35	46	85
(b) Deferred tax liabilities (net)	32	984	-
(c) Non-current provisions	18	274	219
<b>Total non-current liabilities</b>		<b>6,578</b>	<b>5,727</b>
<b>(4) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	19	2,641	2,033
Total outstanding dues of micro enterprises and small enterprises	19	4	15
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	2,637	2,018
(i) Lease liabilities	35	40	70
(ii) Other current financial liabilities	20	64,290	42,957
(b) Other current liabilities	21	11,783	9,610
(c) Current provisions	22	239	203
(d) Income tax liabilities (net)	23	113	905
<b>Total current liabilities</b>		<b>79,106</b>	<b>55,778</b>
<b>Total liabilities</b>		<b>1,38,243</b>	<b>1,08,428</b>
<b>Total equity and liabilities</b>		<b>2,80,054</b>	<b>2,50,251</b>

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 and on behalf of the Board of Directors**
**For Shah Gupta & Co.**
**P.S.Reddy**
**Saurabh Chandra**
**Pravin Tripathi**

Chartered Accountants

Managing Director &amp; CEO

Chairman

Director

Firm Registration Number : 109574W

DIN : 01064530

DIN : 02726077

DIN : 06913463

**Vedula Prabhakar Sharma**
**Ajay Puri**
**Satyajeet Bolar**

Partner

Company Secretary

Chief Financial Officer

Membership No. 123088

Place: Mumbai

Place: Mumbai/Delhi

Date: May 16, 2022

Date: May 16, 2022



**Consolidated Statement of Profit and Loss** for the year ended 31 March, 2022

₹ In Lakh, except EPS

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>I Income</b>			
Revenue from operations	24	36,681	39,056
Other income	25	6,650	10,378
<b>Total income</b>		<b>43,331</b>	<b>49,434</b>
<b>II Expenses</b>			
Employee benefits expense	26	8,000	7,516
Finance costs	27	24	19
Depreciation and amortization expense	2A, 3A	2,270	2,206
Software support charges and product license fees	28	6,397	6,359
Computer technology and communication expenses	29	2,050	2,108
Other expenses	30	4,016	4,560
<b>Total expenses</b>		<b>22,757</b>	<b>22,768</b>
<b>III Profit before exceptional items and tax</b>		<b>20,574</b>	<b>26,666</b>
<b>IV Exceptional items:</b>			
Impairment of intangible assets under development	50	2,043	-
<b>V Profit before tax and share of profit of associates</b>		<b>18,531</b>	<b>26,666</b>
<b>VI Add: Share of profit/(loss) of associates</b>		(127)	9
<b>VII Profit before tax</b>		<b>18,405</b>	<b>26,675</b>
<b>VIII Tax expenses</b>			
(1) Current tax	32	2,885	3,820
(2) Minimum alternate tax (MAT) credit utilised	32	990	499
(3) MAT credit entitlement relating to previous year	32	436	360
(4) Excess provision for tax relating to previous years	32	(317)	(156)
(5) Deferred tax	32	65	(370)
<b>Total tax expenses</b>		<b>4,059</b>	<b>4,153</b>
<b>IX Profit for the year</b>		<b>14,345</b>	<b>22,522</b>
<b>X Other comprehensive income</b>			
A) Items that will not be reclassified to profit or loss (net of tax)			
i) Changes in fair value of equity instruments		(101)	(103)
ii) Remeasurement of employee benefits obligations		(226)	9
iii) Share of profit in associates#		44	0
<b>XI Total comprehensive income for the year</b>		<b>14,062</b>	<b>22,428</b>
<b>Net profit attributable to:</b>			
a) Owner of the company		14,345	22,522
b) Non-controlling interest		-	-
<b>Other comprehensive income attributable to:</b>			
a) Owner of the company		(283)	(94)
b) Non-controlling interest		-	-
<b>Total comprehensive income attributable to:</b>			
a) Owner of the company		14,062	22,428
b) Non-controlling interest		-	-
<b>Earnings per equity share (of ₹ 10/- each)</b>			
(1) Basic	36	28.18	44.25
(2) Diluted	36	28.18	44.25

# figures are below rounding off norms adopted by the group

Significant accounting policies, key accounting estimates and judgements

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

**Vedula Prabhakar Sharma**

Partner

Membership No. 123088

Place: Mumbai

Date: May 16, 2022

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

**P.S.Reddy**

Managing Director & CEO

DIN : 01064530

**Ajay Puri**

Company Secretary

Place: Mumbai/Delhi

Date: May 16, 2022

**Saurabh Chandra**

Chairman

DIN : 02726077

**Satyajeet Bolar**

Chief Financial Officer

**Pravin Tripathi**

Director

DIN : 06913463

**Consolidated Statement of Changes in Equity** for the year ended 31 March, 2022

**A. Equity share capital**

(1) For the year ended March 31, 2022

₹ In Lakh

Balance as at April 1, 2021	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

(2) For the year ended March 31, 2021

Balance as at April 1, 2020	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, 2021
5,100	-	-	-	5,100

**B. 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 in associates	
<b>Balance as at April 1, 2020*</b>	<b>21,684</b>	<b>96,386</b>	<b>16,449</b>	<b>(3,685)</b>	<b>(0)</b>	<b>1,30,838</b>
Profit for the year	-	22,522	-	-	-	22,522
Transfer to settlement guarantee fund (refer note 44)	-	(1,240)	-	-	-	(1,240)
Dividend	-	(15,300)	-	-	-	(15,300)
Equity instruments through other comprehensive income#	-	-	-	(103)	(0)	(103)
Other comprehensive income arising from re-measurement of employee benefits obligation and others (net of tax)	-	-	-	9	-	9
<b>Balance as at March 31, 2021#</b>	<b>21,684</b>	<b>1,02,368</b>	<b>16,449</b>	<b>(3,779)</b>	<b>(0)</b>	<b>1,36,723</b>
Profit for the year	-	14,345	-	-	-	14,345
Transfer to settlement guarantee fund (refer note 44)	-	-	-	-	-	-
Dividend	-	(14,076)	-	-	-	(14,076)
Equity instruments through other comprehensive income	-	-	-	(101)	44	(57)
Other comprehensive income arising from re-measurement of employee benefits obligation and others (net of tax)	-	-	-	(226)	-	(226)
<b>Balance as at March 31, 2022</b>	<b>21,684</b>	<b>1,02,637</b>	<b>16,449</b>	<b>(4,106)</b>	<b>44</b>	<b>1,36,711</b>

# 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**
**P.S.Reddy**

Managing Director &amp; CEO

DIN : 01064530

**Saurabh Chandra**

Chairman

DIN : 02726077

**Pravin Tripathi**

Director

DIN : 06913463

**Vedula Prabhakar Sharma**

Partner

Membership No. 123088

Place: Mumbai

Date: May 16, 2022

**Ajay Puri**

Company Secretary

Place: Mumbai/Delhi

Date: May 16, 2022

**Satyajeet Bolar**

Chief Financial Officer

**Consolidated cash flow statement** for the year ended 31 March, 2022

₹ In Lakh

Particulars	Year ended		
	March 31, 2022	March 31, 2021	
<b>A Cash flow from operating activities</b>			
Profit before tax	18,405		26,675
<b>Adjustments for:</b>			
Depreciation and amortisation expense	2,270	2,206	
Finance costs	24	19	
Impairment of intangible assets under development	2,043	-	
Gain on sale of investments (net)	(4,197)	(8,718)	
Loss on fair valuation of investments (net)	1,051	1,931	
Amortisation of government grant	(32)	(32)	
Provision for expected credit loss	5	26	
Provisions no longer required written back	(450)	-	
Loss on property, plant and equipment sold/scrapped (net)	10	-	
Interest income	(2,485)	(3,058)	
Share of profit / (loss) of associates	171	(9)	
Remeasurement of employee benefit	(175)	9	<b>(7,626)</b>
<b>Operating profit before working capital changes</b>	<b>16,639</b>		<b>19,049</b>
<b>Adjustments for (increase) / decrease in:</b>			
Other non-current financial assets	2	(836)	
Other non-current assets	(270)	788	
Trade receivables	(256)	(276)	
Other current financial assets	(1,376)	(635)	
Other current assets	156	(1,280)	
<b>Adjustments for increase/ (decrease) in:</b>			
Other non-current financial liabilities	(181)	256	
Non-current provisions	55	40	
Trade payables	1,056	(1,069)	
Other current financial liabilities	19,926	(33,360)	
Other current liabilities	936	(1,072)	
Current provisions	36	30	<b>(37,414)</b>
<b>Adjustment for increase/(decrease) in settlement guarantee fund (SGF)</b>	5,636		4,706
<b>Cash generated from operations</b>	<b>42,359</b>		<b>(13,659)</b>
Income tax paid (net of refunds)	(3,229)		(4,785)
<b>Net cash generated from / (used in) operating activities (A)</b>	<b>39,130</b>		<b>(18,443)</b>

Particulars	Year ended	
	March 31, 2022	March 31, 2021
<b>B Cash flow from investing activities</b>		
Capital expenditure on fixed assets including capital advances	(8,198)	(2,108)
Proceeds from sale of property, plant and equipment	22	-
Proceeds/ (purchase) of non-current investments-others (net)	19,238	5,455
Proceeds/(purchase) of current investments (net)	(11,503)	6,337
Bank balances other than classified as cash	(15,980)	(16,581)
Interest received	2,202	3,019
<b>Net cash flow (used) from investing activities (B)</b>	<b>(14,219)</b>	<b>(3,878)</b>
<b>C Cash flow from financing activities</b>		
Dividend paid	(14,076)	(15,300)
Finance costs paid	(13)	(3)
Payment of lease liabilities	(76)	(86)
<b>Net cash flow used in financing activities (C)</b>	<b>(14,165)</b>	<b>(15,389)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>10,746</b>	<b>(37,710)</b>
Cash and cash equivalents at the beginning of the year	2,979	40,689
<b>Cash and cash equivalents at the end of the year (refer note 10)</b>	<b>13,725</b>	<b>2,979</b>

**Note to Cash Flow Statement:**

- The cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".
- Previous years' figures have been regrouped wherever necessary.

**For Shah Gupta & Co.**

Chartered Accountants  
Firm Registration Number : 109574W

**Vedula Prabhakar Sharma**

Partner  
Membership No. 123088

Place: Mumbai  
Date: May 16, 2022

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

**P.S.Reddy**  
Managing Director & CEO  
DIN : 01064530

**Ajay Puri**  
Company Secretary

Place: Mumbai/Delhi  
Date: May 16, 2022

**Saurabh Chandra**  
Chairman  
DIN : 02726077

**Satyajeet Bolar**  
Chief Financial Officer

**Pravin Tripathi**  
Director  
DIN : 06913463

## Notes forming part of the Consolidated financial statements

### 1 Group 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, 2022. 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.

### 2 Significant accounting policies, key accounting estimates and judgements

#### 2.1 Basis of preparation of financial statements

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the ‘Ind AS’) as notified under Section 133 of the Companies Act, 2013 (‘Act’) read with of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These 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.

#### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries. Control is achieved when the company has majority of voting rights.

The 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 company obtains control over the subsidiary and ceases when the 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 company gains control until the date the 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 subsidiaries. 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.

Notes forming part of the Consolidated financial statements (contd...)

- 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 company 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 subsidiaries 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 members of the group are eliminated in full on consolidation.

**Investment in Associates**

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 subsidiaries.

The group's investments in its associates are accounted for using the equity method. Under the equity method, the investment in an associates 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 associates since the acquisition date. In addition, the group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the group and the associates are eliminated to the extent of the interest in the associates.

If group's share of losses of an associates exceeds its interest in that associates (which includes any long term interest that, in substance, form part of the group's net investment in the associates), 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 associates. If the associates 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 associates 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 associates, the group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associates upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

**2.3. 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.

**Depreciation methods, estimated useful lives and residual value:**

Depreciation is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

Asset class	Useful life
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.

Notes forming part of the Consolidated financial statements (contd...)

**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 use. Amortization methods and useful lives are reviewed at each financial year end.

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.

**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.

**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 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. Core settlement guarantee funds**

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014 every recognized clearing corporation shall establish and maintain a fund to guarantee the settlement of trades executed in the exchange. The clearing corporation shall have a fund called core SGF to guarantee the settlement of trades executed in the respective segment of the Stock Exchange. In the event of a clearing member failing to honour settlement commitments, the core SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process. The core SGF shall be contributed in a manner as prescribed by SEBI. This fund is represented by earmarked core SGF investments. The income earned on such investments is credited to the respective contributor's funds and adjusted towards incremental requirement of minimum required corpus (MRC) as per SEBI letter reference no. SEBI/HO/MRD/DRMNP/OW/P/2018/4559/1 dated February 12, 2018. Penalties and fines levied by the company are transferred to core SGF as other contributions.

**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.

Notes forming part of the Consolidated financial statements (contd...)

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 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 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 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.

### 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



Notes forming part of the Consolidated financial statements (contd...)

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 or loss.

Notes forming part of the Consolidated financial statements (contd...)

**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**

Revenue is recognised on accrual basis and when no significant uncertainty as to measurement and realization exists.

- a. Transaction charges: Revenue is recognized on transactions in accordance with the company's fees scales as and when the transaction occurs.
- b. Admission fees (non-refundable) 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 income is recognised when the company's right to receive dividend is established.
- e. Warehouse income is recognized on accrual basis.
- f. Interest income accrued on time proportion basis. The amounts disclosed as revenue are net of taxes and amounts collected on behalf of third parties.

**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. Realised 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.

**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, they are immediately recorded in retained earnings.

**b. Short term employee benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period when the employee renders those services. These benefits include compensated absences such as leave expected to be availed within a year and performance incentives.

**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.

## Notes forming part of the Consolidated financial statements (contd...)

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.

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 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.

**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. Refer to the accounting policies in section (I) impairment of non-financial assets.

**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.

Notes forming part of the Consolidated financial statements (contd...)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be 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 have been presented under the head "Other financial liabilities". Lease liabilities have 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 financing cash flows.

#### **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.

Notes forming part of the Consolidated financial statements (contd...)

**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 or 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 or loss over the expected useful lives of the assets concerned.

**T. 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.

**U. 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.

**2.4 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.

**Critical accounting estimates and assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**Income taxes**

The group's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by the management at the time the asset is acquired and reviewed at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Notes forming part of the Consolidated financial statements (contd...)

### **Defined benefit plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

### **Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on 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.

### **Global health pandemic on Covid-19**

The management has assessed the potential impact of COVID-19 on the Group. Based on current assessment, the management is of the view that impact of COVID-19 on the operations of the Group and the carrying value of its assets and liabilities is minimal.

## **2.5 Recent accounting pronouncements which are not yet effective**

Ministry of Corporate Affairs (MCA) notified Companies (Indian Accounting Standards) Amendment Rules, 2022 vide Notification dated 23 March 2022. Following amendments and annual improvements to Ind AS are applicable from 1 April 2022.

### **Ind AS - 103 Business Combination**

The amendment specifies that for identified assets and liabilities to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

### **Ind AS - 16 Property Plant and Equipment**

The amendment clarifies that sale proceeds of items produced in the process of making PPE available for its intended use cannot be deducted from the cost of PPE. Instead, such proceeds shall be recognized in the statement of profit or loss. The Group has evaluated the amendment and there is no impact on its financial statements.

### **Ind AS - 37 Provisions, Contingent Liabilities and Contingent Assets**

The amendment clarifies that that the 'costs to fulfil' a contract include both incremental costs (direct labour and material) and an allocation of other direct costs (e.g: depreciation charge for an item of PPE used in fulfilling the contract). The Group has evaluated the amendment and there is no impact on its financial statements.

### **Annual improvements to Ind AS 109 - Financial instruments**

The amendment clarifies while performing the '10 percent test' for derecognition of financial liabilities, borrower includes only fees paid or received between borrower and lender directly or on behalf of the other's behalf. The group does not expect the above amendments / improvements to have any significant impact on its financial statements.

Notes forming part of the Consolidated financial statements (contd...)

**2A. Property, plant and equipment**

₹ in Lakh

Particulars	Land-freehold	Buildings	Office equipments (including computer hardware)	Networking equipment	Furniture and fixtures	Vehicles	Total
<b>Gross carrying amount</b>							
<b>Balance as at April 1,2020</b>	<b>5,061</b>	<b>6,268</b>	<b>7,100</b>	<b>34</b>	<b>572</b>	<b>115</b>	<b>19,150</b>
Additions	-	-	1,098	-	-	37	1,135
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31,2021</b>	<b>5,061</b>	<b>6,268</b>	<b>8,198</b>	<b>34</b>	<b>572</b>	<b>152</b>	<b>20,285</b>
Additions	-	-	859	-	32	64	955
Disposals	-	-	184	-	-	57	241
<b>Balance as at March 31 2022</b>	<b>5,061</b>	<b>6,268</b>	<b>8,873</b>	<b>34</b>	<b>603</b>	<b>159</b>	<b>20,999</b>
<b>Accumulated depreciation</b>							
<b>Balance as at April 1,2020</b>	-	<b>540</b>	<b>4,082</b>	<b>31</b>	<b>321</b>	<b>48</b>	<b>5,021</b>
Additions	-	115	1,135	1	37	25	1,313
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31,2021</b>	-	<b>655</b>	<b>5,217</b>	<b>32</b>	<b>358</b>	<b>73</b>	<b>6,334</b>
Additions	-	115	1,024	-	37	27	1,203
Disposals	-	-	174	-	-	33	207
<b>Balance as at March 31 2022</b>	-	<b>770</b>	<b>6,067</b>	<b>32</b>	<b>395</b>	<b>66</b>	<b>7,330</b>
<b>Net carrying amount</b>							
<b>Balance as at March 31,2021</b>	<b>5,061</b>	<b>5,613</b>	<b>2,981</b>	<b>2</b>	<b>214</b>	<b>80</b>	<b>13,952</b>
<b>Balance as at March 31 2022</b>	<b>5,061</b>	<b>5,498</b>	<b>2,806</b>	<b>2</b>	<b>209</b>	<b>93</b>	<b>13,669</b>

**2B. Capital work-in-progress**

₹ In Lakh

<b>Balance as at March 31, 2021</b>	-	-	<b>119</b>	-	-	-	<b>119</b>
Additions	-	-	4,337	-	-	-	4,337
Capitalised during the year	-	-	119	-	-	-	119
<b>Balance as at March 31 2022</b>	-	-	<b>4,337</b>	-	-	-	<b>4,337</b>

**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 year	1-2 years	2-3 years	More than 3 years		
Projects in process	4,337	-	-	-	-	4,337
Projects temporarily suspended	-	-	-	-	-	-
<b>Total</b>	<b>4,337</b>	-	-	-	-	<b>4,337</b>

**Capital work-in-progress ageing schedule (as on March 31, 2021)**

₹ In Lakh

Particulars	Amount in CWIP for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in process	119	-	-	-	-	119
Projects temporarily suspended	-	-	-	-	-	-
<b>Total</b>	<b>119</b>	-	-	-	-	<b>119</b>

**Note:**

There are 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 is required.

Notes forming part of the Consolidated financial statements (contd...)

**2C. Right of use asset**

₹ in Lakh

Particulars	Lease of office premises	Total
<b>Balance as at April 01, 2020</b>	<b>273</b>	<b>273</b>
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2021</b>	<b>273</b>	<b>273</b>
Additions	2	2
Disposals	-	-
<b>Balance as at March 31, 2022</b>	<b>275</b>	<b>275</b>
<b>Accumulated depreciation</b>		
<b>Balance as at April 01, 2020</b>	<b>53</b>	<b>53</b>
Additions (refer note 35)	79	79
Disposals	-	-
<b>Balance as at March 31, 2021</b>	<b>132</b>	<b>132</b>
Additions (refer note 35)	68	68
Disposals	-	-
<b>Balance as at March 31, 2022</b>	<b>200</b>	<b>200</b>
<b>Net carrying amount</b>		
<b>Balance as at March 31, 2021</b>	<b>141</b>	<b>141</b>
<b>Balance as at March 31, 2022</b>	<b>75</b>	<b>75</b>

**3A. Intangible assets**

₹ in Lakh

Particulars	Computer software	Trademark and copyright	Total
<b>Gross carrying amount</b>			
<b>Balance as at April 1,2020</b>	<b>5,609</b>	-	<b>5,609</b>
Additions	1,165	9	<b>1,173</b>
Disposals	-	-	-
<b>Balance as at March 31,2021</b>	<b>6,773</b>	<b>9</b>	<b>6,782</b>
Additions #	1,056	0	<b>1,056</b>
Disposals	-	-	-
<b>Balance as at March 31 2022</b>	<b>7,829</b>	<b>9</b>	<b>7,838</b>
<b>Accumulated depreciation</b>			
<b>Balance as at April 1,2020</b>	<b>4,124</b>	-	<b>4,124</b>
Additions#	813	0	<b>813</b>
Disposals	-	-	-
<b>Balance as at March 31,2021 #</b>	<b>4,936</b>	<b>0</b>	<b>4,936</b>
Additions	998	1	<b>999</b>
Disposals	-	-	-
<b>Balance as at March 31 2022</b>	<b>5,934</b>	<b>1</b>	<b>5,935</b>
<b>Net carrying amount</b>			
<b>Balance as at March 31,2021</b>	<b>1,837</b>	<b>8</b>	<b>1,845</b>
<b>Balance as at March 31 2022</b>	<b>1,895</b>	<b>8</b>	<b>1,902</b>

# figures are below rounding off norms adopted by the group



Notes forming part of the Consolidated financial statements (contd...)

**3B. Intangible assets under development**

₹ In Lakh

<b>Balance as at March 31, 2021</b>	<b>2,513</b>	<b>-</b>	<b>2,513</b>
Additions	5,049	1	5,050
Capitalised during the year	378		378
Impaired during the year (refer note 50)	2,043	-	2,043
<b>Balance as at March 31 2022</b>	<b>5,141</b>	<b>1</b>	<b>5,142</b>

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

₹ In Lakh

Particulars	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	4,941	201	-	-	5,142
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>4,941</b>	<b>201</b>	<b>-</b>	<b>-</b>	<b>5,142</b>

**Intangible assets under development ageing schedule (as on March 31, 2021)**

₹ In Lakh

Particulars	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	567	12	-	-	579
Projects temporarily suspended	25	224	1,685	-	1,934
<b>Total</b>	<b>592</b>	<b>235</b>	<b>1,685</b>	<b>-</b>	<b>2,513</b>

**Note:**

There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan. Accordingly, no additional disclosure is required.

**4. Non-current investments**

Particulars	Face Value	As at March 31, 2022		As at March 31, 2021	
	Per share	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
<b>A Investments in equity instruments (unquoted fully paid up):</b>					
(i) of Associate - Cost					
CDSL Commodity Repository Limited, fully paid up	₹ 10	1,20,00,000	1,200	1,20,00,000	1,200
Add: Share of profit of associate (net of tax)			41		42
(ii) Others - cost					
India International Bullion Holding IFSC Limited	₹ 1	13,50,00,000	1,268	-	-
			<b>2,509</b>		<b>1,242</b>
<b>B Investment in mutual funds - FVTPL (unquoted fully paid up)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
Aditya Birla Sun Life Fixed Term Plan - Series RA	₹ 10	-	-	-	-
Aditya Birla Sun Life Fixed Term Plan - Series RC	₹ 10	-	-	80,00,000	1,005
Aditya Birla Sun Life Fixed Term Plan Series PU Direct Growth	₹ 10	-	-	50,00,000	654
HDFC Fixed Maturity Plan October, 2018 (43) 1 Direct Growth	₹ 10	-	-	70,00,000	888
HDFC Fixed Maturity Plan September, 2018 (42) -1-1381 Direct Growth	₹ 10	-	-	80,00,000	1,029
ICICI Pru FMP Series 84 1293 days -Direct Growth	₹ 10	-	-	1,00,00,000	1,279

## Notes forming part of the Consolidated financial statements (contd...)

Invesco India Fixed Maturity Plan Series XXXII Direct Growth	₹ 10	-	-	-	-
Kotak FMP Series 245 - 1140 days - Direct Growth	₹ 10	-	-	-	-
Kotak FMP Series 247 - 1308 days - Direct Growth	₹ 10	-	-	1,00,00,000	1,283
Nippon India FHF 38 Series 6 FMP - Direct Growth	₹ 10	-	-	-	-
Nippon India FHF 39 Series 4 FMP - Direct Growth	₹ 10	-	-	70,00,000	904
Nippon India FHF 39 Series 6 FMP - Direct Growth	₹ 10	-	-	80,00,000	1,030
Nippon India FHF 39 Series 9 FMP - Direct Growth	₹ 10	-	-	80,00,000	1,020
Axis Money Market Fund - Direct - Growth	₹ 1,000	87,036	1,002	-	-
DSP Ultra Short Fund - Direct - Growth	₹ 1,000	67,692	2,005	-	-
HDFC Money Market Fund - Direct - Growth	₹ 1,000	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	1,003	-	-
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	1,002	-	-
Kotak Money Market Scheme - Direct - Growth	₹ 1,000	27,689	1,003	-	-
Kotak Savings Fund - Direct - Growth	₹ 10	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	1,002	-	-
SBI Savings Fund - Direct - Growth	₹ 10	28,18,452	1,002	-	-
Tata Money Market Fund - Direct - Growth	₹ 1,000	26,237	1,004	-	-
Tata Ultra Short Term Fund - Direct - Growth	₹ 10	1,68,52,901	2,007	-	-
				<b>22,779</b>	<b>9,090</b>
<b>C Investment in tax free bonds - FVTPL(quoted and fully paid-up)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
7.19% Indian Railway Finance Corporation Limited, tax free bonds (maturity date 31 July, 2025)	₹ 10,00,000	-	-	400	4,439
7.11% National High Authority of India, tax free bonds (maturity date 18 September, 2025)	₹ 10,00,000	-	-	500	5,564
7.07% Housing and Urban Development Corporation Limited, tax free bonds (maturity date 01 October, 2025)	₹ 10,00,000	-	-	440	4,880
7.11% NTPC Limited, tax free bonds (maturity date 05 October, 2025)	₹ 1,000	-	-	62,457	694
7.11% Power Housing Finance Corporation Limited, tax free bonds (maturity date 17 October, 2025)	₹ 1,000	-	-	25,670	285

## Notes forming part of the Consolidated financial statements (contd...)

7.35% National High Authority of India, tax free bonds (maturity date 11 January, 2031)	₹ 1,000	-	-	1,08,849	1,332
7.49% Indain Renewable Energy Development Agency Limited, tax free bonds (maturity date 21 January, 2031)	₹ 1,000	-	-	1,36,241	1,576
7.39% Housing and Urban Development Corporation Limited, tax free bonds (maturity date 15 March, 2031)	₹ 1,000	-	-	1,30,244	1,595
7.35% Indian Railway Finance Corporation Limited, tax free bonds (maturity date 22 March, 2031)	₹ 1,000	-	-	1,50,000	1,831
7.35% National Bank For Agriculture And Rural Development, tax free bonds (maturity date 23 March, 2031)	₹ 1,000	-	-	4,95,649	6,050
7.38% India Infrastructure Finance Company Limited, tax free bonds (maturity date 15 November, 2027)	₹ 10,00,000	-	-	50	579
8.20% Housing And Urban Development Corporation Limited, tax free bonds (maturity date 05 March, 2027)	₹ 1,000	-	-	50,000	593
					<b>29,417</b>
<b>D Investment in PSU bank bonds - amortised cost (quoted and fully paid-up)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
Bank of Baroda 8.60% ( perpetual basel III tier I ATI series VIII) C 01 August, 2022	₹ 10,00,000	-	-	150	1,501
State Bank Of India perp AT 1 8.75% (series 1) 30 August, 2024 (CALL)	₹ 10,00,000	200	2,025	200	2,035
Bank of Baroda 8.70% ( perpetual basel III tier I ATI Series X) C 28 November,2024	₹ 10,00,000	450	4,504	450	4,505
SBI 8.50% Series II perpetual AT1 bonds basel- III 22 November,2024 (Call)	₹ 10,00,000	550	5,548	550	5,564
Bank of Baroda 9.14% (perpetual series VII basel III tier I) C 22 March, 2022	₹ 10,00,000			50	500
SBI 7.73% series II perpetual AT1 bonds basel- III 24 November, 2025 (Call)	₹ 10,00,000	200	2,028	200	2,035
			<b>14,105</b>		<b>16,140</b>
<b>E Investment in ETF bonds - FVTPL (quoted and fully paid-up)</b>	<b>Per unit</b>	<b>Units</b>	<b>₹ in Lakh</b>	<b>Units</b>	<b>₹ in Lakh</b>
BHARAT bond FOF - April 2023 - Dir - growth	₹ 1,000	3,00,000	3,511	3,00,000	3,351
Nippon India ETF Nifty CPSE bond plus SDL - 2024 maturity	₹ 100	13,80,000	1,495	13,80,000	1,422
			<b>5,006</b>		<b>4,773</b>
<b>Total</b>			<b>44,400</b>		<b>60,663</b>
Aggregare market value of quoted investments			19,112		50,329
Aggregare amount of quoted investments			18,534		46,946
Aggregate amount unquoted investments			25,288		10,332

Notes forming part of the Consolidated financial statements (contd...)

**5. Other non-current financial assets** ₹ in Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Security deposits	1,050	1,052
Bank deposits with more than 12 months maturity (refer note 11)*	19,916	48,234
Interest accrued but not due on fixed deposits**	1,005	2,225
<b>Total</b>	<b>21,971</b>	<b>51,511</b>

\*Bank deposits include deposits which are earmarked for Settlement Guarantee Fund ₹ 12,288 lakh (as at March 31, 2021: ₹ 26,615 lakh).

\*\* Interest accrued on fixed deposits which are earmarked for settlement guarantee fund ₹ 894 lakh (as at March 31, 2021: ₹ 1,532 lakh).

**6. Income tax assets (net)** ₹ in Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Advance income tax [net of provisions ₹ 73,572 lakh (as at March 31, 2021 ₹ 75,686 lakh)]	5,966	6,125
<b>Total</b>	<b>5,966</b>	<b>6,125</b>

**7. Other non-current assets** ₹ in Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Capital advances	264	-
<b>Others</b>		
Prepaid expenses	80	73
<b>Total</b>	<b>344</b>	<b>73</b>

**8. Current investments**

Particulars	Face value	As at March 31, 2022		As at March 31, 2021	
		No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
<b>A Investments in equity instruments (unquoted fully paid up):</b>					
<b>of other Entities - FVTOCI</b>					
Metropolitan Clearing corporation of India Limited (formerly Known as MCX SX Clearing Corporation Limited)	₹ 10	27,58,941	238	27,58,941	238
Metropolitan Stock Exchange of India Limited (Formerly Known as MCX Stock Exchange Limited)	₹ 1	33,17,77,008	1,427	33,17,77,008	1,559
		<b>1,665</b>		<b>1,797</b>	
<b>B Investment in mutual funds - FVTPL (unquoted fully paid up)</b>					
Aditya Birla Sun Life Fixed Term Plan - Series RA	₹ 10	-	-	50,00,000	613
HDFC Fixed Maturity Plan September, 2018 (42)	₹ 10	-	-	50,00,000	626
-1-1115 Direct Growth					
Invesco India Fixed Maturity Plan Series XXXII Direct Growth	₹ 10	-	-	50,00,000	630
Kotak FMP Series 245 - 1140 days - Direct Growth	₹ 10	-	-	80,00,000	994
Nippon India FHF 38 Series 6 FMP - Direct Growth	₹ 10	-	-	50,00,000	626

Notes forming part of the Consolidated financial statements (contd...)

SBI Magnum DFS C - 26 -1125 Days Direct Growth	₹ 10	-	-	1,00,00,000	1,257
UTI Fixed Term Income Fund Series XXX Plan 5	₹ 10	-	-	80,00,000	1,003
Aditya Birla Sun Life Fixed Term Plan - Series RC	₹ 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	-	-
Axis Arbitrage Fund - Direct - Growth	₹ 10	61,92,216	1,002	-	-
Axis Liquid Fund Direct Growth	₹ 1,000	21,166	500	-	-
Axis Banking & PSU Debt Fund Direct Growth	₹ 1,000	60,260	1,318	60,260	1,264
Axis Money Market Fund - Direct - Growth	₹ 1,000	90,424	1,041	90,424	1,001
DSP Liquidity Fund Direct Growth	₹ 1,000	-	-	71,739	2,110
DSP Ultra Short Fund - Direct - Growth	₹ 1,000	35,084	1,039	35,084	1,001
HDFC Arbitrage Fund - Direct - Growth	₹ 10	62,24,013	1,001	-	-
HDFC Low Duration Fund Direct Growth	₹ 10	33,57,861	1,672	33,57,861	1,597
HDFC Short Term Debt Fund Direct Growth	₹ 10	50,21,996	1,317	50,21,996	1,253
ICICI Prudential Money Market Fund Direct Growth	₹ 100	3,05,077	936	3,05,077	901
ICICI Pru Banking & PSU Debt Fund Direct Growth	₹ 1,000	51,95,885	1,399	51,95,885	1,331
ICICI Prudential Corporate Bond Fund - Direct - Growth	₹ 10	42,75,538	1,051	42,75,538	1,005
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	4,76,727	2,001
ICICI Prudential Liquid - Direct- Growth *	₹ 100	10,048	32	10,048	31
IDFC Arbitrage Fund - Direct - Growth	₹ 10	35,88,410	1,002	-	-
IDFC Banking & PSU Debt Fund - Direct - Growth	₹ 10	52,81,993	1,077	52,81,993	1,032
IDFC Ultra Short Term Fund - Direct - Growth	₹ 10	83,63,094	1,038	83,63,094	1,001
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	39,481	1,032
Invesco India Money Market Fund - Direct - Growth	₹ 1,000	40,954	1,041	40,954	1,001
Invesco India Short Term Fund - Direct - Growth	₹ 1,000	33,095	1,048	33,095	1,002
Invesco India Ultra Short Term Fund - Direct - Growth	₹ 1,000	67,580	1,560	67,580	1,502
Kotak Banking and PSU Debt Fund - Direct - Growth	₹ 10	39,27,851	2,132	39,27,851	2,024
Kotak Bond Fund - Direct - Growth	₹ 10	15,20,094	1,037	15,20,094	984
Kotak Corporate Bond Fund - Direct - Growth	₹ 1,000	89,285	2,797	89,285	2,665
Kotak Equity Arbitrage Fund - Direct - Growth	₹ 10	31,60,798	1,001	-	-

## Notes forming part of the Consolidated financial statements (contd...)

Kotak Floating Rate Fund - Direct - Growth	₹ 1,000	86,247	1,059	86,247	998
Kotak Money Market Scheme - Direct - Growth	₹ 1,000	28,730	1,040	28,730	1,001
Kotak Savings Fund - Direct - Growth	₹ 10	43,31,451	1,561	43,31,451	1,502
L&T Banking and PSU Debt Fund - Direct - Growth	₹ 10	-	-	51,22,301	1,030
L&T Short Term Bond Fund - Direct - Growth	₹ 10	-	-	46,29,977	1,002
L&T Triple Ace Bond Fund - Direct - Growth	₹ 10	-	-	16,66,442	994
L&T Ultra Short Term Fund - Direct - Growth	₹ 10	-	-	42,78,886	1,502
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	1,40,55,549	2,308
Nippon India Floating Rate Fund Direct Growth	₹ 10	27,93,835	1,055	27,93,835	1,005
Nippon India Liquid Fund Direct Growth	₹ 10	-	-	33,805	1,701
Nippon India Liquid Fund Direct Growth *	₹ 1,000	407	21	407	20
Nippon India Low Duration Fund - Direct - Growth	₹ 1,000	66,362	2,103	66,362	2,004
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	31,830	1,502
SBI Savings Fund - Direct - Growth	₹ 10	29,27,168	1,041	29,27,168	1,001
SBI Short Term Debt Fund - Direct - Growth	₹ 10	39,40,861	1,073	39,40,861	1,026
Tata Arbitrage Fund - Direct - Growth	₹ 10	83,50,801	1,001	-	-
Tata Liquid Fund Direct Growth	₹ 1,000	14,883	500	68,337	2,219
Tata Money Market Fund - Direct - Growth	₹ 1,000	27,288	1,044	27,288	1,001
UTI Arbitrage Fund - Direct - Growth	₹ 10	33,69,615	1,001	-	-
UTI-Liquid Cash Plan -Direct- Growth	₹ 1,000	-	-	1,39,741	4,710
UTI-Liquid Cash Plan -Direct- Growth *	₹ 1,000	1,003	35	1,003	34
			<b>68,184</b>		<b>58,049</b>
<b>C Investment in PSU bank bonds - amortised cost (quoted and fully paid-up)</b>	<b>Per Unit</b>	<b>No. of Units</b>	<b>₹ in Lakh</b>	<b>No. of Units</b>	<b>₹ in Lakh</b>
Bank of Baroda 8.60% ( Perpetual Basel III Tier I ATI Series VIII) C 01 August 2022	₹ 10,00,000	150	1,500	-	-
			<b>1,500</b>		-
<b>Total</b>			<b>71,349</b>		<b>59,846</b>

\* Earmarked towards the investor service fund - aggregate value ₹ 88 lakh (as at March 31, 2021 : ₹ 85 lakh)

Aggregate market value quoted investments	1,500	-
Aggregate amount of quoted investments	1,500	-
Aggregate market value of unquoted investments	69,849	59,846

Notes forming part of the Consolidated financial statements (contd...)

**9. Trade receivables**

₹ in Lakh

Particulars	As at March 31, 2022	As at March 31, 2021
Secured, considered good *	68	487
Unsecured, considered good	384	409
Doubtful	764	89
	1,216	985
Less: Allowance for doubtful trade receivables (refer note 40)	(69)	(89)
<b>Total</b>	<b>1,147</b>	<b>896</b>

\*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 in 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.

**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#	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
<b>Total</b>	<b>576</b>	<b>165</b>	<b>115</b>	<b>305</b>	<b>54</b>	<b>1,216</b>
<b>Allowance for doubtful trade receivables (refer note 40)</b>						(69)
<b>Total trade receivables</b>	<b>576</b>	<b>165</b>	<b>115</b>	<b>305</b>	<b>54</b>	<b>1,147</b>

# figures are below rounding off norms adopted by the group

Notes forming part of the Consolidated financial statements (contd...)

**Trade receivables ageing schedule (as at March 31, 2021)**

₹ in Lakh

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	397	21	17	8	15	459
(ii) Undisputed trade receivables – which have significant increase in credit risk	76	-	-	-	-	76
(iii) Undisputed trade receivables – credit impaired	-	28	1	6	14	48
(iv) Disputed trade receivables – considered good	-	-	5	8	6	19
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	296	12	76	384
<b>Total</b>	<b>473</b>	<b>49</b>	<b>319</b>	<b>33</b>	<b>111</b>	<b>985</b>
<b>Allowance for doubtful trade receivables (refer note 40)</b>						(89)
<b>Total trade receivables</b>	<b>473</b>	<b>49</b>	<b>319</b>	<b>33</b>	<b>111</b>	<b>896</b>

**10. Cash and cash equivalents**

₹ in Lakh

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- in current accounts*	13,725	2,979
Earmarked fund**		
- in current accounts	111	-
<b>Total</b>	<b>13,836</b>	<b>2,979</b>
<b>Cash and cash equivalents as per statement of cash flows</b>	<b>13,725</b>	<b>2,979</b>

\*Includes balance ₹ 3 lakh (₹ 1 lakh as at Marh 31, 2021) in SGF earmarked bank accounts

\*\*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.

**11. Bank balances other than cash and cash equivalents**

₹ in Lakh

Particulars	As at March 31, 2022	As at March 31, 2021
Bank deposits *	1,03,541	87,782
Less :Bank deposits with more than 12 months maturity (refer note 5)	(19,916)	(48,234)
Bank deposits with less than 12 months maturity*	83,625	39,548
In earmarked accounts		
- unpaid dividend accounts	85	79
- other earmarked accounts	-	2
<b>Total</b>	<b>83,710</b>	<b>39,629</b>

\* Bank deposits include:

- Deposits which are earmarked for Settlement Guarantee Fund ₹ 36,177 lakh (as at March 31, 2021: ₹ 16,758 lakh)
- Deposits other than note (a) which are under lien with banks for overdraft facilities and bank guarantee ₹ 19,104 lakh (as at March 31, 2021: ₹ 11,543 lakh).



Notes forming part of the Consolidated financial statements (contd...)

**12. Other current financial assets**

₹ in Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>secured, considered good</b>		
Security deposits	-	12
Unbilled revenue*	4,149	2,686
<b>Unsecured, considered good (unless stated otherwise)</b>		
Other receivables	26	112
Less: Provision for doubtful receivables	(2)	(13)
	24	99
Interest accrued but not due on fixed deposits**	5,267	2,732
Interest accrued but not due on tax free bonds	543	1,575
<b>Total</b>	<b>9,983</b>	<b>7,104</b>

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

\*\* Include interest of ₹ 2,830 lakh (as at March 31, 2021: ₹ 1,480 lakh) on fixed deposits which are earmarked for settlement guarantee fund.

**13. Other current assets**

₹ in Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>a) Unsecured, considered good (unless stated otherwise)</b>		
Prepaid expenses	1,195	1,222
Balance with government authorities	283	445
Advances for supply of services other than capital advances	730	683
Other advances	15	29
	2,223	2,379
<b>(b) Unsecured, considered doubtful</b>		
Other recoverable	282	282
Less : Provision for doubtful advance	(282)	(282)
<b>Total</b>	<b>2,223</b>	<b>2,379</b>

**14. Equity share capital**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
<b>Authorized</b>				
Equity shares of ₹ 10/- each	7,00,00,000	7,000	7,00,00,000	7,000
<b>Issued</b>				
Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
<b>Subscribed and paid-Up</b>				
Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
	<b>5,09,98,369</b>	<b>5,100</b>	<b>5,09,98,369</b>	<b>5,100</b>

Notes forming part of the Consolidated financial statements (contd...)

**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, 2022		As at March 31, 2021	
	Number of shares held	₹ in Lakh	Number of shares held	₹ in Lakh
Opening balance at the beginning of the year	5,09,98,369	5,100	5,09,98,369	5,100
Add: Shares issued during the year	-	-	-	-
<b>Closing balance at the end of the year</b>	<b>5,09,98,369</b>	<b>5,100</b>	<b>5,09,98,369</b>	<b>5,100</b>

**b. Rights, preferences and restrictions attached to equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the proportion of equity shares held.

**c. Details of shares held by each shareholder holding more than 5% Shares:**

Name of shareholders	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% of holding	Number of shares	% of holding
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.**
**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 in associates	
<b>Balance as at April 1, 2020<sup>#</sup></b>	<b>21,684</b>	<b>96,386</b>	<b>16,449</b>	<b>(3,685)</b>	<b>(0)</b>	<b>1,30,838</b>
Profit for the year	-	22,522	-	-	-	22,522
Transfer to settlement guarantee fund (refer note 44)	-	(1,240)	-	-	-	(1,240)
Dividend	-	(15,300)	-	-	-	(15,300)
Equity instruments through other comprehensive income <sup>#</sup>	-	-	-	(103)	(0)	(103)
Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	9	-	9
<b>Balance as at March 31, 2021<sup>#</sup></b>	<b>21,684</b>	<b>1,02,368</b>	<b>16,449</b>	<b>(3,779)</b>	<b>(0)</b>	<b>1,36,723</b>
Profit for the year	-	14,345	-	-	-	14,345
Transfer to settlement guarantee fund (refer note 44)	-	-	-	-	-	-
Dividend	-	(14,076)	-	-	-	(14,076)
Equity instruments through other comprehensive income	-	-	-	(101)	44	(57)

## Notes forming part of the Consolidated financial statements (contd...)

Other comprehensive income arising from re-measurement of employee benefits obligation (net of tax)	-	-	-	(226)	-	(226)
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<b>Balance as at March 31, 2022</b>	<b>21,684</b>	<b>1,02,637</b>	<b>16,449</b>	<b>(4,106)</b>	<b>44</b>	<b>1,36,711</b>
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# figures are below rounding off norms adopted by the group

- i) 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.
- ii) ESOP compensation reserve – refer note 39.

**16. Core settlement guarantee fund (SGF) ₹ In Lakh**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Opening balance (cash component)	46,923	40,977
Add/(Less): MCXCCL contribution to core SGF during the year	1,720	2,973
Add: Exchange -MCX contribution to core SGF during the year	600	616
Add: Settlement related penalties	3,316	2,357
<b>Total</b>	<b>52,559</b>	<b>46,923</b>

**17. Other non-current financial liabilities ₹ In Lakh**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Trade / Security deposits from - Members*	4,911	5,008
Employee benefits payable	363	415
<b>Total</b>	<b>5,274</b>	<b>5,423</b>

\*includes base minimum capital from members ; in addition to the cash component of base minimum capital, the amount of bank guarantees/ fixed deposits receipts (non cash component) forming part of base minimum capital as on March 31, 2022 ₹ 5,479 lakhs on March 31, 2021 is ₹ 5,700 lakh.

**18. Non-current provisions ₹ In Lakh**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Provision for compensated absences (refer note 38)	274	219
<b>Total</b>	<b>274</b>	<b>219</b>

**19. Trade payables ₹ In Lakh**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Total outstanding dues of micro enterprises and small enterprises	4	15
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,637	2,018
<b>Total</b>	<b>2,641</b>	<b>2,033</b>

Notes forming part of the Consolidated financial statements (contd...)

**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	Accrued expense	
(i) MSME#	4	0	-	-	-	-	4
(ii) Others#	514	849	-	1	0	1,273	2,637
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>518</b>	<b>849</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1,273</b>	<b>2,641</b>

# figures are below rounding off norms adopted by the group

**Trade payables ageing schedule (as at March 31, 2021)** ₹ In Lakh

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Accrued expense	
(i) MSME	14	1	-	-	-	-	15
(ii) Others#	71	84	236	0	7	1,621	2,018
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>85</b>	<b>85</b>	<b>23</b>	<b>0</b>	<b>7</b>	<b>1621</b>	<b>2034</b>

# figures are below rounding off norms adopted by the group

**20. Other current financial liabilities** ₹ In Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Advance received from members and applicants towards		
- Trading margin from members	53,966	35,242
- Member's security deposits	3,732	3,917
- Application money (pending admission)	48	48
Employee benefits payable	1,067	954
SEBI regulatory fund	6	6
Unclaimed dividends *	85	78
Warehouse deposit	160	35
Members obligation for transaction fees and warehouse deposits others	31	39
Other financial liabilities	7	24
Trade / Security deposits from settlement bankers	1,800	1,900
Payable for purchase of fixed assets	3,188	507
Security deposits from depository participants	200	207
<b>Total</b>	<b>64,290</b>	<b>42,957</b>

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

Notes forming part of the Consolidated financial statements (contd...)

**21. Other current liabilities** ₹ In Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Statutory remittances	9,216	7,744
Payable to Multi Commodity Exchange Investor Protection Fund (IPF)	737	602
Investor services fund (ISF)*	1,000	846
Networking Equipment Deposits#	-	0
Payable to settlement guarantee fund**	341	21
Advance received from members and applicants	448	326
Income received in advance	41	71
<b>Total</b>	<b>11,783</b>	<b>9,610</b>

# figures are below rounding off norms adopted by the group

\* 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 ₹ 312 lakh and utilized ₹ 197 Lakh (previous year ended March 31,2021 ₹ 330 lakh and utilized ₹ 89 lakh respectively)

\*\* FDR of ₹ 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** ₹ In Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Provision for compensated absences (refer note 38)	63	44
Provision for gratuity (refer note 38)	176	159
<b>Total</b>	<b>239</b>	<b>203</b>

**23. Income tax liabilities (net)** ₹ In Lakh

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Provision for tax [net of advance tax ₹ 2,741 lakh (as at March 31, 2021 ₹ 2,916 lakh)]	113	905
<b>Total</b>	<b>113</b>	<b>905</b>

**24. Revenue from operations** ₹ in Lakh

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
<b>Sale of services</b>		
Transaction fees	31,192	32,821
Annual subscription fees	263	285
Membership admission fees	175	203
Terminal charges	28	26
	<b>31,658</b>	<b>33,335</b>

Notes forming part of the Consolidated financial statements (contd...)

Particulars	₹ in Lakh	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Other operating revenues</b>		
Connectivity income	445	600
Other recoveries from members	512	305
Income from margin money	2,746	3,169
Data feed income	562	444
Warehouse income	758	1,203
	<b>5,023</b>	<b>5,721</b>
<b>Total</b>	<b>36,681</b>	<b>39,056</b>

Particulars	₹ In Lakh	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest income:</b>		
- on bank deposits#	0	23
- on income tax refund	59	-
- on tax free bonds	2,353	3,027
- from others#	73	0
<b>Net gain on sale of :</b>		
- current investments	1,884	8,718
- long-term investments	2,313	0
Gain/(loss) on fair valuation of mutual funds	1,262	(3,814)
Gain/(loss) on fair valuation of ETF	234	284
Gain/(loss) on fair valuation of tax free bonds	(2,547)	1,599
Rental income from operating lease	119	73
Provisions/Liability no longer required written back	449	-
Miscellaneous income	451	468
<b>Total</b>	<b>6,650</b>	<b>10,378</b>

# figures are below rounding off norms adopted by the group

Particulars	₹ In Lakh	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Employee benefits expense</b>		
Salaries, allowances and bonus	7,211	6,871
Contribution to provident and other funds	447	367
Staff welfare expenses	134	131
Compensated absences	208	147
<b>Total</b>	<b>8,000</b>	<b>7,516</b>

Notes forming part of the Consolidated financial statements (contd...)

<b>27. Finance costs</b>		<b>₹ In Lakh</b>	
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	
Interest expenses on :			
- Interest on lease liabilities (refer note 35)	10	19	
- Others	14		
<b>Total</b>	<b>24</b>	<b>19</b>	
<b>28. Software support charges and product license fees</b>		<b>₹ In Lakh</b>	
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	
Software support charges	4,773	4,955	
Product license fees	1,624	1,404	
<b>Total</b>	<b>6,397</b>	<b>6,359</b>	
<b>29. Computer technology and communication expenses</b>		<b>₹ In Lakh</b>	
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	
Computer technology expenses	1,532	1,654	
Communication expenses	518	454	
<b>Total</b>	<b>2,050</b>	<b>2,108</b>	
<b>30. Other expenses</b>		<b>₹ In Lakh</b>	
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>	
Advertisement	180	194	
Electricity charges (net of recoveries)	257	244	
Rent	289	309	
Repairs and maintenance - others	152	170	
Insurance	74	98	
Rates and taxes	24	24	
Travelling and conveyance	203	149	
Printing and stationery	16	10	
Business promotion	37	34	
CSR related expenses	371	586	
Legal and professional charges	678	866	
Sponsorships and seminar expenses	37	33	
Membership fees and subscriptions	108	167	
Security service charges	118	113	
Provision for doubtful trade receivables*	5	26	
Bad debts written off	0	0	
SEBI - exchange regulatory fees	170	184	
Payment to the auditors			
- For audit	15	18	
- For taxation matters	3	3	
- For other services	1	1	
- Reimbursement of out of pocket expenses	1	1	
<b>Total</b>	<b>20</b>	<b>23</b>	

Notes forming part of the Consolidated financial statements (contd...)

Contribution to Multi Commodity Exchange Investor Protection Fund (IPF)	312	330
Contribution to investor service fund	312	330
Net loss on foreign currency transactions and translations	26	15
Loss on sale of property, plant and equipment	10	-
Directors sitting fees	325	350
Office expenses	234	194
Miscellaneous expenses	58	112
<b>Total</b>	<b>4,016</b>	<b>4,560</b>

\* Net of bad debts written off ₹ 28 lakh (previous year ₹ 110 lakh)

**31. Contingent liabilities and commitments (to the extent not provided for):** ₹ In Lakh

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Contingent liabilities :</b>		
Claims against the group not acknowledged as debts:		
- Income tax demands against which the group is in appeals (including interest upto date of order) (net of rectification orders)	12,705	14,952
- Others (excluding interest)	62	74
<b>Capital commitments:</b>		
The estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	12,370	4,419

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.

**Other commitments:**

The group has commitments to pay for the services related to (i) maintenance of core network equipment and (ii) technology support and managed services based on long-term agreements, the cancellation of which may entail monetary compensation.

**32. Taxation** ₹ In Lakh

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Current income tax</b>	2,885	3,820
Excess provision for tax relating to previous years	(317)	(156)
Deferred tax	65	(370)
MAT credit entitlement relating to previous year	436	360
Minimum alternate tax (MAT) credit utilised	990	499
<b>Total income tax expense</b>	<b>4,059</b>	<b>4,153</b>



Notes forming part of the Consolidated financial statements (contd...)

Reconciliation of tax expense and the accounting profit for the year is as under:

Particulars	₹ in Lakh (except as otherwise stated)	
	Year ended	
	March 31, 2022	March 31, 2021
<b>Reconciliation:</b>		
Profit for the year before share of profit in associate:	18,531	26,667
Applicable tax rate for respective companies	29.12%	29.12%
Computed expected tax expense	5,292	7,765
<b>Add:</b>		
Expenses disallowed	978	996
Income from other Source	745	353
Less:		
Ind AS impact (net)	297	553
Expenses allowed	(828)	(655)
Exempt income/other income offered seperately	(1,927)	(3,430)
Contribution to SGF (refer note 44)	-	(312)
Set off of business loss	(682)	(654)
<b>Normal income tax liability</b>	<b>3,875</b>	<b>4,615</b>
MAT-income tax liability	2,885	3,820
Excess provision for tax relating to prior year	(317)	(156)
<b>Income tax expense per profit &amp; loss account</b>	<b>2,568</b>	<b>3,664</b>
<b>Effective tax rate</b>	<b>13.86%</b>	<b>13.74%</b>

Deferred tax relates to the following:

Particulars	₹ in Lakh	
	Balance Sheet	
	As at March 31, 2022	As at March 31, 2021
Expenses allowable on payment basis	265	155
Other items giving rise to temporary differences (including impact on fair value of investments)	(57)	87
Difference between WDV of property, plant and equipment as per books of accounts & income tax	(1,196)	(1,195)
Difference between WDV of right of use assets as per books of accounts & income tax	(22)	(41)
Lease liability	26	45
Minimum alternate tax (MAT) credit entitlement (refer note 45)	(1,426)	(859)
Minimum alternate tax (MAT) credit entitlement reversed	1,426	2,284
<b>Deferred tax asset / (liability)</b>	<b>(984)</b>	<b>476</b>

Notes forming part of the Consolidated financial statements (contd...)

**Reconciliation of deferred tax assets / (liabilities) net:**

₹ in Lakh

Particulars	As at	
	March 31, 2022	March 31, 2021
Opening balance as at April 01, 2021	476	939
Tax income/(expense) during the period recognized in profit & loss account	(65)	365
Differences on other comprehensive income	31	31
Minimum alternate tax (MAT) credit entitlement	(1,426)	(859)
<b>Closing balance</b>	<b>(984)</b>	<b>476</b>

**33. Segment reporting**

Ind AS 108 establishes standards for the way that companies report information about operating segments and related disclosures about products and services, and geographical areas. Based on the risks and returns identified, organizational structure and the internal financial reporting system, the business segment is the primary segment for the group and accordingly "business of facilitating trading in commodities and incidental activities thereto" is considered as the only primary reportable business segment. Further, since the group renders services only in the domestic market in India and there is no geographical segment.

**34. Foreign currency transactions**

₹ in Lakh

Particulars	Year ended	
	March 31, 2022	March 31, 2021
<b>Expenditure in foreign currency</b>		
- License fees	1,547	1,485
- Membership and subscription	40	113
- Professional charges	18	7
- Computer technology and communication expenses	104	61
- Legal expenses	-	1
- Software license fees expenses	20	24
- Bank charges	1	1
<b>Earnings in foreign exchange</b>		
- Data feed income	214	132

**35. Leases**

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, 2022	March 31, 2021
<b>Opening balance</b>	153	225
Additions during year	5	-
Finance costs incurred during the year	10	19
Payment of lease liabilities	(82)	(91)
<b>Closing balance</b>	<b>86</b>	<b>153</b>

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

₹ in Lakh

Particulars	March 31, 2022	March 31, 2021
<b>Opening balance</b>	141	220
Additions during year	2	-
Depreciation charged during the year	68	79
<b>Closing Balance</b>	<b>75</b>	<b>141</b>

Notes forming part of the Consolidated financial statements (contd...)

**c. Amounts recognised in statement of profit or loss:**

₹ in Lakh

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Depreciation on right of use asset	68	79
Finance costs incurred during the year	10	19
Rent expense	(82)	(91)
<b>Total amounts recognised in profit or loss</b>	<b>(4)</b>	<b>7</b>

**d. Maturity analysis of lease liabilities**

₹ in Lakh

Particulars	Year ended	
	March 31, 2022	March 31, 2021
<b>Maturity Analysis of contractual undiscounted cash flows</b>		
Less than one year	47	80
One to five years	56	89
More than five years	4	16
<b>Total undiscounted lease liability</b>	<b>107</b>	<b>185</b>
Non-current lease liability	46	85
Current lease liability	40	70
<b>Total lease liability</b>	<b>86</b>	<b>155</b>

**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, 2022	March 31, 2021
Weighted average shares outstanding - basic	5,09,02,818	5,09,02,818
Effect of dilutive securities on account of ESOP		
<b>Weighted average shares outstanding - diluted</b>	<b>5,09,02,818</b>	<b>5,09,02,818</b>

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

₹ in Lakh except EPS

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Earnings available to equity shareholders	14,345	22,522
Earnings available for equity shareholders for diluted earnings per share	14,345	22,522
Basic earnings per share	28.18	44.25
Diluted earnings per share	28.18	44.25

**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) (from June 4, 2021 to March 3, 2022)
Shareholders' directors	Mr. Hemang Raja@
	Mr. Chengalath Jayaram
	Mr. Mohan Shenoi (w.e.f. September 30, 2021)
	Mr. Vivek Sinha (w.e.f. September 30, 2021)*
	Mr. Amit Goela (upto August 8, 2021)
<i>*Sitting fees are paid directly to their nominee institutions</i>	

Notes forming part of the Consolidated financial statements (contd...)

Public interest directors	Mr. Saurabh Chandra
	Mr. Shankar Aggarwal
	Mr. Bhartendu Kumar Gairola
	Ms. Pravin Tripathi
	Mr. Chandra Shekhar Verma (w.e.f. May 22, 2021)
	Dr. Harsh Kumar Bhanwala (w.e.f. August 8, 2021)
	Mr. Basant Seth (upto May 18, 2021)
	Dr. Deepali Pant Joshi (upto August 6, 2021)
Key managerial personnel (KMP)	Mr. P.S. Reddy, MD & CEO
	Mr. Ajay Puri, Company Secretary
	Mr. Satyajeet Bolar, Chief Financial Officer##
	<b>Others:</b>
	Mr. Manoj Jain* (w.e.f. November 1, 2021)
	Mr. Rajendran Narayanan* (w.e.f. November 3, 2021)
	Mr. Sanjay Golecha, Chief Regulatory Officer
	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 (w.e.f May 03, 2021)##
	Mr. Vijay Patel (w.e.f. May 6, 2021)
	Mr. Suresh Raval (w.e.f. April 1, 2021)
	Ms. Rashmi Nihalani (w.e.f. April 1, 2021)
	Ms. Komal Kanzaria (w.e.f. April 1, 2021)
	Mr. NK Muthappa (w.e.f. April 1, 2021)
	Mr. Ramesh Gurram (w.e.f. September 30, 2021)
	Mr. Dhananjay Chandrashekar Rokde (upto July 02, 2021)##
	Mr. Manav Jain Chief Technology Officer* (upto September 21, 2021)
Mrs. Neetu Juneja# (upto October 11, 2021)	
Mr. Chandrakant Upadhyay#(upto October 29, 2021)	
Mr. Pradip Dey (upto December 31, 2021)##	
Others Relatives of KMPs or company in which KMP is interested and where transaction exists	-

Notes forming part of the Consolidated financial statements (contd...)

Company in which director is interested and where transaction exists	Hotel Queen Road Private limited
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 director Mr. Hemang Raja on it's board.

#Identified as KMP's under SECC Regulations, 2018 by the nomination and remuneration committee, in its meeting held on November 16, 2018.

##Identified as KMP's under SECC Regulations, 2018 from their date of joining

**Transactions with related parties:**

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

₹ in Lakh

Particulars	As at March 31, 2022							Total
	Associate		Others					
	CDSL Com- modity Repository Limited	India Inter- national Bul- lion Holding IFSC Limited (IIBH) (w.e.f. June 4, 2021 upto March 3, 2022)	MCX ESOP Trust	Share- holder's directors	Public interest directors	Company in which director is interested and where transac- tion exists	KMPs	
<b>Transactions</b>								
Re-imbursments charged to the company	-	-	-	-	5	-	8	12
Recoveries charged by the company	-	-	22	-	-	-	-	22
Sitting fees paid	-	-	-	52	170	-	-	222
Trustee sitting fees paid	-	-	-	-	8	-	-	8
Dividend paid	-	-	26	-	-	-	7	33
Equity share capital (face value ₹ 1)	-	1,350	-	-	-	-	-	1,350
Reimbursement of professional fees	-	5	-	-	-	-	-	5
<b>Balances as at March 31, 2022</b>								
Outstanding balance receivable / (payable)	-	-	-	-	-	-	-	-

The details of transactions with related parties for year ended March 31, 2021 are as follows:

₹ in Lakh

Particulars	As at March 31, 2021						Total
	Associate	Others					
	CDSL Com- modity Repository Limited	MCX ESOP Trust	Sharehold- er's directors	Public interest directors	Company in which director is interested and where transaction exists	KMPs	
<b>Transactions</b>							
Re-imbursments charged to the company	-	-	-	1	-	7	8
Recoveries charged by the company	-	2	-	-	-	-	2
Sitting fees paid	-	-	67	153	-	-	220

Notes forming part of the Consolidated financial statements (contd...)

Trustee sitting fees paid	-	-	-	4	-	-	4
Dividend paid	-	29	-	-	-	5	34
<b>Balances as at March 31, 2021</b>							
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**

Particulars	₹ in Lakh	
	2021-22	2020-21
Short-term employment benefits	1,624	1,113
Post-employment benefits	45	20

**Transactions with key managerial personnel :**

Nature of Transactions	₹ in Lakh	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>1. Salary and allowances paid/payable to KMPs*:</b>		
Mr. P.S. Reddy	241	236
Mr. Ajay Puri	84	85
Mr. Satyajeet Bolar	64	57
Others	1,235	736
<b>2. Dividend paid to KMPs:</b>		
Others	7	5

\*Excludes gratuity and long term compensated absences which are actuarially valued at Company level and where separate amounts are not identifiable.

Notes :

- There are no amounts written off or written back during the year in respect of debts due from or to related parties.
- KMPs as on the respective dates are considered.
- 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 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, 2022 and March 31, 2021.

Notes forming part of the Consolidated financial statements (contd...)

₹ in Lakh

Particulars	Year ended	
	March 31, 2022	March 31, 2021
<b>Change in benefit obligations</b>		
Present value of benefit obligation at the beginning of the year	932	850
Interest cost	64	58
Current service cost	111	108
Benefits paid from the fund	(74)	(56)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(56)	2
Actuarial (gains)/losses on obligations - due to experience	277	(30)
<b>Present value of benefit obligations at the end of the year</b>	<b>1,254</b>	<b>932</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	773	705
Interest income	53	49
Return on plan assets excluding interest income	(5)	(14)
Contributions by the employer	330	90
Benefits paid from the fund	(74)	(56)
<b>Fair value of plan assets at the end of the year</b>	<b>1,078</b>	<b>773</b>
<b>Net (liability)/ asset recognised in the balance sheet</b>	<b>(176)</b>	<b>(159)</b>

Amount for the year ended March 31, 2022 and March 31, 2021 recognized in the statement of profit and loss under employee benefits expenses.

₹ in Lakh

Recognized in Profit and Loss	Year ended	
	March 31, 2022	March 31, 2021
Current service cost	111	108
Net interest cost	11	10
<b>Expenses recognized</b>	<b>121</b>	<b>118</b>

Amount for the year ended March 31, 2022 and March 31, 2021 recognized in statement of other comprehensive income:

₹ in Lakh

Recognized in other comprehensive income	Year ended	
	March 31, 2022	March 31, 2021
<b>Actuarial (gains) / losses on obligation for the year</b>	221	(28)
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	5	14
<b>Net (income)/expense for the year recognized in OCI</b>	<b>226</b>	<b>(14)</b>

Notes forming part of the Consolidated financial statements (contd...)

The weighted-average assumptions used to determine benefit obligations as at March 31, 2022 and March 31, 2021 are set out below:

<b>Weighted average actuarial assumptions</b>	<b>₹ in Lakh</b>	
	<b>As at</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Discount rate#	7.25%	6.87%
Methodology adopted for valuation is projected unit credit method.	7.50%	7.50%
<b>Weighted average duration of defined projected benefit obligation*</b>	<b>15</b>	<b>15</b>

# MCXCCL Discount rate 7.25% for FY 2021-22 and 6.82% for FY 2020-21.

\* MCXCCL - 12 years as at March 31, 2022 and 13 years as at March 31, 2021.

<b>Sensitivity analysis</b>	<b>₹ in Lakh</b>	
	<b>As at</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Projected benefit obligation on current assumptions	1,254	932
Delta effect of +1% change in rate of discounting	(130)	(103)
Delta effect of -1% change in rate of discounting	152	122
Delta effect of +1% change in rate of salary increase	150	120
Delta effect of -1% change in rate of salary increase	(131)	(103)
Delta effect of +1% change in rate of employee turnover	(5)	(7)
Delta effect of -1% change in rate of employee turnover	5	8

**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 ₹ 258 lakh to the plan assets during financial year 2021-22.

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.

<b>Projected benefits payable in future years from the date of reporting</b>	<b>₹ in Lakh</b>	
	<b>As at</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Within 1 year	42	40
1-2 year	50	20
2-3 year	30	43
3-4 year	37	30
4-5 year	94	27
5-10 years	798	539
11 years and above	2,208	1,749



Notes forming part of the Consolidated financial statements (contd...)

**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 ₹ 335 Lakh (previous year ₹ 258 Lakh) (refer note 26).

₹ in Lakh

Particulars	As at	
	March 31, 2022	March 31, 2021
Contribution to provident and family pension fund	332	255
Contribution to employees state insurance scheme (ESIC)	-	-
Contribution to labour welfare fund#	0	0
Contribution to employees deposit linked insurance (EDLI)	3	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, 2022 based on actuarial valuation carried out by using projected accrual benefit method resulted in increase in liability by ₹ 74 lakh. (previous year - increase by ₹ 56 lakh).

**a. Financial assumptions**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Discount rate#	7.25 % p.a.	6.87 % p.a.
Salary escalation rate	7.50 % p.a.	7.50 % p.a.

# MCXCCL discount rate is 7.25% for FY 2021-22 and 6.82% for FY 2020-21.

**b. Demographic assumptions**

Particulars	As at	As at
	March 31, 2022	March 31, 2021
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 (2006-08) Ultimate

**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.

Notes forming part of the Consolidated financial statements (contd...)

**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, 2022		As at March 31, 2021	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
<b>2008 Plan: Employee stock options (ESOPs)</b>				
Outstanding at the beginning of year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited and lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
<b>Outstanding at the end of year</b>	-	-	-	-
<b>Exercisable at the end of year</b>	-	-	-	-

Notes forming part of the Consolidated financial statements (contd...)

Lapsed options available for reissuance are 95,551 (As at March 31, 2021: 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
Grant date		
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, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes forming part of the Consolidated financial statements (contd...)

- Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>₹ in Lakh</b>				
<b>Amortized cost:</b>				
<b>Financial assets at amortized cost:</b>				
Cash and cash equivalents (refer note 10)	13,836	13,836	2,979	2,979
Bank balances (refer note 11)	83,710	83,710	39,629	39,629
Bank deposits with original maturity of more than twelve months (refer note 5)	19,916	19,916	48,234	48,234
Unbilled revenue (refer note 12)	4,149	4,149	2,686	2,686
Trade receivables (refer note 9)	1,147	1,147	896	896
Other financial assets (refer note 5 & 12)	7,889	7,889	7,696	7,696
Investment in PSU bank bonds (refer note 4 & 8)	15,605	15,605	16,140	16,140
<b>Financial liabilities at amortized cost:</b>				
Trade payables (refer note 19)	2,641	2,641	2,033	2,033
Other financial liabilities (refer note 17 & 20)	69,564	69,564	48,380	48,380
<b>Fair value through profit or loss:</b>				
Investments (refer note 4 & 8)				
Tax free bonds	-	-	29,417	29,417
Mutual funds	90,964	90,964	67,139	67,139
ETF bond	5,006	5,006	4,773	4,773
<b>Fair value through OCI:</b>				
Investments in unquoted equity shares of other entities (refer note 8)	1,665	1,665	1,797	1,797

**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 P & L may not be indicative of the performance of the company.
- The fair value of mutual funds is based on quoted price. The fair value of tax free bonds is based on quoted prices and market observable inputs.
- The fair value of warrants and equity securities is based on the valuation provided by the certified values.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2022:

Notes forming part of the Consolidated financial statements (contd...)

**b. Fair value measurement**

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2022:

₹ in Lakh

Particulars	As at March 31, 2022	As at March 31, 2021	Level	Hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
<b>Financial Assets</b>				
Investments in Mutual Funds (FVTPL)	90,964	67,139	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 Tax free bonds (FVTPL)	-	29,417	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)*	1,665	1,797	3	Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
Investments in ETF Bonds	5,006	4,773	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.

Notes forming part of the Consolidated financial statements (contd...)

**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, 2022		As at March 31, 2021	
	₹ In Lakh	Amount in Foreign Currency	₹ In Lakh	Amount in Foreign Currency
<b>Trade receivables</b>				
In USD#	1	1,484	0	695
<b>Trade payables</b>				
In USD	99	1,30,659	-	-
In GBP	5	6,152	-	-

# figures are below rounding off norms adopted by the group

**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	
	March 31, 2022		March 31, 2021	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
	5% Increase	5% decrease	5% Increase	5% decrease
<b>Trade receivables</b>				
USD#	0	(0)	0	(0)
<b>Trade Payables</b>				
USD	5	(5)	-	-
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 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 ₹ 1,147 lakh and ₹ 896 lakh as at March 31, 2022 and March 31, 2021 respectively and unbilled revenue amounting to ₹ 4,149 lakh and ₹ 2,686 lakh as at March 31, 2022 and March 31, 2021 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.

Notes forming part of the Consolidated financial statements (contd...)

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 international credit rating agencies.

**Ageing of account receivables**

₹ in Lakh

Particulars	As at	
	March 31, 2022	March 31, 2021
<b>Trade receivables</b>		
< 1 Year	741	522
1 - 5 Year	475	463
> 5 Year	-	-
<b>Total</b>	<b>1,216</b>	<b>985</b>

**Movement in provisions of doubtful debts**

₹ in Lakh

Particulars	As at	
	March 31, 2022	March 31, 2021
<b>Opening provision</b>	103	186
Add:- Additional provision made	-	27
Less:- Provision reversed	(17)	-
Less:- Bad debts written off	(15)	(111)
<b>Closing provision</b>	<b>71</b>	<b>103</b>

**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, 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 below) 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, 2022 and March 31, 2021:

₹ in Lakh

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets at amortized cost:</b>				
Cash and cash equivalents (refer note 10)				
< 1 Year	13,836	13,836	2,978	2,978
1 - 5 Year	-	-	-	-
> 5 Year	-	-	-	-
Bank balances (refer note 11)				
< 1 Year	83,710	83,710	39,629	39,629
1 - 5 Year	19,493	19,493	47,513	47,513
> 5 Year	-	-	-	-

Notes forming part of the Consolidated financial statements (contd...)

Other financial assets (refer note 5 & 12)				
< 1 Year	12,393	12,393	10,506	10,506
1 - 5 Year	1,470	1,470	1,773	1,773
> 5 Year	-	-	-	-
Investments (refer note 4 & 8)				
< 1 Year	69,684	69,684	58,049	58,049
1 - 5 Year	41,891	41,891	59,420	59,420
> 5 Year				
<b>Financial liabilities at amortized cost:</b>				
Trade payables (refer note 19)				
< 1 Year	2,640	2,640	1,790	1,790
1 - 5 Year	1	1	243	243
> 5 Year				
Other financial liabilities (refer note 17 & 20)				
< 1 Year	65,312	65,312	44,455	44,455
1 - 5 Year	1,421	1,421	386	386
> 5 Year	3,708	3,708	4,790	4,790

\*Investment does not include investment in equity investment of subsidiaries 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 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. 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.

#### 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. CCRL is a public entity that is not listed on any public Exchange. The group's interest in CCRL is accounted for using the equity method in the Consolidated financial statements. The following table illustrates the summarized financial information of the group's investment in CCRL.



Notes forming part of the Consolidated financial statements (contd...)

₹ in Lakh

Particulars	As at	
	March 31, 2022	March 31, 2021
Current assets	4,020	4,045
Non-current assets	1,271	1,226
Total liabilities	(105)	(81)
<b>Equity</b>	<b>5,186</b>	<b>5,190</b>
Proportion of the group's ownership interest	24%	24%
Carrying amount of the group's interest	1,241	1,242

₹ in Lakh

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Revenue	480	472
Employee benefits expense	(292)	(228)
Depreciation and amortization expense	(5)	(7)
Administration and other expenses	(175)	(182)
<b>Profit before tax</b>	<b>7</b>	<b>55</b>
Tax expense	(5)	(18)
<b>Profit for the year</b>	<b>2</b>	<b>37</b>
Other comprehensive Income	(5)	1
Total comprehensive Income for the year	(4)	38
Group's share of profit for the year (net of tax)#	0	9
Group's share of other comprehensive income for the year#	(1)	0
Group's share of total comprehensive income for the year	(1)	9

# figures are below rounding off norms adopted by the group

**The associate had the following contingent liabilities and capital commitments**

₹ in Lakh

Particulars	As at	
	March 31, 2022	March 31, 2021
Contingent liabilities	-	-
<b>Commitment:</b>		
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 company has subscribed to 13,50,00,000 equity shares of IIBH of face value ₹ 1 at par amounting to ₹ 1350 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 stood at 14.43%.

As on March 31, 2022 holding company's stake was at 14.43% of paid up capital of IIBH.

#### 42. Corporate social responsibility

As per Section 135 of the companies Act 2013, group, 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.

Notes forming part of the Consolidated financial statements (contd...)

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	As at	
	March 31, 2022	March 31, 2021
Gross amount required to be spent by the group during the year	371	317
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	64	171
The amount of shortfall at the end of the year out of the amount required to be spent by the group during the year	307	145
The total of previous years' shortfall amounts	110	269
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.	371	586
Reason for shortfall	Pertain to ongoing projects	Pertain to ongoing projects
Nature of CSR activities	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.	Infrastructure support, Education support for the girls/ women, Equipment support to Government / Municipal Hospitals, Infrastructure support for the disadvantaged groups, Seed support to incubators, Support to the visually disabled

**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/associates	Country of incorporation	Proportion of ownership interest (current year)	Proportion of ownership interest (previous year)
Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)	India	100%	100%
CDSL Commodity Repository Limited (CCRL)	India	24%	24%
India International Bullion Holding IFSC Limited (IIBH) (from June 4, 2021 to March 3, 2022)	India	20%	-

Notes forming part of the Consolidated financial statements (contd...)

**(ii) Additional information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiaries and associates**

₹ in Lakh

Name of the entities	2021-22							
	Net assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidated TCI	Amount
<b>Holding</b> Multi Commodity Exchange of India Limited	92%	1,30,254	83%	11,846	98%	(276)	81%	11,443
<b>Subsidiary (Indian)</b> MCXCCL	7%	10,316	18%	2,626	18%	(51)	18%	2,575
<b>Associates (Indian)</b> CDSL Repository Limited#	1%	1,241	0%	0	0%	(1)	0%	(1)
India International Bullion Holding IFSC Limited (IBH) (from June 4, 2021 to March 3, 2022)	0%	-	-1%	(127)	-16%	45	0%	45
<b>Total</b>	<b>100%</b>	<b>1,41,811</b>	<b>100%</b>	<b>14,345</b>	<b>100%</b>	<b>(283)</b>	<b>100%</b>	<b>14,062</b>

# figures are below rounding off norms adopted by the group

₹ in Lakh

Name of the entities	2020-21							
	Net assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidated TCI	Amount
<b>Holding</b> Multi Commodity Exchange of India Limited	94%	1,32,840	83%	18,783	103%	(97)	83%	18,687
<b>Subsidiary (Indian)</b> MCXCCL	5%	7,741	17%	3,730	-3%	3	17%	3,733
<b>Associates (Indian)</b> CDSL Repository Limited#	1%	1,242	0%	9	0%	0	0%	9
<b>Total</b>	<b>100%</b>	<b>1,41,823</b>	<b>100%</b>	<b>22,522</b>	<b>100%</b>	<b>(94)</b>	<b>100%</b>	<b>22,429</b>

# figures are below rounding off norms adopted by the group

44. Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, has issued norms related to the computation of Minimum Required Corpus (MRC) to the Core Settlement Guarantee Fund (SGF). The required contribution shall be contributed by the Clearing Corporation (minimum 50%) from its own fund, Stock Exchange (minimum 25%) and members (maximum 25%). Accordingly, Core SGF has been contributed by Clearing Corporation (MCX CCL) from its own fund and Stock exchange (MCX) as prescribed by SEBI guidelines.

Notes forming part of the Consolidated financial statements (contd...)

Accordingly, below mentioned amounts are transferred to SGF from reserves of MCXCCL to ensure compliance with said circular:

₹ in Lakh

Particulars	March 31, 2022	March 31, 2021
Contribution during the year	-	1,240
<b>Total</b>	-	<b>1,240</b>

In the event of a clearing member (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.

₹ in Lakh

Year	MCXCCL Contribution	MCX Contribution	Penalties/ Interest	Total
As at March 31, 2022	30,052	10,478	12,029	52,559
As at March 31, 2021	28,333	9,878	8,712	46,923

The contribution made by MCXCCL and MCX includes the income accrued thereon.

Accordingly, the penalties and Interest income on fixed deposits reflected in the financials statements are net of transfer to SGF of Rs. 2,724 lakh (as at March 31, 2021: Rs. 1,870 lakh) SGF penalties and Rs. 2,895 lakh (as at March 31, 2021: Rs. 2,826 lakh) relating to SGF fixed deposits interest respectively for financial year ended March 31, 2022.

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 recongnised 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 current 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 opionion 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 at March 31, 2022 and the above amounts are shown under contingent liabilities.

Notes forming part of the Consolidated financial statements (contd...)

47. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2021-22, to the extent the group has received intimation from the "Suppliers" regarding their status under the Act.

₹ in Lakh

Particulars	As at	
	March 31, 2022	March 31, 2021
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.	4	15
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.

48. **Event occurring after balance sheet date**

The Board of Directors has recommended equity dividend of ₹17.40 per share (previous year ₹27.60) for the financial year 2021-22.

**Dividend by the Holding company**

₹ in Lakh, except equity shares

Particulars	As at	
	March 31, 2022	March 31, 2021
Equity shares	5,09,98,369	5,09,98,369
Final dividend for the year ended March 31, 2022 of ₹ 17.40	8,874	14,076
(March 31, 2021 - ₹ 27.60/-) per fully paid share		
Dividends not recognized at the end of the reporting period	8,874	14,076

49. **Additional regulatory information required by Schedule III**

**a. Financial ratio disclosure**

₹ in Lakh

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% variance
Current ratio (in times)	Current assets	Current liabilities	2.30	2.02	13.89%
Return on equity ratio (in %)*	Net profit for the year	Average shareholder's equity	10.12%	16.22%	-37.63%
Trade receivables turnover ratio**	Revenue from operations	Average trade receivables	35.91	50.66	-29.11%
Trade payables turnover ratio	Other expenses	Average trade payable	5.33	5.07	5.13%

Notes forming part of the Consolidated financial statements (contd...)

Net capital turnover ratio***	Revenue from operations	Working capital (Current assets - Current liabilities)	0.36	0.68	-48.05%
Net profit ratio (in %)#	Net profit for the year	Revenue from operations	39.11%	57.67%	-32.18%
Return on capital employed (in %)##	Profit before tax and finance costs	Capital employed (Networth + Deferred tax liabilities)	12.91%	18.82%	-31.40%
Return on investment (in %)###	Income generated from treasury investments	Average invested funds in treasury investments	5.28%	9.06%	-41.76%

\* due to decrease in net profit and effect of exceptional item.

\*\* due to decrease in revenue from operations. (due to decrease in average daily turnover).

\*\*\* due to decrease in revenue from operations. (due to decrease in average daily turnover).

# due to effect of exceptional item.

## due to effect of exceptional item in profit before tax.

### MTM loss impact on mutual fund investment

**b. Relation with struck off Companies**

- (i) Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**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**

- (1) The group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. 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
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

- (2) The group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

- a. 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
- b. 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 of group.

**(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.

Notes forming part of the Consolidated financial statements (contd...)

**(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 holding company."

(ix) There are no promoters for the holding company.

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 ₹ 2043 lakh has been impaired.
51. The management has assessed the potential impact of COVID-19 on the Group. Based on current assessment, the management is of the view that impact of COVID-19 on the operations of the Group and the carrying value of its assets and liabilities is minimal.
52. The Board of Directors of Holding Company at its meeting held on February 04, 2021 has decided to award the contract of implementation of commodity derivatives platform to Tata Consultancy Services Ltd (TCS). The said contract is under process.
53. The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post- employment benefits has received Presidential assent on in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Holding company will assess the impact of the Code when it comes into effect and will record any related impact in the period of the Code becomes effective.
54. Previous year figures have been regrouped/reclassified wherever necessary to conform to current year figures.
55. The Consolidated Financial Statements were approved by the Audit Committee and Board of Directors on May 16, 2022.

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

**P.S.Reddy**  
Managing Director & CEO  
DIN : 01064530

**Saurabh Chandra**  
Chairman  
DIN : 02726077

**Pravin Tripathi**  
Director  
DIN : 06913463

**Ajay Puri**  
Company Secretary

**Satyajeet Bolar**  
Chief Financial Officer

Place: Mumbai  
Date: May 16, 2022

# CSR INITIATIVES

## SRI ARUNODAYAM CHARITABLE TRUST, CHENNAI



**MCX'S JOURNEY OF THE NEW AGE HOME FOR GIRLS FROM SCRATCH; DEFINING MOMENTS**



**MAHINDRA MINI TRUCK AND FRIDGE  
SPONSORED TO UNITED EDUCATIONAL & SOCIAL  
WELFARE TRUST**



**CLASS ROOM FURNITURE INSTALLED  
AT STEPHEN SCHOOL FOR THE DEAF  
AND APHASIAC**



## CSR INITIATIVES



**BLIND PEOPLE'S ASSOCIATION, AHMEDABAD PATIENT SCREENING IN VARIOUS CAMP PLACES**



**SAURASHTRA MEDICAL & EDUCATIONAL CHARITABLE TRUST (SMECT), - FUNDING RECONSTRUCTION OF A PRIMARY SCHOOL AT JAMNAGAR, GUJARAT**