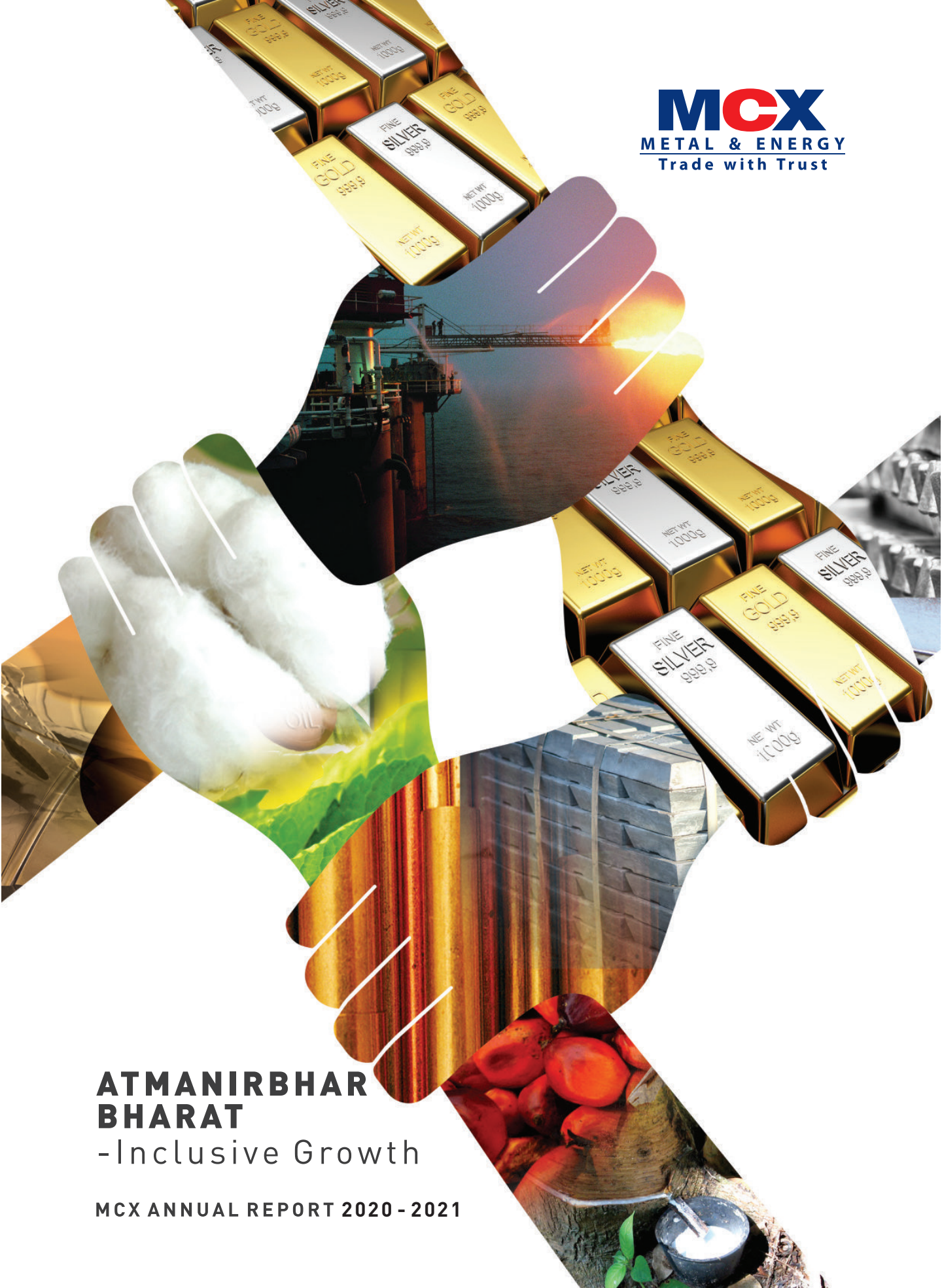


ATMANIRBHAR BHARAT
-Inclusive Growth

MCX ANNUAL REPORT 2020 - 2021

Atmanirbhar Bharat – Inclusive Growth

"A well-functioning financial sector promotes job creation, innovation, and inclusive economic growth"

- Janet Yellen, Secretary of the Treasury, USA and former Chairperson, US Federal Reserve

The rationale for existence of institutions like commodity exchanges hinges on their ability to provide the stream of benefits expected of them. The role of commodity exchanges in fulfilling key economic functions such as price discovery and risk management, leading to a host of other economic benefits, has been universally acknowledged. At the same time, it is also acknowledged that creating institutions alone for generating the benefits is not enough; it is equally, if not more, important to create processes that enable the smallest and remotest stakeholders to access these benefits. The benefits of such institutions need to flow more towards those having limited access, compared to others. In other words, the agenda of 'inclusive growth' needs to be provided primacy in pursuit of the goal of institution building.

In India's commodity derivatives market, this agenda is being pursued with relentless efforts to attract to this platform, the stakeholders requiring a medium for price discovery or those exposed to commodity price risks. Efforts are also being made to deepen the market, infuse liquidity and enhance access by paving the way for participation of institutional players – ones whose services can bring in more retail participants in the exchange-traded platforms. The governance of exchanges and clearing platforms, as well as the intermediaries facilitating these services are, likewise, being strengthened to enhance the trust of those excluded stakeholders and reassure them about the integrity of the exchange-traded platforms.

Another avowed objective that an institution like commodity exchange can help achieve is national self-reliance, or *Atmanirbhar Bharat*. India's domestic exchanges are among the best in the world in terms of diversity of product offerings, ease of participation and robustness in operational processes. Continuous initiatives and innovations in integrating the financial markets and physical commodity markets intend to make the commodity derivatives market as attractive as the best in the world, so that the domestic stakeholders prefer using the domestic market rather than 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. By facilitating this transformation, the institution of commodity exchanges 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*'.

CONTENTS

Corporate Information	**03**
Letter from the Chairman	**06**
Directors' Report	**08**
- Annexures	**30**
Management Discussion and Analysis	**52**
Corporate Governance Report	**72**
Business Responsibility Report	**93**
Standalone	
- Auditors' Report	**109**
- Financials	**117**
Consolidated	
- Auditors' Report	**166**
- Financials	**173**

This page has been intentionally left blank

CORPORATE INFORMATION

Board of Directors (as on July 24, 2021)

1.	Mr. Saurabh Chandra	Chairman, Public Interest Director
2.	Mr. Amit Goela	Shareholder Director
3.	Dr. Bhartendu Kumar Gairola	Public Interest Director
4.	Mr. Chandra Shekhar Verma	Public Interest Director
5.	Mr. Chengalath Jayaram	Shareholder Director
6.	Dr. Deepali Pant Joshi	Public Interest Director
7.	Mr. Hemang Raja	Shareholder Director
8.	Ms. Pravin Tripathi	Public Interest Director
9.	Mr. Shankar Aggarwal	Public Interest 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
Corporation Bank

Registrar and Transfer Agent

KFin Technologies Private Limited
Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Serilingampally, Hyderabad,
Telangana – 500 032.
Ph: 040-67162222,
Toll Free no.: 1800-309-4001
Email: einward.ris@kfintech.com

Registered Office

Multi Commodity Exchange of India Limited
CIN:L51909MH2002PLC135594
Exchange Square, Chakala,
Suren Road, Andheri (East),
Mumbai – 400 093, India.
Tel. +91 22 6731 8888
Fax: +91 22 6649 4151
Website : www.mcxindia.com
Email id: info@mcxindia.com

PROFILE OF ALL BOARD MEMBERS



Mr. Saurabh Chandra, *Chairman, Public Interest Director*

- Former Secretary to the Ministry of Petroleum and Gas, Government of India.
- Former Secretary in the Department of Industrial Policy and Promotion (DIPP).
- Has over 40 years of experience in various assignments, spent over 17 years in the Secretariat, both with State & Central Govt.; worked in different capacities in the Ministry of Finance, Ministry of Commerce and Industry, Ministry of Chemicals & Fertilizers, in the Government of India.



Mr. Amit Goela, *Shareholder Director*

- Partner at Rare Investment.
- Former AVP (Private Equity) Reliance Capital and CEO at Alchemy Share & Stock Brokers.
- Has over 24 years of experience in Capital Market.



Dr. Bhartendu Kumar Gairola, *Public Interest Director*

- 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 46 years of experience in the fields of IT and Research.



Mr. Chandra Shekhar Verma, *Public Interest Director*

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



Mr. 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 42 years of diverse experience in Financial Sector & related businesses.



Dr. Deepali Pant Joshi, *Public Interest Director*

- Served as Executive Director of Reserve Bank of India for 4 years.
- Has held various positions in Central Office of Reserve Bank of India and at several Regional Offices.
- Has over 40 years of experience in macroeconomic policies with regard to Banking Services.



Mr. Hemang Raja, *Shareholder Director*

- Former Country Advisor – India to Asia Growth Capital Advisors (AGCA) for managing India Investments.
- Former Managing Director and Head India at Ritchie Capital, a part of Credit Suisse Private Equity
- Has over 37 years of experience in Financial Industry



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.
- Has 41 years of diverse experience in Financial Management, Accounting & Budgetary Control, Capital Structure Planning and Competition Law etc.



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.



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 32 years of diverse experience in Indian capital market, especially in Stock Exchange, Clearing Corporation and its eco system.

LETTER FROM THE CHAIRMAN



Dear Shareholders,

During the last year, MCX continued its successful journey, in the face of unprecedented challenges posed by the fallout of the COVID-19 pandemic. The restrictions imposed on the movement of persons and goods, to contain the spread of the virus, disrupted normal activities in almost all sectors of the economy. As a result of the controls enforced in almost all countries around the globe, the world Gross Domestic Product (GDP) contracted by about 3.2% in the calendar year 2020 (as per estimates of the International Monetary Fund), while India's GDP shrank by about 7.3% in the financial year (FY) 2020-21 (as per provisional estimates of the Central Statistical Organization, Government of India).

The performance of MCX has to be viewed in this context. As a result of timely action taken by the management, the impact on your Company's performance was less than anticipated. The single side Average Daily Turnover (ADT) of futures traded on MCX registered a marginal decline of about 2.9% to ₹31,595 crore in the year 2020-21, compared to the ADT of ₹32,550 crore in the year 2019-20. In the options segment, the average daily notional turnover moderated to ₹943 crore in financial year 2020-21 compared to ₹1,131 crore in the previous year. During the last financial year, your Company's total income stood at ₹494.34 crore, a decline of 1.7%, from ₹503.11 crore in the previous year. As a result, Net Profit during the year was ₹ 225.22 crore, which was about 5% less than the Net Profit earned by the Company during the previous year.

You would be happy to note that your Company, maintained its pole position among its peers. MCX continued to remain the market leader among the domestic exchanges in the commodity derivatives segment, accounting for about 96% of total traded value of commodity futures. The Exchange also retained its position as world's 7th largest commodity futures exchange in the calendar year 2020, with more than 218 million commodity futures contracts traded during the year (as per data released by the Futures Industry Association viz. FIA).

The pandemic notwithstanding, your Company introduced several new products during the year. Futures contracts on MCX iCOMDEX Bullion Index (BULLDEX) and Base Metal Index (METLDEX), were launched in August 2020 and October 2020 respectively. In addition, your Company launched the Rubber Futures contract during financial year 2020-21. It is noteworthy, that MCX BULLDEX futures contract became the world's third most traded commodity index futures contract in the year 2020, (as per data released by FIA), within a short period of its launch in August 2020.

MCX continued to introduce innovations in its products and processes. During the FY 2020-21, the Exchange prescribed detailed guidelines on 'MCX Good Delivery Norms for BIS-Standard Gold/Silver'. This initiative facilitated the entry of local Gold refiners into the Exchange's delivery process, thereby contributing towards the goal of *Atmanirbhar Bharat*. In pursuance of this objective, Qualified Indian Gold refiners have, been empaneled in conformity with the guidelines. There are plans to empanel Indian producers in other commodities too, especially in Base Metals. This would bring local stakeholders of the commodity value chain into the Exchange's delivery mechanism.

In order to further align the Exchange's products with the physical markets' requirements, the primary delivery centre of the Aluminium Futures contract was shifted to Raipur district (Chhattisgarh), while retaining Thane district (Maharashtra) as the additional delivery centre. Delivery centres at different locations for all other Base Metals are also being progressively opened, in order to strengthen the linkage between the physical and derivatives markets and enhance the footprint of the Base Metals derivatives market across the country.

In another initiative directed at addressing the needs of the participants, the Exchange's trading system was successfully upgraded during the year, to accept negative and zero price quotations in unusual scenarios.

Looking ahead, your Company shall continue to explore new opportunities for growth by expanding the products basket, facilitating entry of new participants and developing partnerships in existing and new areas. Launch of innovative products and introduction of derivatives in new commodities and indices are examples of such opportunities under consideration.

We are optimistic that the worst is behind us and that the Indian economy would witness a high rate of growth during the current financial year and in the years ahead. India's GDP is expected to grow by 9.5% in the FY 2021-22 (as per estimates of the Reserve Bank of India). It is expected that the demand for commodities will mirror the growth of the Indian economy. The rising demand for commodities would require a mechanism for efficient price discovery and instruments for risk management. As mentioned earlier, MCX looks forward to availing such opportunities through introduction of innovative and new derivative products, thereby benefitting stakeholders in both agricultural and non-agricultural commodities.

Although there exists a threat to the growth in the form of new waves of COVID-19 pandemic, we believe that stakeholders in the commodity market are now better prepared to deal with such threats. Adoption of COVID-compatible operational models, gives us the confidence that the adverse effects, caused by new waves of the pandemic, would be successfully mitigated and your company will retain its dominant position in the commodities market.

I would be failing in my duty, if before concluding, I on behalf of MCX, do not place on record appreciation for the continuing support received from the Regulator, Members, other stakeholders and most importantly, our Shareholders, which has contributed significantly towards our achievements during the year.

Saurabh Chandra
Chairman
(DIN: 02726077)

July 24, 2021

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors are pleased to present the Nineteenth 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 March 31, 2021 ('year under review'). The highlights of this Annual Report are given below:

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2021 is summarized below:

(₹ in lakh, except EPS)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Total Income	45,542	48,177	49,434	50,311
Total Operating Expenditure	20,418	22,514	20,543	21,948
Profit before Interest, depreciation, exceptional items and tax	**25,124**	**25,663**	**28,891**	**28,363**
Less: Depreciation	2,164	1,784	2,206	1,814
Less: Interest	22	20	19	16
Add: Share of Profit of Associate	-	-	9	4
Profit after exceptional items and Share of Profit of Associate but before tax	**22,938**	**23,859**	**26,675**	**26,537**
Less: Provision for tax	4,156	3,007	4,153	2,887
Profit after tax	18,782	20,852	22,522	23,650
Add/(Less) : Other Comprehensive Income (net of tax)	(97)	(187)	(94)	(199)
Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)	**18,685**	**20,665**	**22,428**	**23,451**
Earnings per share				
i. Basic (₹)	**36.90**	**40.98**	**44.25**	**46.48**
ii. Diluted (₹)	**36.90**	**40.98**	**44.25**	**46.48**

GLOBAL COMMODITY MARKET

During the year 2020, the slump in economic activities due to the COVID-19 pandemic, created one of the worst recessions in the global economy in almost a century. It led to an unprecedented disruption in economic activities in almost all countries and required large financial support from governments to arrest the decline in GDP.

Nevertheless, global financial markets remained mostly resilient even in the face of the disruptive events prompted by the pandemic. In particular, the staggered reopening of global economies through the second half of 2020 and steady vaccination rollout thereafter, addressed investors' concern resulting in markets remaining largely unscathed during this period.

Accommodative monetary and fiscal policy support by most central banks and governments enabled markets to rebound from the initial pandemic-induced disruptions. This led to many asset classes, including commodity derivatives, to perform well, overcoming the negative effects of the pandemic. As a result, global commodity markets witnessed a robust growth in volumes during 2020 across all the segments, barring the non-precious metals including ferrous and non-ferrous metals i.e. every metal except gold, silver, platinum, palladium and diamond. According to data released by the Futures Industry Association (FIA), aggregate global volumes of exchange traded commodity derivatives rose steeply by about 33% in 2020 from 2019.

According to the IMF's latest World Economic Outlook, the global economy is expected to expand by about 6% in 2021, largely on strong rebounds from a few major economies. However, many emerging markets and developing economies continue to struggle with the COVID-19 pandemic and its aftermath. These economies are grappling with slow progress in vaccination and resurgence of cases with mutation of the virus. The prospects for global economic growth may face headwinds such as these.

Your Company's performance during the FY 2020-21 and outlook during 2021-22 may be analysed against this backdrop.

GLOBAL PANDEMIC - COVID-19

The World Health Organization declared Novel Coronavirus disease (COVID-19) a global pandemic on March 11, 2020. Subsequently, on March 24, 2020, the Government of India announced a nationwide lockdown for 21 days to contain spread of COVID-19. Thereafter, the national level lockdown was extended multiple times, followed by gradual relaxations and was eventually phased out. However, various state governments extended COVID-19 related curbs with certain relaxations depending on the pandemic scenario in their states.

The Company remained functional during FY 2020-21 as the Exchange related services were classified under 'essential services' and thus, exempted from lockdown restrictions. The Exchange, by and large, adopted 'Work from Home' policy ever since the onset of pandemic and only minimal critical staff have been operating from office premises. The Exchange has 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 and common places, awareness campaign, etc. to contain the spread of the pandemic at the workplace.

During the early days of nationwide lockdown, trading hours in the commodity derivatives market were truncated to 5 p.m. from 11.30/11.55 p.m. As a result, the Average Daily futures Turnover (ADT) on the Exchange dropped to ₹ 15,658 crore in April 2020 vis-à-vis ₹ 26,356 crore during the corresponding month of fiscal year 2019-20. Nevertheless, it soon recovered after restoration of the normal trading hours for non-agricultural commodities (w.e.f. April 23, 2020). The ADT rose to ₹ 23,765 crore and ₹ 28,633 crore, respectively, during months of May 2020 and June 2020.

The operations of member brokers had also been adversely affected during the lockdown due to restrictive movements and dampened sentiments. Likewise, lockdown caused disruptions in the physical market for commodities, availability of spot prices, warehousing operations and logistics infrastructure including availability of labor. At present, normalcy of operations/ services at all designated warehouses has been restored.

FINANCIAL HIGHLIGHTS

During FY 2020-21, the ADT* of commodity futures contracts stood at ₹ 31,595 crore during FY 2020-21 vis-à-vis ₹ 32,550 crore in FY 2019-20, a decline of 2.9%. The Average Realization Rate (ARR) decreased to ₹ 2.07 per lakh during FY 2020-21 from ₹ 2.10 per lakh during the previous year. Significantly, the exchange's traded Unique Client Codes (UCC – PAN based[#]) during FY 2020-21 increased to 4.666 lakh from 4.039 lakh.

The total turnover of commodity futures traded on your Exchange stood at ₹ 80.25 lakh crore in FY 2020-21 as against ₹ 83.98 lakh crore during FY 2019-20, a decline of 4.44% largely due to reduced number of trading days/hours owing to restrictions posed by COVID-19 pandemic during Q1 FY 2020-21. The Bullion futures turnover increased by 54 per cent to ₹ 44.84 lakh crore from ₹ 29.15 lakh crore during the previous year. The Bullion segment's turnover of ₹ 50,226.37 crore on July 28, 2020 was the highest achieved, after the introduction of CTT w.e.f. July 01, 2013. Turnover in the Energy contracts declined to ₹ 18.25 lakh crore from ₹ 38.13 lakh crore in FY 2019-20 on account of incidence of higher margins in Crude Oil contracts, pursuant to its price falling in negative territory in April 2020. The turnover in base metals totaled ₹ 15.66 lakh crore in FY 2020-21 as against ₹ 15.68 lakh crore in FY 2019-20. A total of 59,848 metric tonnes of Base Metals was delivered through the exchange mechanism during FY 2020-21. Agriculture futures turnover remained steady during FY 2020-21 at ₹ 1.01 lakh crore compared to ₹ 1 lakh crore for the previous year.

During FY 2020-21, your Company's market share in commodity futures market has increased to 96.04% as against 94.01% in the previous year. The volume (in terms of commodity futures contracts traded on the Exchange) decreased by 31% in FY 2020-21, to 204 million lots, as compared to 295 million lots traded in FY 2019-20. This is consequent to discontinuation of multiple contract variants in Crude Oil and Metal contracts, in compliance with SEBI directives.

For FY 2020-21, your Company's (Standalone) total income stood at ₹ 45,542 lakh as compared to ₹ 48,177 lakh during FY 2019-20. The operating income during the year under review was ₹ 34,485 lakh as against ₹ 37,044 lakh in FY 2019-20. Net profit after tax in FY 2020-21 was ₹ 18,782 lakh as compared to ₹ 20,852 lakh in FY 2019-20.

In accordance with the provisions of the Income Tax Act, 1961, the effective rate of taxation remained the same as previous year i.e. 25%. Further, the Company has also utilized MAT credit in FY 2020-21.

The net worth of the Company as at March 31, 2021 stood at ₹ 1,58,036 lakh.

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

[#] includes futures and options

SHARE CAPITAL

There has been no change in the share capital of your Company during the year under review. As on March 31, 2021, the paid-up share capital of your Company stood at ₹ 5,099.84 lakh comprising 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 any shares (including sweat equity shares) to its employees under any scheme.

TRANSFER TO RESERVES

For the year ended March 31, 2021, your Directors do not propose to transfer any amount to the General Reserve. An amount of ₹ 1,18,536 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 Listing Regulations, 2015), your Company had formulated a Dividend Distribution Policy which is available on the Company's website at https://www.mcxindia.com/docs/default-source/investor-relations/corporate-governance/dividend-distribution-policy_july2020.pdf?sfvrsn=c9a29890_2.

The Board of Directors of your Company have recommended a dividend of ₹ 27.60 (276%) per equity share on a face value of ₹ 10 per share for the financial year ended March 31, 2021, subject to the approval of shareholders at the ensuing Annual General Meeting.

The outgo on account of the proposed dividend of 276 % (Previous Year 300%) to be paid by the Company aggregates to approximately ₹ 14,076 lakh, being a payout of 75% of the profit after tax (PAT) for the year ended March 31, 2021, as against ₹ 15,300 lakh during the previous year.

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

DEPOSITS

Your Company had not invited any deposits from the public, and as such, no amount of principal or interest related thereto was outstanding as on March 31, 2021.

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 March 31, 2021, are set out in Note 46 to the Standalone Financial Statements 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 also an associate member of Futures Industry Association (FIA) which is a leading global trade organisation for the futures, options and centrally cleared derivatives market.

The Exchange is ranked amongst top 7 global commodity futures exchanges, based on traded volume in commodity futures in the Calendar Year 2020 (CY20). (Source: FIA Annual Volume trading statistics January 2021).

With an aim to seamlessly integrate with the global commodities ecosystem, the Company continues to have strategic alliances with leading international exchanges viz. CME group, Dalian Commodity Exchange (DCE), London Metal Exchange (LME), Mozambique Commodities Exchange (BMM), Taiwan Futures Exchange (TAIFEX) and Zhengzhou Commodity Exchange (ZCE). The Company has also tied up with various trade bodies, corporates and educational institutions across the country to improve trade practices, increase awareness, and facilitate overall improvement of the commodity market ecosystem.

Product Segment Highlights

Bullion

In pursuit of the Atmanirbhar Bharat mission, the Company has embarked upon the path of recognizing domestic bullion refiners for good delivery of Gold on Exchange platform.

The Exchange empaneled two Indian refiners for delivery of Gold under the existing contract specifications of Gold Mini

(100 grams) futures with effect from March 06, 2021.

Accordingly, for the first time, the delivery of 190 kg Indian refined Gold was made in the Gold Mini April 2021 futures contract.

As per SEBI directives, the Exchange aligned the trading unit and delivery unit of Silver Mini contract to 5 kg from June 2020 contract onwards, from the earlier trading unit and delivery unit of 5 kg and 30 kg respectively. Thereafter, Silver Mini (5kg) contract saw successful delivery of 3600 kg in its first-ever delivery cycle and has seen successful delivery of 25740 kg during the FY 2020-21.

The Bullion segment attained various landmarks during FY 2020-21:

The Bullion turnover recorded a high of ₹ 50,226 crore on July 28, 2020, the highest in last seven years. Silver (all variant) turnover of ₹ 33,239 crore recorded on July 28, 2020 and Silver (all-variant) volume of 5469 MT seen on July 22, 2020 were both seven and half year highs. Further, in FY 2020-21, the Company set a twelve-year high for Silver delivery in a single contract, with 140 MT being delivered in the September 2020 contract. Similarly, in FY 2020-21, Silver deliveries for all variants put together, witnessed highest annual number since inception, of 517.7 MT.

Further, Silver Options (30 kg), turnover and volume hit an all-time high of ₹ 741 crore and 111 MT on August 26, 2020 and also, registered an Open Interest of 172 MT hitting an all-time high on August 17, 2020.

Gold Petal futures contracts saw successful delivery of 36.4 kg (36438 coins), since its launch in October 2019.

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

The global economic and industry slowdown/ shutdown on account of COVID-19 resulted in unprecedented price movements in energy markets. Declining crude oil demand and global supply glut, combined with huge shortage in storage capacity dented the crude oil prices and for the first time recorded history, NYMEX's WTI Crude oil prices swirled down to negative terrain (-$37.63/bbl on April 20, 2020).

The Exchange undertook various risk management measures such as introducing additional margins, slab based margins and also added a negative price trading feature in the system to be prepared for any kind of untoward movement in the energy commodity prices.

The volume and turnover of the Company Crude Oil Contract was severely impacted by COVID-19 lockdowns, reduced trade timings and negative crude oil prices. The Company's Crude Oil futures contract's average daily turnover was down to ₹ 2,796 crores in FY 2020-21, from ₹ 11,303 crore in FY 2019-20. The average daily turnover of the Company crude oil options contract also saw a decline of 61% to ₹ 188 crore in FY 2020-21, from ₹ 482 crore in FY 2019-20.

Further, the volumes were also impacted due to stringent risk management measures undertaken in terms of higher margins, which went up as high as 130% and were then gradually brought down to 20% in February 2021.

The natural gas futures contract garnered good volume and traction by clocking an average daily turnover of ₹ 4,361 crore in FY 2020-21, compared to an average daily turnover of ₹ 1,774 crores in the previous financial year. Further, on February 17, 2021, the Company's natural gas futures contract recorded highest daily turnover (since December 2018) of ₹ 10,053 crore.

Agricultural basket

The ADT in Agri commodities in FY 2020-21 has been higher (₹ 397 crore) compared to the previous FY 2019-20 (₹ 391 crore).

The Exchange launched a new commodity in the Agriculture basket i.e. Rubber contract (1 MT) on December 28, 2020. The participation has been good and the Exchange is striving to achieve new milestones in the current financial year. Rubber contract saw deposits of 837 MT by the end of FY 2020-21.

The Crude Palm Oil (CPO) also recorded highest annual turnover since introduction of CTT in FY 2020-21 of ₹ 84,593 crore.

The Cotton contract has gained significant traction and the Exchange has achieved highest deposits of 2,26,175 bales (1 bale = 170 Kgs) in the FY 2020-21.

The evening trading hours for international referenceable agricultural commodities (Cotton, Crude Palm oil, Kapas and RBD Palmolein) was revised w.e.f April 23, 2020 due to COVID-19 and its consequential lockdown. The trade end time was reduced from 9 p.m. to 5 p.m. The same was restored w.e.f. June 02, 2020.

Base Metals

Aluminium, Zinc, Nickel, Lead and Copper contracts were converted from cash settled to delivery settled as directed by the Regulator. The trading units and delivery units were aligned to ensure that there were no issues like odd lot treatment in the contracts.

The delivery-based mechanism for these contracts has given an opportunity to the base metals industry in India to not only manage their price risk, but also use the Exchange platform to give and take deliveries. In all, delivery of 59,848 MTs for all five metals put together, went via the Exchange settlement in FY 2020-21.

Delivery based contracts allowed the holder of metals to deliver on MCX when there was no offtake in physical market on account of disturbances caused by pandemic. The Exchange worked out to be the perfect platform for delivery-of-last-resort.

As demand picked up post the peak lock down phase, metal also moved out of the warehouses seamlessly.

The primary delivery centre for Aluminium was moved to Raipur from Thane, while Thane continued to be an additional delivery centre. Additional grades of T-bars and Sows were also added in the aluminium futures contract.

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.

Index Futures

Subsequent to SEBI approval, the Exchange had launched MCX iCOMDEX Bullion (BULLDEX) and Base metal (METLDEX) index futures contracts, respectively on August 24, 2020 and October 19, 2020. The contracts witnessed encouraging participation from market stakeholders. The average daily turnover[#] during FY 2020-21 for index futures on MCX BULLDEX and MCX METLDEX was ₹ 263.10 crore and ₹ 66.20 crore respectively.

The Exchange also started disseminating index values for MCX iCOMDEX Energy Index (ENRGDEX) that represents energy sector with effect from October 29, 2020. The Crude Oil and Natural Gas futures form the underlying constituents for the said index.

Transaction fees

To develop market depth and liquidity in far month contracts and encourage participation across commodity segments on the Exchange, the Exchange levied flat transaction fees of ₹ 130 per crore of turnover in far month futures contracts during the financial year 2020-21. Further, to encourage options trading, the Exchange continued to waive transaction fees on all commodity options contracts during FY 2020-21. Also, to encourage index futures trading, the Exchange waived transaction fees on MCX iCOMDEX Index futures till March 31, 2021.

The Company had introduced Liquidity Enhancement Scheme (LES) in Gold Mini options (in Goods) for the period from September 01, 2020 to December 10, 2020, and incurred an expense of around ₹ 135 lakh under the scheme. The scheme was aimed to provide continuous two-way quotes for important strike prices of both call and put option contracts to generate initial liquidity in the contract. Thereafter, the said scheme was discontinued as it failed to meet the desired objective.

Market Participants

As on March 31, 2021, the Company has a national reach with 636 members, having 52,777 Authorised Persons, operating through 38.92 lakh terminals connected through various available modes of connectivity (including Computer to Computer Link (CTCL), Internet Based Trading and Wireless Trading) across 1,016 cities/towns across India.

The unique traded client codes (UCC – PAN based[*]) which is of significant importance to Exchange, witnessed a jump from 4.039 lakh in FY 2019-20 to 4.666 lakh in FY 2020-21.

Consequent to the Reserve Bank of India (RBI) permitting subsidiaries of banks to offer broking services for commodity derivatives segment of SEBI recognised stock exchanges, eight bank (broking) subsidiaries were registered with the Exchange during FY 2020-21.

On the institutional front, 2 Mutual Funds have started to participate in commodity derivatives and the exchange has onboarded 2 Portfolio Management Service providers and 1 EFE. Further, 3 custodians are providing custodial services in commodity derivatives segment.

REGULATORY DEVELOPMENTS

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 has strengthened mechanism thereby ensuring adequate compensation to the non-defaulting counterparty in the commodity derivatives segment by standardizing the delivery default norms.

[#] ADT excludes Muhurat Trading Day in day count.

[*] Includes futures and options.

The important Regulatory developments during FY 2020-21, primarily by SEBI, are as hereunder:

April 2020

i. To allow ease of doing business in the securities market, SEBI decided to make use of technological innovations, which can facilitate online KYC. Investor's KYC can be completed through online KYC process and Video in person verification.

May 2020

ii. Permitted reporting entities as recommended by UIDAI, subject to compliance of the conditions, to undertake e-KYC Aadhaar Authentication service of UIDAI in Securities Market.

iii. In continuation to the circular dated February 25, 2020, the implementation of Margin obligations to be given by way of Pledge / Re-pledge in the Depository System, has been extended till August 01, 2020 and holding of Power of Attorney by Trading Member (TM) / Clearing Members (CM) not to be considered as equivalent to the collection of margin by TM / CM in respect of securities held in the demat account of the client, is applicable from August 01, 2020.

Further, issued circular extending timelines on July 29, 2020 allowing the system of parallel acceptance of the client securities by way of title transfer up to August 31, 2020 and TM/CM may continue to hold funded stocks in 'Client Margin Trading Securities Account' till August 31, 2020.

iv. To bring in uniformity in the guidelines to be followed by the Stock Exchanges, laid down criteria for identification and selection of a location as a delivery centre.

v. Halved the broker turnover fee for the period June, 2020 – March, 2021 in its efforts to help market participants to tide over challenges due to COVID-19. The current applicable rate is ₹ 10 per crore for non-agricultural commodities.

June 2020

vi. Mutual fund schemes cannot invest in physical goods in commodity derivatives except in 'Gold' that too through Gold ETFs.

vii. Relaxed provision for Mutual Funds for holding physical gold and silver up to 180 days from 30 days.

July 2020

viii. To harmonise the action amongst all Stock Exchanges/Clearing Corporations/Depositories in a time bound manner, SEBI has prepared Standard Operating Procedure(SOP) in the cases of Trading Member(TM) / Clearing Member (CM) leading to default, to protect the interest of non-defaulting clients of a TM and /or non-defaulting clients / TM(s) of the CM. SOP has outlined actions to be taken by respective market participant or MII within a given time frame after detection of the early warning signals/other triggers until declaration of defaulter of TM / CM by the Stock Exchange / Clearing Corporation. It also covers forensic audit by Initiating Stock Exchange (ISE).

ix. Repealed the eligibility criteria for selection of commodity futures contract, as underlying for options shall be amongst the top five futures contracts in terms of total trading turnover value of previous twelve months.

x. That the Exchanges/ CC(s) shall adopt the specified upfront margin collection framework to enable verification of upfront collection of margins from clients in cash and derivatives segments, the applicable upfront margins are required to be collected from the clients in advance of the trade.

xi. Members to review the client shortfall from two perspectives based on (a) EOD margin obligation and (b) Peak margin obligation during the day. Further, higher of (a) and (b) to be considered for levying of penalty as per the extant framework. The peak margin obligation of client shall be adopted in a phased manner, as given below:

Phase I- 25% (for 3 months from the date of implementation i.e up to 28.02.2021),

Phase II- 50% (for subsequent 3 months i.e up to 30.05.2021),

Phase III- 75% (for subsequent 3 months i.e up to 31.08.2021)

Phase IV 100% (w.e.f 01.09.2021) to compare the shortfall with peak margin for respective client and differential shortfall as allowed for respective phase can be funded by TM own funds.

Members to ensure changes in trading, risk management, surveillance systems to integrate peak margin related reporting. Provisions of this circular are effective from December 01, 2020

August 2020

xii. Guidelines for execution of Power of Attorney (PoA) by the client favouring Broker and/or DP. It is reiterated that PoA is optional and not be insisted. PoA can be used for Stock Exchange related settlement obligation and for pledging / re-pledging of securities in favour of TM/CM margin requirements. Also all off-market transfer of securities will be only by execution of Physical DIS duly signed by the client himself or by way of electronic DIS.

September 2020

xiii. Stock Exchange (SE) and Clearing corporations (CC) to initiate suitable actions for liquidating the assets (movable and immovable) of defaulter member including that of debit balance clients (to the extent of debit balance), within six months of declaration of defaulter, for recovery of the assets not in possession of the SE/CC, before appropriate court of law.

October 2020

xiv. Stock Exchanges created a separate fund out of the Regulatory Fee as permitted by SEBI to utilize the fund exclusively for the benefit of and easy participation by Farmers/Farmers Producers Organisations (FPOs) in the agricultural commodity derivatives market. FPOs have been intimated of the details of the fund for their active participation on the Exchange platform and benefit from the support extended by the fund.

November 2020

xv. To further strengthen the Investor Grievance Redressal Mechanism, issued certain clarification w.r.t. Resolution of complaints by Stock Exchange (Timeline, Service related complaints, Complaints to be referred to IGRC), handling of complaints by IGRC and Arbitration.

xvi. Regarding testing of Software used in or related to Trading and Risk Management, it was decided that requirement of mandatory mock trading sessions to facilitate testing of new/existing software having changes of functionality shall be optional only if the Exchange provides a suitable simulated test environment to test such software.

December 2020

xvii. In view of the situation arising due to COVID-19 pandemic and nationwide lockdown imposed by the Government and representations received from Stock Exchanges, relaxations were provided in timelines for compliance with various regulatory requirements to trading members / clearing members, depository participants, RTAs / issuers, KRAs, stock brokers and listed entities by December 31, 2020 and for submission of Cyber Security and Cyber Resilience Audit for half year ended on September 30, 2020 by members is extended up to January 31, 2021.

January 2021

xviii. Advised all exchanges regarding refund of security deposit on Surrender of membership by Trading Members on approval of surrender of TM's registration by SEBI, the Exchange shall release Security Deposit (SD) of the TM in the following manner:

- If TM engaged in trading on behalf of clients, then security deposit will be released after a period of 3 years from the date of receipt of surrender application by Exchange from the TM , or 5 years from the date of disablement of TM's trading terminals by the Exchange whichever is earlier.
- If TM is engaged only in proprietary trading in last 3 years prior to the date of application, then deposit will be released after 1 year from the date of receipt of surrender application by exchange or 3 years from the date of disablement of TM's trading terminals by the Exchange whichever is earlier.

xix. Revised the norms for Daily Price Limits (DPL) for commodity futures contracts (excluding Index Futures and Options).

xx. Norms issued for Investment and disclosure by Mutual Funds in Exchange Traded Commodity Derivatives (ETCDS)

March 2021

xxi. Decided that the Code of Conduct and Institutional Mechanism for prevention of fraud or market abuse shall be applicable to Stock Exchanges, Clearing Corporations and Depositories, to ensure accountability of the management / designated persons in case of negligence / failure.

xxii. Directed Registered Intermediaries (RIs) to upload the KYC records of Legal Entities (LE) accounts opened on or after April 01, 2021 on to CKYCR as per the provision of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005. The provisions of this circular are not applicable to Foreign Portfolio Investors (FPIs).

xxiii. In view of the advancement in technology, improved automation of processes and with a view to reduce the time period specified for moving from the Primary Data Centre (PDC) to the Disaster Recovery Site (DRS), modified framework for Business Continuity Plan (BCP) and Disaster Recovery (DR) of MIIs was laid down. The important modifications are given below:

a. Constitute an Incident and Response team (IRT)/ Crisis Management Team (CMT)

b. MIIs should test such switchover functionality by conducting unannounced live trading from its DRS for at least 1 day in every six months.

c. Unannounced live trading from DRS of MIIs shall be done at a short notice of 45 minutes.

d. MII shall, within 30 minutes of the incident, declare that incident as 'Disaster' and take measures to restore operations including from DRS within 45 minutes of the declaration of 'Disaster'.

e. Accordingly, the Recovery Time Objective(RTO)- the maximum time taken to restore operations of 'Critical Systems' from DRS after declaration of Disaster- shall be 45 minutes.

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 Regulatory & Compliance risks, Technology risks, Business risks, Operational risks, Credit risks and Market risks, People risks, Cyber Security risks, Legal risks, Reputational risks and Black swan events related risks. The Risk Officer reviews the Internal Audit Report(s) and suggests measures to improve the controls.

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 March 31, 2021, the Risk Management Committee comprised of three Public Interest Directors and an Independent External Expert. The Risk Management Committee periodically reviews the Risk Management Policy and its implementation thereon, as well as, the Risk Register which also includes observations from Internal Audit. The Committee also periodically examines and evaluates the Risk Management Information Systems (RMIS) covering existing as well as emerging risks. The risks in relation to internal control over financial reporting is reviewed by the Audit Committee.

For details relating to 'Risks and Concerns' of your Company please refer the Management Discussion and Analysis 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, in respect of eligible/legitimate claims arising out of the default of a member on the Exchange. 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.

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 January 24, 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 January 24, 2018 and for non-SEBI registered members.

As on March 31, 2021, the corpus of IPF stood at ₹ 20,479 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 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 March 31, 2021, the corpus of ISF stood at ₹845.98 lakh. Considering the recent origin of ISF and its corpus being inadequate, SEBI had permitted utilization of interest on IPF, to pursue activities of ISF for a period of 3 years starting from April 01, 2018. However, your company has not utilised interest income of IPF for the activities to be conducted under ISF.

In-order to enhance literacy and to promote investor education and awareness in the commodity derivatives market, over 400 awareness programs/ webinars were conducted under the banner of MCX IPF and ISF in FY 2020-21. Out of these programs/ webinars, over 70 programs were regional webinars conducted jointly with SEBI. In the wake of the COVID-19 pandemic, the Exchange has initiated most of the awareness programs through webinars while a few awareness programs

were done with physical presence of participants in the interiors. These awareness programs / webinars were conducted across India, for investors, students, 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.

As per directions received from SEBI, at least 1/3rd of the awareness programs under IPF and ISF were conducted for FPO's and MSME's during the period August 7, 2020 to March 31, 2021.

Some major awareness initiatives in FY 2020-21 were as follows:

i. World Investor Week (WIW) was celebrated from November 23, 2020 – November 29, 2020 throughout India under the aegis of SEBI & IOSCO.
   - 100 awareness programs/ webinars were conducted during WIW, which had around over 5200 participants.
   - 'Ring the Bell Ceremony' was conducted as a part of the World Investor Week 2020 on 24th November 2020 in the presence of Chief Guest, Shri G. Mahalingam, Whole-Time Member, SEBI and Guest of Honour, Shri G. P. Garg, Executive Director, SEBI and Mr. P. S. Reddy, MD & CEO, MCX. The Commodity Insights Yearbook 2020 created in partnership with the National Institute of Securities Markets (NISM) was also launched during the 'Ring the Bell' Ceremony.
   - Quiz competition with over 1800 registrations and 373 participants and Slogan Competition with 219 participants was held each day and awards were distributed to winners.
   - Under the "SMS-WhatsApp Campaign", Awareness Creatives were sent to over 24,300 individuals each day through SMS.
   - As a special focus on creating awareness amongst the farmers during the World Investor Week, where 37 awareness programs with physical presence of farmers in the State of Gujarat were conducted, while maintaining social distancing and local government norms.
   - Investor Awareness camps with 3 different TV channels were conducted.

ii. Awareness programs were conducted with several prominent Institutes and Associations under the aegis of IPF and ISF including Institute of Company Secretaries of India, IMC Chamber of Commerce and Industry, Indian Institute of Materials Management, Indian Electrical and Electronics Manufacturing Association (IEEMA-South), All India Cotton Seed Oil Industries Association, Indian Transformer Manufacturers Association (ITMA), Bullion and Jewellers Association of Assam, Textile Association India, Indian Institute for Production Management (IIPM), Indian Institute of Plantation Management (IIPM), various State and National Universities.

Awareness through Media channels:

Investor awareness through media activities form an integral part of MCX IPF's investor awareness initiatives. The objective is to spread mass awareness and educate commodity market stakeholders. During FY 2020-21, a number of investor awareness activities were carried out in partnership with organizations such as-Network18 Group-TV18 and CNBC Awaaz, Zee Business, Hindu Business Line, Financial Express, Business Standard, Mint, Times Group and Outlook Money magazine 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 TV channels like ETNOW, CNBCTV18 and Zee Business. These were made available on the YouTube channel of the Exchange. Besides these, a commodities knowledge series was started in the print and electronic media, namely, ET in a Classroom in Economic Times and Commodities Trade on CNBCTV18 respectively.

In order to reach the masses at regional levels, the Monk Who Trades comic series was translated into vernacular languages and published regularly. Some of these comic strips were further developed into animated videos with voice overs. These videos were disseminated though digital modes on ET.com, Financial express, Business standard, Livemint, Hindu Business Line, Money Control, CNBCTV18.com and www.mcxindia.com, and TV channels such as ETNOW, TV18, CNBC Awaaz and Zee Business. The comic series was also displayed on digital screens at airports for higher visibility. Further, the comic series was extended to Radio and aired in 11 regional languages as short messages at 68 stations across India. In order to reach out to farmers on the benefits of hedging, an animated Agri movie was developed and broadcast on TV.

A new approach was adopted during the World Investor Week 2020, wherein, cricket themed advertisements were designed and published in various publications to impart investor awareness messages.

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

TRAINING AND EDUCATION

Even during the time of the pandemic, the Company continued to spread among various stakeholders, 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 Exchange during FY 2020-21:

i. Recorded 230 registrations for the MCX Certified Commodity Professionals (MCCP) examination;

ii. Conducted 5 customized MCCP training programmes over webinar;

iii. Held 144 programmes on the Bullion Index, Metal Index and the contracts launched on these indices during the year;

iv. Conducted over 77 Investor Protection Fund programmes across the country, of these over 39 programmes were for farmers and FPOs;

v. Conducted 136 general awareness programmes on commodity derivatives including on options and Options in Goods;

vi. Held 6 faculty development programmes for colleges and educational institutions;

vii. Conducted 2 capacity building programmes.

Your Company aims to increase the number of training sessions in the coming year for new participants such as corporates, banking and mutual fund segments.

The training material for the MCCP certification programme was updated. All MCCP training and tests are now based on the new training material and the related question bank is now aligned to the same. The testing process has also undergone a change due to the pandemic as all MCCP tests are now AI- proctored. This enables candidates to abide by social distancing guidelines, take tests from their office or homes, without the need to travel to test centers, as was the norm earlier. This change was necessitated due to a significant reduction in the MCCP registrations and tests taken. SEBI notification dated November 21, 2019, which has made the NISM derivatives paper no. 16 mandatory for members of the exchange, contributed to the reduction in numbers.

WAREHOUSING

Consequent to the transfer of clearing and settlement division of the Exchange to Multi Commodity Exchange Clearing Corporation Ltd. (MCXCCL) w.e.f. September 01, 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 March 31, 2021, MCXCCL has entered into agreements with eight WSPs for facilitating physical deliveries in Agricultural Commodities and Base Metals. As at March 31, 2021, MCXCCL has accredited 49 warehouses of these eight WSPs, of which 42 warehouses are registered with the Warehousing Development & Regulatory Authority (WDRA). The remaining 7 warehouses for metals do not fall under the jurisdiction of WDRA.

Further, MCXCCL entered into agreements with three VSPs for facilitating physical deliveries in Bullion. 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 collects margin from the members, effects pay-in and pay-out and oversees delivery and settlement process. SEBI has granted renewal of recognition to MCXCCL for a period of three years commencing from July 31, 2019 and ending on July 31, 2022, 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 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 framework and the implementation of SEBI norms on risk management.

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, 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. This is apart from 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 Authorized, Issued and Paid up Share Capital of MCXCCL. As on March 31, 2021, Authorized Share Capital of MCXCCL stood at ₹ 30,000 lakh and issued and paid-up share capital of MCXCCL stood at ₹ 23,999 lakh. The net worth of MCXCCL as at March 31, 2021 stood at ₹ 34,926.32 lakh.

Further, the Company has authorized MCXCCL to act as a Collecting Agent in terms of Rule 2(c) of Indian Stamp (Collection of Stamp Duty through Stock Exchanges, Clearing Corporations and Depositories) Rules, 2019 to collect the stamp duty under the said Rules. The Rules came into force with effect from July 01, 2020. Accordingly, collection of stamp duty started from the said date.

Core Settlement Guarantee Fund (Core SGF)

SEBI vide circular no. SEBI/HO/CDMRD/DRMP/CIR/2018/111 dated July 11, 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 March 31, 2021 stood at ₹ 469 crore, of which ₹ 99 crore has been contributed by the Company, ₹ 283 crore has been contributed by MCXCCL and ₹ 87 crore has accrued from Penalties and Interest.

SME Exchange of India Limited (SME)

SME, a subsidiary of your Company was set up to provide a platform for transacting, clearing and settlement of trades in small and medium enterprises segment. The company had been under the process of members' voluntary winding up and the requisite formalities for the same had been completed. The Official Liquidator had issued the final report vide letter dated March 05, 2019. This was filed before Hon'ble High Court, Bombay, in respect of voluntary liquidation of SME. The Hon'ble High Court, Bombay has passed order dated August 30, 2019 granting the prayer for treating SME as dissolved. The requisite e-form(s) have been filed in this regard.

ASSOCIATE

Your Company entered into an agreement with Central Depository Services Limited (CDSL) and CDSL Commodity Repository Ltd. (CCRL) effective May 18, 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. June 04, 2018, consequent to investment of ₹ 1200 lakh comprising of 12,000,000 equity shares of ₹ 10 each, equivalent to 24% stake in CCRL.

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 company 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 company, CCRL. 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 Listing 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 preeminent 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 Financial Year 2020-21 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 any adverse effect to our subscribers and trading partners.

It is the constant endeavour of your Company to hire and retain the top talent. As a part of the strategic organisational restructuring, the Company has invested in senior leadership resources and also strengthened the middle management layer.

RESEARCH AND DEVELOPMENT

Your Company undertakes research activities for developing new products, considering the evolving market needs, policy and regulatory landscape and global best practices. Based on such research and market requirements, the Exchange launched Rubber futures, apart from futures contracts in MCX iCOMDEX Bullion Index and Base Meal Index during the year 2020-21. The MCX iCOMDEX Indices are constituted of commodity futures contracts traded on MCX and conform to both the SEBI prescribed guidelines, as well as, the financial benchmarks set by the International Organization of Securities Commissions (IOSCO) in construction, administration and governance.

Your Company undertook a number of research studies during 2020-21. A study titled 'Study on Comparative Assessment of the Commodity Markets of China and India' was carried out by a team from IIM Ahmedabad to study the special characteristics of the commodity derivatives market in China. The study found some unique features in the regulatory framework and market development initiatives by the commodity exchanges in China, which contribute to their success. Your Company also undertook two survey-based research studies on futures trading in two commodities – Mentha Oil and Cardamom. The main findings of the studies and recommendations of the researchers for development of these two contracts were forwarded to SEBI for further action.

Following SEBI guidelines and instructions on use of interest income from the Exchange's Investor Protection Fund (IPF) for research, your Company undertook four research studies, in partnership with academic institutions, on various themes connected to commodity derivatives market. These 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 have been widely disseminated for creating awareness about commodity derivatives market among the people. They are also available on the website of the company at www.mcxindia.com.

During the year 2020-21, your Company also engaged with a number of educational institutions and participated in research conferences conducted by institutions such as IIM Ahmedabad, The National Institute of Securities Management (NISM), etc.

To spread awareness and promote research in commodity markets and its ecosystem, the 'Commodity Insights Yearbook 2020' was published during the year. NISM an institution established by SEBI, was the partner organization in publication of the Yearbook. The publication was released by Mr. G. Mahalingam, Whole Time Member, SEBI, at a 'Ring the Bell' ceremony during World Investor Week 2020. The Commodity Insights Yearbook, an 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, practitioners, analysts, producers, traders, consumers, industry observers, academicians, etc. The 2020 edition of the Yearbook focussed on the Precious 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 endeavors 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 without any observation, 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 smoke emission test, noise pollution test, water test, cold fogging and password enabled printer to minimize wastage of paper.

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 CSR allocation for FY 2020-21 was ₹ 288 lakh. Further, in accordance with recent amendments to the CSR Rules, the Company brought forward CSR un-spent amount of earlier years aggregating to ₹ 269 lakh.

The Company has made specific allocations towards supply of medical equipment to public hospitals in order to supplement the efforts of public hospitals to provide treatment to COVID-19 patients. In the year under review, other interventions included supporting rural development through Integrated Watershed Management Scheme, empowering women and differently abled, enhancing education to visually challenged, encouraging higher education and pursuing nursing courses for economically weaker girl students, etc.

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 REPORT

Pursuant to Regulation 34 of the SEBI Listing Regulations, 2015, the Annual Report of top 1000 listed entities based on market capitalization, shall include a Business Responsibility Report (BRR) describing the initiatives taken by Company from an environmental, social and governance perspective. In compliance with the same, BRR 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 2020-21 is available at the web link https://www.mcxindia.com/investor-relations.

MEETINGS OF THE BOARD

Eleven meetings of the Board of Directors were held during FY 2020-21. For further details, please refer to the report on Corporate Governance forming part of this Annual Report.

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 Listing 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.

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 latest 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.

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 placed before and approved by the Audit Committee and/or by the Board, as applicable, in accordance with the provisions of the Companies Act, 2013, SEBI Listing 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 Listing 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.

All Related Party Transactions as required under Ind AS 24 – Related Party Disclosures, are reported in Note 38 of Notes to Accounts of the standalone and consolidated financial statements of your Company.

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 Listing Regulations, 2015.

Your Company has a well-diversified Board comprising of Directors coming from various walks of life and having broad range of experience, in the areas of management, technology, governance, leadership, finance and legal. A multi-faceted talent-pool enables leveraging differences in thought, perspective, knowledge, skill, regional and industry experiences, to ensure effective corporate governance and sustained commercial success of the Company.

As on March 31, 2021, the Board comprised of 10 (ten) Directors, of which 6 (six) were Public Interest Directors (PID), 3 (three) were Shareholder Directors and 1 (one) Managing Director. Your Company had 2 (two) women independent Directors on the Board, in compliance with the SEBI Listing 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 role, and accordingly such directors are considered as Independent Directors for adhering compliance with the provisions of the SEBI Listing 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 Listing 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 Listing Regulations, 2015 from all the Directors, as applicable.

In view of the expiry of tenure of Mr. Shankar Aggarwal (DIN: 02116442) as a PID on the Board of your Company on September 30, 2020, the Board, in compliance with the provisions relating to appointment and performance review of a PID prescribed under the SECC Regulations, 2018 and SEBI circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/26 dated February 5, 2019, recommended to SEBI, the extension of tenure of Mr. Shankar Aggarwal as a PID on the Board, by another term of three years. SEBI vide letter dated June 24, 2020, approved the re-appointment of Mr. Shankar Aggarwal as a PID on the Board of your Company. The Board is of the opinion that Mr. Shankar Aggarwal possesses the requisite qualification, experience, expertise and holds high standards of integrity.

Details relating to performance evaluation is covered in the section relating to 'Performance Evaluation of the Board'.

Ms. Madhu Vadera Jayakumar (DIN: 00016921), Shareholder Director, was liable to retire by rotation at the 18th Annual General Meeting (AGM) of the Company held on August 31, 2020 and being eligible, offered herself for re-appointment. The resolution of her re-appointment was passed by requisite majority. However, Ms. Madhu Vadera Jayakumar tendered her resignation as a Shareholder Director from the Board of your Company, w.e.f. October 14, 2020, due to personal reasons.

Mr. Amit Goela (DIN: 01754804), Shareholder Director, who was also liable to retire by rotation at the 18th AGM of the Company, was re-appointed with the approval of the shareholders and SEBI w.e.f. August 31, 2020.

Ms. Padma Raghunathan (DIN: 07248423), Shareholder Director, tendered her resignation from the Board of your Company, w.e.f. close of business hours on March 30, 2021, due to her superannuation from the services of NABARD.

In accordance with the provisions of the Companies Act, 2013, Mr. Hemang Raja (DIN: 00040769), Shareholder Director, who has been longest in office since his appointment, is liable to retire by rotation at the ensuing AGM and being eligible, is seeking re-appointment. The Board recommends his re-appointment.

KEY MANAGERIAL PERSONNEL (KMP)

The following employees became KMPs under the SECC Regulations, 2018 during FY 2020-21:

Sr. No.	Name	Effective Date
1	Mr. Manav Jain, Chief Technology Officer	September 01, 2020
2	Ms. Ruchi Shukla, Head – Energy	October 24, 2020
3	Mr. Puneet Shadija, Vice President – Technology	February 08, 2021
4	Mr. Pradip Dey, Vice President – Technology	February 10, 2021
5	Mr. Sambit Patnaik, Vice President – Business Development	March 01, 2021
6	Mr. Dhananjay Rokde, Vice President – Technology (CISO)	March 18, 2021

Further, the following employees ceased to be KMPs under the SECC Regulations, 2018 during FY 2020-21:

Sr. No.	Name	Last working day
1	Mr. Sunil Kurup, Vice President – Technology	October 13, 2020
2	Dr. Pareshnath Paul, Chief Information Officer	March 31, 2021
3	Mr. Arvind Sharma, Vice President - Business Development#	March 31, 2021

#on attaining superannuation

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 Listing Regulations, 2015, SECC Regulations 2018, SEBI Circular dated January 05, 2017 providing guidance to listed entities about various aspects involved in the Board Evaluation process ("SEBI Guidance Note") and SEBI circular dated February 05, 2019 on performance review of Public Interest Directors.

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

Your Company has implemented a system of evaluating performance of the Board of Directors and of Committees, and of individual Directors, through peer evaluation, excluding the Director being evaluated, on the basis of a structured questionnaire which comprises evaluation criteria as listed hereunder.

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

i. Internal Evaluation of Individual Director's Performance

An individual Director's performance is evaluated based on his/ her 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 February 05, 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.

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, except the following:

The Audit Committee at its meeting held on May 30, 2020, while considering amendments to the Dividend Distribution Policy of the Company, recommended to the Board a revision in the dividend pay-out ratio to 30%-75% (earlier 30%-50%). The Board at its meeting held on the same day, agreed not to have a floor of 30% for the pay-out ratio and decided to fix the upper limit of dividend pay-out at 75%.

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 13th Annual General Meeting (AGM) held on September 29, 2015 for a period of five years, subject to ratification by the shareholders at every AGM. Thereafter, in terms of the amendment in the provisions of the Companies Act, 2013, the shareholders at the 16th AGM of the Company held on August 31, 2018 approved that the said appointment would not be subject to ratification at every subsequent AGM.

The shareholders, at their 18th Annual General Meeting (AGM) held on August 31, 2020 have appointed M/s Shah Gupta & Co., Chartered Accountants (Firm Registration No. 109574W) for another term of 5 (five) consecutive years to hold office from the conclusion of the 18th Annual General Meeting until the conclusion of the 23rd Annual General Meeting of the Company, at a remuneration of ₹ 15 lakh (Rupees Fifteen lakh) for the financial year 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 Naithani & Associates, Practicing Company Secretaries, were appointed as the Secretarial Auditors by the Board to conduct the secretarial audit of the Company for the financial year 2020-21. Further, M/s Rathi & Associates, Practicing Company Secretaries, were appointed as the Secretarial Auditors by the Board of MCXCCL to conduct their secretarial audit for the financial year 2020-21.

In accordance with Section 204(1) of the Companies Act, 2013 and Regulation 24A of SEBI Listing Regulations, the Secretarial Audit Reports of the Company and MCXCCL for the financial year ended March 31, 2021 are annexed as **Annexure IV** to this Report.

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

INTERNAL 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 March 31, 2021.

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 Exchange before various High Courts of India, the Exchange 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. SEBI also had filed a separate Transfer Petition before the Supreme Court seeking transfer of the Writ Petitions. None of the Hon'ble Courts have granted any interim relief.

Pursuant to petition of SEBI, the Hon'ble Supreme Court vide its order dated July 24, 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. Post the said order, two more Transfer Petitions were filed before Hon'ble Supreme Court. All the aforesaid matters shall be listed in due course for hearing and disposal.

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

Thereafter, the Parties have initiated discussion for amicable settlement on mutual terms and accordingly have regularly informed SIAC to pause arbitration proceedings. The matter is now kept on hold by SIAC.

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 March 31, 2021, 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 March 31, 2021, the Exchange had 343 employees.

In order to assess employee's potential to manage next level responsibilities and setting the right work culture across the organization, HR completed Assessment Centre in the organization through a third party agency for all employees at Assistant Vice President and above level.

Keeping in mind the health of the employees, your Company has taken a special COVID-19 policy for all employees in case they are hospitalised or home quarantined.

During COVID times HR organised employee engagement activities known as Fun Fridays for all employees to participate. This helped in improving connect between the employees.

Exchange has also rewarded employee's children for their exceptional efforts in passing 10th and 12th 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 2020-21 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 February 27, 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 of the Board of Directors of the Company. The said Scheme is being implemented in compliance with the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 [SBEB Regulations] and there has been no change in the Scheme during the year ended March 31, 2021.

There were no grants pending for vesting as at March 31, 2021. No new grants were made during FY 2020-21

The relevant disclosures required under the SEBI Regulations for the year ended March 31, 2021 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 Listing 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

The ratio of the remuneration of each Director and KMP to the median employee's remuneration and other details in accordance with Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 27(6) of the SECC Regulations, 2018, forms part of this Report as **Annexure VI**.

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 VRV air-conditioning system for the entire building, which works on invertor 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:

No capital investment on energy conservation equipment/s during the year under review.

B) TECHNOLOGY ABSORPTION

(i) The efforts made towards technology absorption:

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 have 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 continuous process and highest priority was given by the senior management to all matters of cyber security and risk management. It is the constant endeavour of your Company to comply with the expectations of the Regulator and 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 is not just committed to protection of assets by deploying security measures for Work from Home (WFH), but have implemented a long-term strategy to deal with the challenges of teleworking. As the Company is undertaking its first steps towards a cloud implementation, all required measures and counter measures are being undertaken to ensure that the new infrastructure is protected from inception, and adheres to the internal policies and regulatory guidelines that are published from time to time.

The Company has also been classified as a national CII (critical information infrastructure) custodian, vide notifications from the Ministry of Finance (MoF) & National Critical Information Infrastructure Protection Center (NCIIPC). Your Company has already 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 on account of 'Nisarga'

Your Company ensured smooth running of Trading Operations from 3rd June 2020 till 12th June 2020 from Disaster Recovery Site, on account of the warning received by IMD on cyclonic storm 'Nisarga' in Mumbai. Your Company, in compliance with regulatory norms, conducted smooth successful two day unannounced live trading twice in FY 2020-21.

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 had upgraded its system to support negative pricing, Options for Goods and iCOMDEX Bullion Index.

Enhancements in negative pricing includes support for negative bid and ask including "0" Zero functionality in MAT & TWS were provided to the Members. The Exchange also released revised version of MCX Application Programing Interface (API) for Fix and Non Fix API to accept negative price in the system for CTCL vendors and Members developing In-house application.

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

During FY 2020-21, 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 2020-21 to enhance, develop and roll out various ancillary and peripheral systems as required by the organisation. In certain areas, the team has developed in-house solutions like Sentinal – Alert Management System, NMS - Notification Management System etc, to replace existing vendor applications, thereby removing vendor dependency and increasing flexibility to implement requirements as per business expectation and timelines. Other initiatives included, CTCL approval process automation, CTCL enablement/disablement facility as an enhancement to eUIMS portal and Hedge application for eligible foreign entities (EFEs). With a right mix of in-house and outsourced resources, your Company is adopting new technologies to deliver the growing business needs and ensuring quality services for the clients.

(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) Your Company has incurred ₹ 25 lakh on Research and Development during the year under review:

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. 35 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 Listing 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 113 resources in these functions at various designations. Each of such department is headed by a senior official of the Company, reporting to the Chief Regulatory Officer, who in turns reports to MD & CEO. The total cost incurred by the Exchange towards these functions in FY 2020-21 was ₹ 1,365 lakh.

Department	Count
Regulatory Compliance	5
Inspection & Audit	23
Membership	18
Investor Services Department	23
IPF	4
Legal Compliances	2
Surveillance & Investigation	20
Market Operations	18

UPDATES POST MARCH 31, 2021:

Director/KMP updates:

i. On the expiry of tenure of Mr. Basant Seth (DIN: 02798529) as a PID on the Board, the Exchange had sent a panel of names as required under the SECC Regulations, 2018 and applicable SEBI circular. SEBI vide its letter dated April 08, 2021, approved the appointment of Mr. Chandra Shekhar Verma as a Public Interest Director on the board of the Company for a period of three years from the date of his joining in terms of Regulation 24(2) of SECC Regulations, 2018. Mr. Verma joined the Board of the Company on May 22, 2021.

ii. In view of the approaching expiry of tenure of Dr. Deepali Pant Joshi (DIN:07139051) as a PID on the Board, the Exchange had sent a panel of names as required under the SECC Regulations, 2018 and applicable SEBI circular. SEBI vide its letter dated June 29, 2021, approved the appointment of Mr. Harsh Kumar Bhanwala as a Public Interest Director on the board of the Company for a period of three years from the date of his joining in terms of Regulation 24(2) of SECC Regulations, 2018. His appointment would be effective August 08, 2021, or from the date of his joining the Board.

iii. Mr. Vaibhav Aggarwal and Mr. Vijay Patel have been appointed at Vice President level in the Technology Department w.e.f May 03, 2021 and May 06, 2021 respectively, and are KMPs under the SECC Regulations, 2018. Further, Mr. Dhananjay Rokde ceased to be the CISO of the Company w.e.f. July 02, 2021.

Regulatory updates:

April 2021

i. In view of the prevailing situation due to COVID-19 pandemic and representation received from the Association of National Exchanges Members of India (ANMI), Stock Exchanges and Depositories, SEBI has decided to extend the timelines for compliance with the regulatory requirements by the Trading members / Clearing Members / Depository Participants / KYC Registration Agencies till July 31, 2021 and certain compliance requirements till June 30, 2021.

June 2021

i. "Settlement of Running Account of Client's Funds lying with Trading Member (TM)" SEBI has decided the following:

Trading members should settle the running account of client funds after considering the end of the day (EOD) obligation of funds as on the date of settlement across all the stock exchanges, at least once within a gap of 30 or 90 days between two settlements of running account as per the preference of the client.

TM will have to first adjust the value of securities accepted as collateral from the clients by way of margin pledge created in the depository system for the purpose of margin and value of commodities respectively and then they should adjust the client funds.

Client's running account shall be considered settled only by making actual payment into client's bank account and not by making any journal entries. Journal entries in client account shall be permitted only for levy / reversal of charges in client's account.

The clients having credit balance, who have not done any transaction in the 30 calendar days since the last transaction, the credit balance should be returned to the client by trading member within next three working days irrespective of the date when the running account was previously settled.

Retention of any amount towards operational difficulties in settling the accounts of regular trading clients (active clients) should be discontinued.

The Authorized person is not permitted to accept client's funds and securities.

July 2021

i. SEBI had issued Master circular compiling all the circulars issued by the department till April 30, 2021.

ii. SEBI had issued detailed guidelines on Standard Operating Procedure for handling of Technical glitches by Market Infrastructure Institutions (MIIs) and payment of "Financial Disincentives structure.

The said "Financial Disincentives", when triggered automatically under predefined conditions, shall be credited to the Investor Protection Fund / Core Settlement Guarantee Fund maintained by the MII.

iii. In order to bring in uniformity while giving effect to the contract modifications so that the desired impact and the modified contract represents a healthy replica of the physical market, SEBI has decided, in consultation with the Stock Exchanges, to reduce the number of days of advance intimation for all the three categories i.e. Category A, Category B and Category C, to 10 days.

Product updates:

i. The Exchange has aligned the delivery lot and trading lot of Mentha Oil contracts to 2 drums w.e.f. July 2021 expiry, from the earlier delivery and trading lot of 6 drums.

ii. The Exchange has launched Silver Mini options contracts with Silver Mini(5 Kilograms) Futures as underlying on July 19, 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards have been followed and there are no material departures from the same;

b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the year ended on that date;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a 'going concern' basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGMENTS

The Board of Directors wishes to place on record their sincere gratitude for the valuable guidance and continued support extended by the Securities and Exchange Board of India, 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

Saurabh Chandra
Chairman
(DIN: 02726077)

New Delhi
July 24, 2021

ANNEXURE I

Statement containing salient features of the financial statement of subsidiary / associate 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	April 01, 2020 – March 31, 2021
3	Reporting Currency	INR
4	Share Capital	23,999
5	Reserves & Surplus	(16,258)
6	Total Assets	97,573
7	Total Liabilities (including Share Capital and Reserves & Surplus)	97,573
8	Investments	-
9	Turnover	8,697
10	Profit/(Loss) before taxation	3,727
11	Provision for taxation	(3)
12	Profit/(Loss) after taxation	3,730
13	Proposed Dividend	-

Note:

Multi Commodity Exchange Clearing Corporation Limited, a wholly owned subsidiary of MCX, has been incorporated since August 01, 2008, and has commenced its operations from September 03, 2018.

SME Exchange of India Limited (SME), a subsidiary of MCX, was in the process of members' voluntary winding up and the requisite formalities for the same were completed. The Official Liquidator issued the final report vide letter dated March 05, 2019, filed before Hon'ble High Court, Bombay, in respect of voluntary liquidation of SME. Final order of dissolution dated August 30, 2019, has been received from the Hon'ble High Court, Bombay. Accordingly, the requisite e-form(s) have been filed in this regard.

PART "B": ASSOCIATE

₹ in lakh, except % of shareholding

Sr. No.	Particulars	CDSL Commodity Repository Limited (CCRL)
1	% of Shareholding	24%
2	Reporting Period	April 01, 2020 – March 31, 2021
3	Reporting Currency	INR
4	Share Capital	5,000
5	Reserves & Surplus	190
6	Total Assets	5,271
7	Total Liabilities (including Share Capital and Reserves & Surplus)	5,271
8	Investments	3,500
9	Turnover	472
10	Profit/(Loss) before taxation	56
11	Provision for taxation	18
12	Profit/(Loss) after taxation	38
13	Proposed Dividend	-

Note:

Consequent to the nomination of shareholder director on the Board of CDSL Commodity Repository Limited (CCRL) in terms of the agreement entered into by MCX with Central Depository Services Limited (CDSL) and CCRL, effective May 18, 2018, accounts are consolidated as per IND AS 28.

For and on behalf of Board of Directors

Saurabh Chandra
Chairman
(DIN: 02726077)
New Delhi
July 24, 2021

ANNEXURE II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

(Pursuant to section 135 of the companies Act, 2013 and Companies (Corporete 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: 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 CSR projects, programs and activities include investing resources in the following CSR thrust areas:

- 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.

Further in line with the recent amendments to the CSR Rules dated January 22, 2021, the Company decided to utilize the unspent CSR amount of previous financial years. The Company 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 March 31, 2021, the CSR Committee comprises of Ms. Pravin Tripathi, Dr. Deepali Pant Joshi and Mr. Amit Goela.

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	4	4
3.	Mr. Amit Goela	Shareholder Director	4	4
4.	Ms. Madhu Vadera Jayakumar*	Shareholder Director	1	1
5.	Ms. Padma Raghunathan#	Shareholder Director	4	3

* Ceased to be the member of CSR consequent to the resignation from the Board w.e.f. October 14, 2020.

\# Ceased to be the member of Board & CSR Committee consequent to superannuation from services of NABARD w.e.f. March 30, 2021.

3.

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

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	2020-2021	NIL	NIL
2	2019-2020	NIL	NIL
3	2018-2019	NIL	NIL

6. Average net profit of the company for last three financial years as per section 135(5): ₹14403.10 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):	288.06
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):	288.06

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

Total Amount Spent for the FY 2020-21. (₹ 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
142.71	357#	30.04.2021	NA	NA	NA

Out of ₹ 414.46 Lakh unspent from previous year, an amount of ₹ 357 Lakh was transferred to "Unspent CSR Bank account" and ₹ 57.46 Lakh was spent towards identified CSR activities, in the month of April 2021.

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

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹in Lakh)	Amount spent in the Current financial Year (₹in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹in Lakh)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No
1	COVID relief for various Municipal/ Government hospitals in combatting COVID-19	Item no. i	Yes	a. Maharashtra b New Delhi	a. Mumbai b New Delhi	2 years	241.43	Total 82.19 (including 7.23 spent on purchase of Haematology Analyser – Mythic)	159.24	Yes	NA	NA

1	2	3	4	5		6	7	8	9	10	11	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹in Lakh)	Amount spent in the Current financial Year (₹in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹in Lakh)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration No
2	Support to Ramakrishna Mission for LED Surgical	Item no iv	Yes	Maharashtra	Mumbai	1 year	5.08	5.08	Nil	Yes	NA	NA
3	Sponsor scholarships for underprivileged girl students pursuing Nursing Courses	Item no ii & iii	Yes	Maharashtra	Mumbai	3 years	39.50	17.76	21.74	Yes	NA	NA
4	Promotion of education through scholarships, fulfilling infrastructural requirements and livelihood creation through support to incubation centres for development of environmentally sustainable products	Item no ii, iii & iv	Yes	Maharashtra	Mumbai	3 years	209.66	Nil	209.66	Yes	NA	NA
5	Support to National Association for the Blind towards promotion of education for visually challenged persons.	Item no ii & iii	Yes	Maharashtra	Mumbai	2 years	56.87	33.05	23.82	Yes	NA	NA
6	Integrated Watershed Management Project for saving the rain water, reviving the water table and improving livelihoods of the farmers through agri and allied activities	Item no iv & ii	No	Maharashtra	Osmanabad	2 years	4.63	4.63	Nil	No	Jointly with NABARD through - Nisarg Vikas Bahuuddeshiya Sevabhavi Sanstha	
	TOTAL						**557.17**	**142.71**	**414.46**			

8 (c). Details of CSR amount spent against other than ongoing projects for the financial year 2020-21: 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 2020-21 (8b+8c+8d+8e): ₹ 142.71 Lakh

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

Sr. No.	Particular	Amount (₹ in Lakh)
(i)	Two percent of average net profit of the company as per section 135(5)	288.06
(ii)	Total amount spent for the Financial Year	142.71
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects / programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9 (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	2020-21	*357	142.71	NA	NA	NA	145.35
2	2019-20	NA	333.18	NA	NA	NA	(59.84)
3	2018-19	NA	252.19	NA	NA	NA	17.51
4	2017-18	NA	181.05	NA	NA	NA	105.99
5	2016-17	NA	328.90	NA	NA	NA	(20.85)
6	2015-16	NA	296.90	NA	NA	NA	226.30

* Out of ₹ 414.46 Lakh unspent from previous year, an amount of ₹ 357 Lakh was transferred to "Unspent CSR Bank account" and ₹ 57.46 Lakh was spent towards identified CSR activities, in the month of April 2021.

9 (b). Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

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.
Not Applicable								

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 put up by the medical and other front line workers of Public Hospitals, against the COVID-19 virus by supplying PPE Kits and equipment to these hospitals. 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, is in compliance with CSR objectives and Policy of the Company and with the various circulars and notifications issued by MCA, from time to time.

For Multi Commodity Exchange of India Limited

P. S. Reddy
Managing Director & CEO
(DIN: 01064530)
Mumbai, July 23, 2021

Pravin Tripathi
Chairperson of the Corporate Social Responsibility Committee
(DIN: 06913463)
New Delhi, July 23, 2021

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 fourth 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 March 31, 2021, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)
b)	Nature of contracts/arrangements/transaction	Refer Note
c)	Duration of the contracts/arrangements/transaction	Refer Note
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Refer Note
e)	Date of approval by the Board	May 10, 2017
f)	Amount paid as advances, if any	N.A

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 May 29, 2017 (amended on June 04, 2018) transferred its Clearing and Settlement functions to MCXCCL. Pursuant to the said agreement, the following transaction(s) were entered into by MCX with MCXCCL for the financial year ended March 31, 2021:

(₹ in lakh)

Nature of Transaction	Amount
Clearing & Settlement fees	4,120

For and on behalf of the Board of Directors

Saurabh Chandra
Chairman
(DIN: 02726077)

New Delhi
July 24, 2021

ANNEXURE IV

`Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A 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 **Multi Commodity Exchange of India Limited** 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, 2021, 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 31st March, 2021, according to the provisions of the following Acts, Regulations 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 SEBI (Depositories and Participants) Regulations, 2018;
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 Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018;
6. Other laws applicable to the Company are as per **Annexure I**

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

(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 and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Except in case of meetings convened on an urgent basis, 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, 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.

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:July 24, 2021

UDIN: F003830C000681023

Annexure I

1. The Water (Prevention & Control of Pollution) Act, 1974
2. The Air (Prevention & Control of Pollution) Act, 1981
3. The Noise Pollution (Regulation and Control) Rules, 2000
4. The Environment Protection Act, 1986
5. The Bombay Shops and Establishments Act, 1948
6. The Micro, Small and Medium Enterprises Development Act, 2006
7. The Maharashtra Workmen's Minimum House Rent Allowance Act, 1983
8. The Contract Labour (Regulation and Abolition) Act, 1970
9. The Private Security Agency Regulation Act, 2005
10. The Maharashtra Fire Prevention & Life Safety Measures Act, 2006
11. E-waste Management and Handling Rules, 2016
12. Municipal Solid Waste Management Rules, 2016
13. Battery (Management and Handling) Rules Hazardous Waste (Management and Transboundary Movement) Rules, 2016
14. Manufacture, Storage and Import of Hazardous Chemicals Rules Ozone Depleting Rules, 1989
15. Maharashtra Labour Welfare Fund Act,1953
16. The Labour Welfare Fund Act, 1965
17. The Minimum Wages Act, 1948
18. The Payment of Bonus Act, 1965
19. Income Tax Act, 1961
20. Good and Services Tax (GST) Act, 2017
21. The Profession Tax Act, 1975 Maharashtra (similarly for other states)
22. The Maharashtra Value Added Tax Act, 2002
23. The Employees Compensation Act,1923
24. The Employees Provident Fund Act, 1952
25. The Payment of Gratuity Act, 1972
26. The Equal Remuneration Act, 1976
27. The Employees State Insurance Act,1948
28. The Maternity Benefit Act,1961
29. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
30. The Employment Exchange Act,1959
31. The Maharashtra Stamp Act, 1958
32. The Securities Contract (Regulation) Rules, 1957
33. The Arbitration and Conciliation Act, 1996
34. The Maharashtra Public Trust Act, 1950 along with The Bombay Public Trust Rules, 1951
35. The Prevention of Money Laundering Act, 2002
36. The Information Technology Act, 2000
37. The Information Technology Rules, 2011
38. The Trademark Act,1999

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

Multi Commodity Exchange Clearing Corporation Limited

Exchange Square, Chakala, CTS 255 Suren Road,
Andheri (East), Mumbai – 400 093

We have conducted online verification and examination of records, as facilitated by the Company, due to COVID-19 and subsequent lockdown situation for the purpose of 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"**). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31st March, 2021, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Multi Commodity Exchange Clearing Corporation Limited ("the Company") as given in **Annexure I**, for the Financial Year ended on 31st March, 2021, according to the provisions of:
   (i) The Companies Act, 2013 (the Act) and the Rules made there under.
   (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which has been made applicable pursuant to the requirement of Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.
   (iii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (to the extent specified in Schedule C of the said Regulations);
   (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report:-
   (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   (v) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
   (vi) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and (vii)The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
3. Provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were not applicable to the Company during the financial year under report.
4. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has complied with the provisions of the Securities Contracts (Regulation)(Stock Exchanges and Clearing Corporations) Regulations, 2018.

   We have also examined compliance with the applicable clauses of Secretarial Standards-1 and 2 issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013.

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors in compliance with the provisions of the Companies Act, 2013. There were no changes in the composition of the Board of Directors during the audit period under report.

Except in case of meetings convened on an urgent basis and on shorter notice with the consent of the Directors, 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 for all meetings except the meetings which were convened on an urgent basis and on a shorter notice with the consent of the Directors. However, 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. There were no dissenting views from any member.

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.

Apart from the above, there were no other actions having a major bearing on the Company's affairs during the period under report.

For RATHI & ASSOCIATES
Company Secretaries

NEHA R LAHOTY
PARTNER
FCS NO. 8568
COP NO. 10286

Place: Mumbai
Date: July 23, 2021
UDIN: F008568C000680888

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

ANNEXURE - I

List of documents verified:

- Memorandum & Articles of Association of the Company.
- Annual Report for the Financial Year ended 31st March, 2020.
- Minutes of the meetings of the Board of Directors and the Committees thereof held during the Financial Year under report, as per SEBI Regulations along with Attendance Registers.
- Minutes of General Body Meetings held during the Financial Year under report.
- Policies adopted by the Company.
- Statutory Registers pursuant to the requirements of the Companies Act, 2013
- Notice and Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
- Declarations received from the Directors of the Company pursuant to the provisions of the Companies Act, 2013.
- e-Forms filed by the Company from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
- Intimations/documents/reports/returns filed with the Securities and Exchange Board (SEBI) during year under report.

ANNEXURE – II

To

The Members,

Multi Commodity Exchange Clearing Corporation Limited

Mumbai

Our report 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. 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 that 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 RATHI & ASSOCIATES

Company Secretaries

NEHA R LAHOTY

PARTNER

FCS NO. 8568

COP NO. 10286

Place: Mumbai

Date: July 23, 2021

UDIN: F008568C000680888

ANNEXURE V

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 Regulations, 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 Regulations, 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

- Membership (Members' Registration & Members' Compliance)
- Inspection & Audit
- Investor Service Department
- Investor Protection Fund
- 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 Regulations, 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 consider the Director's past attendance, participation and contributions to the activities in the meetings of the Board and the Commitees 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 Regulations, 2015, SECC Regulations, 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 Obligations and Disclosure Requirements), Regulations, 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;

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 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 Listing Regulations, 2015, the provisions of the SECC Regulations, 2018, the Companies Act, 2013 and rules made thereunder and the SEBI Listing 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:

Sr. No.	Requirements	Disclosure
I	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2020-21	Managing Director – 25.42
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 2020-21	Managing Director – NA Company Secretary – NA Chief Financial Officer – NA
III	The percentage increase in the median remuneration of employees in the financial year 2020-21	The median remuneration of the employees in the financial year increased by 7%. 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 338 employees as on March 31, 2021. *
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 3.10 % as against 7.2 % 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 2020-21.#
VI	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration is as per the remuneration policy of the Company.

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

Key Managerial Personnel under the Companies Act, 2013 and Key Management Personnel under the 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 March 31, 2021:

Sr. No.	Name of the employee	Designation of the employee	Ratio
1	Mr. Padala Subbi Reddy	MD & CEO	25.42
2	Mr. Rishi Nathany	Head- Business Development & Marketing	9.21
3	Mr. Pareshnath Paul	Chief Information Officer	9.53
4	Mr. Shivanshu Mehta	Head- Bullion	8.15
5	Mr. Ajay Puri*	Company Secretary & Compliance Officer	9.04
6	Mr. Chittaranjan Rege	Head – Base Metal	6.74
7	Mr. DG Praveen	Head - Corporate Office & Projects, Risk Officer and Index Derivatives	6.76
8	Mr. C N Upadhyay	Vice President- Inspection & Audit	5.56
9	Mr. Sanjay Gakhar	Vice President- Business Development	5.46
10	Mr. Himanshu Ashar	Vice President- Surveillance & Investigation & Market Operations	5.23
11	Mr. Sanjay Golecha	Chief Regulatory Officer	5.59
12	Mr. Satyajeet Bolar$	Chief Financial Officer	6.09

Sr. No.	Name of the employee	Designation of the employee	Ratio
13	Mr. Pravin Gade	Vice President- Technology	4.49
14	Mr. Arvind Sharma	Vice President- Business Development (FIM)	4.43
15	Ms. Neetu Juneja	Vice President- Investor Services Department & IPF	4.32
16	Mr. Radheshyam Yadav	Vice President- Technology	3.08
17	Mr. Sunil Pankajaksh Kurup	Vice President- Technology	@
18	Mr. Manav Jain	Chief Technology Officer - New Projects	@
19	Ms. Ruchi Shukla	Head – Energy	@
20	Mr. Puneet Shadija	Vice President – Technology	@
21	Mr. Pradip Dey	Vice President – Technology	@
22	Mr. Sambit Patnaik	Vice President- Business Development (FIM)	@
23	Mr. Dhananjay Rokde	Chief Information Security Officer	@

@ Since the aforesaid KMPs were appointed in / associated for part of the financial year 2020-21, the ratio of their remuneration is not comparable.

* Has been given additional responsibility of Head- Legal, Head-HR and Head-Research.

$ Has been given additional responsibility of Head-Admin and CSR.

Note: Total remuneration considered for the purpose of calculating ratios includes the total variable pay pertaining to FY 2019-20 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 and on behalf of the Board of Directors

Saurabh Chandra
Chairman
(DIN: 02726077)

New Delhi
July 24, 2021

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:

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
Employed throughout the Financial Year								
1	Mr. Padala Subbi Reddy	58	Master's Degree in Economics , Bachelor's Degree in Economics	MD & CEO	2,46,92,285/-	34	May 10, 2019	MD & CEO , Central Depositary Services(India) Limited
2	Mr. Pareshnath Paul	55	Bachelor's Degree in Chemical Engineering, Master's Degree in Technology, PhD	Chief Information Officer	91,80,757/-	26	February 11, 2019	Chief Technology Officer, Indian Energy Exchange Limited
3	Mr. Rishi Nathany	47	Bachelor's Degree in Commerce, Post Graduate Program in Management	Head- Business Development & Marketing	88,41,070/-	29	July 02, 2018	Chief - Financial Segment, National Commodity & Derivatives Exchange Limited
4	Mr. Ajay Puri*	64	Bachelor's Degree in Commerce, Bachelor's Degree in Law, Company Secretary	Company Secretary & Compliance Officer	88,05,264/-	36	December 07, 2018	President, LSI Financial Services Private Limited
5	Mr. Shivanshu Mehta	45	BE, Post Graduate Diploma in Business Management	Head- Bullion	79,02,695/-	22	March 01, 2007	Assistant Vice President - Metal, National Commodity & Derivatives Exchange Limited
6	Mr. Chittaranjan Rege	48	Masters of Business Administration	Head – Base Metal	72,21,323/-	25	December 01, 2006	Manager, Hindalco Industries Ltd.
7	Mr. DG Praveen	44	Chartered Financial Analyst, Masters of Business Administration, Master's Degree in Arts	Head - Corporate Office & Projects, Risk Officer and Index Derivatives	65,31,977/-	21	July 15, 2004	Faculty Team Leader, ICFAI University
8	Mr. Satyajeet Bolar$	57	Chartered Accountant, Bachelor's Degree in Commerce.	Vice President – Finance & Accounts 1-Apr-20 to 31-May-20 Chief Financial Officer 1-Jun-20	59,94,433/-	28	April 09, 2019	Chief Financial Officer, Multi Commodity Exchange Clearing Corporation Limited
9	Mr. C N Upadhyay	57	Chartered Accountant, Bachelor's Degree in Commerce, Bachelor's Degree in Law, Master's Degree in Law	Vice President- Inspection & Audit	55,72,007/-	27	May 19, 2015	Assistant Vice President – Inspection, ISC, Collaterals, Arbitration & Enforcement, National Stock Exchange of India Ltd.

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
10	Mr. Sanjay Golecha	54	Chartered Accountant, Bachelor's Degree in Commerce.	Chief Regulatory Officer	55,57,808/-	32	July 18, 2016	Vice President-Investor Grievance, Arbitration & Regulatory Compliance, Metropolitan Stock Exchange of India Ltd.
11	Mr. Sanjay Gakhar	52	Bachelor's Degree in Commerce, Post Graduate Diploma in Rural Management	Vice President-Business Development	53,70,578/-	28	August 01, 2005	Manager, National Agricultural Cooperative Marketing Federation of India
12	Mr. Himanshu Ashar	50	Bachelor's Degree in Commerce, Chartered Financial Analyst	Vice President-Surveillance & Investigation & Market Operations	51,43,907/-	26	December 15, 2014	Vice President – Market Operations, Metropolitan Stock Exchange of India Ltd.
13	Mr. Pravin Gade	46	Bachelor's Degree in Electronics & Telecommunication	Vice President-Technology	44,91,275/-	23	October 1, 2015	Assistant Vice President, Financial Technology India Limited
14	Mr. Arvind Sharma	60	Chartered Accountant	Vice President-Business Development (FIM)	44,40,366/-	35	December 29, 2014	Vice President - Business Development, Metropolitan Stock Exchange of India Ltd.
15	Ms. Neetu Juneja	44	Chartered Accountant	Vice President-Investor Services Department & IPF	42,32,300/-	19	December 3, 2007	Deputy Manager-Business Development, BSE Limited
16	Mr. Radheshyam Yadav	48	Bachelor's Degree in Science	Vice President-Technology	30,86,063/-	21	October 1, 2015	Assistant Vice President, Indian Energy Exchange

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	46	Masters of Science, Bachelors of Arts (Hons)	Chief Technology Officer - New Projects	74,80,338/-	22	September 1, 2020	Director- Head of Global Development Center, G4S
2	Mr. Sunil Pankajaksh Kurup	46	Bachelor's Degree in Electronics Engineering, PG Diploma in Telecom Management and Management Information Systems	Vice President-Technology	28,88,268/-	22	January 12, 2019	Chief Architect – Technology, Cognizant

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
3	Ms. Ruchi Shukla	42	Chartered Accountant, Diploma in Information Systems Auditor, Post Graduate Diploma in Securities Law, Executive Program in Advanced Business Analytics	Head - Energy	28,72,083/-	17.5	August 29, 2016	Independent Practising Chartered Accountant
4	Mr. Puneet Shadija	38	Masters of Science in Computer Technology, Bachelor's Degree in Software Systems	Vice President - Technology	7,68,917	15	February 8, 2021	Senior Vice President, Yes Securities Ltd.
5	Mr. Pradip Dey	49	Masters of Computer Applications, Bachelor's Degree in Science	Vice President - Technology	6,43,452/-	21	February 10, 2021	Head – IT & Delivery, IRIS Business Services
6	Mr. Sambit Patnaik	46	Post Graduate Diploma in Management, Bachelor's Degree in Science	Vice President – Business Development(FIM)	3,31,333/-	21	March 01, 2021	Senior Vice President – Marketing and Business Development, TickerPlant Limited
7	Mr. Dhananjay Rokde	37	Master's Degree in Information Technology in Software Development, Bachelor's Degree in Information Technology, Masters in Social Work (MSW)	Chief Information Security Officer	2,55,914/-	15	March 18, 2021	AVP & Head – Technology, D'Decor Home Fabrics

Notes:

1. The above list also includes Key Management Personnel (KMP) 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 other 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 31st March 2021, none of the above employee, by himself/herself or along with his/her spouse and dependent children, held 2% or more of the equity shares in the Company as referred to in sub-clause(iii) of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
7. As of 31st March, 2021, none of the employees of the Company are posted and working in a country outside India.

* Has been given additional responsibility of Head- Legal, Head-HR and Head-Research.

$ Has been given additional responsibility of Head-Admin and CSR.

For and on behalf of the Board of Directors

Saurabh Chandra

Chairman

(DIN: 02726077)

New Delhi

July 24, 2021

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

The world economy, including the Indian economy, witnessed a downturn during the financial year 2020-21, because of the severe impact of the COVID-19 pandemic, as described in the following sections. The spread and mutation of the virus remains a cause for concern, while rapid vaccination gives some room for comfort.

Economic outlook under the pandemic

The world output contracted by about 3.2% in Calendar Year (CY) 2020, because of the impact of the COVID-19 pandemic, as per estimates of the International Monetary Fund (IMF) in its latest *World Economic Outlook* released in July 2021. Though the global economy shrank in CY 2020, prospects of global output growth improved during the last few months of the year, with more and more economies adapting to new working conditions and the rollout of vaccines against COVID-19, supported by strong fiscal stimulus in most countries. The gain in the prices of energy and base metal commodities was also an indication of a recovery in economic activities. The IMF forecasts global output to grow by about 6% for CY 2021, while cautioning about uncertainties such as ineffectiveness of vaccines against the evolving new strains of the virus, uneven spread of vaccination, varying effectiveness of policy actions, fluctuations in global commodity prices etc. Thus, even if the global economy starts to recover in 2021, the strength of the recovery is subject to a number of uncertainties.

On the domestic front, the Indian economy registered an expansion in the third and fourth quarters of the financial year (FY) 2020-21, after contracting during the first two quarters. This led to an overall contraction in GDP by 7.3% during FY 2020-21, as per the latest estimates by the Central Statistical Organization (CSO). In FY 2021-22, India's GDP is expected to grow by about 9.5%, according to the estimates released by the Reserve Bank of India (RBI) in its Monetary Policy Statement of June 4, 2021. The growth is expected to be associated with rapid adoption of COVID-19 compatible occupational models in many sectors, resumed domestic and export demand, strong rural growth from a normal monsoon, rapid vaccination and supportive fiscal and monetary policies. However, the downside risks such as rising crude oil prices contributing to inflationary pressures, mutating and new strains of the virus leading to new waves of infections, spread of the pandemic in rural areas and tardy progress or uncertainty over vaccination remain causes for concern in achieving the expected growth.

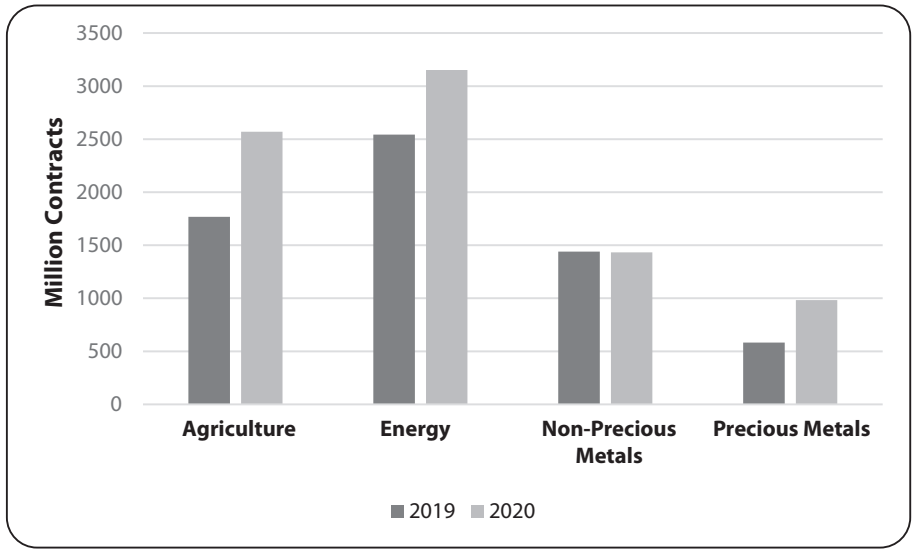
Global Commodity Markets

Global commodity prices witnessed mixed trends across different segments during CY 2020 and the first quarter of CY 2021. As per data released by the World Bank in its *Commodity Market Outlook* (April 2021), prices of energy commodities recorded a steep fall in CY 2020 as average prices of crude oil and natural gas fell by over 32% and 26% respectively in 2020 over 2019, due to the pandemic-induced lockdown. Energy prices, however, recovered significantly with resumption of economic activity in the first quarter of CY 2021 with a year-on-year (Y-o-Y) growth of about 21% and 77% in Crude Oil and Natural Gas prices respectively, on an average. Base metals prices continued the falling trend for the second year in CY 2020 with about 5% fall, but recovered sharply by about 34% on average Y-o-Y during January-March 2021.

In contrast, global prices of precious metals rose by about 27% in CY 2020 over CY 2019 on average and continued to gain in the first quarter of CY 2021. Prices of agricultural commodities as a whole gained moderately during CY 2020, dominated by grains, vegetable oils, sugar etc., though prices of cotton and livestock products witnessed a fall during the year. Nevertheless, in the first quarter of CY 2021, prices of all agricultural commodities increased at an average rate of about 20%, compared to the same quarter in the previous year, as per World Bank estimates.

Trading interest in global commodity derivatives markets remained largely resilient to the prevailing pandemic conditions. The markets witnessed an accelerated growth in CY 2020, notwithstanding the initial disruptions following the lockdown. According to data released by the Futures Industry Association (FIA), aggregate volume of exchange-traded commodity derivatives rose by about 33% to 9.58 billion contracts in CY 2020. The growth was contributed by almost all commodity segments, except non-precious metals. Volumes of derivatives in precious metals grew by 69% in CY 2020, compared to 83% recorded in the previous year, by the number of contracts traded during the year. On the other hand, derivatives in agricultural and energy commodities registered growth rates of 45% and 24% respectively in CY 2020, compared to 19% and 14% growth witnessed in CY 2019, respectively. However, volumes in non-precious metals continued to fall in 2020. As against a fall of 5% witnessed in this segment in CY 2019, their volumes fell by 0.4% in CY 2020. Chart 1 shows the Y-o-Y growth in volumes traded in different commodity segments.

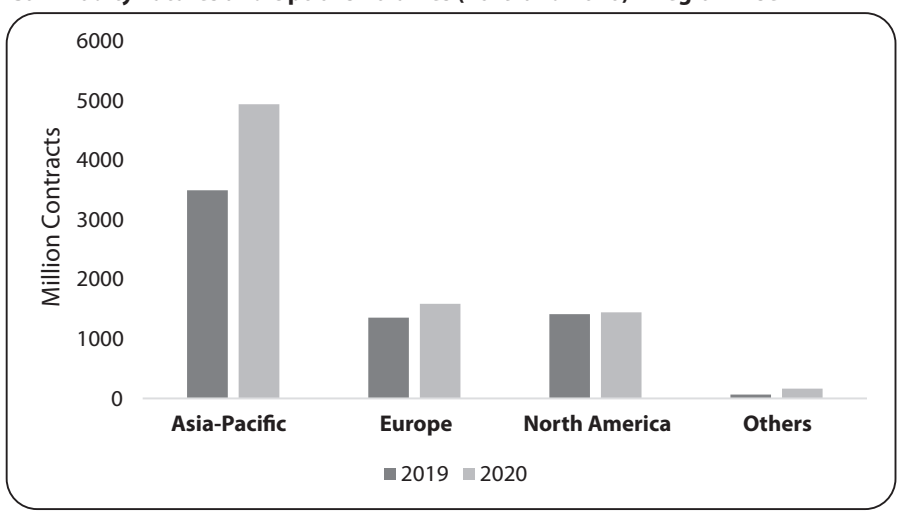
Chart 1: Global Futures and Options Volumes across Commodity Segments (2019 and 2020)



Source- Futures Industry association

Trends in region-wise traded volumes of commodity derivatives indicate dominance of Asia-Pacific region in the industry in CY 2020. Registering a robust growth of about 41%, Asia-Pacific region accounted for about 61% of global commodity derivatives traded in CY 2020. The region was followed by Europe and North America contributing to about 20% and 18% share respectively in the global commodity derivatives volumes, with corresponding 17% and 2% Y-o-Y growth, respectively. Chart 2 shows the regional distribution of global commodity derivatives trade volumes in CY 2020.

Chart 2: Global Commodity Futures and Options Volumes (2019 and 2020) – Region wise



Source- Futures Industry association

Performance of Domestic Commodity Markets in FY 2020-21

Indian commodity derivatives markets, in contrast with global markets, registered little change in trading activity during FY 2020-21, with the total value of commodity derivatives traded across all exchanges at ₹ 92.23 lakh crore.

In the Futures segment, the Average Daily Turnover (ADT)[1] clocked by all exchanges together decreased by about 5% to ₹ 32,897 crore during the FY 2020-21 from ₹ 34,624 crore during FY 2019-20. Further, in terms of volumes of contracts traded, the Indian commodity futures market shrank by about 45% to 21.55 crore contracts in 2020-21 compared to 38.87 crore in the previous year. Unlike volumes of commodity futures traded in global markets, Indian commodity futures witnessed a steep reduction in volumes across all the segments, predominantly in energy and base metal segments.

[1] Number of trading days at MCX has been considered for estimating ADT of the domestic commodity market. ADT excludes Muhurat Trading Day in day count and includes index futures for FY 2020-21.

Trading in Options on Futures contracts declined by about 17%, with notional ADT falling to ₹ 935 crore in FY 2020-21 as compared to ₹ 1,131 crore in the year before.

The total volumes, measured by the number of contracts traded, in the Indian commodity derivatives market witnessed a decline in all segments during the year 2020-21, as seen in Table 1.

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

	FY2019-20	FY2020-21	Change
Agri Commodities	160	113	-29%
Base Metal	379	137 *	-64%
Bullion	1,299	1,289 *	-1%
Energy	2,087	752	-64%
Total	**3,924**	**2,291 ***	**-42%**

**Note: Includes commodity index futures*

Source: *SEBI Bulletin*

Diverse trends were noted across different segments in terms of trade value of the commodity derivatives traded during FY 2020-21. Aggregate bullion derivatives trade continued to record an impressive growth of about 71% in value terms in FY 2020-21. In contrast, energy derivatives recorded a steep fall of about 52% in value terms in FY 2020-21 due to sharp fall in prices of energy products, primarily crude oil. Similarly, trading in agricultural commodities also declined by about 26% in value terms, while turnover in the Base Metals segment was changed nominally, as evident in Table 2.

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

	FY2019-20	FY2020-21	Change
Agri Commodities	5,84,598	4,29,687	-26%
Base Metal	15,78,035	15,74,998 *	-0.2%
Bullion	31,22,519	53,45,366 *	71%
Energy	39,39,688	18,72,876	-52%
Total	**92,24,839**	**92,22,927 ***	**-0.02%**

**Note: Includes commodity index futures*

Figures include Turnover of Futures and Notional Turnover of Options in the respective segments

Source: SEBI Bulletin

MCX BUSINESS OVERVIEW IN FY 2020-21

MCX remained the market leader in commodity derivatives among domestic exchanges, accounting for about 96% of total traded value of commodity futures in the country during FY 2020-21. MCX also retained its position as world's 7th largest commodity futures exchange in CY 2020, with more than 218 million commodity futures contracts traded during the year, as per data released by the Futures Industry Association (FIA). In addition, MCX BULLDEX futures contract was world's third most traded commodity index futures contract in CY 2020, though it was launched only in August 2020.

Despite the adverse impact of the pandemic, your Company could clock a total turnover of ₹ 80.25 lakh crore in the Futures segment during FY 2020-21, compared to ₹ 83.98 lakh crore in FY 2019-20. Average daily turnover[2] (single-side) of Futures trading on MCX registered a decline by about 2.9% to ₹ 31,595 crore in FY 2020-21, from ₹ 32,550 crore in FY 2019-20. The average daily notional turnover in the Options segment was ₹ 943 crore in FY 2020-21 compared to ₹ 1,131 crore in the previous year.

Further, the average daily turnover[#] of the newly-introduced Futures on commodity indices, MCX BULLDEX and MCX METLDEX, stood at ₹ 312.7 crore during FY 2020-21, following their launch in August, 2020 and October, 2020, respectively.

Among the different commodity segments, Futures in Bullion witnessed a steep growth of about 55% in value terms, while that in Energy segment posted a steep fall by about 52% in value terms in FY 2020-21 over the previous financial year. However, futures trading in Base Metals and Agricultural commodities during the year remained nearly at the same level as that in the previous year.

[2] ADT excludes Muhurat Trading Day in day count and includes index futures for FY 2020-21.

[#] Excludes Muhurat Trading Day in day count while calculating ADT.

PRODUCT-WISE PERFORMANCE

Product-wise performance of your Company during FY 2020-21 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 from and gains on sale of investments, and other miscellaneous income.

During FY 2020-21, the Company's total income reduced to ₹ 45,542 lakh from ₹ 48,177 lakh in FY 2019-20 registering a decline of 5%. The Company continued to perform well during the fiscal with a net profit margin of 41%. The operating expenses reduced to ₹ 20,418 lakh from ₹ 22,514 lakh in FY 2019-20, registering a decline of 9%.

The profit before tax for FY 2020-21 decreased to ₹ 22,938 lakh vis-à-vis ₹ 23,859 lakh in the last financial year, registering a decline of 4%. During FY 2020-21, the profit after tax reduced by 10% to ₹ 18,782 lakh as against ₹ 20,852 lakh in FY 2019-20.

The Company operates in a single segment business. Transaction fees comprise a significant portion (approximately 72%) of the Exchange's revenue. The revenue from transaction fee during FY 2020-21 was ₹ 32,821 lakh, as against ₹ 35,303 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 ₹ 9,844 lakh in FY 2020-21 (Previous year ₹ 9,930 lakh) including gain / (loss) on fair valuation of mutual funds and bonds (Table 3).

Table 3: MCX's Income (₹ in lakh)

Particulars	FY 2020-21	FY 2019-20	Change Increase / (Decrease)
Transaction Revenue	32,821	35,303	(7) %
Other Operating Income	1,664	1,741	(4) %
Investment Income	9,844	9,930	(0.87)%
Other Income	1,213	1,203	0.83 %
Total	**45,542**	**48,177**	**(5) %**

Expenses:

The Company's expenditure consists of employee benefit expenses, clearing and settlement charges, depreciation / amortization charges, expenditure on computer technology and software support charges and other expenses. (Table 4).

Table 4: MCX's expenditure (₹ in lakh)

Particulars	FY 2020-21	FY 2019-20	Change (Increase) / Decrease
Employee benefit expense	6,243	6,588	5 %
Clearing and Settlement charges	4,120	4,413	7 %
Depreciation and amortization	2,164	1,784	(21) %
Computer technology and Software support	6,449	6,756	4 %
Other expenses*	3,628	4,777	24 %
Total	**22,604**	**24,318**	**7 %**

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

Provision for taxation:

The Company's provision for tax for FY 2020-21 is ₹ 4,156 lakh (previous year ₹ 3,007 lakh).

Profit analysis:

The net profit margin stood at 41% in FY 2020-21 (Previous year: 43%).

Financial performance and operational performance parameters:

The transaction fees has decreased by 7% to ₹ 32,821 lakh in FY 2020-21 from ₹ 35,303 lakh in FY 2019-20.

Shareholders' funds

Share capital:

As of March 31, 2021, the Company's share capital stood at ₹ 5,099.84 lakh, i.e. 509.98 lakh shares of ₹ 10 each. (Previous year: ₹ 5,099.84 lakh i.e. 509.98 lakh shares of ₹ 10 each).

Other equity:

The Company's other equity increased to ₹ 1,52,936 lakh as on March 31, 2021 from ₹ 1,49,552 lakh as on March 31, 2020. The net worth stood at ₹ 1,58,036 lakh as on March 31, 2021 as against ₹ 1,54,652 lakh as on March 31, 2020.

Secured loans:

The Company had no secured loans in its books as on March 31, 2021, as well as, on March 31, 2020.

Fixed assets:

The Company's fixed assets (including capital work in progress) stood at ₹ 18,402 lakh as on March 31, 2021, as against ₹ 18,057 lakh as on March 31, 2020.

Investments:

As on March 31, 2021, the Company's investments (Non-current and Current) stood at ₹ 1,44,464 lakh, as against ₹ 1,42,071 lakh as on March 31, 2020.

Current assets and current liabilities:

The current assets consisting of trade receivables, cash and cash equivalent, bank balances, loans and other current assets (excluding current investments) was ₹ 8,684 lakh as on March 31, 2021, as compared to ₹ 8,880 lakh as on March 31, 2020.

The current liabilities consisting of creditors, security deposits, and others, stood at ₹ 14,824 lakh as on March 31, 2021, as against ₹ 16,644 lakh as on March 31, 2020.

Key Financial Indicators:

Sr. no.	Indicators	Standalone		Consolidated	
		FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
1	Debtors Turnover	9 days	8 days	7 days	6 days
2	Current Ratio (Current assets/Current liability)	4.62	4.06	2.02	1.65
3	Operating Profit Margin (Operating Profit/ Turnover)	40.73%	39.22%	47.35%	41.34%
4	Net Profit Margin (Net profit/Turnover)	41.24%	43.28%	45.56%	47.01%
5	Return on Net worth (Net profit/ Net worth)	11.88%	13.48%	11.93%	13.37%

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 COVID-19 lockdown.

Profitability

On account of COVID-19 lockdown and the truncated timings, trading volume for April 2020 was reduced and accordingly the revenue was impacted. Since the market hours have been restored, the ADT has recovered subsequently. The Company has taken various steps to reduce costs, which had a positive impact on profitability.

Liquidity position

The Company's retained earnings are invested substantially in Mutual Fund instrument/ Tax free Instruments/ Perpetual bonds/ ETFs. These instruments are largely liquid and Tax Free and Perpetual bonds are also traded in the debt market. Therefore, the Company will not face any liquidity issue. Also, the Company was debt free as on March 31, 2021.

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.

Internal financial reporting and control

Internal audit functions have been performed by the Internal Auditors, using VPN facility provided by the Exchange.

Supply chain

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

Demand for products/services

On account of COVID-19 lockdown and the truncated timing, trading volume for April 2020 was reduced and accordingly the revenue was impacted. Since the market hours have been restored, the ADT has recovered subsequently.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has put in place various measures to ensure that the internal control mechanisms are adequate and are 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 adequately documented with comprehensive and well defined Standard Operating Procedures. These include 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 Company.

Further, all related party transactions are placed before the Audit Committee and are approved / ratified by it after deliberations.

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:

Resilience in trading and clearing systems

Your Company's processes have stood up to the challenges thrown up by disruptions caused by the pandemic COVID-19. The robustness of your Company's processes was demonstrated by its ability to provide uninterrupted trading and clearing services even during the lockdown. Even amidst the restrictions in place, the Exchange was able to launch new products such as futures contracts on MCX iCOMDEX Bullion Index (BULLDEX) and Base Metal Index (METLDEX) and MCX Rubber Futures contract during FY 2020-21.

Besides, the clearing arm's robust delivery and settlement systems ensured successful deliveries across all commodity segments during the year. Your Company facilitated delivery of about 140 tons of Silver, the highest in 12 years, through August and September 2020 expiry contracts, while the delivery of Base Metals exceeded 1 lakh tons by September 2020. On 30 March 2021, the first delivery day of the MCX Gold contracts with April expiry, your Company witnessed a record 6-year high single day delivery volume for Gold 1 Kg and Gold Mini 100 gram contracts, at 2035 kilograms valued at ₹ 887.40 crore. In addition, cotton stocks in the MCXCCL accredited warehouses touched a record high of 2,16,600 bales in March 2021 with active use by hedgers, particularly exporters, for their price risk management.

Strong Brand Equity

MCX has consistently remained India's leading exchange in commodity derivatives, accounting for more than 96% of market share in futures trading and nearly 100% in case of options on futures trading during 2020-21. MCX enjoys a strong brand equity since 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.

Continued Excellence in Processes

MCX has been certified by the International Organization for Standardization (ISO) under four ISO standards, namely, ISO 9001:2015 Quality Management System, ISO 27001:2013 Information Security Management Standard, ISO 22301:2019 Business Continuity Management System and ISO 14001:2015 Environment Management Standard. Your Company's flagship index series, the MCX iCOMDEX Indices conform to the standards of the International Organisation of Securities

Commissions' (IOSCO) Principles of Financial Benchmark (July, 2013) in computation and governance. The continuous conformity to these Principles has also been certified by a third-party assessor. Adherence to these international standards makes MCX commit to high quality standards of business processes and continuous delivery of services through effective and efficient response.

High Standards of Corporate Governance

As an Exchange, your Company is subject to a high level of regulatory oversight. The Exchange is also committed to strong and effective internal governance and regulation and believes that regulatory integrity benefits investors and attracts market participants to trade on the Exchange platform.

Your Company has a dedicated Regulatory Compliance Department, which performs various functions for ensuring compliance with SEBI regulations applicable to the Exchange.

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.

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, cost effective, transparent and regulated. The Exchange's state-of-art data center is supported by best-of-breed network and security infrastructure with high availability at all levels. The Company has adopted 'Defence-in-depth' strategy to ensure information security at all layers with well-defined Information Security policy and Cyber Security and Cyber Resilience policy. The Exchange's technology architecture supports multiple secured modes of connectivity such as MPLS leased line, Point to Point Leased line and Internet, and has handled 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 capabilities to restore seamlessly the trading operations from Disaster Recovery Site and has Real time data replication to Near Online Site facility 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 has 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

Your Company explores all opportunities to ensure continuous growth and inclusion of maximum stakeholders in the market it serves. Many of the opportunities arise as a result of policy and regulatory actions. During the FY 2020-21, despite the prevailing pandemic, the government and the market regulator initiated some favorable policy measures which provide potential growth opportunities for your Company.

Expansion of product categories

As and when derivatives trading on electricity is permitted, MCX would have the opportunity to launch electricity derivative contracts, subject to regulatory approvals, and serve the stakeholders in the Indian electricity industry. Towards this objective, your Company entered into a licensing agreement with Indian Energy Exchange (IEX) to use their spot prices as the underlying for the MCX electricity derivatives, when they are traded after receiving requisite approvals.

During the year 2020-21, following regulatory approvals, MCX introduced products in new categories such as Options in Goods and Commodity Indices. The Exchange now looks forward to exploring opportunities to launch more products in these new categories, subject to market demand and feedback. Your Company also looks forward to regulatory reforms that can lead to opening of new opportunities for its stakeholders, such as ETFs in many more commodities and their derivatives, apart from the currently-permitted ETFs in gold futures.

Driving Partnerships

During FY 2020-21, MCX and Mjunction Services Ltd agreed to enter into a Memorandum of Understanding with the objective of jointly exploring business opportunities and capitalizing on the synergies of the two companies by setting up a joint venture for running a coal exchange. The two companies agreed to conduct a joint feasibility study to evaluate the viability of the opportunity. The findings of the joint study, which is currently underway, would lay the groundwork for potential future agreement between both the companies for setting up a spot coal exchange in India, subject to necessary regulatory approvals.

POTENTIAL THREAT

Impact from COVID-19 Pandemic

The persistence of the pandemic COVID-19 and emergence of new strains of the virus continues to pose a threat to the normal functioning of your Exchange. The possibility of restoration of normalcy that was perceived in the beginning of 2021 was quickly dissipated by a second and more intense wave of the pandemic, which has led to localized lockdowns in almost all places of MCX's presence. Besides, restrictions in movements have compelled employees of your Company, as well as those of its Members, to continue to work from home.

While the vaccination drive against COVID-19 virus is progressing well, the threat may persist or even intensify if subsequent waves emerge. The pace and coverage of vaccination will also determine the extent of fallout of the pandemic in the near term.

The disruptive effect of the pandemic has been felt in the physical commodity markets too, which may persist in the current year. Trading, warehousing and movement of goods have been affected by restrictions imposed in response to the pandemic, which may continue if the spread of the virus intensifies. To the extent that an efficient derivatives market needs to be supported by a well-functioning spot market, a major disruption in the latter may have a negative consequence on the former.

The Exchange has taken several measures to minimize the effect of the pandemic on its operations, while ensuring safety of its employees. Yet, the threat remains, requiring adoption of precautionary measures to address the emerging scenario. Your company has laid down Standard Operating Procedures (SOP) for COVID-19 appropriate behavior at office, as well as at home, adhering to guidelines released by the Ministry of Health & Family Welfare, Government of India. Nevertheless, with the continued spread of the virus and with emergence of new and mutant strains, the threat may prevail for a longer time than initially envisaged.

Cybersecurity threats

Cybersecurity threat is becoming more and more critical with technological advancements and new strategies to exploit any vulnerabilities in the cybersecurity. In view of such threats, MCX is continuously monitoring, evaluating and implementing various security solutions for early identification, detection, quick protection, response and recovery from all such cyber-attacks. For MCX, being a Financial Market Infrastructure (FMI) institution providing an online trading platform, cybersecurity is of paramount importance for ensuing trust among the market participants, regulators and stakeholders.

Constant enhancement 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. MCX 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 your 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 Business Continuity and Disaster Recovery Plan (BCP-DR Plan) aims 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 aims for 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 fall in commodity prices

The COVID-19 pandemic caused an unprecedented demand compression in FY 2020-21, resulting in steep fall in prices, especially in the first three quarters of the financial year. Crude Oil prices even moved in the negative territory during April 2020. However, commodity prices recovered by the last quarter of FY 2020-21, and during the period January – May 2021, prices of all commodities (except Gold) went up, albeit by varying degrees. Nevertheless, conditions of depressed global commodity prices may recur in FY 2021-22, if a more intense wave of the pandemic occurs in many parts of the world, leading to lockdowns and resultant disruptive impact on economic activities. 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.

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. With a regime of continued accommodative monetary policy being observed by the RBI owing to COVID-19 pandemic, low interest rates will continue to have adverse impact on the interest income of the Company.

Macro-economic Trends and Risk

Macro-economic conditions in domestic, as well as, global economy in terms of growth, production and consumption activities have significant impact on commodity derivatives markets and consequently on your Company's growth. While the beginning of the calendar year 2021 witnessed a revival of economic activity after months of COVID-19 related disruptions, it is still uncertain whether the recovery can be sustained. 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.

Technology Risk

Migration to new platform

Your Company has commenced the process of migrating to a new technology platform by availing the services of M/s Tata Consultancy Services Ltd. (TCS), a new technology service provider. Any improper, unplanned or delayed migration to the new platform can have consequent negative impact on the operations of the Exchange.

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 increasingly, to 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 and does not own intellectual property rights of the said software. 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 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

Impact on volumes from tighter risk management norms

The high volatility in commodity prices during FY 2020-21 led to regulatory measures to enhance the risk management framework in the commodity derivatives market. Following the movement of crude oil prices in negative territory, margins on crude oil derivatives trade were steeply increased, leading to a drop in trading interest in these products. Given that price volatility which had resulted in steep increase in margins were related to the pandemic induced drop in economic activity across the globe, the risk of recurrence of such phenomenon, remains.

As part of its risk management framework relating to collection and reporting of margins from clients, SEBI introduced Peak Margin reporting requirement from December 01, 2020 in four phases: from reporting 25% of Peak Margin obligation with effect from December 01, 2020 to 100% with effect from September 01 2021. There has been a drop in traded volumes since the Peak Margin reporting obligation has been implemented and the fall in volumes may be further accentuated after 100% of the obligations reporting comes into effect.

Adverse regulatory and policy decisions

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

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 the 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.

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 Disaster Recovery (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 Disaster Recovery (DR) site in FY 2020-21 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 Multi Commodity Exchange Clearing Corporation Limited (MCXCCL) in 2018, risk management, clearing and settlement, warehousing functions are being undertaken by the clearing corporation. MCXCCL ensures that within the regulatory framework, an efficient and effective clearing and settlement activity along with an effective funds settlement mechanism, delivery mechanism and margining systems is adhered to. Above all, it maintains a robust risk management system and to that effect carries out daily stress tests and maintains a Settlement Guarantee Fund. It has necessitated all its 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 looks for new product innovation and development, and offers state of the art services to all its stakeholders. Your Company will continue to make relentless efforts in tapping the opportunities unfolding in India's commodity market.

Focus on increasing participation and expanding product suite

In pursuit of the Atmanirbhar Bharat mission, your Company embarked upon the path of recognizing domestic bullion refiners for good delivery of gold on the Exchange platform and had issued the MCX Good Delivery Norms for BIS-Standard Gold/Silver. The norms are kept at par with international standards, covering eligibility criteria, technical qualification audits, financial audits, continuous compliance requirements along with responsible sourcing guidelines that are aligned with the OECD. It also conforms to BIS India Good Delivery Standard, IS: 17278. Further, from the first set of applicant domestic refiners, specific facilities of two refiners have been empanelled to the MCX good delivery list for Gold Mini (100 grams) derivative contracts. Prior to this, only bullion bars of London Bullion Market Association (LBMA) accredited refiners along with Emirates Gold were deliverable on the exchange.

This will facilitate expansion of organized bullion trade in the country. It will also drive market efficiencies by reducing price disparities and further integrate the exchange eco-system with domestic industry by bringing more locally available/ recycled gold of exchange grade.

Your Company has also been pursuing to recognize domestic metal producers for good delivery on the Exchange, starting with Lead. Meanwhile, the recently converted base metal contracts into compulsory delivery contracts have witnessed significant physical deliveries through exchange delivery mechanism. Your Company will work more closely with the industry to make the contracts work for them. Further, in order to integrate with physical market and make price discovery more efficient, Raipur has been added as basis delivery center for Aluminum, besides Thane district. Your Company now offers the benefit of fair and efficient price discovery, reflecting both domestic and global fundamentals, and provides a

robust platform for price risk management to the Indian metals market ecosystem, thus establishing itself as a 'price setter' in base metals.

The recent regulatory developments enabled entry for mutual funds and portfolio management services (PMS) in the commodity derivatives market. Your Company looks forward to a greater participation of institutional players in this market, which will add to greater liquidity and market depth.

Your Company has successfully launched futures trading on MCX iCOMDEX Bullion and MCX iCOMDEX Base Metal indices. It also looks forward to expanding its product offerings with exotic derivative products such as electricity futures, subject to necessary regulatory approvals.

Going forward, your Company will increase its focus on getting large corporates, and small and medium enterprises to hedge on the Exchange platform. On evolving regulatory developments, your Company will explore opportunities in the broader commodity eco-system, including building and developing spot trading platforms for commodities such as gold and coal.

Efforts for financial literacy in commodity derivatives

As a part of your Company's commitment towards improving financial literacy in commodity derivatives, MCX endeavours to reach out to a larger number of value chain participants and develop an efficient and vibrant ecosystem for the stakeholders. The Company will continue to undertake several initiatives in reaching out to members to keep them abreast about new products and future initiatives.

Focus on strengthening technical capabilities

Your Company is investing in innovation, next generation platforms, 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. Despite challenges posed by the pandemic in the year 2020-21, all security incidents were contained to have a zero effect on the trading platform, or any adverse effect to our subscribers and trading partners.

In line with its strategy to be able to scale up rapidly on the technology infrastructure due to project demands, your Company has taken initiatives towards technology absorption by availing public cloud services, such as Infrastructure as services (IaaS) and Desktop as Services (DaaS) for its development and testing needs. The Exchange has a dedicated Security Operations Centre (SOC) to provide 24 x 7 x 365 days vigilance against cyber threats; a system for protection of assets by deploying security measures for 'Work from Home'; and a mechanism for smooth switchover and switchback between Primary and Disaster Recovery (DR) sites.

Your Company's robust technology infrastructure continues to provide smooth trading experience to all members and end-clients, as well as reliability and risk mitigation arising from a single point of failure. Further, your Company had awarded the contract for development and deployment of new the Commodity Derivatives Platform to M/s Tata Consultancy Services Ltd. (TCS) as the term with the current vendor is ending next year.

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 to continuously serve its stakeholders, while also expanding the universe of stakeholders. During the FY 2020-21, your Company undertook several initiatives, which facilitated the development of the commodity derivatives market.

Launch of new products

Your Company successfully launched trading in futures contracts on MCX iCOMDEX Bullion Index (MCX BULLDEX) on August 24, 2020 and on MCX iCOMDEX Base Metal Index (MCX METLDEX) on October 19, 2020. These index-based contracts received enthusiastic response from market participants, as they provide an easy access to invest in commodities.

Further, with the objective of providing an efficient risk management instrument to all stakeholders in India's rubber economy, your Company launched MCX Rubber Futures contracts in December 2020. The Rubber Futures contract was well received by the market participants and witnessed a delivery of 70 tons of the commodity at the expiry of the first contract.

Developing domestic physical market standards and benchmarks

In order to promote Indian standards in commodities and bring local 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'. This initiative facilitated the entry of local refiners into the Exchange's delivery process and was a step towards achieving the broader goal of *Atmanirbhar Bharat*. Two qualified Indian refiners have been empaneled under these guidelines and the Exchange is making efforts to bring in more local players into the Exchange delivery mechanism. Your Company has, subsequently, facilitated delivery of 190 kilograms of locally refined 100 grams gold bars for the April 2021 expiry Gold Mini contract.

With the same objective of promoting indigenization, your Company plans to empanel domestic producers in Base Metals too, starting with Lead. Towards this end, eligibility criteria for domestically refined Lead brands have been issued and the eligibility criteria document is available on the Exchange website. A few producers have already applied and the process of selection is underway.

Further, to align MCX's products with the physical markets' and local trade requirements, your Company changed the primary delivery centre of the Aluminium Futures contract to ex-warehouse Raipur district (Chhattisgarh), while retaining ex-warehouse Thane district (Maharashtra) as the additional delivery centre. The price quote of the contract was also changed to Ex-Warehouse Raipur district, beginning March 2021 expiry Aluminium Futures contract. The Exchange is also exploring the possibility of opening delivery centres in other locations for all other Base Metals too, in order to strengthen the linkage between the physical and derivatives markets and to enhance the footprint of the Base Metals derivatives market across the country.

Technology and process enablement

To improve its operational processes, the trading system in your Company was successfully upgraded during the FY 2020-21, enabling the trading system to accept negative and zero price quotations.

Outreach initiatives

During the FY 2020-21, your Company organized a number of programmes to educate potential investors and hedgers on the necessity, benefits and modalities of trading in commodity derivatives. With the prevailing pandemic and resultant social distancing requirements, most awareness and outreach programmes were conducted through virtual mode. The details of such initiatives are given under the head Investor Protection Fund (IPF) and Investor Service Fund (ISF) in the Directors Report.

Educational Initiatives

Your Company engaged with numerous educational institutions to spread knowledge about commodity markets among students and academicians. The details of educational initiatives undertaken by the company during the FY 2020-21 has been elaborated in the Directors Report.

Publications

MCX publishes various articles in popular media to create awareness about the benefits of the commodity derivatives markets, and also to sensitize policy-makers about various policy changes that can further its growth. Senior officials of MCX write articles on issues relevant to 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 and the 'dos and dont's' for safe trading, is also created through various channels of the electronic media, including regional channels.

During the financial year 2020-21, your Company published the 'Commodity Insights Yearbook 2020' with a special focus on 'Precious Metals'. The yearbook provides comprehensive information on commodity markets with unique collection of research articles from the domain experts and data series covering fundamentals, as well as, trade-related aspects of commodity derivatives. MCX's newsletters, such as 'Commodity Connect', widely circulated and uploaded on the website, are other effective tools used to regularly communicate with the Exchange's stakeholders. The monthly 'Commodity Research Digest', which reviews and enlists commodity research work encompassing both domestic, as well as, international commodity markets, is published and disseminated to promote commodity research among researchers in academia and industry. The quarterly bulletin 'ISDiGEST' is circulated among arbitrators and members of the Grievance Redressal Committee, in order to inform them about latest developments relevant to the Exchange.

In addition, your Company publishes various other brochures and bulletins, providing information on hedging, investment, disclosures, etc. to spread awareness about opportunities for hedging and investment in the commodity derivatives market. Extensive use is made of social media channels like YouTube, Twitter, Facebook, Instagram and LinkedIn for mass awareness and education.

Research Studies

Your Company undertook several research studies during FY 2020-21. Details of the research activities have been provided in the Directors' Report.

Policy Advocacy Initiatives

MCX aims at policy changes with the objective of development and growth of the commodity derivatives market. During

the year, advocacy efforts were oriented towards regulatory changes for facilitating participation of AIFs and Mutual Funds in commodity markets, mandating stronger disclosure of commodity price risks by listed entities, regulatory mandate on at least partial hedging on Indian exchanges by resident Indians desirous of hedging in international markets, reforms in mandatory quality standards for enhancing stakeholder participation, etc.

OUTLOOK

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

Improving growth prospects to boost commodity demand

Over a year into the pandemic, the Indian economy has started showing tangible signs of recovery from the fourth quarter of FY 2020-21. The prospects of a recovering economy and reviving demand for commodities provide a positive outlook for your Company. Although the second wave of the pandemic has dented the possibility of recovery at accelerated rates, which was expected earlier in the year 2021, market stakeholders are better prepared now to deal with any subsequent wave of COVID-19. Adoption of COVID-19 compatible operational models wherever possible, resumed domestic and export demand, and possibility of strong rural growth from a normal monsoon may help to meet the economic challenge of new waves of the pandemic. As the economy grows, the demand for commodities is expected to rise in the coming months of FY 2021-22. The rising demand is expected to increase the need for a mechanism for efficient price discovery and instruments for risk management, which exchange-traded commodity derivatives provide. Such a scenario would provide new opportunities to your Company to innovate and introduce new derivative products fulfilling the needs of stakeholders in both agricultural and non-agricultural commodities. The outlook for your Company, thus, is positive with rising demand, and associated volatility, in almost all commodities, arising from improvement in activity in major sectors of the economy.

Expansion of product and participant categories

Your Company is ready to reap all expansion opportunities by way of expanding its products basket, facilitating entry of new participants and developing partnerships in existing and new areas.

Subject to permission for derivatives trade and regulatory approvals, your Company looks forward to launch electricity derivative contracts, at the earliest possible opportunity.

The bullion spot exchange platform, in domestic market as well as in GIFT IFSC, is another potential opportunity that your Company would explore.

Following the introduction of index derivatives and entry of more and more institutional investors such as Mutual Funds into commodity derivatives segment, trading interest in commodities derivatives is expected to increase. Higher volumes would bring in more liquidity and depth into the market, making it more attractive for both hedgers and investors. These developments suggest an immense potential for advancing the growth of commodity derivatives market and signal bright prospects for your Company.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

As on March 31, 2021, your Company employed 343 employees. 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. Assessment centre evaluation for employees at Assistant Vice President level and above was initiated in FY 2019-20 and concluded in FY 2020-21, which provided a platform for assessing employee's potential to manage next level responsibilities and setting the right work culture across 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, fun Fridays and most important is the Constant review of work policies & practices in order to make the exchange the best place to work for. As a new initiative, Exchange has been rewarding employee's children for their exceptional efforts in passing 10th and 12th standard examination with excellence.

Your Company believes in the safeguarding health of the employees and hence during the COVID-19 Pandemic last year, your company took a COVID-19 policy for the employees in case they undergo hospitalisation. Also Work from home option was given to all the employees, except the critical staff. Recognising the efforts of our critical staff who continued to work from office to ensure continuity of services, a 'Reward Programme was rolled out for the eligible employees. Periodic health talks with medical practitioners were arranged to address employees' queries and apprehensions surrounding COVID-19.

A Objective appraisal system based on Key Result Areas (KRAs), 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.

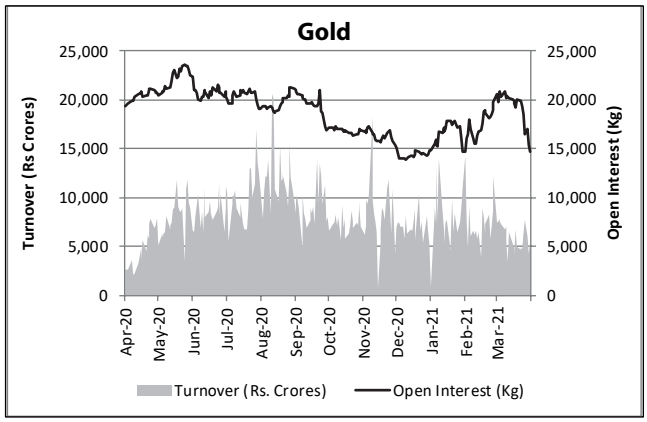
CAUTIONARY STATEMENT

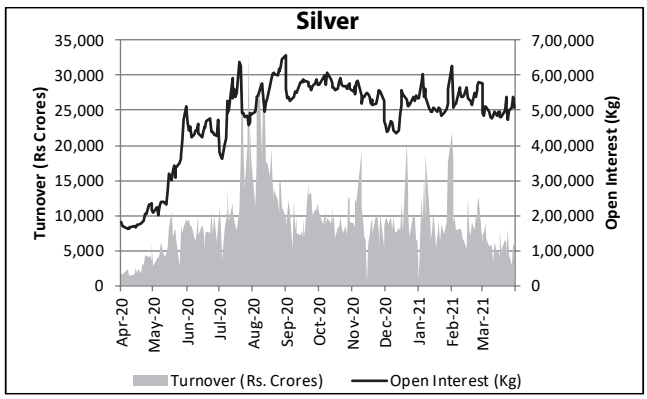
In this annual report some future developments which are expected to be implemented have been given. This has been done with a view to help investors better understand the Company's future prospects and make informed decisions while interacting with the Exchange. This annual report and other written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

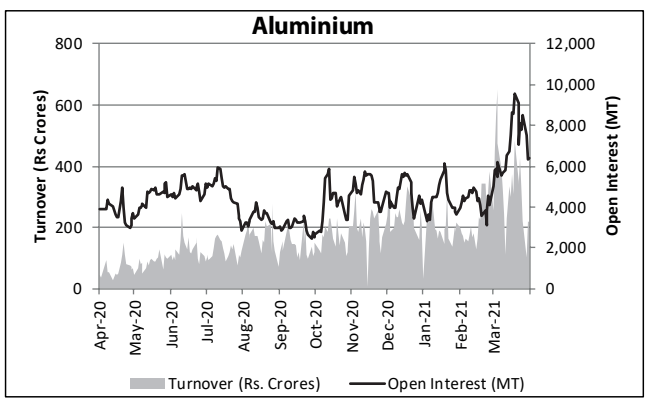
ANNEXURE I

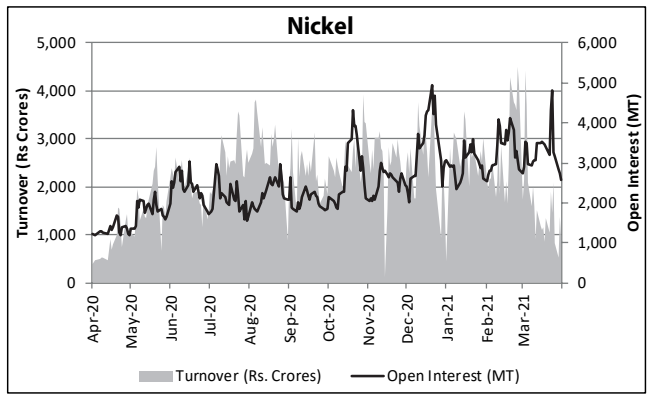
Turnover and Open Interest of Commodity Futures Contracts Traded on MCX in 2020-21

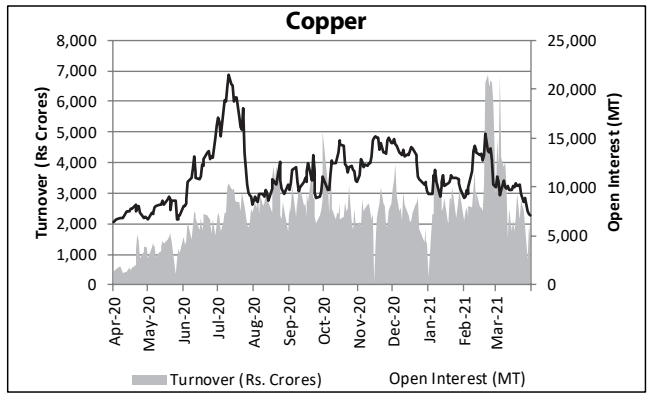
(All variants of each commodity combined)

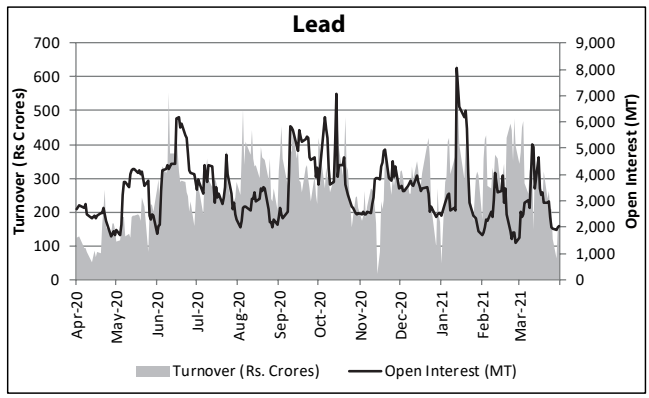


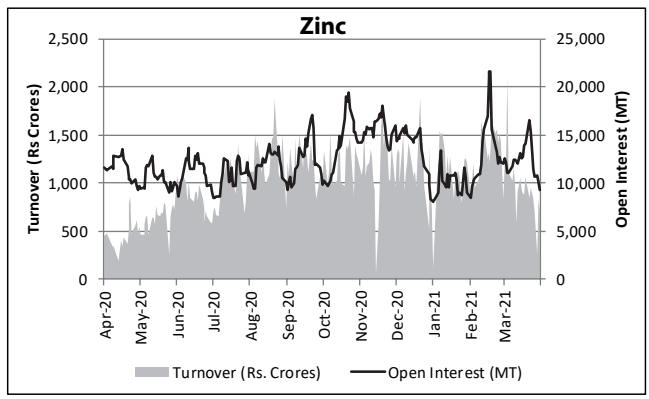


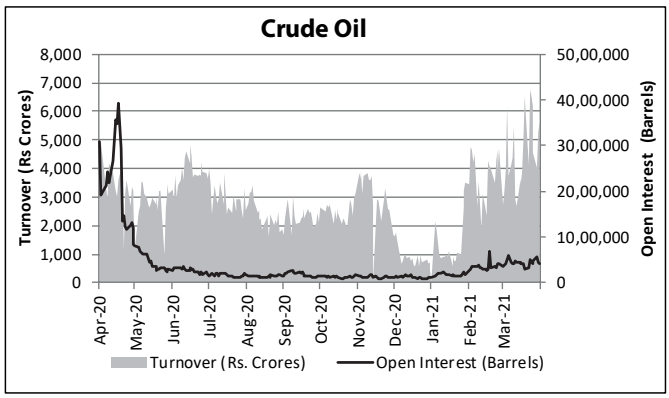


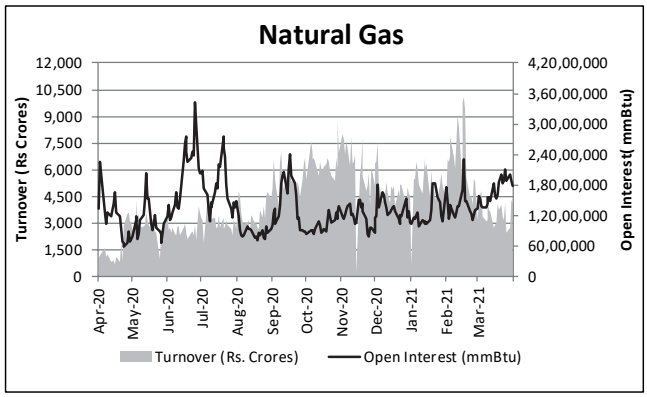

Nickel
Turnover (Rs Crores)
Open Interest (MT)
5,000
4,000
3,000
2,000
1,000
0
6,000
5,000
4,000
3,000
2,000
1,000
0
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Turnover (Rs. Crores)
Open Interest (MT)

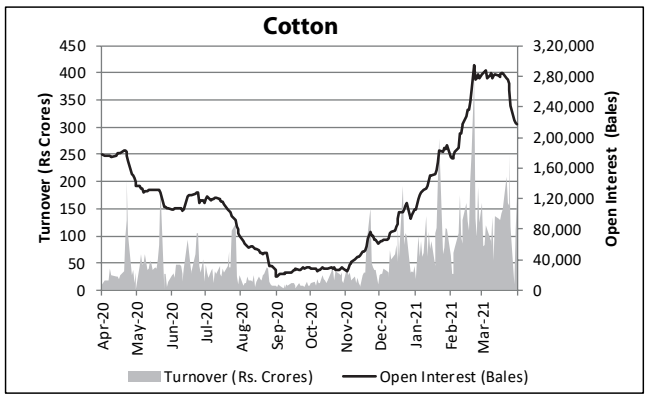

Copper
Turnover (Rs Crores)
Open Interest (MT)
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
25,000
20,000
15,000
10,000
5,000
0
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Turnover (Rs. Crores)
Open Interest (MT)

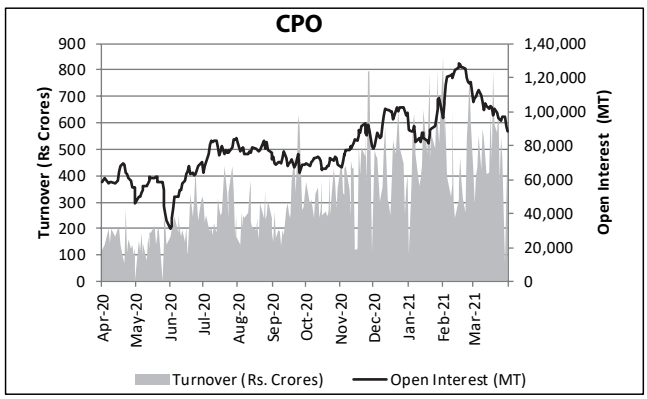

Lead
Turnover (Rs Crores)
Open Interest (MT)
700
600
500
400
300
200
100
0
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Turnover (Rs. Crores)
Open Interest (MT)

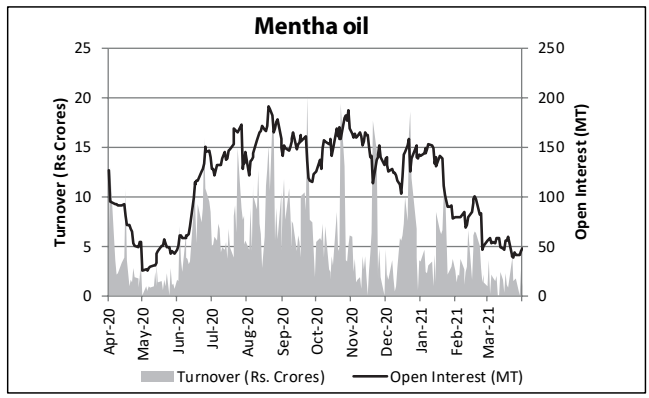

Zinc
Turnover (Rs Crores)
Open Interest (MT)
2,500
2,000
1,500
1,000
500
0
25,000
20,000
15,000
10,000
5,000
0
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Turnover (Rs. Crores)
Open Interest (MT)

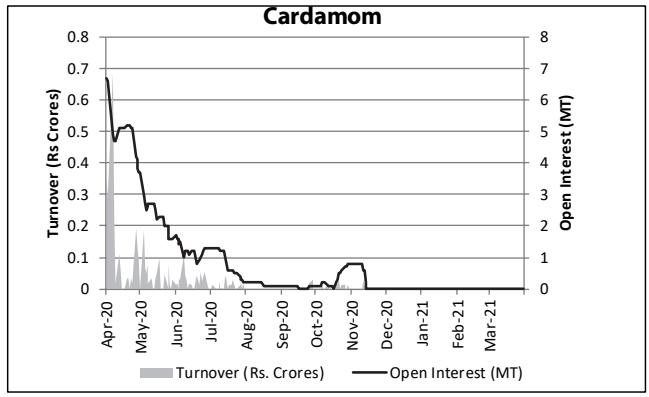

Crude Oil
Turnover (Rs Crores)
Open Interest (Barrels)
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
50,00,000
40,00,000
30,00,000
20,00,000
10,00,000
0
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Turnover (Rs. Crores)
Open Interest (Barrels)

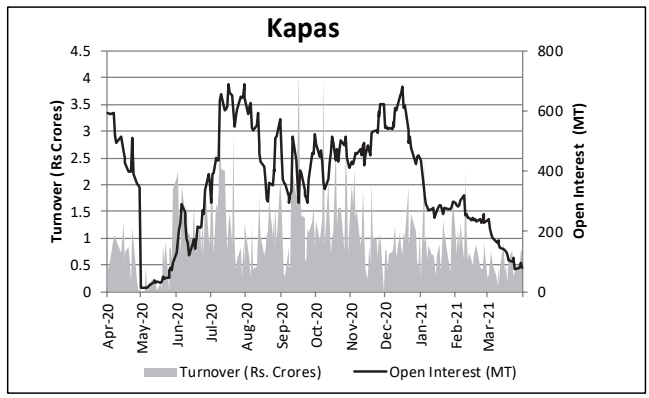

Natural Gas
Turnover (Rs Crores)
Open Interest(mmBtu)
12,000
10,500
9,000
7,500
6,000
4,500
3,000
1,500
0
4,20,00,000
3,60,00,000
3,00,00,000
2,40,00,000
1,80,00,000
1,20,00,000
60,00,000
0
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Turnover (Rs. Crores)
Open Interest (mmBtu)

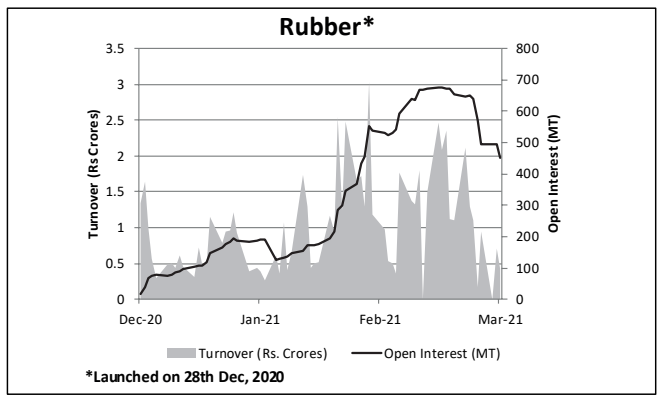

Cotton
Turnover (Rs Crores)
Open Interest (Bales)
450
400
350
300
250
200
150
100
50
0
3,20,000
2,80,000
2,40,000
2,00,000
1,60,000
1,20,000
80,000
40,000
0
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Turnover (Rs. Crores)
Open Interest (Bales)


CPO
Turnover (Rs Crores)
Open Interest (MT)
900
800
700
600
500
400
300
200
100
0
1,40,000
1,20,000
1,00,000
80,000
60,000
40,000
20,000
0
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Turnover (Rs. Crores)
Open Interest (MT)

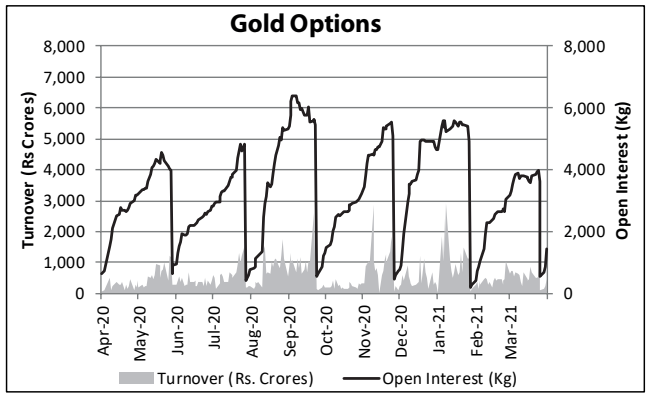

Mentha oil
Turnover (Rs Crores)
Open Interest (MT)
25
20
15
10
5
0
250
200
150
100
50
0
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Turnover (Rs. Crores)
Open Interest (MT)

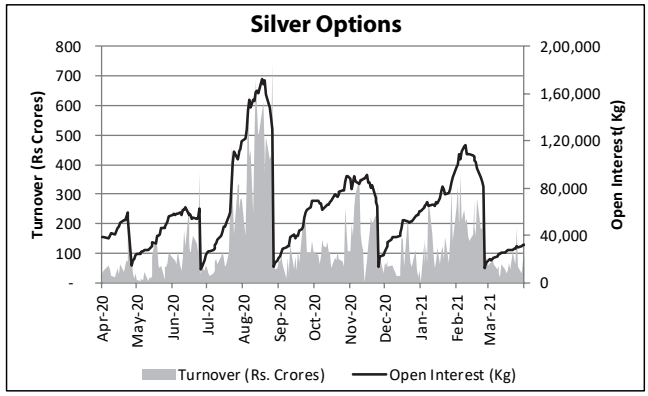

Cardamom
Turnover (Rs Crores)
Open Interest (MT)
0.8
0.7
0.6
0.5
0.4
0.3
0.2
0.1
0
8
7
6
5
4
3
2
1
0
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Turnover (Rs. Crores)
Open Interest (MT)

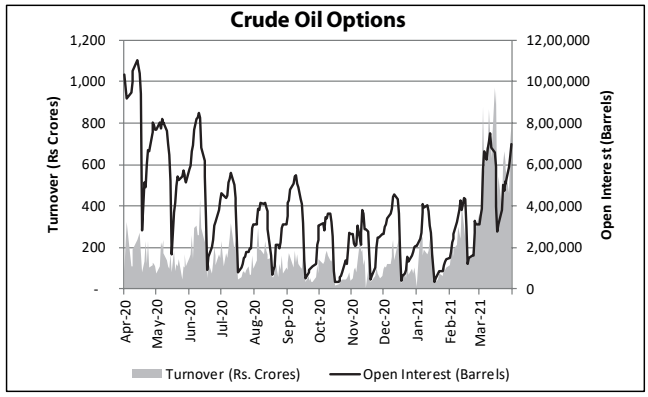

Kapas
Turnover (Rs Crores)
Open Interest (MT)
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
800
600
400
200
0
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Turnover (Rs. Crores)
Open Interest (MT)

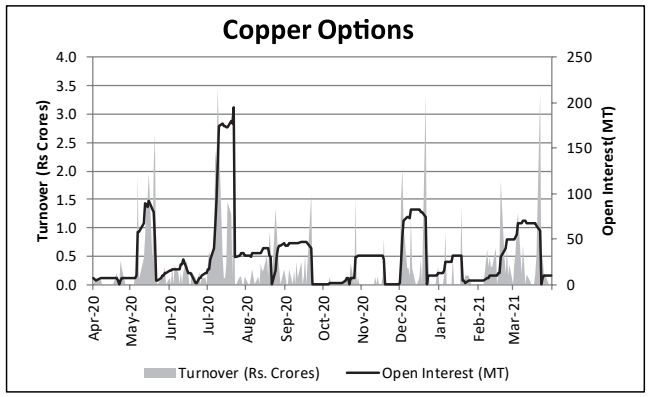

Rubber*
Turnover (Rs Crores)
Open Interest (MT)
3.5
3
2.5
2
1.5
1
0.5
0
800
700
600
500
400
300
200
100
0
Dec-20
Jan-21
Feb-21
Mar-21
Turnover (Rs. Crores)
Open Interest (MT)
*Launched on 28th Dec, 2020

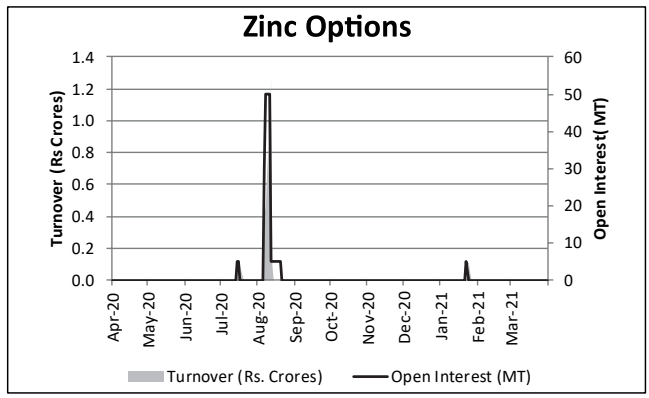
Notional Turnover and Open Interest of Commodity Options Contracts Traded on MCX in 2020-21

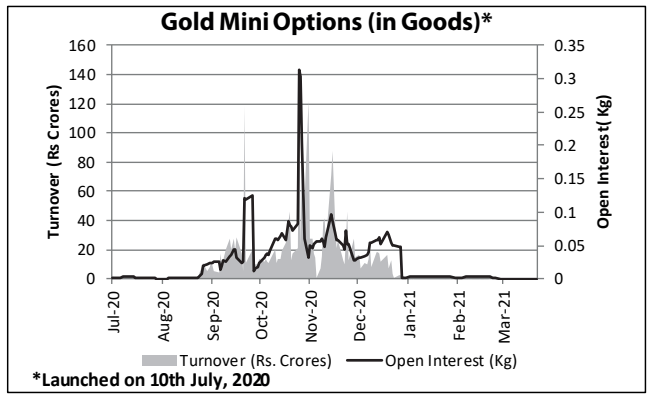




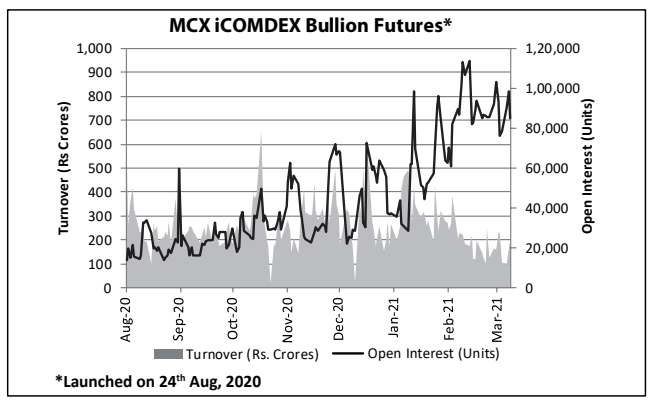


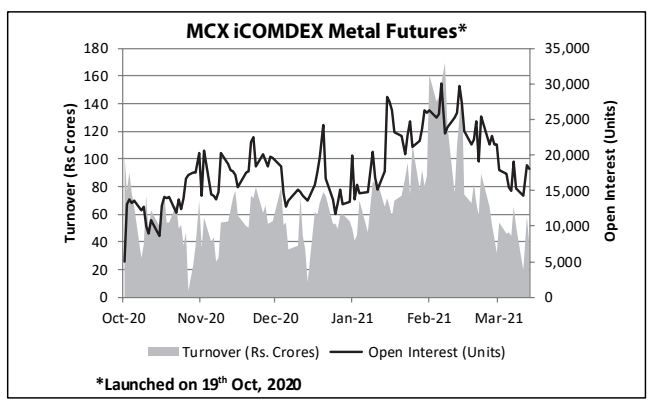






Turnover and Open Interest of Commodity Indices Traded on MCX in 2020-21





CORPORATE GOVERNANCE REPORT

A detailed Report on Corporate Governance for the Financial Year (FY) 2020-21, in terms of the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the SEBI Listing Regulations'), demonstrating the Company's accountability to its stakeholders is set out hereunder.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. We, at Multi Commodity Exchange of India Limited (hereinafter referred to as 'the Company' or 'Your Company' or 'MCX'), believe that responsible corporate conduct is integral to do business.

MCX is committed to meet the aspirations of all our stakeholders. The Company in its approach to adopt the best possible practices of Corporate Governance and adherence to all rules and regulations prescribed by various regulatory authorities, has taken the necessary steps to comply with the continuously progressing governance demands. 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 Disclosure of Unpublished Price Sensitive Information.

The Company is in compliance with the applicable corporate governance requirements, as stipulated under Regulations 17 to 27, read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations. 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 March 31, 2021 with 2 (two) Women Independent Directors. 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 2020-21, Mr. Shankar Aggarwal, whose first term as a PID on the Board completed on September 30, 2020, was re-appointed as a PID w.e.f. October 01, 2020, pursuant to SEBI's approval.

Mr. Amit Goela, Shareholder Director, who was liable to retire by rotation at the 18th Annual General Meeting of the Company held on August 31, 2020, was re-appointed with the approval of the shareholders and SEBI w.e.f. August 31, 2020. Ms. Madhu Vadera Jayakumar, Shareholder Director, was liable to retire by rotation at the 18th AGM of the Company held on August 31, 2020 and being eligible, offered herself for re-appointment. The resolution of her re-appointment was passed by requisite majority. However, Ms. Madhu Vadera Jayakumar tendered her resignation as a Shareholder Director from the Board of your Company, w.e.f. October 14, 2020, due to personal reasons.

Further, Ms. Padma Raghunathan, Shareholder Director resigned w.e.f. close of business hours on March 30, 2021 upon superannuation from NABARD.

As on March 31, 2021, the Board comprised of 10 (ten) directors, of which 6 (six) were Public Interest Directors (i.e. Non- Executive Independent Directors), 3 (three) 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 August 31, 2020	Number of Directorship(s) in other Companies (*) as on March 31, 2021	Names of other listed entities where serving as a Director as on March 31, 2021	Chairmanship(s) and Membership(s) of Board Committees in other Companies (**) as on March 31, 2021	
			Held#	Attended				Chairman	Member
1.	Mr. Saurabh Chandra (DIN: 02726077)	Chairman, Non-Executive, Independent	11	11	Yes	3	1. J.K. Cement Limited - Non-Executive, Independent	0	3

Sr. No.	Name and DIN of the Director	Category of Directorship	Board Meetings		Attendance at the last AGM held on August 31, 2020	Number of Directorship(s) in other Companies (*) as on March 31, 2021	Names of other listed entities where serving as a Director as on March 31, 2021	Chairmanship(s) and Membership(s) of Board Committees in other Companies (**) as on March 31, 2021	
			Held[#]	Attended				Chairman	Member
2.	Mr. Amit Goela[1] (DIN: 01754804)	Non-Executive, Non-Independent	11	10	Yes	3	1. Suryaamba Spinning Mills Limited – Non-Executive, Independent	2	0
3.	Mr. Basant Seth (DIN: 02798529)	Non-Executive, Independent	11	11	Yes	6	1. Roto Pumps Limited - Non-Executive, Independent	2	3
4.	Dr. Bhartendu Kumar Gairola (DIN: 02442205)	Non-Executive, Independent	11	11	Yes	1	-	0	0
5.	Mr. Chengalath Jayaram (DIN: 00012214)	Non-Executive, Non-Independent	11	11	Yes	3	1. Kotak Mahindra Bank Limited – Non-Executive, Non-Independent	0	3
6.	Dr. Deepali Pant Joshi (DIN: 07139051)	Non-Executive, Independent	11	11	Yes	1	-	0	0
7.	Mr. Hemang Raja (DIN: 00040769)	Non-Executive, Non-Independent	11	11	Yes	1	1. IDFC First Bank Limited- Non-Executive, Independent	0	0
8.	Ms. Pravin Tripathi (DIN:06913463)	Non-Executive, Independent	11	11	Yes	6	1. Jay Bharat Maruti Limited - Non-Executive, Independent 2. PTC India Financial Services Limited – Non-Executive, Independent 3. Minda Industries Limited – Non-Executive, Independent 4. JBM Auto Limited - Non-Executive, Independent	2	4
9.	Mr. Shankar Aggarwal (DIN: 02116442)	Non-Executive, Independent	11	11	Yes	5	1. Dish TV India Limited- Non-Executive, Independent	1	3
10.	Mr. P.S. Reddy (DIN:01064530)	Executive	11	11	Yes	1	-	0	1
11.	Ms. Madhu Vadera Jayakumar[2] (DIN: 00016921)	Non-Executive, Non-Independent	5	5	Yes	NA	-	NA	NA
12.	Ms. Padma Raghunathan[3] (DIN: 07248423)	Non-Executive, Non-Independent	11	10	Yes	NA	-	NA	NA

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

[#] No. of meetings held during the tenure of the Director on the Board.

** 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 Directorships, Committee Membership(s)/Chairmanship(s) of all Directors is within the respective limits prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

1. *Mr. Amit Goela was liable to retire by rotation at the 18th AGM of the Company held on August 31, 2020 and being eligible, offered himself for re-appointment. The resolution of his re-appointment was passed by requisite majority. The same was also approved by SEBI.*
2. *Ms. Madhu Vadera Jayakumar was liable to retire by rotation at the 18th AGM of the Company held on August 31, 2020 and being eligible, offered herself for re-appointment. The resolution of her re-appointment was passed by requisite majority. Subsequently, she resigned as the Shareholder Director w.e.f. October 14, 2020.*
3. *Ms. Padma Raghunathan, Shareholder Director resigned w.e.f. close of business hours on March 30, 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. During the FY 2020-21, 11 (eleven) 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 May 15, 2020, May 30, 2020, July 25, 2020, September 10, 2020, September 25, 2020, October 15, 2020, October 28, 2020, January 12, 2021, January 21, 2021, February 04, 2021 and March 02, 2021. 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, 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 Independent Directors (also referred as 'Public Interest Directors') are nominated 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.

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) of the SEBI Listing Regulations. 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 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 June 15, 2020, July 21, 2020 and January 13, 2021. During the meetings, the Independent Directors, *inter-alia*, reviewed the following:

a) Status of compliance with SEBI letters/ circulars;
b) The adequacy of resources dedicated to regulatory functions;
c) The performance of Non-Independent Directors and the Board as a whole;
d) The performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
e) The quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties;
f) Working of the other Committees where the Independent Directors are also members;
g) Issues, if any, involving conflict of interest for MCX or having significant impact on the functioning of MCX or not in the interest of securities market.

(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 2020-21/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, 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 2020-21 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 March 31, 2021 along with the shareholding as at March 31, 2021 is as below:

Particulars	Mr. P. S. Reddy (MD & CEO) (Amount in ₹)
Remuneration	
Fixed Component:	
Salary and allowances	2,16,09,330
Monetary value of perquisites	3,72,720
Reimbursement of expenses	-
Variable Component:	**-**

Particulars	Mr. P. S. Reddy (MD & CEO) (Amount in ₹)
Commission	-
Bonus/Incentive/Variable pay #	25,62,158
Total	**2,45,44,208**
Leave Encashment	1,48,077
Gross Total	**2,46,92,285**
Directors Sitting Fees for FY 2020-21	**N.A.**
Shareholding as at March 31, 2021 (in Nos.)	**N.A.**

 # 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. May 10, 2019. He is not entitled to any severance allowance and his employment is subject to termination 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 March 31, 2021 and their shareholding as at March 31, 2021 is as below:

Name of the Director	Gross Sitting Fees (Amount in ₹)		Outstanding Stock options (in Nos.)	Shareholding in the Company as at March 31, 2021 (in Nos.)
	Board Meetings	Committee Meetings		
Mr. Saurabh Chandra	10,90,000	13,70,000	N.A.	-
Mr. Amit Goela	9,90,000	3,20,000	N.A.	100
Dr. Bhartendu Kumar Gairola	10,90,000	12,00,000	N.A.	-
Mr. Basant Seth	10,90,000	10,30,000	N.A.	-
Mr. Chengalath Jayaram	10,90,000	7,85,000	N.A.	-
Dr. Deepali Pant Joshi	10,90,000	9,55,000	N.A.	-
Mr. Hemang Raja	10,90,000	5,40,000	N.A.	-
Ms. Madhu Vadera Jayakumar	4,90,000	1,95,000	N.A.	-
Ms. Padma Raghunathan*	9,90,000	2,45,000	N.A.	-
Ms. Pravin Tripathi	10,90,000	24,40,000	N.A.	-
Mr. Shankar Aggarwal	10,90,000	21,45,000	N.A.	-

**Sitting fees of Ms. Padma Raghunathan was credited to the bank account of National Bank for Agriculture and Rural Development, the organization where she was employed, as per instructions received by the Company to this effect.*

There were no pecuniary relationships or transactions between the Non-Executive Directors and the Company during FY 2020-21, 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 2020-21.

(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 – Experience of leadership in business development and strategic planning, capability to drive 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	✓	✓	✓	-	✓	-
Mr. Basant Seth	-	✓	✓	✓	✓	✓
Dr. Bhartendu Kumar Gairola	✓	✓	✓	-	✓	-
Dr. Deepali Pant Joshi	✓	✓	✓	✓	-	✓
Ms. Pravin Tripathi	✓	✓	-	✓	✓	✓
Mr. Shankar Aggarwal	✓	✓	✓	✓	✓	-
Mr. Amit Goela	-	✓	✓	✓	✓	✓
Mr. C. Jayaram	✓	✓	✓	✓	-	✓
Mr. Hemang Raja	-	✓	✓	✓	✓	✓
Mr. P.S. Reddy	-	✓	✓	✓	✓	✓

(J) Performance Evaluation

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 Statutory Committees in accordance with the provisions of the Companies Act, 2013, the SEBI Listing Regulations, 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, whenever 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, 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 (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 2020-21, 6 (six) 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 May 30, 2020, July 25, 2020, September 23, 2020, October 28, 2020, January 21, 2021 and March 02, 2021. 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	6	6
Mr. Basant Seth	Non-Executive, Independent	6	6
Mr. Chengalath Jayaram	Non-Executive, Non-Independent	6	6
Ms. Pravin Tripathi	Non-Executive, Independent	6	6

[#] *No. of meetings held during the tenure of the Director in the Committee.*

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 attend the Audit Committee meetings where matters relating to their respective departments are discussed. The Company Secretary is the Secretary to the Committee.

All members of the Audit Committee are financially literate and have adequate accounting and related financial management expertise.

Mr. Shankar Aggarwal, Chairman of the Audit Committee, attended the last AGM of the Company held through Video Conferencing on August 31, 2020.

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 KMPs 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 2020-21, 10 (ten) meetings of the Nomination and Remuneration Committee were held. The said meetings were held on May 06, 2020, May 29, 2020, June 24, 2020, August 10, 2020, September 10, 2020, October 20, 2020, November 28, 2020, December 10, 2020, January 16, 2021 and March 01, 2021. 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	10	10

 # No. of meetings held during the tenure of the Director on the Committee.

Mr. Shankar Aggarwal, Chairman of the Committee, attended the last AGM of the Company held through Video Conferencing on August 31, 2020. The Company Secretary is the Secretary to the Committee.

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 & Share 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 2020-21, 2 (two) meetings of the Stakeholders' Relationship Committee were held. The said meetings were held on July 03, 2020 and March 25, 2021. The constitution and the attendance of the members at the said meeting is as under:

Members	Category	Meetings held#	Meetings attended
Dr. Deepali Pant Joshi (Chair-person)	Non-Executive, Independent	2	2
Ms. Padma Raghunathan	Non-Executive, Non- Independent	2	2
Mr. Amit Goela	Non-Executive, Non- Independent	2	2
Mr. Hemang Raja	Non-Executive, Non- Independent	2	2

 # No. of meetings held during the tenure of the Director on the Committee.

Dr. Deepali Pant Joshi, Chairperson of the Committee, attended the last AGM of the Company held through Video Conferencing on August 31, 2020.

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, 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 March 31, 2021 are given below:

Number of complaints pending as on April 01, 2020	Number of Shareholder complaints received during FY 2020-21	Number of Shareholder complaints attended during FY 2020-21	Number of complaints not solved to the satisfaction of the shareholders	Number of complaints pending as on March 31, 2021
0	16	16	0	0

Details of shares lying in the suspense account as at March 31, 2021 (Pursuant to Regulation 34(3) and Schedule V Part F of the SEBI Listing Regulations):

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 April 01, 2020	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 March 31, 2021	0	0

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 2020-21, 2 (two) meetings of the Risk Management Committee were held. The said meetings were held on June 12, 2020 and October 19, 2020. The constitution and the attendance of the members at the said meeting is as under:

Members	Category	Meetings held#	Meetings attended
Dr. Deepali Pant Joshi (Chairperson)	Non-Executive, Independent	2	2
Mr. Basant Seth	Non-Executive, Independent	2	2
Ms. Pravin Tripathi	Non-Executive, Independent	2	2
Dr. Anil Kumar Sharma	Independent External Expert	2	2

 # No. of meetings held during the tenure of the Director on the Committee.

The broad terms of reference & constitution as at March 31, 2021, of other Board Committees is 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 2020-21, 11 (eleven) meetings of the Committee were held. The members of the Committee are given below:

Mr. Shankar Aggarwal (C)

Dr. Bhartendu Kumar Gairola

Ms. Pravin Tripathi

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

Prof. Rajat Moona (Independent External Expert)

ii. **Corporate Social Responsibility (CSR) Committee:** The Committee, *inter-alia*, formulates the CSR policy of the Company (including changes thereto) and monitors implementation of the same from time to time. It also recommends the expenditure to be incurred on activities undertaken/to be undertaken by the Company as per the said policy. During the FY 2020-21, 4 (four) meetings of the Committee were held. The members of the Committee are given below:

Ms. Pravin Tripathi (C)

Dr. Deepali Pant Joshi

Mr. Amit Goela

iii. **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 and the SECC Regulations, 2018 and the circulars/guidelines etc. issued thereunder. The Committee comprises of all Independent Directors on the Board of the MCX. During the FY 2020-21, 3 (three) meetings of the Committee were held. The members of the Committee are given below:

Mr. Saurabh Chandra (C)

Mr. Basant Seth

Dr. Bhartendu Kumar Gairola

Dr. Deepali Pant Joshi

Ms. Pravin Tripathi

Mr. Shankar Aggarwal

iv. **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 2020-21, 6 (six) 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

v. **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 2020-21, 6 (six) meetings of the Committee were held. The members of the Committee are given below:

Mr. Shankar Aggarwal (C)

Mr. Saurabh Chandra

Dr. Bhartendu Kumar Gairola

Mr. C.S. Verma (Independent External Expert)

Mr. Suresh Gupta (Independent External Expert)

vi. 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 2020-21, 3 (three) meetings of the Committee were held.

vii. 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 2020-21, 4 (four) meetings of the Trust were held. The members of the Trust are given below:

Mr. Shankar Aggarwal (C)

Mr. Basant Seth

Dr. Deepali Pant Joshi

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

Mr. Sanjay Golecha (Chief Regulatory Officer)

viii. 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 2020-21, 5 (five) meetings of the Committee were held. The members of the Committee are given below:

Mr. Chengalath Jayaram (C)

Mr. Basant Seth

Dr. Deepali Pant Joshi

Mr. Hemang Raja

Ms. Pravin Tripathi

4. GENERAL BODY MEETINGS:

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

Financial Year	Date	Time	Venue of the meeting
2019-20 18th AGM	August 31, 2020	11.30 a.m.	Held through Video Conferencing
2018-19 17th AGM	September 20, 2019	11.30 a.m.	Ravindra Natya Mandir, Ground Floor, PL Deshpande Auditorium, Near Siddhivinayak Temple, Sayani Road, Prabhadevi, Mumbai – 400025
2017-18 16th AGM	August 31, 2018	11.30 a.m.	Yashwantrao Chavan Auditorium, General Jagannath Bhosale Marg, Opposite Mantralaya, Nariman Point, Mumbai – 400021

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

Date	Particulars
August 31, 2020	No Special Resolutions were passed.
September 20, 2019	Approval for increase in total limit of Foreign Investment in the company upto the prescribed sectoral cap of 49%.
August 31, 2018	No Special Resolutions were passed.

(C) Postal Ballot: During the FY 2020-21, no special resolution was passed through postal ballot. None of the business proposed to be transacted at the ensuing AGM 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 thereunder, SEBI Listing Regulations 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 2020-21.

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 38** 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, 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:

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) CEO/CFO Certification:

The certificate signed by the CEO and CFO in terms of Regulation 17(8) of the SEBI Listing Regulations was placed before the Board of Directors at its meeting held on May 22, 2021. This certificate forms part of this Annual Report.

(G) 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 March 31, 2021, has been debarred or disqualified from being appointed or continuing as a director of companies, by the SEBI, Ministry of Corporate Affairs or any such statutory authority.

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

(H) 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 2020-21 on a consolidated basis are as under:

Particulars	**Amount in Lakh (₹)**
For audit	15
For taxation matters	3
For other services	1
Reimbursement of out of pocket expenses	1
Total	**19**

(I) Compliance with Regulation 34(3) read with Schedule V of the SEBI Listing Regulations:

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.

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.

(J) 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 2020-21, MCXCCL was a material subsidiary of the MCX.

6. MEANS OF COMMUNICATION:

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

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 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 SEBI due to COVID-19 pandemic, no physical copies of the annual report for FY 2020-21 will be issued by the Company. Members can access the documents at the website of the Company www.mcxindia.com ; website of BSE Ltd. www.bseindia.com and the website of RTA www.kfintech.com.

7. GENERAL SHAREHOLDER INFORMATION:

1.	Day, Date, Time and Mode of Annual General Meeting (FY 2020-21)	Friday, September 03, 2021 at 11:30 a.m. through video conferencing (VC) or other audio visual means (OAVM). For details, please refer to the Notice convening this AGM.
2.	Financial year	April 01, 2020 to March 31, 2021
3.	Book Closure date	The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 28, 2021 to Friday, September 03, 2021 (both days inclusive) for the purpose of payment of dividend for the Financial Year ended March 31, 2021 and the AGM of the Company.
4.	Dividend payment date	Dividend for the financial year ended March 31, 2021, as recommended by the Board of Directors of the Company, if approved at the AGM, will be paid to the Members on/after Monday, September 13, 2021 as under: i) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Friday, August 27, 2021; ii) To all Members in respect of shares held in physical form after giving effect to valid transposition/transmission requests lodged with the Company on or before the close of business hours on Friday, August 27, 2021.
5.	Mode of payment of dividend	Dividend is remitted through electronic mode where the requisite details are available with the Company, and in all other cases, through account payee/ non-negotiable instruments. It may be noted that dividend for FY 2020-21 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. In cases where bank account details are incomplete/unavailable, account payee/non-negotiable instruments shall be issued upon normalization of postal services.
6.	Listing on Stock Exchanges	The equity shares of the Company are listed on BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. The applicable annual listing fee has been paid to BSE Limited. Further, in pursuance of Regulation 3.1.1 of the National Stock Exchange (Capital Market) Trading Regulations Part A and other relevant provisions, National Stock Exchange of India Limited (NSE) vide its Circular Ref. No.: 202/2012 dated March 07, 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 (Capital Market segment).
7.	Stock Market Code	BSE: 534091 Reuters: MCEI.BO Bloomberg: MCX:IN

8. Registrar & Share Transfer Agent	KFin Technologies Private Limited Selenium Tower B, Plot Nos. 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, Telangana – 500 032. Ph. No.: 040-67162222 Toll Free No.: 1-800-309-4001 Email:einward.ris@kfintech.com
9. Share Transfer system	99.99% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the Depositories with no involvement of the Company. Regulation 40 of the SEBI Listing Regulations provides that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a Depository. 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.
10. Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	As at March 31, 2021, 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 November 15, 2018.
12. Exchange operations are located at	The registered and corporate office is located at Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai - 400 093, India. The Disaster Recovery Site is situated at Gift City, Gandhinagar, Gujarat.
13. Address for Correspondence	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
14. Depository for Equity shares	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
15. Demat 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 of 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 2020-21, are as under:

Sr. No.	Transaction Type		Amount (₹)	Date of Transfer
1	Dividend for FY 2012-13	Final	5,01,060	November 26, 2020
2	Dividend for FY 2013-14	Interim	3,21,797	January 11, 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. 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 Private Limited, Registrar & Share 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 at March 31, 2021 is given below:

Category	No. of shareholders	% of shareholders	Total Shares	% of Equity
Physical (A)	**5**	**0.00**	**133**	**0.00**
Demat				
- NSDL	73501	56.6992	40316356	79.05
- CDSL	56127	43.2968	10681880	20.95
- Sub-total (B)	**129628**	**100.0000**	**50998236**	**100.0000**
Total (A+B)	**129633**	**100.0000**	**50998369**	**100.0000**

Month-Wise Stock Market Data:

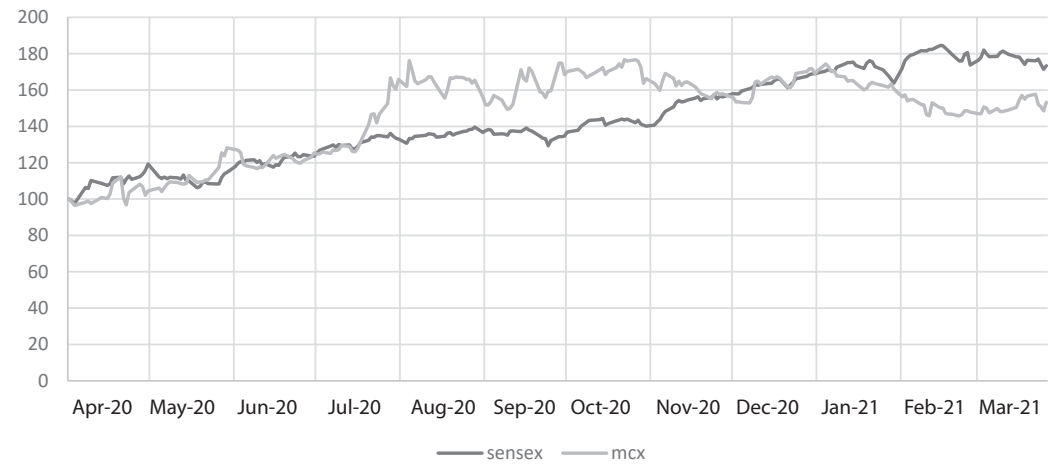
The monthly high and low quotations as well as the volume of shares traded at the BSE Ltd. are given below:

Month	BSE Limited		
	High Price in ₹	Low Price in ₹	No. of shares traded during the month
April-20	1162.75	950.00	899005
May-20	1342.85	1025.00	260647
June-20	1369.20	1174.95	762015
July-20	1792.10	1254.00	1178770
August-20	1838.50	1550.00	903300
September-20	1859.00	1520.30	1170608
October-20	1875.00	1665.05	630851
November-20	1747.75	1585.00	438327
December-20	1780.00	1551.00	508022
January-21	1797.85	1620.10	401542
February-21	1661.00	1476.00	677411
March-21	1639.00	1496.00	369566



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 March 31, 2021:

Sr. No.	Category (No. of shares)	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1.	1-5000	129297	99.74	6875694	13.48
2.	5001-10000	114	0.09	805326	1.58
3.	10001-20000	62	0.05	910422	1.79
4.	20001-30000	29	0.02	754189	1.48
5.	30001-40000	19	0.01	659154	1.29
6.	40001-50000	9	0.01	410612	0.81
7.	50001-100000	34	0.03	2545363	4.99
8.	100001& Above	69	0.05	38037654	74.59
	Total	**129633**	**100.00**	**50998369**	**100.00**

Shareholding pattern as on March 31, 2021:

Sr. No.	Category	No. of shares held	% of shareholding
1.	Foreign Portfolio Investors	18477420	36.23
2.	Mutual Funds	10785761	21.15
3.	Resident Individuals	9707260	19.03
4.	Financial Institutions /Banks	8552569	16.77
5.	Employee Benefit Trust (under SEBI (Share Based Employee Benefit) Regulations, 2014)	95551	0.19
6.	NBFC	4952	0.01
7.	Others	3374856	6.62
	Total	**50998369**	**100.00**

Detailed shareholding pattern is provided in the Annual Return which is available on the website of the Company.

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 December 31, 2002, a qualified Practicing Company Secretary, carries out on a quarterly basis, a Share Capital Audit to reconcile the total admitted equity share capital with NSDL and CDSL, the total issued and listed capital and the report thereon is submitted to BSE Limited, where the Company's shares are listed. Based on the audit report, it is certified/confirmed that the total listed and issued / paid-up capital is in agreement with the aggregate of the total number of shares held in physical form and dematerialised form held with NSDL and CDSL.

For Multi Commodity Exchange of India Limited

Saurabh Chandra
Chairman
(DIN: 02726077)

New Delhi
July 24, 2021

CEO & CFO CERTIFICATION FOR THE FY 2020-21

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, 2021 and to the best of our knowledge and belief -

  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

  (i) significant changes in internal control over financial reporting during the year;

  (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

For Multi Commodity Exchange of India Limited

P. S. Reddy	**Satyajeet Bolar**
MD & CEO	**Chief Financial Officer**

Mumbai

May 22, 2021

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 March 31, 2021.

Mumbai

July 24, 2021

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 March 31, 2021 as stipulated in Regulation 17 to 27 and clauses (b) to (i) 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).

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. The Board of Directors of the Company are duly constituted with proper balance of Independent Directors and Woman Director as per the Listing 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: July 24, 2021
UDIN: F003830C000681430

BUSINESS RESPONSIBILITY REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Corporate Identity Number (CIN) of the Company	L51909MH2002PLC135594
Name of the Company	Multi Commodity Exchange of India Limited
Registered address	Exchange Square, Chakala, Suren Road, Andheri (East), Mumbai – 400093, Maharashtra, India.
Website	www.mcxindia.com
E-mail id	info@mcxindia.com, ig-mcx@mcxindia.com
Financial Year reported	April 01, 2020 – March 31, 2021
Sector(s) that the Company is engaged in (industrial activity code-wise)	Multi Commodity Exchange of India Limited (MCX) is a Stock Exchange governed by the Securities Contracts (Regulation) Act, 1956 and the regulations made thereunder. Section K: Financial and Insurance Activities, Division 66: Other Financial Activities, Administration of Financial Markets, NIC Code – 6611
List three key products/services that the Company manufactures/ provides (as in balance sheet)	MCX is a widely held commodity derivatives Exchange engaged in providing a platform to facilitate nationwide online trading of commodity derivatives.
Total number of locations where business activity is undertaken by the Company: a. Number of International Locations (Provide details of major 5) b. Number of National Locations	The Exchange operations are carried out from its Mumbai location. Additionally, the Company has branch offices in other locations within India. a. Nil b. Ten
Markets served by the Company -Local/State/National/ International	National

SECTION B: FINANCIAL DETAILS OF THE COMPANY AS ON MARCH 31, 2021

1.	Paid up Capital (INR)	5,099.84 Lakh
2.	Total Revenue (INR)	45,542 Lakh
3.	Total profit after taxes (INR)	18,782 Lakh
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	557.17 Lakh (2.97% of PAT)
5.	List of activities in which expenditure in 4 above has been incurred	List of CSR activities in which expenditure has been incurred is covered in Annexure II of the Directors Report.

SECTION C: OTHER DETAILS

Sr. No.	Particulars	Remark
1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No

3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities [Less than 30%, 30-60%, More than 60%]	No. Going forward, MCX intends to get its stakeholders associated in the BR initiatives for implementation of the sustainability policies and practices amongst the relevant stakeholders.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR:

(a)	**Details of the Director responsible for implementation of the BR policy/policies (F.Y. 2020-21)**	**Details**
	DIN Number	01064530
	Name	Mr. P. S. Reddy
	Designation	MD & CEO
(b)	**Details of BR head (F.Y. 2020-21)**	**Details**
	DIN Number (if applicable)	NA
	Name	Mr. Ajay Puri
	Designation	Company Secretary and Compliance Officer
	Telephone number	022- 67318888
	E-mail id	ajay.puri@mcxindia.com

2. Principle-wise (as per National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business issued by Ministry of Corporate Affairs, Government of India) BR Policy/policies:

(a) Details of compliance (Replied in Y/N):

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders? (Wherever 'Y', Refer Note 1)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify (50 words) (Wherever 'Y', Refer Note 2)	Y	Y	Y	Y	Y	Y	Y	Y	N.A.
4	Has the policy being approved by the Board and has been signed by Company Secretary. (Wherever 'Y', Refer Note 3)	Y	Y	Y	Y	Y	Y	N	Y	N
5	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy? (Wherever 'Y', Refer Note 4)	Y	Y	Y	Y	Y	Y	N	Y	N
6	Indicate the link for the policy to be viewed online (Wherever 'Y', Refer Note 5)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders? (Wherever 'Y', Refer Note 6)	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? (Wherever 'Y', Refer Note 7)	Y	Y	Y	Y	Y	Y	N	Y	Y

Notes:

1. All the policies have been formulated in accordance with the legal stipulations governing them and/or in consultation with the Management of the Company.

2. Policies are formulated ensuring adherence to the applicable laws of the country. Further, MCX Environment Policy also conforms to ISO 14001:2015 and the Standard Operating Procedure conforms to ISO 9001, ISO 14001, ISO 27001.

3. The policy(ies) are approved by the Board of Directors/ Committee of the Board of Directors/ Senior Management of the Company.

4. The Board has appointed Mr. P. S. Reddy, MD & CEO, to oversee the implementation of various policy(ies) formulated by the Company.

5. These policies are either available on the website of the Company/ on the intranet (available to employees). The web links of the policies as available on the website of the Company are as follows:

MCX Code of Conduct for Board of Directors and Senior Management	https://www.mcxindia.com/investor-relations/corporate-governance
Code of Ethics for Directors and Key Management Personnel of Stock Exchanges	https://www.mcxindia.com/investor-relations/corporate-governance
Bye law 14 of Bye laws of the Company	https://www.mcxindia.com/about-us/legal-framework
Policy relating to avoidance by Directors and Key Managerial Personnel of Conflict of Interest	https://www.mcxindia.com/investor-relations/corporate-governance
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://www.mcxindia.com/investor-relations/corporate-governance
Code of Conduct for Prevention of Insider Trading	https://www.mcxindia.com/investor-relations/corporate-governance
Whistle Blower Policy	https://www.mcxindia.com/investor-relations/corporate-governance
Policy on Disclosure of Material Events and Information	https://www.mcxindia.com/investor-relations/corporate-governance

Criteria for Eligibility, Retention and re-introduction of derivative contracts on Commodities	https://www.mcxindia.com/docs/default-source/circulars/english/2017/january/circular-024-2017.zip?sfvrsn=6c791e90_0
Corporate Social Responsibility Policy	https://www.mcxindia.com/investor-relations/corporate-governance
CSQ-Service Policy	https://www.mcxindia.com/docs/default-source/about-us/csq_service-policy.pdf?sfvrsn=fe9bc490_2

6. The policies have been uploaded on the website/intranet. Further, these policies have also been formally communicated to relevant key stakeholders, as the case may be.

7. The Company carries out independent audit of the working of certain policies by external agency(ies). The evaluation of the working of other policies is generally done through an internal mechanism. Your Company is a regulated entity, SEBI being the sectoral regulator, carries out inspection for each financial year, wherein, an independent evaluation of the working of the Statutory Committees and policies are undertaken by them, besides the operations of the Exchange.

3. Governance related to BR:

a.	Frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company.	The Board has assessed the BR performance of the Company for FY 2020- 21 and proposes to assess the same annually.
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The BR report for FY 2020-21 can be accessed under the Annual Report heading through the link: https://www.mcxindia.com/investor-relations It is published annually.

Principle wise Policies/Practices:

P 1 ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Policies:

MCX Code of Conduct for Board of Directors and Senior Management, Code of Ethics for Directors and Key Management Personnel, Code of Ethics for Executives of the Exchange (MCX), MCX Code of Conduct for Members, Policy relating to avoidance by Directors and Key Managerial Personnel of Conflict of Interest, Code of Practices & Procedures For Fair Disclosure of Unpublished Price Sensitive Information, Code of Conduct for Prevention of Insider Trading, Policy for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information, Policy for appointment of Independent External Persons on Committees of the Board, Whistle Blower Policy, Policy on Disclosure of Material Events and Information, Clauses on prevention of Fraud and Anti Money Laundering are included in MCX Employee Handbook.

P 2 PRODUCT LIFECYCLE SUSTAINABILITY

Procedure:

Standard Operating Procedure (SOP)

SEBI Circular relating to Criteria for Eligibility, Retention and re-introduction of derivative contracts on Commodities.

Practices:

- Commodity derivative contracts are the principal products of the Exchange. Apart from futures contracts across Bullion, Base Metals, Energy and Agri, option contracts with futures as underlying in Gold, Crude Oil, Zinc, Copper and Silver are traded on the Exchange platform. Futures trading in Indices viz. BULLDEX and METLDEX were launched during the year. All products i.e. the Commodity derivatives contracts, Options contracts and Indices were launched by the Company in accordance with the regulatory approvals. The practical experience garnered by the Company over the years coupled with domain expertise, duly backed by extensive research enables the Company to assess the market needs and introduce new products on a regular basis. The Company strives to engage with stakeholders at every stage commencing from designing the product till the launch of the products. Thereafter, it reviews the factors affecting the performance of the products launched on a regular basis. The Company regularly organizes stakeholder meets to discuss issues with an objective to make the market more participant-friendly. Product Advisory Committee is an institutional mechanism to gather stakeholders' feedback on the products, which helps in building long term sustainability of the products.

- The Company strives to enhance awareness, understanding and the advantages of exchange-enabled trades in commodity derivatives, educational initiatives and towards that end, conducts large number of awareness programmes across the country for growth and development of India's commodity derivatives market by reaching out to all segments of the ecosystem. It makes constant efforts to create products that enable stakeholders to hedge and minimize the adverse effects of price volatilities.
- The Company provides commodity ecosystem participants with neutral, secure and transparent trade mechanisms; formulates quality parameters, trade regulations and effective risk management systems with approval of the regulatory authority.
- Adoption of advancements in technology enables the Company to provide more efficient trade execution services, increases economies of scale and reach of the Company, maximizes the use of environment-friendly processes and contributes to the sustainability in the Company's business operations.
- The Company also engages with publications and media houses to spread awareness about hedging and price risk management using commodity derivatives, targeted at specific stakeholder groups such as farmers, small and medium enterprises, commodity traders, processors etc.
- Social media is a significant tool in disseminating knowledge and awareness about the Company and its activities. The Company has been utilising its official social media handles and pages, namely, Twitter, LinkedIn, FaceBook and YouTube to reach out to various stakeholders and promote the brand. Various in-house newsletters and bulletins, daily iCOMDEX index prices, webinars/virtual commodity master classes, festive e-greetings, milestones achieved and the promotion of new products like BULLDEX, METLDEX and Rubber have been posted on all the social media handles of the Company on a regular basis.

P 3 EMPLOYEE WELLBEING

Policies:

Remuneration Policy for Key Managerial Personnel, Senior Management Team and other employees, Gratuity Policy, Leave Policy, Retirement Policy, Office Timing Policy, Maternity Benefits Policy, Crèche Policy, Provident Fund Policy, Annual Health Check-up, Training & Development, Educational Sponsorship, Performance Management System, Promotion policy, Insurance Policy, Affirmative Action Policy.

Practices:

The said policies adopted by the Company have been instrumental in not only safeguarding the interests of the employees but also ensuring their welfare. In normal circumstances, a doctor is available at the office regularly but during FY 2020-21, due to the prevailing COVID-19 situation, the doctor was available on call for the employees.

P 4 STAKEHOLDER ENGAGEMENT

Policies:

Affirmative Action Policy, Corporate Social Responsibility Policy.

P 5 HUMAN RIGHTS

Policies:

Equal Opportunity Policy, Affirmative Action Policy, Code of Ethics, Disciplinary Action Policy, Whistle Blower Policy, Prevention, Prohibition and Redressal of Sexual Harassment to women at workplace Policy.

P 6 ENVIRONMENTAL MANAGEMENT`

Policies:

MCX Environment Policy, MCX E-waste Management Policy, Corporate Social Responsibility Policy.

Practices:

- Maintaining adequate capacitor bank for non-linear electrical loads like air-conditioning plant, pumps and Heat Recovery System, thereby reducing the drawing of extra energy and improving power factor.
- Preventive maintenance of air conditioning system on scheduled basis and ensuring that the heat sensors and electronic components are properly functioning for compressors to achieve variable compression linked to heat levels for reduction in power consumption.
- Exchange Data center has in-row cooling system for servers that cools equipment only and not the external environment to ensure that no energy is wasted in running compressors excessively, to maintain the desired temperature levels of external environment.
- LED lighting at Exchange Square building and at Disaster Recovery Site at GIFT City, Gandhinagar to reduce the energy consumption and achieve energy savings.

- Products are selected which have minimum 5+Years lifespan.
- Using energy efficient technology products i.e. Desktops, Servers, Storages etc.
- Strict implementation and monitoring of equipment on/off schedule, thereby, facilitating reduction in wastage of energy.
- Recycling of waste/e-waste through authorized agencies.
- Rain water harvesting.
- Reuse of fountain water for cleaning purpose of external areas.
- Installation of Aerators in water taps to reduce water consumption.
- Installation of Motion Sensors in Equipment rooms and washrooms.
- Password enabled printer solution to reduce waste of printing papers.

P 7 PUBLIC ADVOCACY

Policies:

Policy for Responsible Advocacy

Practices:

- Your Company aims to encourage enterprises and physical market participants to take advantage of price discovery and hedging mechanisms that the Exchange facilitates; and to make policy-makers, academia and think tanks aware of the policy issues that impact the growth of the commodity derivatives market and its ecosystem.
- Your Company endeavors to drive its advocacy primarily on issues, which are of significance to all stakeholders of the commodity derivatives market with the objective of making the market more relevant and inclusive.
- Your Company follows an approach of evidence-based advocacy for creating a facilitative policy environment with governments, regulatory bodies and other key stakeholders. It undertakes objective assessments of the socio-economic implications of the exchange-traded products, as also their impacts and ability to perform an important role in efficient price discovery, reduction in spot price volatility and reduction in information asymmetry, leading to breaking down of certain commodity cartels. As part of the evidence-based advocacy efforts, it endeavors to widely disseminate the outcomes of such objective assessments among key stakeholders including policymakers, regulatory bodies, media, academia, etc.
- Your Company also makes representations at various forums on the need to have more congenial tax laws and policy environment to facilitate growth of India's commodity markets.
- Your Company endeavors to pursue policy advocacy using the platforms like trade and industry chambers and associations and towards this end engage extensively with local, national and international industry associations and trade bodies specific to commodities.
- Your Company engages with various leaders, the press and electronic media to generate and propagate ideas aimed at positively impacting India's commodity market and the economy at large.
- Your Company maintains total transparency in its advocacy efforts and encourages the same with its partner organizations involved in such efforts.

P 8 GROWTH AND EQUITABLE DEVELOPMENT

Policies:

Corporate Social Responsibility Policy, Affirmative Action Policy.

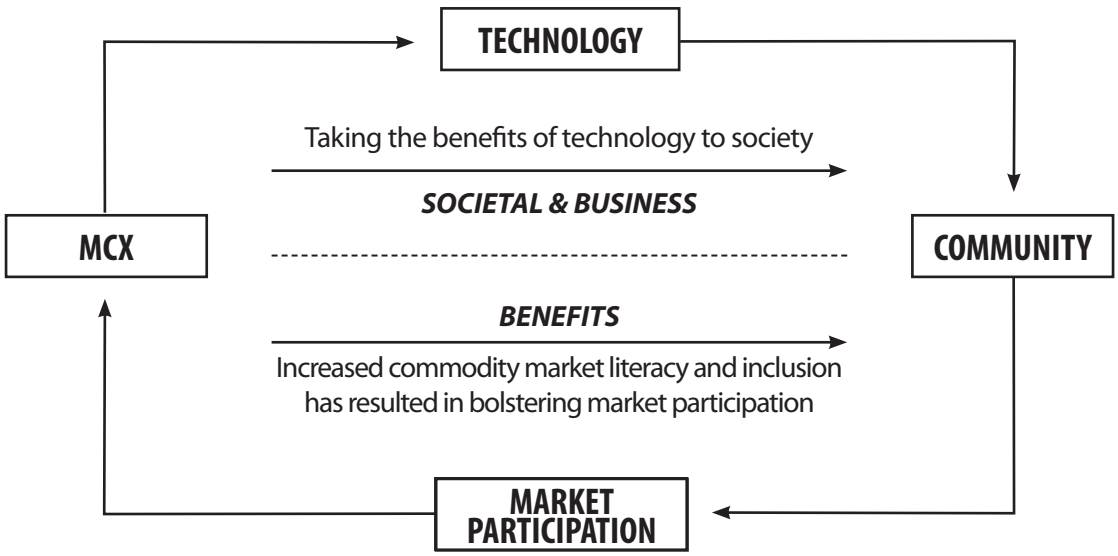
P 9 VALUE FOR CUSTOMERS AND CONSUMERS

Practices:

- Commodity derivative contracts are the principal products of the Exchange. Apart from futures contracts across Bullion, Base Metals, Energy and Agri, option contracts with futures as underlying in Gold, Crude Oil, Zinc, Copper and Silver are traded on the Exchange platform. Futures trading in Indices viz. BULLDEX and METLDEX were launched during the year. Your Company continues to endeavour to engage with stakeholders of Indian commodity market for its further development.
- Your Company continues to actively engage with physical industry participants across commodities by soliciting their active participation in hedging their price risks on the Exchange platform.
- Your Company regularly publishes relevant updates and notifications through its circulars, periodic publications, reports, Do's and Don'ts to all the members/clients to spread awareness about products, as well as commodity trading benefits and risks to enable all stakeholders to trade responsibly.

- Your Company conducts product awareness seminars, conclaves, educational training and awareness sessions to educate the members/clients about risks of trading in the products, efficient usage of its products and services in line with the guidelines laid down by the regulator.
- Your Company being a Self-Regulatory Organisation (SRO), with no direct access to investors; regulates members who advertise products traded on the Exchange and deal with investors / clients. It inspects members and checks whether members have followed the code of advertisement issued to members vide its circular Schemes / Leagues / Competitions launched by registered Stock Brokers; Code of Advertisement and Compliance requirements.
- Your Company has a mechanism in place to handle grievances/complaints/queries raised by any of the customers through its Customer Service and Quality (CSQ) desk and/or Investor Service Centres. CSQ team plays an important role in providing voice support on dedicated landlines and giving email support to members and market participants. Additionally, the CSQ team provides support to all the members and market participants through Online Member Query Portal and Online Chat.
- Your Company gathers Annual Feedback from members on the services provided by it. The data collated is used for changes in various operational processes related to members to make them more efficient and member friendly.

SECTION E: PRINCIPLE-WISE PERFORMANCE



PRINCIPLE 1: BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

At MCX, the governance is grounded on the foundation of ethics, driven by robust mechanisms, policies, processes and practices, ensuring high standards of accountability and transparency. MCX is committed to act professionally, fairly and with integrity in all its dealings with the stakeholders that includes Members, Clients, Directors, Employees, Shareholders/Investors, Regulatory Authorities, Physical Market Participants, Suppliers/Vendors etc.

To this effect the Company pursues the following practices and have evolved suitable policies, wherever feasible. The Company presently extends such policy(ies) to the following:

a. **Directors/Employees**: Your Company framed a "*Code of Conduct*" for Board of Directors and Senior Management and "*Code of Ethics*" for Directors, Key Management Personnel and Executives of the Company with an underlying philosophy of conducting the business in an ethical, transparent and responsible manner. Further, the Company also obtains declarations with respect to the 'fit & proper criteria' as defined under Regulation 20 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (SECC Regulations, 2018) from its Directors/Key Management Personnel.

b. **Members:** The Company also endeavours to ensure compliance of ethical standards by its Members through appropriate clauses in the undertakings which they are obligated to comply with like observing high standards of commercial honour of just and equitable principles of trade. The Code of Conduct for Members obligates them that they shall not guarantee any profits, returns or avoidance of loss to any client.

c. **Suppliers/Vendors:** The Company communicates to all vendors during the registration phase, in the Solicitation Documents and in the Contract documents that in their dealings with the Company they shall adhere to the highest ethical standards at all times including during the bidding process and the execution of a contract.

Further, in its commitment to maintain high ethical standards in its business and practices, the Company intends to advise that similar practices be perused in its wholly owned subsidiary, Multi Commodity Exchange Clearing Corporation Limited (MCXCCL).

d. **Shareholders/Investors:** The Company obtains declarations from certain specified shareholders, either annually (shareholder holding more than 2%) or otherwise, confirming compliance with 'fit & proper criteria' as defined under Regulation 20 of the SECC Regulations, 2018.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

Your Company generally receives complaints from the following stakeholders:

a. Members:

All complaints received in Customer Service & Quality (CSQ) either pertain to Networking or System related issues/grievances from Members:

i. Networking related complaints include Leased Line, VSAT & Internet connectivity related issues, and

ii. System related problems/complaints include Exchange Problems such as Login Problems, or problems in placing orders and other System issues.

Under CSQ, your Company sorts queries/complaints/suggestions under following categories:

i. **Queries**: Calls/Emails, which does not hamper trading activities of MCX Member.

ii. **Complaints**: Calls/Emails pertaining to connectivity issues of the Members in MCX, System related issues, etc., which hamper trading activities of MCX Members.

iii. **Suggestions**: Calls/Emails pertaining to suggestion or improvement required in MCX Operations, Customer Service & Quality (CSQ), Systems & Networking, Membership, Inspection, Accounts processes, etc. which will improve customer responsiveness.

b. Investors (Client):

Investors/Clients can approach the Investor Services Department of the Company for redressal of their grievance against the registered Member of the Exchange. Investors/Clients may lodge the complaints in the format prescribed along with supporting documents/ by sending an email on grievance@mcxindia.com/ submitting their complaint to the nearest Investor Service Centre or through online mode through 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 Exchange are taken up for resolution by the Exchange. Details of the same are also provided on the Company's website.

c. 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.

d. Appellate Arbitration:

A party aggrieved by an Arbitral Award may appeal to the Appellate panel of Arbitrators of the Exchange against such Award.

e. Shareholders:

Shareholders generally approach the Company with their complaints either directly or through SCORES - online portal of SEBI /BSE - Exchange where the shares are listed / KFin Technologies Pvt. Ltd. -Company's Registrar and Share Transfer Agent.

The status of complaints received/ disposed-off and pending as on March 31, 2021 is given below:

Complaints from:	As at April 01, 2020	Received during the year	Disposed off	% Satisfactorily resolved	Pending as at March 31, 2021
Members	0	Calls: 1210 E-mails: 392	All closed	100%	0
Investor(Client)	78	747	812	98.42%	13
Arbitration	10	470	190	39.58%	290#
Appellate Arbitration	2	7	3	33.33%	6
Shareholders	0	16	16	100%	0

 # Exchange is 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.

PRINCIPLE 2: BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The following are some of the initiatives undertaken by the Company to address social concerns and/or avail opportunities:

a. **Agri Related:**

i. Awareness programs with Farmers and Farmer Producer Organisations to make them understand price risk management, hedging and tie ups with associations to reach out to physical stakeholders at the farm level, remote areas to spread awareness about futures market.

ii. Involving all physical market stakeholders at every stage of product design and its review, to make the products relevant to the stakeholders. Product Advisory Committee is an institutional mechanism to gather stakeholders' feedback on the products.

b. **Bullion Related:**

i. In pursuit of the Atmanirbhar Bharat mission, the Company has embarked upon the path of recognizing domestic bullion refiners for good delivery gold on Exchange platform.

Accordingly, Exchange empanelled M D Overseas Pvt Ltd and Kundan Care Products Ltd for "Acceptance of MCX Good Delivery Norms for BIS – Standard Gold/Silver for delivery in the existing contract specifications of Gold Mini (100 grams) futures and Gold Mini (100 grams) options in goods contracts" with effect from March 06, 2021.

MCX has recorded the first delivery of 190 kg Indian refined Gold from MCX empanelled domestic refiners as per "MCX Good Delivery Norms for BIS-Standard Gold/Silver" in the Gold Mini April 2021 futures contract.

ii. Silver Mini 5 kg contract was converted from 'Both Option' to 'Compulsory Delivery'. Also, the Exchange aligned the trading unit and delivery unit of Silver Mini contract to 5 kg from June 2020 contract onwards, from the earlier trading unit and delivery unit of 5 kg and 30 kg respectively. Silver Mini (5kg) contract that became deliverable with Silver (five nos. of one kilogram bars) as delivery lot from June series, saw successful delivery of 3600 kg in its first-ever delivery cycle and has seen successful delivery of 25740 kg during the FY 2020-2021.

iii. Aimed at further expanding the silver contracts' footprint in India, the Company in addition to Ahmedabad (basis centre) has added seven more locations to the list of additional delivery centres for Silver contracts at Delhi, Chennai, Mumbai, Agra, Salem, Rajkot and Jaipur. The aforesaid additional delivery centres and the revised delivery and settlement procedure as specified by MCXCCL, applicable to all Silver contracts expiring from May 2020 and onwards. And saw the delivery of 120 kg in Mumbai additional delivery centre.

Continuously engaging with physical industry participants for creating awareness on futures and options, exchange-based delivery mechanism and risk management best practices, MCX bullion team has conducted 102 webinars with apex and regional bullion and jewellery associations covering 5133 entities from physical industry during FY 2020-21.

c. **Base Metals Related:**

i. Aluminium, Zinc, Nickel, Lead and Copper contracts were converted from cash settled to be delivery settled. The re-design ensured that the trading units and delivery units were aligned to ensure that there were no issues like odd lot treatment in the contracts.

ii. The delivery-based mechanism for these contracts has given an opportunity to the base metals industry in India to not only manage their price risk, but also use the Exchange platform to give and take deliveries. In all, delivery of 59,848 MTs for all five metals put together, went via the Exchange settlement in FY 2020-21.

iii. Delivery processes witnessed no disturbances during COVID-19 lockdown phase, allowing the holder of metals to deliver on MCX when there was no demand in physical market. The Exchange worked out to be the perfect platform for delivery-of-last-resort.

iv. As demand picked up post the peak lock down phase, metal also moved out of the warehouses seamlessly.

v. The primary delivery centre for Aluminium was moved to Raipur from Thane, while Thane continued to be an additional delivery centre. Additional grades of T-bars and Sows was also added in the aluminium futures contract.

SEBI has initiated substantial reforms and transformation within the commodity derivatives market by allowing institutional participants such as Banks, Bank Broking arms, Category III Alternative Investment Funds (AIFs), Eligible Foreign Entities (EFEs), Mutual Funds (MFs), Portfolio Managers etc. Pursuant to this, your Company has been constantly reaching out to and engaging with these categories of participants. While your company continues to work with institutional participants for their active participation, a few Bank Broking arms as Members, Banks as Professional Clearing Members, Category III AIFs, Portfolio Managers and Mutual Funds have been linked to the exchange ecosystem. SEBI has also approved some Custodians for providing custodial services in the commodities market.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain

(b) Reduction during usage by consumers (energy, water) achieved since the previous year

Not applicable

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

In sourcing of vendors, your 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. Using energy efficient Technology products – desktops, servers, storages etc. In DC refresh project the Company is going for R410A environment friendly cooling gas. It does take confirmation on Environmental & CSR policies, being pursued by them from existing vendors and give preferences to vendor having these policies. Further, the Greenhouse Gas Emission (GHG) due to energy savings have reduced from 1572 MT CO2 in FY 2019-20 to 1374 MT CO2 in FY 2020-21.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Maximum procurement is done from the local market for product and services. Your Company has an extensive database of local suppliers who can be approached for future requirements. Preference is given to MSME vendors. During festive season, MCX organizes an in-house sale of products made by local tribes/communities through NGOs, however owing to COVID-19 and the consequent impact the same could not be organised in the last year. The same will be organised once the normalcy is restored.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   The Company strives to reuse or recycle its resources. All dry garbage including old Cardboard, newspapers, plastic & packing materials are given to the recycler. E-waste is disposed-off through e-waste recycling agencies, who recycle the e-waste as per the applicable norms in an environmentally friendly manner. Approx. 10% of water is reused for cleaning of the premises.

PRINCIPLE 3: BUSINESS SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

1. **Please indicate the Total number of employees:**

   As at March 31, 2021 - 343 (including Trainees & on Probation)

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis:**

   As at March 31, 2021 – 1

3. **Please indicate the Number of permanent women employees:**

   As at March 31, 2021 – 67 (does not include those on probation)

4. **Please indicate the Number of permanent employees with disabilities:**

   As at March 31, 2021 - 1

5. **Do you have an employee association that is recognized by management:**

   No

6. **What percentage of your permanent employees is members of this recognized employee association?**

   N.A.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   (a) Permanent Employees: 74%

   (b) Permanent Women Employees: 80%

   (c) Casual/Temporary/Contractual Employees: 100%

   (d) Employees with Disabilities: 100%

PRINCIPLE 4: BUSINESS SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED.

1. **Has the company mapped its internal and external stakeholders?**

   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 etc.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Identification of the disadvantaged, vulnerable and marginalised stakeholders is an on-going process. Your Company is responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. It endeavours to enhance awareness and understanding of exchange-enabled trades in commodity derivatives amongst the stakeholders and strives to reach out to the disadvantaged, vulnerable and marginalised sections of society lying at the bottom of its pyramid. To this effect the Company conducts series of awareness programmes across the country and through its CSR initiatives engages disadvantaged, vulnerable and marginalised sections of society either directly or through various NGOs. Few examples of

initiatives are provided below:

i. Support to the government to fight and tackle the crisis posed by COVID-19;

ii. Empowering underprivileged girls from economically weaker sections to pursue higher education or nursing course;

iii. Empowering the visually disabled to further their education by promoting basic aids and appliances;

iv. Support to physically disabled by providing of aids and appliances;

v. Improved availability and accessibility of healthcare services free or at subsidized rates to the weaker section.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

The Exchange engages with the disadvantaged, vulnerable and marginalised stakeholders through its CSR projects. Key initiatives include promoting higher education amongst women students, education and other support to visually challenged children and differently-abled individuals etc. Further, the Company has also decided to procure medical equipment for public hospitals in order to facilitate these hospitals provide timely medication to patients. One of the objectives of the Company is to demonstrate the utility of the derivatives market to marginalised players in the commodities ecosystem by creating sustainable and viable models, whereby they could de-risk themselves from the vagaries of the price fluctuations. As a part of our commitment to the community we operate in, we make efforts to develop and demonstrate sustainable ways of getting the markets to work for the marginalized stakeholders. We take small, yet significant steps to do this through:

i. Creation of separate fund to be utilized exclusively for the benefit of and encourage participation by Farmers and FPOs in the agri-commodity derivatives market. Pursuant to SEBI's reduction of regulatory fee with respect to turnover in agricultural commodity derivatives, the Company has created a separate fund with the regulatory fee forgone by SEBI.

The Exchange uses the funds to reimburse the assaying charges , warehouse rental charges, packaging charges, transportation charges (50%), Clearing corporation charges, etc. to the FPOs for the Agri Commodities deposited by them with MCXCCL accredited warehouses and their brokerage fee charged by Exchange members.

ii. The Company has done tie ups with associations, institutions, FPOs and NGOs such as CIMAP (Central Institute of Medicinal & Aromatic Plants), IIPM (Indian Institute of Plantation Management), CII (Confederate of Indian Industry), South Gujarat Progressive Farmers Self Reliant Producer Co. Ltd, Ajanta Self-reliant FPO, various APMCs, NABARD (National Bank for Agriculture and Rural Development), NABKISAN, SSD financial education and training and Banker's Institute of Rural Development (BIRD) etc. to spread awareness amongst farmers and other physical participants about price risk management and hedging using futures market.

Engaging in dissemination of prices through Push based SMS on Mobile & using Ticker boards, the details of which are as follows:

a. Price Dissemination through Push based SMS on Mobile:

The Company has continued providing facility of push based SMS service on Mobile, which disseminates Exchange traded commodity futures contract price information on mobile of registered users without any charge. The said facility can be availed from the website of the Company under section MyMCX.

b. Price Dissemination through Mobile App. :

MCX Mobile app disseminates near to real time Exchange traded commodity Futures & Options price information. The MCX Mobile app can be installed on any smart mobile handset i.e. Android & iOS.

c. Price Dissemination through Ticker Boards:

MCX has installed 40 Price Ticker boards at various Associations, Producers, Krishi Vigyan Kendra (KVKs) & Institutions, to disseminate Exchange traded commodity price information including Agriculture commodity price information (both spot and futures).

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Your Company complies and adheres to all the human rights laws and guidelines of the Constitution of India, National laws and policies. Your Company respects the rights of all its Members/Clients, Employees, Partners etc., and upholds the dignity of every individual. As mandated by the Fair Practice Code, the Company offers its products and services without any discrimination. All the employees are given the opportunity to address their issues,

thereby, following the principles of natural justice. MD & CEO follows an open door policy and lends his ears to all. Further, the Company ensures that the minimum wages, payment of wages and other statutory compliances are complied and are reviewed and monitored regularly. The Company does not employ, nor encourages employment of child labour.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the FY 2020-21, no stakeholder complaints pertaining to Human Rights were received.

To ensure that employees have avenues and opportunities to raise their concerns, share their suggestions and give their opinions, departmental meeting with MD across all level are normally organised, having a blend of formal, as well as, informal setting for promoting communication, exchange of views and ideas. Due to the current COVID-19 situation, the same could not be held during the year but the Company shall continue with this initiative once normalcy is restored.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

The Policy covers internal & external stakeholders.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

The Company is sensitive towards global environmental issues and contributes to address the same through its Environment Policy, E-waste Management Policy and Corporate Social Responsibility Policy. The CSR Policy is available at https://www.mcxindia.com/about-us/csr.

3. Does the company identify and assess potential environmental risks?

Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company presently does not have any project related to Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.

The Company has not taken initiatives on clean technology and for renewable energy, however, for ensuring energy efficiency, following initiatives are undertaken:

i. Exchange Data centre has in-row cooling system for servers that cools equipment only and not the external environment to ensure that no energy is wasted in running compressors excessively, to maintain the desired temperature levels of external environment.

ii. Maintaining adequate capacitor bank for non-linear electrical loads like air-conditioning plant, pumps and Heat Recovery System, thereby reducing the drawing of extra energy and improving power factor.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated by your Company are within the permissible limits prescribed by CPCB/SPCB for FY 2020-21.

7. Number of show cause/ legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There were no show cause/ legal notices received from CPCB/SPCB.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Your Company is a member of the following trade and chamber or association:

a) International Organization of Securities Commissions (IOSCO)

b) Futures Industry Association (FIA)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company advocates through various industry associations for regulatory and economic reforms with the objective of deepening the Indian commodity derivatives market.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Your Company focusses mainly on community-centric interventions and thrust areas for such interventions are sustainable livelihood and empowerment – especially watershed programs, preservation of India's rural heritage, irrigation, agriculture and education. To achieve greater public good in a socially responsible manner, your Company supports more holistic proposals with long-term cognizant benefits and wider stakeholder perspective. The Company's community investment strategy focuses on health, education, livelihoods and empowerment. Further, your Company has supplied the safety kits to the health workers engaged in taking care of COVID-19 patients. The company through CSR has contributed to hospitals towards the COVID-19 relief work.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

The programmes/projects are undertaken directly through in-house CSR team, as well as, through collaboration with NGOs and other organizations in thematic areas of livelihoods, watersheds, education, etc. Your Company also endeavours to encourage employee engagement in CSR related activities.

3. Have you done any impact assessment of your initiative?

The interventions of your Company are spread across various areas and the Company intends to carry impact assessment of its initiatives.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Through various programs, your Company contributes to community development projects by enhancing livelihood opportunities through promoting education, educating and empowering women, Integrated Watershed Management Scheme which adds to economic well-being by progressively empowering farmers and communities. Various interventions by the Company resulted in income enhancement and sustainable development. The amount of direct contribution and the details of the projects undertaken towards community development are, *inter-alia*, included in the Annual report on CSR Activities of the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Adequate measures are taken to ensure that the community development initiative is successfully adopted and are beneficial to the community. The major impact can be seen on community development, empowerment, livelihood opportunities and skill development. Most of our programmes emerge from a community needs assessment, such as promoting higher education for women, better healthcare, etc.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

There were 1.74% investor (client) grievances, 61.70% Arbitration and 85.41% Appellate Arbitration references pending for redressal and disposal respectively as on March 31, 2021, which are well within the time limits specified by SEBI.

Further, there were no pending shareholder complaints/Members complaints under Customer Service & Quality as on March 31, 2021.

Further, as on date there are 12 (7.45%) consumer complaints including appeals pending against the Company out of total 161 pending litigation cases.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

MCX is not a manufacturing company and hence display of product information on the product is not applicable. However, the details of products traded on MCX are published on the website.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No stakeholder has filed any complaint against MCX, which relates to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Your Company believes that stakeholder engagement is an integral part of the business and constantly strives to reach out and interact at every stage in a structured manner with all the stakeholders, including members, physical market participants, employees, investors, farmers, industry associations and vendors, etc. The Company receives feedback in following manner:

Members feedback

Your Company rolls out an Online Annual feedback survey through its Customer Service and Quality department (CSQ) 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 Exchange level as well as at individual department level. The CSQ department monitors trends and seeks an Action Taken Report from all the Head of departments 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 Customer Satisfaction Index for Business Development department for the year is 100%.

Your Company has constituted a Member Advisory Committee comprising of its members and President CPAI as an invitee to the Committee. The said committee is chaired by the Chairman of the Board. Meetings at the prescribed intervals were 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.

During the nationwide lockdown due to COVID-19 pandemic, your Company assisted Members by issuing e-passes, relaxation in compliance requirements, etc.

Physical market participants, Investors & Farmers feedback

With regard to product design, several stakeholders in the value chain of the commodity are involved in the initial assessment, which includes Farmers' and Traders' associations of the respective commodity, brokers and other stakeholders. They are approached to understand the market and its requirements. On the basis of such interactions and information gathered, a draft contract is designed for soliciting feedback from a larger section of stakeholders. This draft contract specification is shared with them for their feedback on the contract parameters. Based on the comments / inputs, the contract specification undergoes revisions to suit stakeholder requirements. Thereafter, an application seeking regulatory permission to launch the contract is submitted to SEBI.

Employee's feedback

For assessing employee's potential to manage next level responsibilities and setting the right work culture across the organization, HR had initiated Assessment Centres across the organization for the Assistant Vice President & above level in FY 2019-20 which were concluded in FY 2020-21. To facilitate growth opportunities for our existing employees, we have refined our Internal Job Postings (IJP) mechanism.

Further, employees were given avenues and opportunities to raise their concerns, share their suggestions and give their opinions to MD & CEO, as he has an open door policy.

On the basis of feedback received from employees, various welfare measures have been put in place like mandatory leaves, shift allowance for employees working in shifts, annual health screening etc. The Health, Safety Welfare Committee constituted by the Exchange looks after staff welfare and recreational activities like organising employee get-togethers, celebration of various festivals, etc.

Post feedback received from employees also took an additional COVID-19 policy separately for all employees.

Exchange believes that families of the employees are very important and hence we reward employees' children for their exceptional efforts in passing 10th and 12th standard examination.

STANDALONE FINANCIAL STATEMENTS

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, 2021, 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 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, 2021, 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.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Legal, Regulatory and Taxation Matters :** Refer note 2.3, note 2.2.O. and note 32 of Standalone Financial Statements. There are a number of legal, regulatory 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. For various 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. The measurement of the provision is based on the best estimate of the expenditure required to settle the present obligation. Considering the judgement and estimate involved, matter is considered as a key audit matter.	**Principal Audit Procedures:** We used our specialists to gain an understanding of the current status of the cases and monitored changes in the disputes by reading external advice received by the Company, where relevant, to establish that the provisions has been appropriately adjusted to reflect the latest external developments. For legal, regulatory and tax matters our procedures included the following: • obtain list of legal, regulatory and tax cases against the Company and gained understanding thereof. • testing key controls surrounding litigation, regulatory and tax procedures; • performing substantive procedures on the underlying calculations supporting the provisions recorded; • wherever relevant, considering external legal opinions obtained by the management on possible outcome of litigation; • meeting with the management and reading subsequent Companies correspondence; • discussing open matters with the Companies litigation, regulatory, general counsel and tax teams;

Sr. No.	Key Audit Matter	Auditor's Response
		• assessing the Management's conclusions through understanding precedents set in similar cases; and • circularization where appropriate of relevant third-party legal representatives and direct discussion with them regarding certain material cases. Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning at March 31, 2021 to be appropriate. We validated the completeness and appropriateness of the related disclosures through assessing that the disclosure of the uncertainties in note 32 of the standalone financial statements was sufficient.
2.	**Valuation of Investments and its impairment:** Quoted investments and unquoted investments represent the most significant amount on the balance sheet. The total of these investments aggregating to ₹ 1,44,464 lakh represented 81% of total assets of the Company as at March 31, 2021	**Principal Audit Procedures:** • We assessed the design and implementation of controls over valuation and existence of investments. • For the fair valuation models, we understood and assessed the methodology used. We tested the underlying data and assumptions used in the determination of the fair value. • We traced the quantity held from the independent confirmation provided by the Custodian and Fund houses. • We tested the valuation of the quoted and unquoted investments to independent pricing sources. We assessed and tested the management procedures for performing impairment analysis of investments, including likely impact of Covid-19 on value of investments.

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 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 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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, 2016 ("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, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 32 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.

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

Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 21123088AAAACQ1400

Place: Mumbai
Date: May 22, 2021

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

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed 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 are held in the name of the Company as at the balance sheet date.

ii. The Company's nature of business does not require holding of any inventories. Accordingly, the Clause 3(ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership and other parties covered in the register maintained under Section 189 of the Act. Accordingly, sub clause (a), (b) & (c) of the Clause 3(iii) 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 not accepted any deposit from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. 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, 2021 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 are dues of Income tax which have not been deposited as at March 31, 2021 on account of any disputes, are as follows:

Name of the statute	Nature of Dues	Amount (₹ in lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax	5,160	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 give to us, the Company does not have any loans or borrowings from any financial institution, banks, and government or debenture holders during the year. Accordingly, Clause 3(viii) of the Order is not applicable to the Company.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause 3(ix) of the Order is not applicable to the Company.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employee has been noticed or reported during the year.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

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. According to the information and explanations give to us and based on 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. Therefore, Clause 3(xiv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and hence provisions of section 192 of the Act are not applicable. Accordingly, clause 3(xv) of the Order is not applicable to the Company.

xvi. According to the information and explanations given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **SHAH GUPTA & Co.**

Chartered Accountants

Firm Registration No.: 109574W

Vedula Prabhakar Sharma

Partner

Membership No.: 123088

UDIN: 21123088AAAACQ1400

Place: Mumbai

Date: May 22, 2021

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, 2021 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 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 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 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, 2021, 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: 21123088AAAACQ1400

Place: Mumbai
Date: May 22, 2021

Standalone Balance Sheet as at March 31, 2021

₹ In Lakh

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	2A	13,933	14,117
(b) Capital work-in-progress	2B	119	47
(c) Right of use assets	2C	141	220
(d) Intangible assets	3A	1,739	1,410
(e) Intangible assets under development	3B	2,470	2,263
(f) Financial assets			
(i) Non-current investments	4	84,619	83,399
(ii) Other non-current financial assets	5	1,773	1,165
(g) Deferred tax assets (net)	33	475	938
(h) Income tax assets (net)	6	4,468	4,685
(i) Other non-current assets	7	73	860
Total non-current assets		**1,09,812**	**1,09,104**
(2) Current assets			
(a) Financial assets			
(i) Current investments	8	59,845	58,672
(ii) Trade receivables	9	1,097	693
(iii) Cash and cash equivalents	10	241	381
(iv) Bank balances other than cash and cash equivalents (iii) above	11	191	1,246
(v) Loans	12	5	20
(vi) Other current financial assets	13	4,836	5,499
(b) Other current assets	14	2,314	1,040
Total current assets		**68,529**	**67,552**
Total assets		**1,78,341**	**1,76,656**
Equity and liabilities			
(1) Equity			
(a) Equity share capital	15	5,100	5,100
(b) Other equity	16	1,52,936	1,49,552
Total equity		**1,58,036**	**1,54,652**
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Other non-current financial liabilities	17	5,294	5,208
(b) Non-current provisions	18	188	152
Total non-current liabilities		**5,482**	**5,360**
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	19	2,222	3,019
Total outstanding dues of micro enterprises and small enterprises	19	15	9
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	2,207	3,010
(ii) Other current financial liabilities	20	2,248	1,450
(b) Other current liabilities	21	9,276	10,395
(c) Current provisions	22	174	150
(d) Income tax liabilities (net)	23	905	1,630
Total current liabilities		**14,824**	**16,644**
Total liabilities		**20,305**	**22,004**
Total equity and liabilities		**1,78,341**	**1,76,656**
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 22, 2021

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 22, 2021

Saurabh Chandra
Chairman
DIN : 02726077
Satyajeet Bolar
Chief Financial Officer

Shankar Aggarwal
Director
DIN : 02116442

Standalone Statement of Profit and Loss for the year ended March 31, 2021

₹ In Lakh, except EPS

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	**Income**			
	Revenue from operations	24	34,485	37,044
	Other income	25	11,057	11,133
	Total income		**45,542**	**48,177**
II	**Expenses**			
	Employee benefits expense	26	6,243	6,588
	Clearing and settlement charges	27	4,120	4,413
	Finance costs	28	22	20
	Depreciation and amortization expense	2A,2C,3A	2,164	1,784
	Software support charges and product license fees	29	4,724	5,180
	Computer technology and communication expenses	30	1,725	1,576
	Other expenses	31	3,606	4,757
	Total expenses		**22,604**	**24,318**
III	**Profit before tax**		**22,938**	**23,859**
IV	**Tax expenses**			
	(1) Current tax	33	3,820	3,984
	(2) Minimum alternate tax (MAT) credit utilised	33	499	182
	(3) MAT credit entitlement relating to previous year	33	360	(402)
	(4) Excess provision for tax relating to previous years	33	(153)	(479)
	(5) Deferred tax	33	(370)	(278)
	Total tax expenses		**4,156**	**3,007**
V	**Profit for the year**		**18,782**	**20,852**
VI	**Other comprehensive income**			
	A) Items that will not be reclassified to profit or loss (net of tax)			
	i) Changes in fair value of equity instruments		(103)	(146)
	ii) Remeasurement of employee benefits obligations		6	(41)
VII	**Total comprehensive income for the year**		**18,685**	**20,665**
VIII	**Earnings per equity share (of ₹ 10/- each)**			
	(1) Basic	37	36.90	40.98
	(2) Diluted	37	36.90	40.98
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 22, 2021

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 22, 2021

Saurabh Chandra
Chairman
DIN : 02726077
Satyajeet Bolar
Chief Financial Officer

Shankar Aggarwal
Director
DIN : 02116442

Standalone Statement of Changes in Equity for the year ended March 31, 2021

₹ In Lakh

Particulars	Equity share capital (A)	Other equity				Other comprehensive income	Total other equity (B)
		Reserves and surplus					
		Securities premium	Retained earnings	ESOP compensation reserve	General reserve		
Balance as at April 01,2019	**5,100**	**21,684**	**1,06,347**	**152**	**16,449**	**(3,449)**	**1,41,183**
Profit for the year	-	-	20,852	-	-	-	20,852
Dividend	-	-	(10,200)	-	-	-	(10,200)
Dividend distribution tax	-	-	(2,097)	-	-	-	(2,097)
Equity instruments through other comprehensive income	-	-	-	-	-	(146)	(146)
Reclassified to retained earning from ESOP reserve (refer note 40)	-	-	152	(152)	-	-	-
Re-measurement of employee benefits obligation and others	-	-	-	-	-	(40)	(40)
Balance as at March 31, 2020	**5,100**	**21,684**	**1,15,054**	**-**	**16,449**	**(3,635)**	**1,49,552**
Profit for the year	-	-	18,782	-	-	-	18,782
Dividend	-	-	(15,300)	-	-	-	(15,300)
Equity instruments through other comprehensive income	-	-	-	-	-	(103)	(103)
Re-measurement of employee benefits obligation and others	-	-	-	-	-	6	6
Balance as at March 31, 2021	**5,100**	**21,684**	**1,18,536**	**-**	**16,449**	**(3,732)**	**1,52,936**

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 22, 2021

For and on behalf of the Board of Directors

P.S.Reddy
Managing Director & CEO
DIN : 01064530

Saurabh Chandra
Chairman
DIN : 02726077

Shankar Aggarwal
Director
DIN : 02116442

Ajay Puri
Company Secretary

Satyajeet Bolar
Chief Financial Officer

Place: Mumbai/Delhi
Date: May 22, 2021

Standalone cash flow for the year ended March 31, 2021

₹ In Lakh

	Particulars	Year ended			
		March 31, 2021		March 31, 2020	
A	**Cash flow from operating activities**				
	Profit before taxes		22,938		23,859
	Adjustments for:				
	Depreciation and amortisation expense	2,164		1,784	
	Finance costs	22		20	
	Dividend income	-		(63)	
	(Gain)/loss on sale of investments (net)	(8,718)		(1,955)	
	(Gain)/loss on fair valuation of investments (net)	1,931		(5,623)	
	Provision for doubtful trade receivables	26		50	
	(Gain)/Loss on fixed assets sold/scrapped (net)	-		(2)	
	Interest income	(3,058)		(2,288)	
	Remeasurement of employee benefit	6	(7,627)	(41)	(8,118)
	Operating profit before working capital changes		**15,311**		**15,741**
	Adjustments for (increase)/decrease in:				
	Other non-current financial assets	(608)		(69)	
	Other non-current assets	787		(295)	
	Trade receivables	(431)		164	
	Loans	15		1	
	Other current financial assets	705		(575)	
	Other current assets	(1,274)		1,894	
	Adjustments for increase/(decrease) in:				
	Other non-current financial liabilities	154		1,049	
	Non-current provisions	36		35	
	Trade payables	(797)		(433)	
	Other current financial liabilities	319		276	
	Other current liabilities	(1,119)		6,646	
	Current provisions	24	(2,189)	(24)	8,669
	Cash generated from operations		**13,122**		**24,409**
	Net income tax paid (net of refunds)		(4,202)		(4,305)
	Net cash generated/(used) from operating activities (A)		**8,920**		**20,104**

	Particulars	Year ended	
		March 31, 2021	March 31, 2020
B	**Cash flow from investing activities**		
	Capital expenditure on fixed assets including capital advances	(2,043)	(2,712)
	Proceeds from sale of fixed assets	-	32
	Proceeds/ (purchase) of non-current investments-others (net)	6,087	(3,604)
	Proceeds/(purchase) of current investments (net)	(1,173)	(5,833)
	Bank balances other than classified as cash	443	1,970
	Dividend received	-	63
	Interest received	3,019	2,236
	Net cash generated/(used) from investing activities (B)	**6,334**	**(7,848)**
C	**Cash flow from financing activities**		
	Dividend paid (including tax thereon)	(15,300)	(12,296)
	Finance costs	(3)	(4)
	Payment of lease liabilities	(91)	(64)
	Government grants received	-	17
	Net cash generated/(used) in financing activities (C)	**(15,394)**	**(12,347)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(140)**	**(92)**
	Cash and cash equivalents at the beginning of the year	381	473
	Cash and cash equivalents at the end of the year (refer note 10)	**241**	**381**

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 22, 2021

For and on behalf of the Board of Directors

P.S.Reddy
Managing Director & CEO
DIN : 01064530

Saurabh Chandra
Chairman
DIN : 02726077

Shankar Aggarwal
Director
DIN : 02116442

Ajay Puri
Company Secretary

Satyajeet Bolar
Chief Financial Officer

Place: Mumbai/Delhi
Date: May 22, 2021

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 recoverable amount

Notes forming part of the Standalone financial statements (contd...)

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

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:

Notes forming part of the Standalone financial statements (contd...)

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)

- Financial assets measure at fair value through profit and loss (FVTPL)

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For recognition of impairment loss on other financial assets and risk exposure, the company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

b. Financial liabilities:

The company recognizes a financial liability in its balance sheet when it becomes party to the contractual provisions of the instrument.

All non-current financial liabilities of the Company are measured at amortized cost using the effective interest 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 in 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.

Notes forming part of the Standalone financial statements (contd...)

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. 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

Notes forming part of the Standalone financial statements (contd...)

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"

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.

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 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 financials 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.

Notes forming part of the Standalone financial statements (contd...)

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 novel coronavirus (COVID-19) pandemic continues to spread across the globe including India. COVID-19 has taken its toll on not just human life, but business and financial markets too. With substantial increase in COVID-19 cases across different parts of country, government have introduced a various measures to contain the spread of virus, including lockdown and restrictions on movement of people and goods across different geographies.

Certain establishment including commodities market intermediaries are permitted to operate and continue to remain exempted from restrictions. In case there is disruption in the functioning of commodity markets, the business of the company may be affected.

The management has, at the time of approving the financial statements, 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 Applicability of new Indian Accounting Standards ('Ind AS'), amendments and interpretations:

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020, has notified the following major amendments, which became applicable with effect from 1st April, 2020.

Amendments to Ind AS 103- Business combinations

The Company has adopted the amendments to Ind AS 103 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1st April, 2020.

The adoption of these amendments has not had any impact on the disclosures or reported amounts in these financial statements.

Amendments to Ind AS 116 – Leases

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief, subject to certain conditios, to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The adoption of these amendments has not had any impact on the disclosures or reported amounts in these financial statements.

Amendment to Ind AS 109 and Ind AS 107 – Interest Rate Benchmark Reform

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The adoption of these amendments has not had any impact on the disclosures or reported amounts in these financial statements.

Notes forming part of the Standalone financial statements (contd...)

Amendment to Ind AS 1 and Ind AS 8 – Definition of "Material"

The Comapny has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of these amendments did not have any material impact on its evaluation of materiality in relation to the consolidated financial statements.

2.5 Recent accounting pronouncements which are not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

2.6 Amendment to Schedule III of the Companies Act, 2013:

On 24th March, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013, with effect from 1st April, 2021. Key amendments relevant for the Company are:

a. Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b. Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.

c. Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.

d. Specified format for disclosure of shareholding of promoters.

e. Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.

f. Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.

g. Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio is excess of 25% compared to preceding year.

h. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

i. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

The Company is evaluating the impact of these amendments.

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
Gross carrying amount							
Balance as at April 01, 2019	**5,061**	**6,268**	**5,987**	**44**	**570**	**117**	**18,047**
Additions	-	-	1,115	-	2	44	1,161
Disposals	-	-	1	11	-	76	88
Balance as at March 31, 2020	**5,061**	**6,268**	**7,101**	**33**	**572**	**85**	**19,120**
Additions	-	-	1,085	-	-	37	1,122
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2021	**5,061**	**6,268**	**8,186**	**33**	**572**	**122**	**20,241**
Accumulated depreciation							
Balance as at April 01, 2019	**-**	**425**	**3,121**	**40**	**283**	**54**	**3,922**
Additions	-	115	962	2	38	21	1,138
Disposals	-	-	1	11	-	46	58
Balance as at March 31, 2020	**-**	**540**	**4,082**	**31**	**321**	**29**	**5,003**
Additions	-	115	1,134	1	37	19	1,307
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2021	**-**	**655**	**5,216**	**32**	**358**	**48**	**6,310**
Net carrying amount							
Balance as at March 31, 2020	**5,061**	**5,728**	**3,019**	**2**	**251**	**56**	**14,117**
Balance as at March 31, 2021	**5,061**	**5,613**	**2,970**	**1**	**214**	**74**	**13,933**

2B. Capital work-in-progress

Balance as at March 31, 2020	**-**	**-**	**47**	**-**	**-**	**-**	**47**
Additions	-	-	119	-	-	-	119
Capitalised during the year	-	-	47	-	-	-	47
Balance as at March 31, 2021	**-**	**-**	**119**	**-**	**-**	**-**	**119**

2C. Right of use assets

₹ In Lakh

Particulars	Lease of office premises	Total
Balance as at April 01, 2019	**99**	**99**
Addition on account of adoption of Ind AS 116 (refer note 36)	174	174
Disposals	-	-
Balance as at March 31, 2020	**273**	**273**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	**273**	**273**
Accumulated depreciation		
Balance as at April 01, 2019	**-**	**-**
Additions(refer note 36)	53	53
Disposals	-	-
Balance as at March 31, 2020	**53**	**53**
Additions (refer note 36)	79	79
Disposals	-	-
Balance as at March 31, 2021	**132**	**132**
Net carrying amount		
Balance as at March 31, 2020	**220**	**220**
Balance as at March 31, 2021	**141**	**141**

Notes forming part of the Standalone financial statements (contd...)

3A. Intangible assets **₹ In Lakh**

Particulars	Computer software	Trademark and copyright	Total
Gross carrying amount			
Balance as at April 01, 2019	**5,043**	**-**	**5,043**
Additions	440	-	440
Disposals	-	-	-
Balance as at March 31, 2020	**5,483**	**-**	**5,483**
Additions	1,099	9	1,108
Disposals	-	-	-
Balance as at March 31, 2021	**6,582**	**9**	**6,591**
Accumulated depreciation			
Balance as at April 01, 2019	**3,482**	**-**	**3,482**
Additions	592	-	592
Disposals	-	-	-
Balance as at March 31, 2020	**4,074**	**-**	**4,074**
Additions*	778	0	778
Disposals	-	-	-
Balance as at March 31, 2021	**4,852**	**0**	**4,852**
Net carrying amount			
Balance as at March 31, 2020	**1,410**	**-**	**1,410**
Balance as at March 31, 2021	**1,731**	**8**	**1,739**

*0 represents ₹ 0.38 lakh

3B. Intangible assets under development

Balance as at March 31, 2020	**2,263**	**-**	**2,263**
Additions	550	-	550
Capitalised during the year	343	-	343
Balance as at March 31, 2021 (Refer note 48)	**2,470**	**-**	**2,470**

4. Non-current investments

Particulars	Face value	As at March 31,2021		As at March 31,2020	
A Investments in equity instruments (unquoted fully paid up):	**Per share**	**No. of shares**	**₹ In Lakh**	**No. of shares**	**₹ In Lakh**
(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
			25,199		**25,199**

Notes forming part of the Standalone financial statements (contd...)

B	Investment in mutual funds - FVTPL (listed but not quoted)	Per Units	No. of Units	₹ In Lakh	No. of Units	₹ In Lakh
	Aditya Birla Sun Life Fixed Term Plan - Series RA	₹ 10	-	-	50,00,000	578
	Aditya Birla Sun Life Fixed Term Plan - Series RC	₹ 10	80,00,000	1,005	80,00,000	933
	Aditya Birla Sun Life Fixed Term Plan Series PU Direct Growth	₹ 10	50,00,000	654	50,00,000	601
	HDFC Fixed Maturity Plan Oct 2018 (43) 1 Direct Growth	₹ 10	70,00,000	888	70,00,000	819
	HDFC Fixed Maturity Plan Sept 2018 (42) -1-1115 Direct Growth	₹ 10	-	-	50,00,000	584
	HDFC Fixed Maturity Plan Sept 2018 (42) -1-1381 Direct Growth	₹ 10	80,00,000	1,029	80,00,000	947
	ICICI Pru FMP Series 84 1293 days -Direct Growth	₹ 10	1,00,00,000	1,279	1,00,00,000	1,179
	Invesco India Fixed Maturity Plan Series XXXII Direct Growth	₹ 10	-	-	50,00,000	587
	Kotak FMP Series 245 - 1140 days - Direct Growth	₹ 10	-	-	80,00,000	928
	Kotak FMP Series 247 - 1308 days - Direct Growth	₹ 10	1,00,00,000	1,283	1,00,00,000	1,177
	Nippon India FHF 38 Series 6 FMP - Direct Growth	₹ 10	-	-	50,00,000	575
	Nippon India FHF 39 Series 4 FMP - Direct Growth	₹ 10	70,00,000	904	70,00,000	829
	Nippon India FHF 39 Series 6 FMP - Direct Growth	₹ 10	80,00,000	1,029	80,00,000	944
	Nippon India FHF 39 Series 9 FMP - Direct Growth	₹ 10	80,00,000	1,019	80,00,000	936
	SBI Magnum DFS C - 26 -1125 Days Direct Growth	₹ 10	-	-	1,00,00,000	1,164
	UTI Fixed Term Income Fund Series XXX Plan 5	₹ 10	-	-	80,00,000	934
				9,090		**13,715**

C	Investment in tax fee bonds - FVTPL (quoted)	Per Units	No. of Units	₹ In Lakh	No. of Units	₹ In Lakh
	7.19% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 31 July 2025)	₹ 10,00,000	400	4,439	400	4,259
	7.11% National High Authority of India Tax free bonds (Maturity Date 18 September 2025)	₹ 10,00,000	500	5,564	500	5,313
	7.07% Housing and Urban Development Corporation Ltd.Tax free bonds (Maturity Date 01 October 2025)	₹ 10,00,000	440	4,880	440	4,663
	7.11% NTPC Ltd.Tax free bonds (Maturity Date 05 October 2025)	₹ 1,000	62,457	694	62,457	664
	7.11% Power Housing Finance Corporation Ltd. Tax free bonds (Maturity Date 17 October 2025)	₹ 1,000	25,670	285	25,670	273
	7.35% National High Authority of India Tax free bonds (Maturity Date 11 January 2031)	₹ 1,000	1,08,849	1,332	1,08,849	1,226
	7.49% Indain Renewable Energy Development Agency Ltd. Tax free bonds (Maturity Date 21 January 2031)	₹ 1,000	1,36,241	1,576	1,36,241	1,544

Notes forming part of the Standalone financial statements (contd...)

	7.39% Housing and Urban Development Corporation Ltd.Tax free bonds (Maturity Date 15 March 2031)	₹ 1,000	1,30,244	1,595	1,30,244	1,471
	7.35% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 22 March 2031)	₹ 1,000	1,50,000	1,831	1,50,000	1,691
	7.35% National Bank For Agriculture And Rural Development Tax free bonds (Maturity Date 23 March 2031)	₹ 1,000	4,95,649	6,050	4,95,649	5,597
	7.38% India Infrastructure Finance Company Ltd. Tax free bonds (Maturity Date 15 Nov 2027)	₹ 10,00,000	50	578	50	548
	8.20% Housing And Urban Development Corporation Ltd. Tax free bonds (Maturity Date 05 March 2027)	₹ 1,000	50,000	593	50,000	567
				29,417		**27,817**
D	**Investment in PSU bank bonds - amortised cost (quoted)**	**Per Units**	**No. of Units**	**₹ In Lakh**	**No. of Units**	**₹ In Lakh**
	Bank of Baroda 9.14% (Perpetual Series VII Basel III Tier I) C 22-Mar-2022	₹ 10,00,000	50	500	50	500
	Bank of Baroda 8.60% (Perpetual Basel III Tier I ATI Series VIII) C 01-Aug-2022	₹ 10,00,000	150	1,501	150	1,502
	State Bank Of India Perp AT 1 8.75% (Series 1) 30-Aug-24 (CALL)	₹ 10,00,000	200	2,035	150	1,515
	Bank of Baroda 8.70% (Perpetual Basel III Tier I ATI Series X) C 28-Nov-2024	₹ 10,00,000	450	4,505	450	4,508
	SBI 8.50% Series II Perpetual AT1 Bonds Basel- III 22-Nov-2024 (Call)	₹ 10,00,000	550	5,564	550	5,583
	SBI 7.73% Series II Perpetual AT1 Bonds Basel- III 24-Nov-2025 (Call)	₹ 10,00,000	200	2,035	-	-
				16,140		**13,608**
E	**Investment in ETF bonds - FVTPL (quoted)**	**Per Units**	**No. of Units**	**₹ In Lakh**	**No. of Units**	**₹ In Lakh**
	BHARAT Bond FOF - April 2023 - Dir - Growth	₹ 1,000	3,00,000	3,351	3,00,000	3,060
	Nippon India ETF Nifty CPSE Bond Plus SDL - 2024 Maturity	₹ 100	13,80,000	1,422	-	-
				4,773		**3,060**
	Total			**84,619**		**83,399**
	Aggregate amount of listed and quoted investments at fair value			50,330		44,485
	Aggregate amount of listed and quoted investments at cost			46,946		42,958
	Aggregate amount of listed but not quoted investments at fair value			9,090		13,715
	Aggregate amount of listed but not quoted investments at cost			7,100		11,700
	Aggregate amount of unquoted investments at fair value			25,199		25,199
	Aggregate amount of unquoted investments at cost			25,199		25,199

Notes forming part of the Standalone financial statements (contd...)

5. Other non-current financial assets

₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	1,052	1,067
Bank deposits with more than 12 months maturity (Refer note 11)	721	94
Interest accrued but not due on fixed deposits	-	4
Total	**1,773**	**1,165**

6. Income tax assets (net)

Advance income tax [net of provisions ₹ 75,360 lakh] (as at March 31, 2020 ₹ 76,525 lakh)	4,468	4,685
Total	**4,468**	**4,685**

7. Other non-current assets

Advances other than capital advance		
Advance for supply of services	-	725
Others		
Prepaid expenses	73	135
Total	**73**	**860**

8. Current investments

	Particulars	Face value	As at March 31,2021		As at March 31,2020	
A	**Investments in equity instruments (unquoted fully paid up): of other Entities - FVTOCI**	**Per share**	**No. of shares**	**₹ In Lakh**	**No. of shares**	**₹ In Lakh**
	Metropolitan Clearing corporation of India Limited (formerly known as MCX SX Clearing Corporation Limited)	₹ 10	27,58,941	238	27,58,941	239
	Metropolitan Stock Exchange of India Limited (formerly known as MCX Stock Exchange Limited)	₹ 1	33,17,77,008	1,559	33,17,77,008	1,692
				1,797		**1,931**
B	**Investment in mutual funds - FVTPL**	**Per Units**	**No. of Units**	**₹ In Lakh**	**No. of Units**	**₹ In Lakh**
	Listed but not quoted					
	Aditya Birla Sunlife FMP Series OG 1146 days - Direct Growth	₹ 10	-	-	60,00,000	744
	Aditya Birla Sunlife FMP Series OI- Direct Growth	₹ 10	-	-	50,00,000	622
	Aditya Birla Sun Life Fixed Term Plan - Series RA	₹ 10	50,00,000	613	-	-
	DSP FMP Series 204 37M - Direct Growth	₹ 10	-	-	1,00,00,000	1,239
	HDFC Fixed Maturity Plan Sept 2018 (42) -1-1115 Direct Growth	₹ 10	50,00,000	626	-	-
	ICICI Pru FMP Series 80 Growth Plan G - Direct Growth	₹ 10	-	-	1,00,00,000	1,240
	ICICI Pru FMP Series 80 plan J -Direct Growth	₹ 10	-	-	1,00,00,000	1,248
	Invesco India Fixed Maturity Plan Series XXXII Direct Growth	₹ 10	50,00,000	630	-	-
	Kotak FMP Series 200 - 1158 days - Direct Growth	₹ 10	-	-	1,00,00,000	1,242
	Kotak FMP Series 245 - 1140 days - Direct Growth	₹ 10	80,00,000	994	-	-
	Nippon India FHF XXXIII Series 1 FMP - Direct Growth	₹ 10	-	-	60,00,000	752
	Nippon India FHF XXXIII Series 4 FMP - Direct Growth	₹ 10	-	-	50,00,000	626

Notes forming part of the Standalone financial statements (contd...)

	Per Units	No. of Units	₹ In Lakh	No. of Units	₹ In Lakh
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 FFTIF Series XXVI - VI - Direct Growth	₹ 10	-	-	50,00,000	621
UTI Fixed Term Income Fund Series XXX Plan 5	₹ 10	80,00,000	1,003	-	-
Unquoted					
Aditya Birla Sun Life Liquid Fund - Direct - Growth*	₹ 100	-	-	19,468	62
Axis Short Term Fund Direct Growth	₹ 10	-	-	52,36,370	1,224
Axis Liquid Fund Direct Growth	₹ 1,000	-	-	54,665	1,205
Axis Liquid Fund Direct Growth*	₹ 1,000	-	-	2,297	51
Axis Banking & PSU Debt Fund Direct Growth	₹ 1,000	60,260	1,264	60,260	1,170
Axis Money Market Fund - Direct - Growth	₹ 1,000	90,424	1,001	-	-
DSP Liquidity Fund Direct Growth	₹ 1,000	71,739	2,110	12,077	343
DSP Overnight Fund Direct Growth	₹ 1,000	-	-	1,40,415	1,501
DSP Short Term Fund - Direct - Growth	₹ 10	-	-	51,09,777	1,836
DSP Ultra Short Fund - Direct - Growth	₹ 1,000	35,084	1,001	-	-
HDFC Low Duration Fund Direct Growth	₹ 10	33,57,861	1,597	33,57,861	1,484
HDFC Short Term Debt Fund Direct Growth	₹ 10	50,21,996	1,253	50,21,996	1,149
ICICI Prudential Bond Fund Direct Growth	₹ 10	-	-	2,59,86,965	7,666
ICICI Prudential Short Term Direct Growth	₹ 10	-	-	26,15,792	1,161
ICICI Prudential Money Market Fund Direct Growth	₹ 100	3,05,077	901	-	-
ICICI Pru Banking & PSU Debt Fund Direct Growth	₹ 1,000	51,95,885	1,331	51,95,885	1,228
ICICI Prudential Corporate Bond Fund - Direct - Growth	₹ 10	42,75,538	1,005	-	-
ICICI Prudential Savings Fund - Direct - Growth	₹ 100	4,76,727	2,001	-	-
ICICI Prudential Liquid - Direct- Growth *	₹ 100	10,048	31	-	-
IDFC Corporate Bond Fund Direct Growth	₹ 10	-	-	5,44,90,469	7,608
IDFC Banking & PSU Debt Fund - Direct - Growth	₹ 10	52,81,993	1,032	-	-
IDFC Ultra Short Term Fund - Direct - Growth	₹ 10	83,63,094	1,001	-	-
Invesco India Corporate Bond Fund - Direct - Growth	₹ 1,000	39,481	1,032	-	-
Invesco India Money Market Fund - Direct - Growth	₹ 1,000	40,954	1,001	-	-
Invesco India Short Term Fund - Direct - Growth	₹ 1,000	33,095	1,002	21,334	600
Invesco India Ultra Short Term Fund - Direct - Growth	₹ 1,000	67,580	1,502	-	-
Kotak Bond Short Term Plan - Direct - Growth	₹ 10	-	-	90,82,190	3,643
Kotak Banking and PSU Debt Fund - Direct - Growth	₹ 10	39,27,851	2,024	39,27,851	1,871
Kotak Bond Fund - Direct - Growth	₹ 10	15,20,094	984	-	-
Kotak Corporate Bond Fund - Direct - Growth	₹ 1,000	89,285	2,665	89,285	2,465
Kotak Floating Rate Fund - Direct - Growth	₹ 1,000	86,247	998	-	-
Kotak Money Market Scheme - Direct - Growth	₹ 1,000	28,730	1,001	-	-
Kotak Savings Fund - Direct - Growth	₹ 10	43,31,451	1,502	-	-
Kotak Dynamic Bond Fund Direct Growth	₹ 10	-	-	90,80,288	2,551
L&T Liquid Fund Direct Growth	₹ 1,000	-	-	1,16,288	3,165

Notes forming part of the Standalone financial statements (contd...)

	Per Units	No. of Units	₹ In Lakh	No. of Units	₹ In Lakh
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	23,22,638	1,284
L&T Ultra Short Term Fund - Direct - Growth	₹ 10	42,78,886	1,502	-	-
Nippon India Banking & PSU Debt Fund Direct Growth	₹ 10	1,40,55,549	2,308	1,40,55,549	2,120
Nippon India Floating Rate Fund Direct Growth	₹ 10	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	20	-	-
Nippon India Overnight Fund Direct Growth	₹ 100	-	-	7,37,586	791
Nippon India Low Duration Fund - Direct - Growth	₹ 1,000	66,362	2,004	-	-
SBI Magnum Ultra Short Duration Fund - Direct - Growth	₹ 1,000	31,830	1,502	-	-
SBI Savings Fund - Direct - Growth	₹ 10	29,27,168	1,001	-	-
SBI Short Term Debt Fund - Direct - Growth	₹ 10	39,40,861	1,026	-	-
Tata Liquid Fund Direct Growth	₹ 1,000	68,337	2,219	59,338	1,858
Tata Money Market Fund - Direct - Growth	₹ 1,000	27,288	1,002	-	-
UTI-Liquid Cash Plan -Direct- Growth	₹ 1,000	1,39,741	4,710	-	-
UTI-Liquid Cash Plan -Direct- Growth *	₹ 1,000	1,003	34	11,405	371
			58,048		**56,741**
Total			**59,845**		**58,672**
* Earmarked towards the Investor Service Fund - aggregrate value ₹ 85 lakh (as at 31 March 2020 : ₹ 484 lakh)					
Aggregate amount of listed but not quoted investments at fair value			5,749		8,334
Aggregate amount of listed but not quoted investments at cost			4,600		6,700
Aggregate amount of not listed not quoted investments at fair value			52,300		48,407
Aggregate amount of not listed not quoted investments at cost			49,088		40,462
Aggregate amount of unquoted investments at fair value			1,797		1,931
Aggregate amount of unquoted investments at cost			6,713		6,713

Notes forming part of the Standalone financial statements (contd...)

9. Trade receivables ₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Secured, considered good *	5	87
Unsecured, considered good #	1,092	606
Doubtful	89	186
	1,186	879
Less: Allowance for doubtful trade receivables	(89)	(186)
Total	**1,097**	**693**

* secured by bank guarantees / fixed deposit from members.

includes trade recivables from related parties (refer note 38)

10. Cash and cash equivalents

Balances with banks		
- in current accounts	241	380
- in current accounts (earmarked)*	-	1
Total	**241**	**381**

*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

Bank deposits	831	1,274
Less :Bank deposits with more than 12 months maturity	(721)	(94)
Bank deposits with less than 12 months maturity	110	1,180
In earmarked accounts		
- unpaid dividend accounts	79	64
- other earmarked accounts*	2	2
Total	**191**	**1,246**

*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. Loans

Loans and advances to employees	5	20
Total	**5**	**20**

13. Other current financial assets

Secured, considered good		
Security deposits	12	-
Unbilled revenue*	2,566	3,241
Unsecured, considered good (unless stated otherwise)		
Other receivables	686	714
Less: Provision for doubtful receivables	(13)	-
	673	**714**
Interest accrued but not due on fixed deposits	10	57
Interest accrued but not due on tax free bonds	1,575	1,487
Total	**4,836**	**5,499**

* secured by bank guarantees / fixed deposit from members.

Notes forming part of the Standalone financial statements (contd...)

14. Other current assets

₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
a) Unsecured, considered good (unless stated otherwise)		
Prepaid expenses	1,181	437
Balance with government authorities	416	132
Advances for supply of services other than capital advances	681	448
Other advances	36	23
Total	**2,314**	**1,040**
b) Unsecured, considered doubtful		
Other recoverable	282	282
Less : Provision for doubtful advance	(282)	(282)
Total	**2,314**	**1,040**

15. Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	₹ In Lakh	Number of shares	₹ In Lakh
Authorized				
Equity shares of ₹ 10/- each	7,00,00,000	7,000	7,00,00,000	7,000
Issued				
Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
Subscribed and paid-up				
Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
	5,09,98,369	**5,100**	**5,09,98,369**	**5,100**

a. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year :

Particulars	As at March 31, 2021		As at March 31, 2020	
	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	-	-	-	-
Closing balance at the end of the year	**5,09,98,369**	**5,100**	**5,09,98,369**	**5,100**

b. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the proportion of equity shares held.

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 March 31, 2021		As at March 31, 2020	
	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 no.40 on ESOP.

16. Other equity

₹ In Lakh

Particulars	Other equity				Other comprehensive income	Total other equity (B)
	Reserves and surplus					
	Securities premium	Retained earnings	ESOP compensation reserve	General reserve		
Balance as at April 01, 2019	**21,684**	**1,06,347**	**152**	**16,449**	**(3,449)**	**1,41,183**
Profit for the year	-	20,852	-	-	-	20,852
Dividend	-	(10,200)	-	-	-	(10,200)
Dividend distribution tax	-	(2,097)	-	-	-	(2,097)
Equity instruments through other comprehensive income	-	-	-	-	(146)	(146)
Reclassified to retained earning from ESOP reserve (refer note 40)	-	152	(152)	-	-	-
Re-measurement of employee benefits obligation and others	-	-	-	-	(40)	(40)
Balance as at March 31, 2020	**21,684**	**1,15,054**	**-**	**16,449**	**(3,635)**	**1,49,552**
Profit for the year	-	18,782	-	-	-	18,782
Dividend	-	(15,300)	-	-	-	(15,300)
Equity instruments through other comprehensive income	-	-	-	-	(103)	(103)
Re-measurement of employee benefits obligation and others	-	-	-	-	6	6
Balance as at March 31, 2021	**21,684**	**1,18,536**	**-**	**16,449**	**(3,733)**	**1,52,936**

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 no. 40

17. Other non-current financial liabilities

₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Trade / security deposits from		
- Members*	5,041	4,442
Employee benefits payable	168	613
Lease liability	85	153
Total	**5,294**	**5,208**

*includes base minimum capital from members; in addition to the cash component of base minimum capital, the amount of bank guarantees/fixed deposits (non cash component) forming part of base minimum capital as at March 31, 2021 is ₹ 5,700 lakh and as at March 31, 2020 is ₹ 6,127 lakh.

Notes forming part of the Standalone financial statements (contd...)

18. Non-current provisions

₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for compensated absences (refer note 39)	188	152
Total	**188**	**152**

19. Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note. 45)	15	9
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,207	3,010
Total	**2,222**	**3,019**

20. Other current financial liabilities

Advance received from members and applicants towards		
- Member's security deposits	323	374
- Application money (pending admission)	48	48
SEBI regulatory fund	6	6
Lease liability	68	72
Employee benefits payable	940	769
Payable to employees	13	18
Payable for purchase of fixed assets	507	40
Unclaimed dividends*	80	64
Security deposits	263	59
Total	**2,248**	**1,450**

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

21. Other current liabilities

Statutory remittances	6,180	7,857
Payable to Multi Commodity Exchange Investor Protection Fund (IPF)	602	484
Investor services fund (ISF)#	846	578
Networking equipment deposits*	0	2
Advance received from members and applicants	1,572	1,361
Income received in advance	76	113
Total	**9,276**	**10,395**

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 ₹ 330 lakh and utilized ₹ 89 Lakh (previous year ended March 31, 2020 ₹ 353 lakh and ₹ 134 lakh respectively)

*0 represents ₹ 0.34 lakh

22. Current provisions

Provision for compensated absences (refer note. 39)	35	25
Provision for gratuity (refer note. 39)	139	125
Total	**174**	**150**

Notes forming part of the Standalone financial statements (contd...)

23. Income tax liabilities (net)

₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for tax [net of advance tax ₹ 2,916 lakh (as at March 31, 2020 ₹ 2,354 lakh)]	905	1,630
Total	**905**	**1,630**

24. Revenue from operations

₹ In Lakh

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of services		
Transaction fees	32,821	35,303
Annual subscription fees	189	206
Membership admission fees	150	203
Terminal charges	26	39
	33,186	35,751
Other operating revenues		
Connectivity income	600	662
Others recoveries from members	256	180
Data feed income	443	451
	1,299	1,293
Total	**34,485**	**37,044**

25. Other income

Dividend income from mutual funds	-	63
Interest income:		
- on bank deposits	30	154
- on tax free bonds	3,027	2,114
- from Others#	0	21
Net gain on sale of :		
- current investments	8,718	1,955
Gain/(loss) on fair valuation of mutual funds	(3,814)	4,651
Gain/(loss) on fair valuation of ETF	284	60
Gain/(loss) on fair valuation of tax free bonds	1,599	913
Rental income from operating lease	310	245
Income from sale of fixed assets	-	2
Net gain on foreign currency transactions and translations	-	2
Miscellaneous income	903	955
Total	**11,057**	**11,133**

0 represents ₹ 0.08 lakh

Notes forming part of the Standalone financial statements (contd...)

26. Employee benefits expense

₹ In Lakh

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	5,810	6,133
Contribution to provident and other funds	315	308
Staff welfare expenses	118	147
Total	**6,243**	**6,588**

27. Clearing and settlement charges

Clearing and settlement fees (refer note 38)	4,120	4,413
Total	**4,120**	**4,413**

28. Finance costs

Interest expenses on :		
- Interest on lease liabilities (refer note 36)	19	16
- Others	3	4
Total	**22**	**20**

29. Software support charges and product license fees

Software support charges	3,320	3,481
Product license fees	1,404	1,699
Total	**4,724**	**5,180**

30. Computer technology and communication expenses

Computer technology expenses	1,339	1,218
Communication expenses	386	358
Total	**1,725**	**1,576**

31. Other expenses

Advertisement	187	377
Electricity charges	229	315
Rent	-	70
Repairs and maintenance - others	170	258
Insurance	42	37
Rates and taxes	24	26
Travelling and conveyance	124	283
Printing and stationery	9	31
Business promotion	34	251
CSR related expenses (refer note 42)	557	333
Legal and professional Charges	569	539
Sponsorships and seminar expenses	33	82
Membership fees and subscriptions	94	104
Security service charges	113	124

Notes forming part of the Standalone financial statements (contd...)

₹ In Lakh

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provision for doubtful trade receivables*	26	50
SEBI - exchange regulatory fees	184	189
Payment to the auditors		
- For audit	15	24
- For taxation matters	3	3
- For other services	1	1
- Reimbursement of out of pocket expenses	1	1
	20	29
Contribution to Multi Commodity Exchange Investor Protection Fund (IPF)	330	372
Contribution to investor service fund	330	353
Contribution to settlement gurantee fund	-	406
Net loss on foreign currency transactions and translations	14	-
Directors sitting fees	220	161
Office expenses	190	254
Miscellaneous expenses	107	113
Total	**3,606**	**4,757**

* Net of bad debts written off ₹ 110 lakh

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

₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent liabilities :		
Claims against the company not acknowledged as debts :		
- Income tax demands against which the company is in appeals (including interest upto date of order) (net of rectification orders)	14,952	11,677
- Others (excluding interest)	74	74
Capital commitments:		
The estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	4,385	871

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.

Notes forming part of the Standalone financial statements (contd...)

33. Taxation

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

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Current income tax	3667	3,505
Deferred tax	(370)	(278)
Minimum alternate tax (MAT) credit entitlement	360	(402)
Minimum alternate tax (MAT) credit utilised	499	182
Total income tax expense	**4,156**	**3,007**

₹ in Lakh (except as otherwise stated)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Reconciliation:		
Profit / (loss) before tax	22,938	23,859
Applicable tax rate	29.12%	29.12%
Computed expected tax expense	6,679	6,948
Add:		
Expenses disallowed	893	731
Income from other source	353	128
Less:		
IND AS impact (net)	553	(1,649)
Expenses allowed	(730)	(679)
Exempt income/other income offered seperately	(3,430)	(1,254)
Deduction under section 80G	-	(58)
Normal income tax liability	4,319	4,166
MAT-income tax liability	3,820	3,984
Excess provision for tax relating to prior year	(153)	(479)
Income tax expense per profit & loss account	**3,667**	**3,505**
Effective tax rate	**15.99%**	**14.69%**

Deferred tax relates to the following:

₹ in Lakh

Particulars	Balance Sheet	
	As at March 31, 2021	As at March 31, 2020
Expenses allowable on payment basis	155	132
Other items giving rise to temporary differences (including impact on fair value of investments)	87	(285)
Difference between WDV of property, plant and equipment as per books of accounts & income tax	(1,195)	(1,125)
Difference between WDV of right of use assets as per books of accounts & income tax	(41)	(135)

Notes forming part of the Standalone financial statements (contd...)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Lease liability	45	66
Minimum Alternate Tax (MAT) credit entitlement (refer note 43)	(859)	220
Minimum alternate tax (MAT) credit entitlement reversed	2,284	2,065
Deferred tax asset / (liability)	**475**	**938**

Reconciliation of deferred tax assets / (liabilities) net:

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance as on April 01, 2020	938	389
Tax income / (expense) during the period recognized in profit & loss account	366	295
Differences on other comprehensive income	31	35
Minimum alternate tax (MAT) credit entitlement	(859)	220
Closing balance	**475**	**938**

34. 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.

35. Foreign currency transactions

₹ in Lakh

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Expenditure in foreign currency		
- License fees	1,485	1,702
- Membership and subscription	23	57
- Professional charges	7	7
- Computer technology and communication expenses	61	53
- Legal expenses	1	-
- Software license fees expenses	24	6
- Loss from exchange rate fluctuation*	-	0
- Honorarium charges	-	3
- Bank charges	1	2
Earnings in foreign exchange		
- Data feed income	132	146

*0 represents ₹ 0.01 lakh in FY 2019-20

Notes forming part of the Standalone financial statements (contd...)

36. 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, 2021	March 31, 2020
Opening balance	225	99
Additions during year	-	174
Finance costs incurred during the year	19	16
Payment of lease laibilities	(91)	(64)
Closing balance	**153**	**225**

b. The carrying value of the right of use and depreciation charged during the year ₹ in Lakh

Particulars	March 31, 2021	March 31, 2020
Opening balance	220	99
Additions during year	-	174
Depreciation charged during the year	79	53
Closing balance	**141**	**220**

c. Amounts recognised in statement of profit or loss: ₹ in Lakh

Particulars	March 31, 2021	March 31, 2020
Depreciation on right of use asset	79	53
Finance costs incurred during the year	19	16
Rent expense	(91)	(64)
Total amounts recognised in profit or loss	**7**	**5**

d. Maturity analysis of lease liabilities ₹ in Lakh

Particulars	March 31, 2021	March 31, 2020
Maturity analysis of contractual undiscounted cash flows		
Less than one year	80	91
One to five years	89	158
More than five years	16	28
Total undiscounted lease liability	**185**	**276**
Non-current lease liability	85	153
Current lease liability	68	72
Total lease liability	**153**	**225**

37. 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, 2021	March 31, 2020
Weighted average shares outstanding - basic	5,09,02,818	5,08,83,335
Effect of dilutive securities on account of ESOP	-	3,693
Weighted average shares outstanding - diluted	5,09,02,818	5,08,87,028

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

Notes forming part of the Standalone financial statements (contd...)

₹ in Lakh, except EPS

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Earnings available to equity shareholders	18,782	20,852
Earnings available for equity shareholders for diluted earnings per share	18,782	20,852
Basic earnings per share	36.90	40.98
Diluted earnings per share	36.90	40.98

38. 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
Shareholders' directors	Mr. Amit Goela Mrs. Madhu Vadera Jayakumar (upto 14.10.2020) Mr. Hemang Raja @ Mr. Chengalath Jayaram Mrs. Padma Raghunathan* (upto 30.03.2021) *Sitting fees are paid directly to there nominee institutions
Independent directors	Mr. Saurabh Chandra Mr. Shankar Aggarwal Ms. Pravin Tripathi Mr. Basant Seth Mr. Bhartendu Kumar Gairola Dr. Deepali Pant Joshi

Notes forming part of the Standalone financial statements (contd...)

Nature of relationship	Name of related party
Key managerial personnel (KMP)	Mr. P.S. Reddy, MD & CEO
	Mr. Ajay Puri, Company Secretary
	Mr. Satyajeet Bolar##
	Others:
	Mr. Sanjay Golecha, Chief Regulatory Officer
	Mr. Pareshnath Paul, Chief Information Officer (upto 31.03.2021)
	Mr. Manav Jain Chief Technology Officer* (w.e.f 01.09.2020)
	Mr. Praveen Dalvani Ganapathi#
	Mr. Chittaranjan Rege#
	Mr. Himanshu Ashar#
	Mr. Sanjay Gakhar#
	Mrs. Neetu Juneja#
	Mr. Shivanshu Mehta#
	Mr. Arvind Sharma (upto 31.03.2021)
	Mr. Chandrakant Upadhyay#
	Mr. Sunil Kurup (upto 13.10.2020)
	Mr. Rishi Nathany#
	Mr. Pravin Gade##
	Mr. Radheshyam Yadav##
	Mrs. Ruchi Shukla (w.e.f. 20.10.2020)##
	Mr. Puneet Shadija (w.e.f. 08.02.2021)##
	Mr. Pradip Dey (w.e.f. 10.02.2021)##
	Mr. Sambit Patnaik (w.e.f. 01.03.2021)##
	Mr. Dhananjay Chandrashekar Rokde (w.e.f. 18.03.2021)##
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 (Mr.Shankar Aggrawal is a director in the company)
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, 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	Independent directors	Company in which director is interested and where transaction exists	KMPs	
Transactions								
Re-imbursements 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
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
Balances as at March 31, 2021								
Outstanding balance receivable / (payable)	(14)	-	-	-	-	-	-	(14)
Rent deposit	(61)	-	-	-	-	-	-	(61)

The details of transactions with related parties for the year ended March 31, 2020 are as follows:

₹ in Lakh

Particulars	As at March 31, 2020							Total
	Subsidiary	Associate	Others					
	MCX CCL	CDSL Commodity Repository Limited	MCX ESOP Trust	Shareholder's directors	Independent directors	Company in which director is interested and where transaction exists	KMPs	
Transactions								
Re-imbursements charged to the company*	0	-	-	-	5	-	13	18
MCX contibution towards SGF transfer	406	-	-	-	-	-	-	406
Recoveries charged by the company	67	-	6	-	-	-	-	73
Clearing & settlement fees	4,413	-	-	-	-	-	-	4,413
Annual subsription fees	1	-	-	-	-	-	-	1
Rent deposit	2	-	-	-	-	-	-	2
Rent income	240	-	-	-	-	-	-	240
IT and other infrastructure income	2,471	-	-	-	-	-	-	2,471
Status report-processing charges recovery	1	-	-	-	-	-	-	1
Membership transfer fees shared	1	-	-	-	-	-	-	1
Regulatory fees, transactions charges, fines & penalties and other collections by MCXCCL on behalf of MCX	1,25,048	-	-	-	-	-	-	1,25,048
Other deposits given for appointment of shareholder director	1	-	-	-	-	-	-	1
Sitting fees paid	-	-	-	54	107	-	-	161
Trustee sitting fees paid	-	-	-	-	1	-	-	1
Dividend paid	-	-	26	-	-	-	4	30
Plough back money to IPF for co-sponsorship fees Prime Database	-	-	-	-	-	19	-	19
Seminar expenses**	-	-	-	-	-	0	-	0

Notes forming part of the Standalone financial statements (contd...)

Balances as at March 31, 2020								
Outstanding balance receivable / (payable)	814	-	-	-	-	-	-	814
Rent deposit	(61)	-	-	-	-	-	-	(61)

*0 represents ₹ 0.09 lakh

**0 represents ₹ 0.38 lakh

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	**2020-21**	**2019-20**
Short-term employment benefits	1,113	1,479
Post-employment benefits	20	20

Transactions with key managerial personnel :

₹ in Lakh

Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
1. Salary and allowances paid/payable to KMPs*:		
Mr. P.S. Reddy	236	205
Mr. Mrugank Paranjape	-	30
Mr. Ajay Puri	85	71
Mr. Satyajeet Bolar	57	-
Mr. Sanjay Wadhwa	-	61
Others	736	1,112
2. Dividend paid to KMPs:		
Others	5	4

* Excludes gratuity and long term compensated absences which are actuarially valued at company level and where separate amounts are not identifiable.

Notes :

1. There are no amounts written off or written back during the year in respect of debts due from or to related parties.
2. KMPs as on the respective dates are considered.
3. Amount paid to Ex-employee who were erstwhile KMP's are not included above.

39. 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, 2021 and March 31, 2020.

₹ in Lakh

Particulars	**Year ended**	
	March 31, 2021	**March 31, 2020**
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	717	590
Interest cost	49	46
Current service cost	90	80
Liability transferred in/acquisitions	-	7
Liability transferred out/disinvestment	-	(2)
Benefits paid from the fund	(43)	(55)
Actuarial (gains)/losses on obligations - due to change in finanancial assumptions	2	77

Notes forming part of the Standalone financial statements (contd...)

Actuarial (gains)/losses on obligations - due to experience	(26)	(25)
Present value of benefit obligations at the end of the year	789	717
Change in plan assets		
Fair value of plan assets at the beginning of the year	592	437
Interest income	41	34
Assets transferred in/ acquisitions	-	7
Assets Transferred out/ disinvestment	-	(2)
Return on plan assets excluding interest income	(13)	(6)
Contributions by the employer	74	178
Benefits paid from the fund	(43)	(55)
Fair value of plan assets at the end of the year	651	592
Net (liability)/asset recognised in the balance sheet	(138)	(125)

Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the statement of profit and loss under employee benefits expenses.

₹ in Lakh

Recognized in profit and loss	**Year ended**	
	March 31, 2021	**March 31, 2020**
Current service cost	90	80
Net interest cost	9	12
Expenses recognized	99	92

Amount for the year ended March 31, 2021 and March 31, 2020 recognized in statement of other comprehensive income:

₹ in Lakh

Recognized in other comprehensive income	**Year ended**	
	March 31, 2021	**March 31, 2020**
Actuarial (gains) / losses on obligation for the year	(24)	52
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	13	6
Net (income)/expense for the year recognized in OCI	(11)	58

The weighted-average assumptions used to determine benefit obligations as at March 31, 2021 and March 31, 2020 are set out below:

Weighted average actuarial assumptions	**As at March 31, 2021**	**As at March 31, 2020**
Discount rate	6.87%	6.89%
Weighted average rate of increase in compensation levels	7.50%	7.50%
Weighted average duration of defined projected benefit obligation	15	15

₹ in Lakh

Sensitivity analysis	As at March 31, 2021	As at March 31, 2020
Projected benefit obligation on current assumptions	789	717
Delta effect of +1% change in rate of discounting	(89)	(84)
Delta effect of -1% change in rate of discounting	105	101
Delta effect of +1% change in rate of salary increase	103	99
Delta effect of -1% change in rate of salary increase	(89)	(85)
Delta effect of +1% change in rate of employee turnover	(6)	(6)
Delta effect of -1% change in rate of employee turnover	7	7

Notes forming part of the Standalone financial statements (contd...)

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 (2006-08).

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 ₹ 138 lakhs 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.

Maturity profile of projected benefit obligation: ₹ in Lakh

Projected benefits payable in future years from the date of reporting	March 31, 2021	March 31, 2020
Within 1 year	24	20
1-2 year	17	15
2-3 year	38	20
3-4 year	27	35
4-5 year	24	25
5-10 years	221	191
11 years and above	1,749	1,705

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 ₹ 216 Lakhs (previous year ₹ 217 Lakh) refer note 26.

₹ in Lakh

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Contribution to provident and family pension fund	214	214
Contribution to employees state insurance scheme (ESIC)*	-	0
Contribution to labour welfare fund#	0	0
Contribution to employees deposit linked insurance (EDLI)	2	2

*0 represents ₹ 0.001 lakh for FY 2019-20

#0 represents ₹ 0.012 lakh for FY 2020-21 and ₹ 0.12 lakh for FY 2019-20

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, 2021 based on acturial valuation carrried out by using projected accrual benefit method resulted in increase in liability by ₹ 47 lakh. (previous year - increased by ₹ 38 lakh).

a. Financial assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.87 % p.a.	6.89 % p.a.
Salary escalation rate	7.50 % p.a.	7.50 % p.a.

Notes forming part of the Standalone financial statements (contd...)

b. Demographic assumptions

Particulars	As at March 31, 2021	As at March 31, 2020
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 (2006-08) Ultimate	

40. 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	

Notes forming part of the Standalone financial statements (contd...)

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, 2021 is set out below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
2008 Plan: Employee stock options (ESOPs)				
Outstanding at the beginning of year	-	-	41,028	851.10
Granted during the year	-	-	-	-
Forfeited and lapsed during the year	-	-	6,140	851.10
Exercised during the year	-	-	34,888	851.10
Outstanding at the end of year	-	-	-	-
Exercisable at the end of year	-	-	-	-

Lapsed options available for reissuance are 95,551 (As at March 31, 2020: 95,551) shares.

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

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

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

Each option granted represents a right to the option grantee but not an obligation to apply for 1 fully paid up equity share of ₹ 10 each of the company at duly adjusted exercise price after consolidation of share and bonus issue i.e. ₹ 144 pursuant to the corporate action during the year ended March 31, 2011.

Notes forming part of the Standalone financial statements (contd...)

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	₹ 1282.75	₹ 855.70	₹ 516.50	₹ 851.10

41. 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, 2021 were as follows:

₹ in Lakh

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at amortized cost:				
Cash and cash equivalents (refer note 10)	241	241	381	381
Bank balances (refer note 11)	191	191	1,246	1,246
Bank deposits with original maturity of more than twelve months (refer note 5)	721	721	94	94
Unbilled revenue (refer note 13)	2,566	2,566	3,242	3,242
Trade receivables (refer note 9)	1,097	1,097	693	693
Loans (refer note 12)	5	5	20	20

Notes forming part of the Standalone financial statements (contd...)

Other financial assets (refer note 5 & 13)	3,322	3,322	3,329	3,329
Investment in PSU bank bonds (refer note 4)	16,140	16,140	13,608	13,608
Financial liabilities at amortized cost:				
Trade payables (refer note 19)	2,222	2,222	3,019	3,019
Other financial liabilities (refer note 18 & 20)	7,542	7,542	6,658	6,658
Fair value through profit or loss:				
Investments (refer note 4 & 8)				
Tax free bonds	29,417	29,417	27,818	27,818
Mutual funds	67,139	67,139	70,456	70,456
ETF bond	4,773	4,773	3,060	3,060
Fair value through OCI:				
Investments in unquoted equity shares of subsidiary	23,999	23,999	23,999	23,999
Investments in unquoted equity shares of other entities	1,797	1,797	1,931	1,931

Notes:-

1) Investment in equity instrument are not held for trading. The company has chosen to measure these at FVTOCI irrevocably as the management believes that presently fair value gains and/or losses relating to these investments in the statement of profit and loss may not be indicative of the performance of the company.

2) The fair value of mutual funds is based on quoted price. 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, 2021:

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020	Level	Hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Financial assets				
Investments in mutual funds (FVTPL)	67,139	70,456	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	27,818	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)*	25,796	25,929	3	Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
Investments in ETF (FVTPL)	4,773	3,060	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, 2021		As at March 31, 2020	
	₹ in Lakh	Amount in foreign currency	₹ in Lakh	Amount in foreign currency
Trade receivables				
In USD*	0	695	8	11,421
Trade Payables				
In USD	-	-	517	6,87,513
In GBP**	-	-	0	192

*0 represents ₹ 0.051 lakh

**0 represents ₹ 0.18 lakh in FY 2019-20

5. Sensitivity analysis

A change of 5% in foreign currency would have following impact on profit before tax

₹ in Lakh

Particulars	2020-21		2019-20	
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
	5% Increase	5% decrease	5% Increase	5% decrease
Trade receivables				
USD*	0	(0)	0	(0)
Trade Payables				
USD	-	-	26	(26)
GBP#	-	-	(0)	0

*0/(0) represents ₹ 0.003 lakh in FY 2020-21 and ₹ 0.38 lakh in FY 2019-20

#0/(0) represents ₹ 0.01 lakh in FY 2019-20

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 ₹ 1,186 lakhs and ₹ 879 lakhs as at March 31, 2021 and March 31, 2020 respectively and unbilled revenue amounting to ₹ 2,566 lakhs and ₹ 3,242 lakhs as at March 31, 2021 and March 31, 2020 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 March 31, 2021	As at March 31, 2020
Trade receivables		
Less than 6 months	695	733
More than 6 months	491	146
Total	**1,186**	**879**

Movement in provisions of doubtful debts ₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Opening provision	186	208
Add: Additional provision made	14	-
Less: Provision reversed	-	13
Less: Bad debt written off	110	9
Closing provision	**89**	**186**

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.

i. Financial arrangements

Following are the unutilized sanctioned bank overdraft limits as at the respective year end.

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Expiring within one year (bank overdraft)	-	-

Notes forming part of the Standalone financial statements (contd...)

ii. Maturity patterns of other Financial liabilities

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payable		
Less than 6 months	1,812	3,014
More than 6 months	410	5
Total	**2,222**	**3,019**

9. 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.

10. Regulatory risk

The company requires a number of regulatory approvals, licenses, registrations and permissions to operate our business For example, the company have licenses from SEBI in relation to, among others, introducing derivatives contracts on various commodities The company's operations are subject to continued review and the governing regulations changes. The company's regulatory team constantly monitors the compliance with these rules and regulations. The company's regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to the functioning of the company.

42. Corporate social responsibility

As per Section 135 of the companies Act 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

The CSR activities of the 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, 2021	Year ended March 31, 2020
Unspent amount pertaining to earlier years	269	-
Amount required to be spent as per Section 135 of the Act	288	273
Total	**557**	**273**
Amount spent during the year on:		
i. Construction / acquisition of an asset	-	-
ii. On purpose other than (i) above	143	333
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.	414	-
Total	**557**	**333**

43. 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

Notes forming part of the Standalone financial statements (contd...)

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 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 2020-21 ₹ 499 lakh has been utilised and short MAT credit utilisation relating to previous year of ₹ 360 lakh has been recognized.

44. During the previuos year, 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 on March 31, 2020 and the above amounts are shown under contingent liabilities.

45. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2020-21, to the extent the company has received intimation from the "Suppliers" regarding their status under the Act.

₹ in Lakh

Particulars	**As at**	
	March 31, 2021	**March 31, 2020**
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.	15	9
Interest due on above.	-	-
ii. Interest paid by the company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period.	-	-
iii. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv. The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises.	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Notes forming part of the Standalone financial statements (contd...)

46. 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, 2021	Amount outstanding at March 31, 2020	Maximum balance outstanding during the year March 31, 2021	Maximum balance outstanding during the year March 31, 2020
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.

47. Event occurring after balance sheet date

The Board of Directors has recommended equity dividend of ₹ 27.60 per share (previous year ₹ 30) for the financial year 2020-21.

₹ in Lakh, except equity shares

Particulars	As at March 31, 2021	As at March 31, 2020
Equity shares	5,09,98,369	5,09,98,369
Final dividend for the year ended March 31, 2021 of ₹ 27.60 (March 31, 2020 - ₹ 30/-) per fully paid share	14,076	15,300
Dividends not recognized at the end of the reporting period	14,076	15,300

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 ₹ 1,978 lakhs on the said project. On account of non- fulfillment of the scope of the project within the timelines and disputes arising between the parties, the Board constituted an empowered committee to evaluate the financial and technical aspects of the said system developed by the said vendors. Further, the company had requested the said vendor, for amicable resolution of dispute, to complete the project without any cost escalation and provide knowledge transfer to the company team for the amount paid thus far. Review by the company of the codebase of the trading platform developed by the vendor for the spot market indicated that the same has been developed on the design principles of extensibility, modularity and loose coupling. The codebase may be potentially used for the spot platform with additional enhancements. Hence, the company and the software vendor are in the final stages of reaching an amicable out of court resolution where by the company would be provided the rights to the trading software on the payment of the outstanding invoices. Accordingly the software vendor has extended the pause on the Singapore International Arbitration Centre (SIAC). Further the company is also exploring other third party readymade solutions for the spot platform.

49. The novel coronavirus (COVID-19) pandemic continues to spread across the globe including India. COVID-19 has taken its toll on not just human life, but business and financial markets too. With substantial increase in COVID-19 cases across different parts of country, government have introduced a various measures to contain the spread of virus, including lockdown and restrictions on movement of people and goods across different geographies. Certain establishment including commodities market intermediaries are permitted to operate and continue to remain exempted from restrictions. In case there is disruption in the functioning of commodity markets, the business of the company may be affected. The management has, at the time of approving the financial statements, 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.

Notes forming part of the Standalone financial statements (contd...)

50. 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).

51. 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.

52. Previous year figures have been regrouped/reclassified wherever necessary to conform to current year figures.

53. The Financial Statements were approved by the Audit Committee and Board of Directors on May 22, 2021.

For and on behalf of the Board of Directors

P.S.Reddy	**Saurabh Chandra**	**Shankar Aggarwal**
Managing Director & CEO	**Chairman**	**Director**
DIN : 01064530	DIN : 02726077	DIN : 02116442
Ajay Puri	**Satyajeet Bolar**	
Company Secretary	**Chief Financial Officer**	

Place: Mumbai/Delhi
Date: May 22, 2021

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 associate, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and 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 associate 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 associate as at March 31, 2021, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Legal, Regulatory and Taxation and matter:** Refer note 2.4., note 2.3.O. and note 32 of Consolidated Financial Statements. There are a number of legal, regulatory 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. For various 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.	**Principal Audit Procedures:** Holding Company's auditors used their specialists to gain an understanding of the current status of the cases and monitored changes in the disputes by reading external advice received by the Holding Company, where relevant, to establish that the provisions has been appropriately adjusted to reflect the latest external developments. For legal, regulatory and tax matters our procedures included the following: • Obtain list of legal, regulatory and tax cases against the Holding Company and gained understanding thereof. • testing key controls surrounding litigation, regulatory and tax procedures;

Sr. No.	Key Audit Matter	Auditor's Response
1.		• performing substantive procedures on the underlying calculations supporting the provisions recorded; • where relevant, considering external legal opinions obtained by the management on possible outcome of litigation; • meeting with the management and reading subsequent Companies correspondence; • discussing open matters with the Holding Companies litigation, regulatory, general counsel and tax teams; • assessing the Management's conclusions through understanding precedents set in similar cases; and • Circularization where appropriate of relevant third-party legal representatives and direct discussion with them regarding certain material cases. Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning at March 31, 2021 to be appropriate. We validated the completeness and appropriateness of the related disclosures through assessing that the disclosure of the uncertainties in note 32 of the Consolidated Financial Statements was sufficient.
2.	**Valuation of Investments and its impairment:** Quoted investments and unquoted investments of Holding Company represent the most significant amount on the balance sheet. The total of these investments aggregating to ₹ 1,44,464 Lakh represented 81% of total assets of the Company as at March 31, 2021	**Principal Audit Procedures:** Holding Company auditors audit procedures included the following: • We assessed the design and implementation of controls over valuation and existence of investments. • For the fair valuation models, we understood and assessed the methodology used. We tested the underlying data and assumptions used in the determination of the fair value. • We traced the quantity held from the independent confirmation provided by the Custodian and Fund houses. • We tested the valuation of the quoted and unquoted investments to independent pricing sources. We assessed and tested the management procedures for performing impairment analysis of investments, including likely impact of Covid-19 on value of investments.
3.	**Key Audit Matter of the Subsidiary** Computation of Core Settlement Guarantee Fund ("Core SGF"): Computation of 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.	**Principal Audit Procedures:** Audit procedures of subsidiary auditor, in respect of this area included: • Obtained an understanding of the regulatory framework to be complied by the subsidiary for the maintenance of Core SGF; • Understood, evaluated and validated the design of the process adopted by the subsidiary over the computation of Core SGF;

Sr. No.	Key Audit Matter	Auditor's Response
3.	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. Due to the level of judgement and complexity involved relating to computation of SGF, this is considered to be a key audit matter.	• Compared the computation method applied by the management with the computation method prescribed by the SEBI; • Tested the Core SGF computation under various scenarios keeping in view the assumption made by the management; and • Recomputed the stress test results on sample basis to check the Core SGF is recognised as on March 31, 2021.

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 associate 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 associate 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 associate 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 associate are responsible for assessing the ability of the Group and of its associate 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 associate is also responsible for overseeing the financial reporting process of the Group and of its associate.

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 associate 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 associate 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 associate 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 ₹ 97,573 lakh as at March 31, 2021, total revenues of ₹ 8,697 lakh and net cash outflows amounting to ₹ 37, 570 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 these 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 profit (and other comprehensive income) of ₹ 9 lakh for the year ended March 31, 2021, as considered in the Consolidated Financial Statements, in respect of an associate, whose Financial Statements have been audited by its independent auditors. The independent auditor's report on financial statements of this associate has been furnished to us by the management and our opinion on this Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, 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 associate, is based solely on the reports of such auditor. 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

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditor on separate financial statements of subsidiary and its associate 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, 2021 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, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and associate covered under the Act, and the operating effectiveness of such controls, refer to our separate report in **'ANNEXURE A'**.

(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 associate- Refer Note 32 to the Consolidated Financial Statements;

ii. The Group and its associate 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.

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

Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 21123088AAAACR5063

Place: Mumbai
Date: May 22, 2021

ANNEXURE A 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, 2021, 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 associate, 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 associate 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 associate, 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 associate 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, 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, 2021, 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 one associate, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

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

Vedula Prabhakar Sharma
Partner
Membership No.: 123088
UDIN: 21123088AAAACR5063

Place: Mumbai
Date: May 22, 2021

Consolidated Balance Sheet as at March 31,2021

₹ in Lakh

Particulars	Note No.	Consolidated	
		As at March 31, 2021	As at March 31, 2020
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	2A	13,952	14,128
(b) Capital work- in- progress	2B	119	50
(c) Right of use assets	2C	141	220
(d) Intangible assets	3A	1,845	1,486
(e) Intangible assets under development	3B	2,513	2,317
(f) Investment in associate	4	1,242	1,233
(g) Financial assets			
(i) Non-current investments in others	4	59,421	58,200
(ii) Other non-current financial assets	5	51,511	38,473
(h) Deferred tax assets (net)	34	476	939
(i) Income tax assets (net)	6	6,125	5,274
(j) Other non-current assets	7	73	862
Total non-current assets		**1,37,418**	**1,23,182**
(2) Current assets			
(a) Financial assets			
(i) Current investments	8	59,846	66,181
(ii) Trade receivables	9	896	646
(iii) Cash and cash equivalents	10	2,979	40,689
(iv) Bank balances other than cash and cash equivalents (iii) above	11	39,629	35,237
(v) Loans	12	5	22
(vi) Other current financial assets	13	7,104	6,410
(b) Other current assets	14	2,374	1,095
Total current assets		**1,12,833**	**1,50,280**
Total assets		**2,50,251**	**2,73,462**
Equity and liabilities			
(1) Equity			
(a) Equity share capital	15	5,100	5,100
(b) Other equity	16	1,36,723	1,30,838
Total equity		**1,41,823**	**1,35,938**
(2) Settlement guarantee fund	17	46,923	40,977
Liabilities			
(3) Non-current liabilities			
(a) Financial liabilities			
(i) Other non-current financial liabilities	18	5,540	5,278
(b) Non-current provisions	19	219	179
Total non-current liabilities		**5,759**	**5,457**
(4) Current liabilities			
(a) Financial liabilities			
(i) Trade payables		2,033	3,103
Total outstanding dues of micro enterprises and small enterprises	20	15	9
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	2,018	3,094
(ii) Other current financial liabilities	21	41,748	75,986
(b) Other current liabilities	22	10,857	10,679
(c) Current provisions	23	203	174
(d) Income tax liabilities (net)	24	905	1,148
Total current liabilities		**55,746**	**91,090**
Total liabilities		**1,08,428**	**1,37,524**
Total equity and liabilities		**2,50,251**	**2,73,462**
Significant accounting policies, key accounting estimates and judgements	1		
See accompanying notes to the consolidated financial statements			

As per our report of even date attached

For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number : 109574W
Vedula Prabhakar Sharma
Partner
Membership No. 123088

Place: Mumbai
Date: May 22, 2021

For and on behalf of the Board of Directors

P.S.Reddy
Managing Director & CEO
DIN : 01064530

Saurabh Chandra
Chairman
DIN : 02726077

Shankar Aggarwal
Director
DIN : 02116442

Ajay Puri
Company Secretary

Satyajeet Bolar
Chief Financial Officer

Place: Mumbai/Delhi
Date: May 22, 2021

Consolidated Statement of Profit and Loss for the year ended 31 March, 2021

₹ In Lakh, except EPS

	Particulars	Note No.	Consolidated	
			Year ended March 31, 2021	Year ended March 31, 2020
I	**Income**			
	Revenue from operations	25	39,056	39,784
	Other income	26	10,378	10,527
	Total income		**49,434**	**50,311**
II	**Expenses**			
	Employee benefits expense	27	7,516	7,733
	Finance costs	28	19	16
	Depreciation and amortization expense	2A, 2C, 3A	2,206	1,814
	Software support charges and product license fees	29	6,359	6,895
	Computer technolgy and communication expenses	30	2,108	2,059
	Other expenses	31	4,560	5,261
	Total expenses		**22,768**	**23,778**
III	**Profit before tax and share of profit of associate**		**26,666**	**26,533**
IV	**Add: Share of profit of associate**	42	**9**	**4**
V	**Profit before tax**		**26,675**	**26,537**
VI	**Tax expenses**			
	(1) Current tax	33	3,820	3,984
	(2) Minimum alternate tax (MAT) credit utilised	33	499	182
	(3) MAT credit entitlement relating to previous year	33	360	(402)
	(4) Excess provision for tax relating to previous years	33	(156)	(598)
	(5) Deferred tax	33	(370)	(279)
	Total tax expenses		**4,153**	**2,887**
VII	**Profit for the year**		**22,522**	**23,650**
VIII	**Other comprehensive income**			
	A) Items that will not be reclassified to profit or loss (net of tax)			
	i) Changes in fair value of equity instruments		(103)	(146)
	ii) Remeasurement of employee benefits obligations	39	9	(53)
	iii) Share of profit in associate#	42	0	(0)
IX	**Total comprehensive income for the year**		**22,428**	**23,451**
	Net Profit attributable to:			
	a) Owner of the Company		22,522	23,650
	b) Non-controlling Interest		-	-
	Other comprehensive income attributable to:			
	a) Owner of the Company		(94)	(199)
	b) Non-controlling Interest		-	-
	Total comprehensive income attributable to:			
	a) Owner of the Company		22,428	23,451
	b) Non-controlling Interest		-	-
X	**Earnings per equity share (of ₹ 10/- each)**			
	(1) Basic	37	44.25	46.48
	(2) Diluted	37	44.25	46.48
# 0 represents ₹ 0.17 Lakh (PY ₹ 0.01 Lakh)				
Significant accounting policies, key accounting estimates and judgements		1		

See accompanying notes to the Consolidated Financial Statements

As per our report of even date attached

For Shah Gupta & Co.
Chartered Accountants
Firm Registration Number : 109574W
Vedula Prabhakar Sharma
Partner
Membership No. 123088

Place: Mumbai
Date: May 22, 2021

For and on behalf of the Board of Directors

P.S.Reddy
Managing Director & CEO
DIN : 01064530

Saurabh Chandra
Chairman
DIN : 02726077

Shankar Aggarwal
Director
DIN : 02116442

Ajay Puri
Company Secretary

Satyajeet Bolar
Chief Financial Officer

Place: Mumbai/Delhi
Date: May 22, 2021

Consolidated Statement of Changes in Equity for the year ended 31 March, 2021

₹ In Lakh

Particulars	Equity share capital (A)	Other equity						Total other equity (B)
		Reserves and surplus			Other comprehensive income			
		Securities premium	Retained earnings	ESOP compensation reserve	General reserve	Other Comprehensive income	Share of profit in Associate	
Balance as at April 01,2019	**5,100**	**21,684**	**85,188**	**151**	**16,449**	**(3,486)**	**0**	**1,19,990**
Profit for the year	-	-	23,650	-	-	-	-	23,650
Transfer to settlement guarantee fund (Refer note 44)	-	-	(307)	-	-	-	-	(307)
Dividend	-	-	(10,200)	-	-	-	-	(10,200)
Dividend distribution tax	-	-	(2,097)	-	-	-	-	(2,097)
Equity instruments through other comprehensive income#	-	-	-	-	-	(146)	(0)	(146)
Reclassified to retained earning from ESOP reserve (refer note 40)	-	-	151	(151)		-	-	-
Re-measurement of employee benefits obligation and others	-	-	-	-	-	(53)		(53)
Balance as at March 31, 2020	**5,100**	**21,684**	**96,386**	**-**	**16,449**	**(3,685)**	**(0)**	**1,30,838**
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)
Re-measurement of employee benefits obligation and others	-	-		-	-	9	-	9
Balance as at March 31, 2021	**5,100**	**21,684**	**1,02,368**	**-**	**16,449**	**(3,779)**	**(0)**	**1,36,723**

0 represents (0.12) Lakh (PY (0.16) Lakh)

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 22, 2021

For and on behalf of the Board of Directors

P.S.Reddy
Managing Director & CEO
DIN : 01064530

Saurabh Chandra
Chairman
DIN : 02726077

Shankar Aggarwal
Director
DIN : 02116442

Ajay Puri
Company Secretary

Satyajeet Bolar
Chief Financial Officer

Place: Mumbai/Delhi
Date: May 22, 2021

Consolidated cash flow for the year ended 31 March, 2021 ₹ In Lakh

	Particulars	Year ended			
		March 31, 2021		March 31, 2020	
A	**Cash flow from operating activities**				
	Profit before tax		26,675		26,537
	Adjustments for:				
	Depreciation and amortisation expense	2,206		1,814	
	Finance costs	19		16	
	Dividend income	-		(63)	
	(Gain)/loss on sale of investments (net)	(8,718)		(2,119)	
	(Gain)/loss on fair valuation of investments (net)	1,931		(5,569)	
	Provision for doubtful trade receivables	26		50	
	(Gain)/Loss on fixed assets sold/scrapped (net)	-		(2)	
	Interest income	(3,058)		(4,488)	
	Share of profit of associate	(9)		(4)	
	Remeasurement of employee benefit	9	(7,594)	(53)	(10,419)
	Operating profit before working capital changes		**19,081**		**16,118**
	Adjustments for (increase) / decrease in:				
	Other non- current financial assets	(836)		(23,525)	
	Other non-current assets	788		(290)	
	Trade receivables	(276)		(95)	
	Loans	17		(1)	
	Other current financial assets	(651)		(830)	
	Other current assets	(1,280)		1,862	
	Adjustments for increase/ (decrease) in:				
	Other non-current financial liabilities	330		1,120	
	Non - current provisions	40		41	
	Trade payables	(1,070)		(220)	
	Other current financial liabilities	(34,712)		41,430	
	Other current liabilities	175		6,849	
	Current provisions	30	(37,445)	(7)	26,334
	Adjustment for increase/(decrease) in settlement guarantee fund (SGF)		**4,706**		**7,690**
	Cash generated/(used) from operations		**(13,659)**		**50,142**
	Income tax paid (net of refunds)		(4,785)		(5,227)
	Net cash generated/(used) from operating activities (A)		**(18,443)**		**44,915**

	Particulars	Year ended	
		March 31, 2021	March 31, 2020
B	**Cash flow from investing activities**		
	Capital expenditure on fixed assets including capital advances	(2,108)	(2,770)
	Proceeds from sale of fixed assets	-	32
	Proceeds/ (purchase) of non-current investments-others (net)	5,455	(3,494)
	Proceeds/(purchase) of current investments (net)	6,337	(7,945)
	Other bank balances	(16,581)	7,385
	Dividend received	-	63
	Interest received	3,019	4,009
	Net cash flow (used) from investing activities (B)	**(3,878)**	**(2,720)**
C	**Cash flow from financing activities**		
	Dividend paid (including tax thereon)	(15,300)	(12,296)
	Finance costs#	(3)	(0)
	Payment of lease liabilities (including interest)	(86)	(64)
	Government grants received	-	18
	Net cash flow (used) in financing activities (C)	**(15,389)**	**(12,342)**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(37,710)**	**29,853**
	Cash and cash equivalents at the beginning of the year	40,689	10,836
	Cash and cash equivalents at the end of the year (refer note 10)	**2,979**	**40,689**

0 represents (0.0001) Lakh

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 22, 2021

For and on behalf of the Board of Directors

P.S.Reddy
Managing Director & CEO
DIN : 01064530

Saurabh Chandra
Chairman
DIN : 02726077

Shankar Aggarwal
Director
DIN : 02116442

Ajay Puri
Company Secretary

Satyajeet Bolar
Chief Financial Officer

Place: Mumbai/Delhi
Date: May 22, 2021

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 associate for the year ended March 31, 2020. 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 Associate

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the group's share of net assets of the associate since the acquisition date. In addition, the group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the group and the associate are eliminated to the extent of the interest in the associate.

If group's share of losses of an associate exceeds its interest in that associate (which includes any long term interest that, in substance, form part of the group's net investment in the associate), the group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The financial statements of the associate are prepared for the same reporting period as the group. When necessary, adjustments are made to bring the accounting policies in line with those of the group.

Upon loss of significant influence over the associate, the group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in 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.

B. Intangible assets

Notes forming part of the Consolidated financial statements (contd...)

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

Notes forming part of the Consolidated financial statements (contd...)

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.

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

Notes forming part of the Consolidated financial statements (contd...)

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 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 readAfter the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liabilities has been presented under the head "Other financial liabilities". Lease liabilities has been presented under the head "Other financial liabilities".

Lease payments included in the measurement of the lease liability comprise the amounts expected to be payable over the period of lease. The lease liability is measured at amortized cost using effective interest rate method. It is remeasured when there is a change in future lease payments arising from change in the index or rate.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments (including interest) have been classified as 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.

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

Notes forming part of the Consolidated financial statements (contd...)

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.

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.

Notes forming part of the Consolidated financial statements (contd...)

Fair value measurement of financial instruments

When the fair values of financials 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 novel coronavirus (COVID-19) pandemic continues to spread across the globe including India. COVID-19 has taken its toll on not just human life, but business and financial markets too. With substantial increase in COVID-19 cases across different parts of country, government have introduced a various measures to contain the spread of virus, including lockdown and restrictions on movement of people and goods across different geographies.

Certain establishment including commodities market intermediaries are permitted to operate and continue to remain exempted from restrictions. In case there is disruption in the functioning of commodity markets, the business of the company may be affected.

The management has, at the time of approving the financial statements, 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 company and the carrying value of its assets and liabilities is minimal.

2.5 Applicability of new Indian Accounting Standards ('Ind AS'), amendments and interpretations:

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2020, has notified the following major amendments, which became applicable with effect from 1st April, 2020.

Amendments to Ind AS 103- Business combinations

The Company has adopted the amendments to Ind AS 103 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1st April, 2020.

The adoption of these amendments has not had any impact on the disclosures or reported amounts in these financial statements.

Amendments to Ind AS 116 – Leases

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief, subject to certain conditios, to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The adoption of these amendments has not had any impact on the disclosures or reported amounts in these financial statements.

Notes forming part of the Consolidated financial statements (contd...)

Amendment to Ind AS 109 and Ind AS 107 – Interest Rate Benchmark Reform

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The adoption of these amendments has not had any impact on the disclosures or reported amounts in these financial statements.

Amendment to Ind AS 1 and Ind AS 8 – Definition of "Material"

The Comapny has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of these amendments did not have any material impact on its evaluation of materiality in relation to the consolidated financial statements.

2.6 Recent accounting pronouncements which are not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

2.7 Amendment to Schedule III of the Companies Act, 2013:

On 24th March, 2021, MCA through a notification, amended Schedule III of the Companies Act, 2013, with effect from 1st April, 2021. Key amendments relevant for the Company are:

a. Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

b. Current maturities of long-term borrowings should be disclosed separately within borrowings instead of earlier disclosure requirement under Other Financial Liabilities.

c. Certain additional disclosures in the statement of changes in equity due to prior period errors and restated balances at the beginning of the current reporting period.

d. Specified format for disclosure of shareholding of promoters.

e. Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.

f. Additional disclosures relating to Corporate Social Responsibility, undisclosed income and crypto or virtual currency.

g. Disclosure of specified ratios along with explanation for items included in numerator and denominator and explanation for change in any ratio is excess of 25% compared to preceding year.

h. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

i. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel and related parties and details of benami property held.

The Company is evaluating the impact of these amendments.

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
Gross carrying amount							
Balance as at April 01, 2019	**5,061**	**6,268**	**5,986**	**45**	**570**	**147**	**18,076**
Additions	-	-	1,115	-	3	44	1,162
Disposals	-	-	1	11	-	76	77
Balance as at March 31, 2020	**5,061**	**6,268**	**7,100**	**45**	**572**	**115**	**19,150**
Additions	-	-	1,098	-	-	37	1,135
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2021	**5,061**	**6,268**	**8,198**	**45**	**572**	**152**	**20,285**
Accumulated Depreciation							
Balance as at April 01, 2019	**-**	**425**	**3,121**	**40**	**283**	**67**	**3,936**
Additions	-	115	962	2	38	27	1,143
Disposals	-	-	1	11	-	46	47
Balance as at March 31, 2020	**-**	**540**	**4,082**	**42**	**321**	**48**	**5,021**
Additions	-	115	1,135	1	37	25	1,313
Disposals	-	-	-	-	-	-	-
Balance as at March 31, 2021	**-**	**655**	**5,217**	**43**	**358**	**73**	**6,334**
Net carrying amount							
Balance as at March 31, 2020	**5,061**	**5,728**	**3,018**	**3**	**252**	**67**	**14,128**
Balance as at March 31, 2021	**5,061**	**5,613**	**2,981**	**2**	**214**	**80**	**13,952**

2B. Capital work-in-progress

Balance as at March 31, 2020	**-**	**-**	**50**	**-**	**-**	**-**	**50**
Additions	-	-	119	-	-	-	119
Capitalised during the year	-	-	50	-	-	-	50
Balance as at March 31, 2021	**-**	**-**	**119**	**-**	**-**	**-**	**119**

2C. Right of use asset

₹ in Lakh

Particulars	Lease of office premises	Total
Balance as at April 01, 2019	**99**	**99**
Additions	174	174
Disposals	-	-
Balance as at March 31, 2020	**273**	**273**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	**273**	**273**
Accumulated depreciation		
Balance as at April 01, 2019	**-**	**-**
Additions	53	53
Disposals	-	-
Balance as at March 31, 2020	**53**	**53**

Notes forming part of the Consolidated financial statements (contd...)

Particulars	Lease of office premises	Total
Additions	79	79
Disposals	-	-
Balance as at March 31, 2021	**132**	**132**
Net carrying amount		
Balance as at March 31, 2020	**220**	**220**
Balance as at March 31, 2021	**141**	**141**

3A. Intangible assets **₹ in Lakh**

Particulars	Computer software	Trademark and copyright	Total
Gross carrying amount			
Balance as at April 01, 2019	**5,165**	**-**	**5,165**
Additions	443	-	443
Disposals	-	-	-
Balance as at March 31, 2020	**5,609**	**-**	**5,609**
Additions	1,165	9	1,173
Disposals	**-**	-	
Balance as at March 31, 2021	**6,773**	**9**	**6,782**
Accumulated depreciation			
Balance as at April 01, 2019	**3,507**	**-**	**3,507**
Additions	616	-	616
Disposals	-	-	-
Balance as at March 31, 2020	**4,124**	**-**	**4,124**
Additions*	813	0	813
Disposals	**-**	-	
Balance as at March 31, 2021	**4,936**	**0**	**4,936**
Net carrying amount			
Balance as at March 31, 2020	**1,486**	**-**	**1,486**
Balance as at March 31, 2021	**1,837**	**8**	**1,845**

* 0 represents ₹ 0.38 Lakh

3B.Intangible assets under development		-	
Balance as at March 31, 2020	**2,317**	**-**	**2,317**
Additions	593	-	593
Capitalised during the year	396	-	396
Balance as at March 31, 2021 (refer note 48)	**2,513**	-	**2,513**

Notes forming part of the Consolidated financial statements (contd...)

4. Non-current investments

Particulars	Face value	As at March 31,2021		As at March 31,2020	
	Per share	No. of shares	₹ in Lakh	No. of shares	₹ in Lakh
A Investments in equity instruments (unquoted fully paid up):					
(i) of Associate - Cost					
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)			42		33
			1,242		**1,233**
B Investment in mutual funds - FVTPL (listed but not quoted)	**Per unit**	**Units**	**₹ in Lakh**	**Units**	**₹ in Lakh**
Aditya Birla Sun Life Fixed Term Plan - Series RA	₹ 10	-	-	50,00,000	578
Aditya Birla Sun Life Fixed Term Plan - Series RC	₹ 10	80,00,000	1,005	80,00,000	933
Aditya Birla Sun Life Fixed Term Plan Series PU Direct Growth	₹ 10	50,00,000	654	50,00,000	601
HDFC Fixed Maturity Plan Oct 2018 (43) 1 Direct Growth	₹ 10	70,00,000	888	70,00,000	819
HDFC Fixed Maturity Plan Sept 2018 (42) -1-1115 Direct Growth	₹ 10	-	-	50,00,000	584
HDFC Fixed Maturity Plan Sept 2018 (42) -1-1381 Direct Growth	₹ 10	80,00,000	1,029	80,00,000	947
ICICI Pru FMP Series 84 1293 days -Direct Growth	₹ 10	1,00,00,000	1,279	1,00,00,000	1,179
Invesco India Fixed Maturity Plan Series XXXII Direct Growth	₹ 10	-	-	50,00,000	587
Kotak FMP Series 245 - 1140 days - Direct Growth	₹ 10	-	-	80,00,000	928
Kotak FMP Series 247 - 1308 days - Direct Growth	₹ 10	1,00,00,000	1,283	1,00,00,000	1,177
Nippon India FHF 38 Series 6 FMP - Direct Growth	₹ 10	-	-	50,00,000	575
Nippon India FHF 39 Series 4 FMP - Direct Growth	₹ 10	70,00,000	904	70,00,000	829
Nippon India FHF 39 Series 6 FMP - Direct Growth	₹ 10	80,00,000	1,029	80,00,000	944
Nippon India FHF 39 Series 9 FMP - Direct Growth	₹ 10	80,00,000	1,019	80,00,000	936
SBI Magnum DFS C - 26 -1125 Days Direct Growth	₹ 10	-	-	1,00,00,000	1,164
UTI Fixed Term Income Fund Series XXX Plan 5	₹ 10	-	-	80,00,000	934
			9,090		**13,715**
C Investment in tax fee bonds - FVTPL (quoted)	**Per unit**	**Units**	**₹ in Lakh**	**Units**	**₹ in Lakh**
7.19% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 31 July 2025)	₹ 10,00,000	400	4,439	400	4,259
7.11% National High Authority of India Tax free bonds (Maturity Date 18 September 2025)	₹ 10,00,000	500	5,564	500	5,313
7.07% Housing and Urban Development Corporation Ltd.Tax free bonds (Maturity Date 01 October 2025)	₹ 10,00,000	440	4,880	440	4,663
7.11% NTPC Ltd.Tax free bonds (Maturity Date 05 October 2025)	₹ 1,000	62,457	694	62,457	664
7.11% Power Housing Finance Corporation Ltd. Tax free bonds (Maturity Date 17 October 2025)	₹ 1,000	25,670	285	25,670	273
7.35% National High Authority of India Tax free bonds (Maturity Date 11 January 2031)	₹ 1,000	1,08,849	1,332	1,08,849	1,226

Notes forming part of the Consolidated financial statements (contd...)

	7.49% Indain Renewable Energy Development Agency Ltd. Tax free bonds (Maturity Date 21 January 2031)	₹ 1,000	1,36,241	1,576	1,36,241	1,544
	7.39% Housing and Urban Development Corporation Ltd.Tax free bonds (Maturity Date 15 March 2031)	₹ 1,000	1,30,244	1,595	1,30,244	1,471
	7.35% Indian Railway Finance Corporation Ltd. Tax free bonds (Maturity Date 22 March 2031)	₹ 1,000	1,50,000	1,831	1,50,000	1,691
	7.35% National Bank For Agriculture And Rural Development Tax free bonds (Maturity Date 23 March 2031)	₹ 1,000	4,95,649	6,050	4,95,649	5,597
	7.38% India Infrastructure Finance Company Ltd. Tax free bonds (Maturity Date 15 Nov 2027)	₹ 10,00,000	50	578	50	548
	8.20% Housing And Urban Development Corporation Ltd. Tax free bonds (Maturity Date 05 March 2027)	₹ 1,000	50,000	593	50,000	569
				29,417		**27,818**
D	**Investment in PSU bank bonds - amortised cost (quoted)**	**Per unit**	**Units**	**₹ in Lakh**	**Units**	**₹ in Lakh**
	Bank of Baroda 9.14% (Perpetual Series VII Basel III Tier I) C 22-Mar-2022	₹ 10,00,000	50	500	50	500
	Bank of Baroda 8.60% (Perpetual Basel III Tier I ATI Series VIII) C 01-Aug-2022	₹ 10,00,000	150	1,501	150	1,502
	State Bank Of India Perp AT 1 8.75% (Series 1) 30-Aug-24 (CALL)	₹ 10,00,000	200	2,035	150	1,515
	Bank of Baroda 8.70% (Perpetual Basel III Tier I ATI Series X) C 28-Nov-2024	₹ 10,00,000	450	4,505	450	4,508
	SBI 8.50% Series II Perpetual AT1 Bonds Basel- III 22-Nov-2024 (Call)	₹ 10,00,000	550	5,564	550	5,583
	SBI 7.73% Series II Perpetual AT1 Bonds Basel- III 24-Nov-2025 (Call)	₹ 10,00,000	200	2,035	-	-
				16,140		**13,608**
E	**Investment in ETF bonds - FVTPL (quoted)**	**Per unit**	**Units**	**₹ in Lakh**	**Units**	**₹ in Lakh**
	BHARAT Bond FOF - April 2023 - Dir - Growth	₹ 1,000	3,00,000	3,351	3,00,000	3,060
	Nippon India ETF Nifty CPSE Bond Plus SDL - 2024 Maturity	₹ 100	13,80,000	1,422	-	-
				4,773		**3,060**
	Total			**60,663**		**59,435**
	Aggregate amount of listed and quoted investments at fair value			50,330		44,486
	Aggregate amount of listed and quoted investments at cost			46,946		42,958
	Aggregate amount of listed but not quoted investments at fair value			9,090		13,715
	Aggregate amount of listed but not quoted investments at cost			7,100		11,700
	Aggregate amount of unquoted investments at fair value			1,242		1,233
	Aggregate amount of unquoted investments at cost			1,242		1,233

Notes forming part of the Consolidated financial statements (contd...)

5. Other non-current financial assets

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good:		
Security deposits	1,052	1,068
Bank deposits with more than 12 months maturity (refer note 11)*	48,234	36,029
Interest accrued but not due on fixed deposits**	2,225	1,376
Total	**51,511**	**38,473**

*Bank deposits include:

Deposits which are earmarked for settlement guarantee fund ₹ 26,615 lakh (as at March 31 2020 : ₹ 23,162 lakh)

**Interest accrued on fixed deposits which are earmarked for settlement guarantee fund ₹ 1532 lakh (as at March 31 2020 : ₹ 973 lakh)

6. Income tax assets (net)

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax [net of provisions ₹ 75,686 lakh (as at March 31, 2020 ₹ 76,928 lakh)	6,125	5,274
Total	**6,125**	**5,274**

7. Other non-current assets

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Advances other than capital advance		
Advance for supply of services	-	727
Others		
Prepaid expenses	73	135
Total	**73**	**862**

8. Current investments

	Particulars	Face value	As at March 31,2021		As at March 31,2020	
A	**Investments in equity instruments (unquoted fully paid up):**	**Per share**	**No. of shares**	**₹ in Lakh**	**No. of shares**	**₹ in Lakh**
	of other entities - FVTOCI					
	Metropolitan Clearing corporation of India Limited (formerly known as MCX SX Clearing Corporation Limited)	₹ 10	27,58,941	238	27,58,941	239
	Metropolitan Stock Exchange of India Limited (formerly known as MCX Stock Exchange Limited)	₹ 1	33,17,77,008	1,559	33,17,77,008	1,692
				1,797		**1,931**
B	**Investment in mutual funds - FVTPL**	**Per unit**	**Units**	**₹ in Lakh**	**Units**	**₹ in Lakh**
	Listed but not quoted					
	Aditya Birla Sunlife FMP Series OG 1146 days - Direct Growth	₹ 10	-	-	60,00,000	744
	Aditya Birla Sunlife FMP Series OI- Direct Growth	₹ 10	-	-	50,00,000	622
	Aditya Birla Sun Life Fixed Term Plan - Series RA	₹ 10	50,00,000	613	-	-

Notes forming part of the Consolidated financial statements (contd...)

DSP FMP Series 204 37M - Direct Growth	₹ 10	-	-	1,00,00,000	1,239
HDFC Fixed Maturity Plan Sept 2018 (42) -1-1115 Direct Growth	₹ 10	50,00,000	626	-	-
ICICI Pru FMP Series 80 Growth Plan G - Direct Growth	₹ 10	-	-	1,00,00,000	1,240
ICICI Pru FMP Series 80 plan J -Direct Growth	₹ 10	-	-	1,00,00,000	1,248
Invesco India Fixed Maturity Plan Series XXXII Direct Growth	₹ 10	50,00,000	630	-	-
Kotak FMP Series 200 - 1158 days - Direct Growth	₹ 10	-	-	1,00,00,000	1,242
Kotak FMP Series 245 - 1140 days - Direct Growth	₹ 10	80,00,000	994	-	-
Nippon India FHF XXXIII Series 1 FMP - Direct Growth	₹ 10	-	-	60,00,000	752
Nippon India FHF XXXIII Series 4 FMP - Direct Growth	₹ 10	-	-	50,00,000	626
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 FFTIF Series XXVI - VI - Direct Growth	₹ 10	-	-	50,00,000	621
UTI Fixed Term Income Fund Series XXX Plan 5	₹ 10	80,00,000	1,003	-	-
Unquoted					
Aditya Birla Sun Life Liquid Fund - Direct - Growth*	₹ 100	-	-	19,468	62
Aditya Birla Sun Life Overnight Fund - Direct - Growth	₹ 10	-	-	4,62,865	5,000
Axis Short Term Fund Direct Growth	₹ 10	-	-	52,36,370	1,224
Axis Liquid Fund Direct Growth	₹ 1,000	-	-	1,68,484	3,714
Axis Liquid Fund Direct Growth*	₹ 1,000	-	-	2,297	51
Axis Banking & PSU Debt Fund Direct Growth	₹ 1,000	60,260	1,264	60,260	1,170
Axis Money Market Fund - Direct - Growth	₹ 1,000	90,424	1,001	-	-
DSP Liquidity Fund Direct Growth	₹ 1,000	71,739	2,110	12,077	343
DSP Overnight Fund Direct Growth	₹ 1,000	-	-	1,40,415	1,501
DSP Short Term Fund - Direct - Growth	₹ 10	-	-	51,09,777	1,836
DSP Ultra Short Fund - Direct - Growth	₹ 1,000	35,084	1,002	-	-
HDFC Low Duration Fund Direct Growth	₹ 10	33,57,861	1,598	33,57,861	1,484
HDFC Short Term Debt Fund Direct Growth	₹ 10	50,21,996	1,253	50,21,996	1,149
ICICI Prudential Bond Fund Direct Growth	₹ 10	-	-	2,59,86,965	7,666
ICICI Prudential Short Term Direct Growth	₹ 10	-	-	26,15,792	1,161
ICICI Prudential Money Market Fund Direct Growth	₹ 100	3,05,077	901	-	-
ICICI Pru Banking & PSU Debt Fund Direct Growth	₹ 1,000	51,95,885	1,331	51,95,885	1,228
ICICI Prudential Corporate Bond Fund - Direct - Growth	₹ 10	42,75,538	1,005	-	-
ICICI Prudential Savings Fund - Direct - Growth	₹ 100	4,76,727	2,001	-	-
ICICI Prudential Liquid - Direct- Growth *	₹ 100	10,048	31	-	-
IDFC Corporate Bond Fund Direct Growth	₹ 10	-	-	5,44,90,469	7,608
IDFC Banking & PSU Debt Fund - Direct - Growth	₹ 10	52,81,993	1,032	-	-
IDFC Ultra Short Term Fund - Direct - Growth	₹ 10	83,63,094	1,001	-	-
Invesco India Corporate Bond Fund - Direct - Growth	₹ 1,000	39,481	1,032	-	-
Invesco India Money Market Fund - Direct - Growth	₹ 1,000	40,954	1,001	-	-

Notes forming part of the Consolidated financial statements (contd...)

Invesco India Short Term Fund - Direct - Growth	₹ 1,000	33,095	1,002	21,334	600
Invesco India Ultra Short Term Fund - Direct - Growth	₹ 1,000	67,580	1,502	-	-
Kotak Bond Short Term Plan - Direct - Growth	₹ 10	-	-	90,82,190	3,643
Kotak Banking and PSU Debt Fund - Direct - Growth	₹ 10	39,27,851	2,024	39,27,851	1,871
Kotak Bond Fund - Direct - Growth	₹ 10	15,20,094	984	-	-
Kotak Corporate Bond Fund - Direct - Growth	₹ 1,000	89,285	2,665	89,285	2,465
Kotak Floating Rate Fund - Direct - Growth	₹ 1,000	86,247	998	-	-
Kotak Money Market Scheme - Direct - Growth	₹ 1,000	28,730	1,001	-	-
Kotak Savings Fund - Direct - Growth	₹ 10	43,31,451	1,502	-	-
Kotak Dynamic Bond Fund Direct Growth	₹ 10	-	-	90,80,288	2,551
L&T Liquid Fund Direct Growth	₹ 1,000	-	-	1,16,288	3,165
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	23,22,638	1,284
L&T Ultra Short Term Fund - Direct - Growth	₹ 10	42,78,886	1,502	-	-
Nippon India Banking & PSU Debt Fund Direct Growth	₹ 10	1,40,55,549	2,308	1,40,55,549	2,120
Nippon India Floating Rate Fund Direct Growth	₹ 10	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	20	-	-
Nippon India Overnight Fund Direct Growth	₹ 100	-	-	7,37,586	791
Nippon India Low Duration Fund - Direct - Growth	₹ 1,000	66,362	2,004	-	-
SBI Magnum Ultra Short Duration Fund - Direct - Growth	₹ 1,000	31,830	1,502	-	-
SBI Savings Fund - Direct - Growth	₹ 10	29,27,168	1,001	-	-
SBI Short Term Debt Fund - Direct - Growth	₹ 10	39,40,861	1,026	-	-
Tata Liquid Fund Direct Growth	₹ 1,000	68,337	2,219	59,338	1,858
Tata Money Market Fund - Direct - Growth	₹ 1,000	27,288	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	11,405	371
			58,049		**64,250**
Total			**59,846**		**66,181**

* Earmarked towards the investor service fund - aggregrate value ₹ 85 lakh (as at 31 March 2020 : ₹ 484 lakh)

Aggregate amount of listed but not quoted investments at fair value	5,748	8,334
Aggregate amount of listed but not quoted investments at cost	4,600	6,700
Aggregate amount of not listed not quoted investments at fair value	52,301	55,917
Aggregate amount of not listed not quoted investments at cost	49,088	47,962
Aggregate amount of unquoted investments at fair value	1,797	1,931
Aggregate amount of unquoted investments at cost	6,713	6,713

Notes forming part of the Consolidated financial statements (contd...)

9. Trade receivables

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Secured, considered good *	487	122
Unsecured, considered good	409	524
Doubtful	89	186
	985	832
Less: Allowance for doubtful trade receivables	(89)	(186)
Total	**896**	**646**

* secured by bank guarantees / fixed deposit from members.

10. Cash and cash equivalents

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- in current accounts*	2,979	40,688
- in current accounts (earmarked)**	-	1
Total	**2,979**	**40,689**

*Includes balance ₹ 1 lakh (₹ 11 lakh as on March 31,2020) 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, 2021	As at March 31, 2020
Bank deposits *	87,782	71,200
Less :Bank deposits with more than 12 months maturity	(48,234)	(36,029)
Bank deposits with less than 12 months maturity	39,548	35,171
In earmarked accounts		
- unpaid dividend accounts	79	64
- other earmarked accounts	2	2
Total	**39,629**	**35,237**

*Bank deposits include:

a. Deposits which are earmarked for settlement guarantee fund ₹ 16,758 lakh (as at March 31 2020: ₹ 15,809 lakh).

b. Deposits other than note (a) which are under lien with banks for overdraft facilities and bank guarantee ₹ 11,543 lakh (as at March 31, 2020: ₹ 9,682 lakh).

12. Loans

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Loans and advances to employees	5	22
Total	**5**	**22**

Notes forming part of the Consolidated financial statements (contd...)

13. Other current financial assets

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Secured, considered good		
Security deposits	12	-
Unbilled revenue*	2,686	3,653
Unsecured, considered good		
Other receivables	112	70
Less: Provision for doubful receivables	(13)	-
	99	70
Interest accrued but not due on fixed deposits**	2,732	1,200
Interest accrued but not due on tax free bonds	1,575	1,487
Total	**7,104**	**6,410**

* secured by bank guarantees / fixed deposit from members.

**Includes interest of ₹ 1,480 lakh (as at March, 2020 : ₹ 1,143 lakh) on fixed deposits which are earmaked for settlement guarantee fund.

14. Other current assets

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
a) Unsecured, considered good (unless stated otherwise)		
Prepaid expenses	1,222	486
Balance with government authorities	445	140
Advances for supply of services other than capital advances	683	452
Other advances	24	17
	2,374	1,095
(b) Unsecured, considered doubtful		
Other recoverable	282	282
Less : Provision for doubtful advance	(282)	(282)
Total	**2,374**	**1,095**

Notes forming part of the Consolidated financial statements (contd...)

15. Equity share capital

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	₹ in Lakh	Number of shares	₹ in Lakh
Authorized				
Equity shares of ₹ 10/- each	7,00,00,000	7,000	7,00,00,000	7,000
Issued				
Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
Subscribed and paid-Up				
Equity shares of ₹ 10/- each	5,09,98,369	5,100	5,09,98,369	5,100
	5,09,98,369	**5,100**	**5,09,98,369**	**5,100**

a. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year :

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	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	-	-	-	-
Closing balance at the end of the year	**5,09,98,369**	**5,100**	**5,09,98,369**	**5,100**

b. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the proportion of equity shares held.

c. Details of shares held by each shareholder holding more than 5% Shares:

Name of shareholders	As at 31 March, 2021		As at 31 March, 2020	
	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 40 on ESOP.

Notes forming part of the Consolidated financial statements (contd...)

Note 16 : Other equity

₹ in Lakh

	Reserves and surplus				Other comprehensive income		Total other equity
	Securities premium	Retained earnings	ESOP compensation reserve	General reserve	Other comprehensive income	Share of profit in Associate	
Balance as at April 01,2019	**21,684**	**85,188**	**151**	**16,449**	**(3,486)**	**0**	**1,19,990**
Profit for the year	-	23,650	-	-	-	-	23,650
Transfer to settlement guarantee fund (refer note 44)	-	(307)	-	-	-	-	(307)
Dividend	-	(10,200)	-	-	-	-	(10,200)
Dividend distribution tax	-	(2,097)	-	-	-	-	(2,097)
Equity instruments through other comprehensive income#	-	-	-	-	(146)	(0)	(146)
Reclassified to retained earning from ESOP reserve (refer note 40)	-	151	(151)		-	-	-
Re-measurement of employee benefits obligation and others	-	-	-	-	(53)		(53)
Balance as at March 31, 2020	**21,684**	**96,386**	**-**	**16,449**	**(3,685)**	**(0)**	**1,30,838**
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)
Re-measurement of employee benefits obligation and others	-		-	-	9	-	9
Balance as at March 31, 2021	**21,684**	**1,02,369**	**-**	**16,449**	**(3,779)**	**(0)**	**1,36,723**

0 represents (0.12) Lakh (PY (0.16) Lakh)

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 compensationreserve – refer note 40

17. Settlement guarantee fund (SGF)

₹ In Lakh

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Opening balance (cash component)	40,977	32,980
Add: Exchange -MCX contribution to core SGF during the year	616	1,003
Add/(less): CCL contribution to core SGF during the year	2973	1,991
Add: Settlement related penalties	1,844	4,743
Add: Income from earmarked investments	513	260
Total	**46,923**	**40,977**

Notes forming part of the Consolidated financial statements (contd...)

18 Other non-current financial liabilities ₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Trade / security deposits from		
- Members*	5,041	4,442
Employee benefits payable	414	683
Lease liability	85	153
Total	**5,540**	**5,278**

*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, 2021 ₹ 5,700 lakh on March 31, 2020 is ₹.6,127 lakh.

19. Non current provisions ₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for compensated absences (refer note 39)	219	179
Total	**219**	**179**

20. Trade payables ₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	15	9
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,018	3,094
Total	**2,033**	**3,103**

21. Other current financial liabilities ₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Advance received from members and applicants towards		
- Trading margin from members	35,211	69,699
- Member's security deposits	2,671	2,886
- Application money (pending admission)	48	48
Lease liability	68	72
Employee benefits payable	940	873
SEBI regulatory fund	6	6
Payable to employees	14	20
Unclaimed dividends *	78	64
Members obligation for transaction fees and warehouse deposits others	98	374
Trade / Security deposits from settlement bankers	1,900	1,900
Payable for purchase of fixed assets	507	44
Security deposits from depository participants	207	-
Total	**41,748**	**75,986**

* 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...)

22. Other current liabilities

₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory remittances	7,744	8,113
Payable to Multi Commodity Exchange Investor Protection Fund (IPF)	602	484
Investor services fund (ISF)#	846	578
Payable to settlement guarantee fund	21	29
Networking equipment deposits *	0	2
Advance received from members and applicants	274	1,363
Other advances	1,299	-
Income received in advance	71	110
Total	**10,857**	**10,679**

* 0 represents ₹ 0.30 lakh

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 ₹ 330 lakh and utilized ₹ 89 Lakh (previous year ended March 31,2020 ₹ 353 lakh and ₹ 134 lakh respectively)

23. Current provisions

₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for compensated absences (refer note 39)	44	28
Provision for gratuity (refer note 39)	159	146
Total	**203**	**174**

24. Income tax liabilities (net)

₹ In Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for tax [net of advance tax ₹ 2,916 lakh (as on March 31, 2018 ₹ 2,836 lakh)	905	1,148
Total	**905**	**1,148**

25. Revenue from operations

₹ in Lakh

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of services		
Transaction fees	32,821	35,303
Annual subscription fees	285	312
Membership admission fees	203	280
Terminal charges	26	40
	33,335	35,935

Notes forming part of the Consolidated financial statements (contd...)

₹ in Lakh

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	Other operating revenues		
	Connectivity income	600	662
	Other recoveries from members	305	196
	Income from margin money	3,169	2,369
	Data feed income	444	452
	Warehouse income	1,203	170
		5,721	3,849
	Total	**39,056**	**39,784**
26.	**Other income**		
	Dividend income from mutual funds	-	63
	Interest income:		
	- on bank deposits	30	154
	- on tax free bonds	3,027	2,114
	- from others#	0	21
	Net gain on sale of :		
	- current investments	8,718	1,949
	Gain/(loss) on fair valuation of mutual funds	(3,814)	4,656
	Gain/(loss) on fair valuation of ETF	284	60
	Gain/(loss) on fair valuation of tax free bonds	1,599	913
	Rental income from operating lease	73	1
	Income from sale of fixed assets	-	2
	Net loss on foreign currency transactions and translations	-	1
	Miscellaneous income	461	593
	Total	**10,378**	**10,527**
	#0 represents ₹ 0.08 lakh		
27.	**Employee benefits expense**		
	Salaries and wages	7,009	7,207
	Contribution to provident and other funds	376	367
	Staff welfare expenses	131	159
	Total	**7,516**	**7,733**
28.	**Finance costs**		
	Interest expenses on :		
	- Interest on lease liabilities (refer note 36)	19	16
	Total	**19**	**16**

Notes forming part of the Consolidated financial statements (contd...)

29. Software support charges and product license Fees

₹ in Lakh

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Software support charges	4,955	5,196
Product license fees	1,404	1,699
Total	**6,359**	**6,895**

30. Computer technology and communication expenses

₹ in Lakh

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Computer technology expenses	1,654	1,646
Communication expenses	454	413
Total	**2,108**	**2,059**

31. Other expenses

₹ in Lakh

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Advertisement	194	382
Electricity charges	244	333
Rent	309	132
Repairs and maintenance - others	170	258
Insurance	98	99
Rates and taxes	24	26
Travelling and conveyance	149	326
Printing and stationery	10	32
Business promotion	34	251
CSR related expenses	586	344
Legal and professional Charges	866	734
Sponsorships and seminar expenses	33	82
Membership fees and subscriptions	167	118
Security service charges	113	124
Provision for doubtful trade receivables*	26	50
SEBI - exchange regulatory fees	184	189
Payment to the auditors		
- For audit	18	28
- For taxation matters	3	3
- For other services	1	1
- Reimbursement of out of pocket expenses	1	1
	23	33
Contribution to Multi Commodity Exchange Investor Protection Fund (IPF)	330	372
Contribution to investor service fund	330	353

Notes forming part of the Consolidated financial statements (contd...)

Contribution to settlement gurantee fund	-	406
Net loss on foreign currency transactions and translations	15	-
Directors sitting fees	350	241
Office expenses	194	257
Miscellaneous expenses	112	119
Total	**4,560**	**5,261**

* Net of bad debts written off ₹ 110 Lakh

Notes forming part of the Consolidated financial statements (contd...)

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

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent liabilities :		
Claims against the group not acknowledged as debts:		
- Income tax demands against which the group is in appeals (including interest upto date of order) (net of rectification orders)	14,952	11,677
- Others (excluding interest)	74	74
Capital commitments:		
The estimated amount of capital contracts remaining to be executed and not provided for (net of advances)	4,419	871

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.

33. Taxation

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

₹ in Lakh

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current income tax	3,664	3,386
Deferred Tax	(370)	(279)
Minimum Alternate Tax (MAT) credit entitlement	360	(402)
Minimum Alternate Tax (MAT) credit Utilised	499	182
Total income tax expense	**4,153**	**2,887**

Reconciliation of tax expense and the accounting profit for the year is as under:

₹ in Lakh (except as otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Reconciliation:		
Profit for the year before share of profit in asscociate:	26,667	26,533
Applicable tax rate for respective companies	29.12%	29.12%
Computed expected tax expense	7,765	7,726
Add:		
Expenses disallowed	996	817
Share of profit of associate	-	1
Income from other Source	353	128

Notes forming part of the Consolidated financial statements (contd...)

Particulars	Year ended	
	March 31, 2021	March 31, 2020
Less:		
Ind AS impact (net)	553	(1,649)
Expenses allowed	(655)	(748)
Exempt income/other income offered seperately	(3,430)	(1,254)
Contribution to SGF (refer note 44)	(312)	(77)
Set off of business loss	(654)	(616)
Effect of differential tax rate	-	(106)
Deduction under section 80G	-	(58)
Normal income tax liability	**4,615**	**4,164**
MAT-income tax liability	3,820	3,984
Excess provision for tax relating to prior year	(156)	(598)
Income tax expense per profit & loss account	**3,664**	**3,386**
Effective tax rate	**13.74%**	**12.76%**

Deferred tax relates to the following:

₹ in Lakh

Particulars	Balance Sheet	
	As at March 31, 2021	As at March 31, 2020
Expenses allowable on payment basis	155	132
Other items giving rise to temporary differences (including impact on fair value of investments)	87	(283)
Difference between WDV of property, plant and equipment as per books of accounts & income tax	(1,195)	(1,125)
Difference between WDV of right of use assets as per books of accounts & income tax	(41)	(135)
Lease liability	45	66
Minimum Alternate Tax (MAT) credit entitlement (refer note 45)	(859)	220
Minimum Alternate Tax (MAT) credit entitlement reversed	2,284	2,065
Deferred tax asset / (liability)	**476**	**939**

Reconciliation of deferred tax assets / (liabilities) net:

₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance as on April 01, 2020	939	387
Tax income / (expense) during the period recognized in profit & loss account	365	295
Differences on other comprehensive income	31	37
Minimum alternate tax (MAT) credit entitlement	(859)	220
Closing balance	**476**	**939**

Notes forming part of the Consolidated financial statements (contd...)

34. 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.

35. Foreign currency transactions

₹ in Lakh

Particulars	Year ended	
	March 31, 2021	**March 31, 2020**
Expenditure in foreign currency		
- License fees	1,485	1,702
- Membership and subscription	113	75
- Professional charges	7	7
- Computer technology and communication expenses	61	53
- Legal expenses	1	-
- Software license fees expenses	24	6
- Loss from exchange rate fluctuation*	-	0
- Honorarium charges	-	3
- Bank charges	1	2
Earnings in foreign currency		
- Data feed income	**132**	**146**

* 0 represents ₹ 0.01 lakh in PY

36. 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, 2021	March 31, 2020
Opening balance	225	99
Additions during year	-	174
Finance costs incurred during the year	19	16
Payment of lease laibilities	(91)	(64)
Closing balance	**153**	**225**

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

Opening balance	220	99
Additions during year	-	174
Depreciation charged during the year	79	53
Closing Balance	**141**	**220**

Notes forming part of the Consolidated financial statements (contd...)

c. Amounts recognised in statement of profit or loss: ₹ in Lakh

Particulars	March 31, 2021	March 31, 2020
Depreciation on right of use asset	79	53
Finance costs incurred during the year	19	16
Rent expense	(91)	(64)
Total amounts recognised in profit or loss	**7**	**5**

d. Maturity analysis of lease liabilities

Maturity Analysis of contractual undiscounted cash flows		
Less than one year	80	91
One to five years	89	158
More than five years	16	28
Total undiscounted lease liability	**185**	**276**
Non-current lease liability	85	153
Current lease liability	68	72
Total lease liability	**153**	**225**

37. 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, 2021	March 31, 2020
Weighted average shares outstanding - basic	5,09,02,818	5,08,83,335
Effect of dilutive securities on account of ESOP	-	3,693
Weighted average shares outstanding - diluted	**5,09,02,818**	**5,08,87,028**

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, 2021	March 31, 2020
Earnings available to equity shareholders	22,522	23,650
Earnings available for equity shareholders for diluted earnings per share	22,522	23,650
Basic earnings per share	44.25	46.48
Diluted earning per share	44.25	46.48

Notes forming part of the Consolidated financial statements (contd...)

38. **Related party Information**

Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Associate company	CDSL Commodity Repository Limited
Shareholders' directors	Mr. Amit Goela
	Mrs. Madhu Vadera Jayakumar (upto 14.10.2020)
	Mr. Hemang Raja[@]
	Mr. Chengalath Jayaram
	Mrs. Padma Raghunathan* (upto 30.03.2021)
	*Sitting fees are paid directly to there nominee institutions
Independent directors	Mr. Saurabh Chandra
	Mr. Shankar Aggarwal
	Ms. Pravin Tripathi
	Mr. Basant Seth
	Mr. Bhartendu Kumar Gairola
	Dr. Deepali Pant Joshi
Key managerial personnel (KMP)	Mr. P.S. Reddy, MD & CEO
	Mr. Ajay Puri, Company Secretary
	Mr. Satyajeet Bolar[##]
	Others:
	Mr. Sanjay Golecha, Chief Regulatory Officer
	Mr. Pareshnath Paul, Chief Information Officer (upto 31.03.2021)
	Mr. Manav Jain Chief Technology Officer* (w.e.f 01.09.2020)
	Mr. Praveen Dalvani Ganapathi#
	Mr. Chittaranjan Rege#
	Mr. Himanshu Ashar#
	Mr. Sanjay Gakhar#
	Mrs. Neetu Juneja#
	Mr. Shivanshu Mehta#
	Mr. Arvind Sharma (upto 31.03.2021)
	Mr. Chandrakant Upadhyay#
	Mr. Sunil Kurup (upto 13.10.2020)
	Mr. Rishi Nathany#
	Mr. Pravin Gade##
	Mr. Radheshyam Yadav[##]
	Mrs. Ruchi Shukla (w.e.f. 20.10.2020)##
	Mr. Puneet Shadija (w.e.f. 08.02.2021)##
	Mr. Pradip Dey (w.e.f. 10.02.2021)##
	Mr. Sambit Patnaik (w.e.f. 01.03.2021)##
	Mr. Dhananjay Chandrashekar Rokde (w.e.f. 18.03.2021)##

Notes forming part of the Consolidated financial statements (contd...)

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 (Mr.Shankar Aggrawal is a director in the company)
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, 2021 are as follows:

₹ in Lakh

	As at March 31, 2021						
Particulars	**Associate**		**Others**				**Total**
	CDSL Commodity Repository Limited	**MCX ESOP Trust**	**Shareholder's directors**	**Independent directors**	**Company in which director is interested and where transaction exists**	**KMPs**	
Transactions							
Re-imbursements charged to the company	-	-	-	1	-	7	8
Recoveries charged by the company	-	2	-	-	-	-	2
Sitting fees paid	-	-	67	153	-	-	220
Trustee sitting fees paid	-	-	-	4	-	-	4
Dividend paid	-	29	-	-	-	5	34
Balances as at March 31, 2021							
Outstanding balance receivable / (payable)	-	-	-	-		-	-

The details of transactions with related parties for year ended March 31, 2020 are as follows:

₹ in Lakh

	As at March 31, 2020						
Particulars	**Associate**		**Others**				**Total**
	CDSL Commodity Repository Limited	**MCX ESOP Trust**	**Shareholder's directors**	**Independent directors**	**Company in which director is interested and where transaction exists**	**KMPs**	
Transactions							
Re-imbursements charged to the company	-	-	-	5	-	13	18
Recoveries charged by the company	-	6	-	-	-	-	6
Sitting fees paid	-	-	54	107	-	-	161
Trustee sitting fees paid	-	-	-	1	-	-	1
Dividend paid	-	26	-	-	-	4	30

Notes forming part of the Consolidated financial statements (contd...)

Plough back money to IPF for co-sponsorship fees prime database	-	-	-	-	19	-	19
Seminar expenses*	-	-	-	-	0	-	0
Balances as at March 31, 2020							
Outstanding balance receivable / (payable)	-	-	-	-	-	-	-

* 0 Represents ₹ 0.38 lakh

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

	2020-21	2019-20
Short-term employment benefits	1,113	1,479
Post-employment benefits	20	20

Transactions with key managerial personnel : ₹ in Lakh

Nature of Transactions	Year ended March 31, 2021	Year ended March 31, 2020
1. Salary and allowances paid/payable to KMPs*:		
Mr. P.S. Reddy	236	205
Mr. Mrugank Paranjape	-	30
Mr. Ajay Puri	85	71
Mr. Satyajeet Bolar	57	-
Mr. Sanjay Wadhwa	-	61
Others	736	1,112
2. Dividend paid to KMPs:		
Others	5	4

* Excludes gratuity and long term compensated absences which are actuarially valued at Company level and where separate amounts are not identifiable.

Notes :

1. There are no amounts written off or written back during the year in respect of debts due from or to related parties.
2. KMPs as on the respective dates are considered.
3. Amount paid to Ex-employee who were erstwhile KMP's are not included above.

39. 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, 2021 and March 31, 2020.

Notes forming part of the Consolidated financial statements (contd...)

₹ in Lakh

Particulars	As at	
	March 31, 2021	March 31, 2020
Change in benefit obligations		
Present value of benefit obligation at the beginning of the year	850	716
Interest cost	58	56
Current service cost	108	96
Liability transferred in/acquisitions	-	2
Liability transferred out/disinvestment	-	(2)
Benefits paid from the fund	(56)	(80)
Actuarial (gains)/losses on obligations - due to change in finanancial assumptions	2	90
Actuarial (gains)/losses on obligations - due to experience	(30)	(28)
Present value of benefit obligations at the end of the year	**932**	**850**
Change in plan assets		
Fair value of plan assets at the beginning of the year	705	561
Interest income	49	44
Assets transferred in/ acquisitions	-	9
Assets Transferred out/ disinvestment	-	(9)
Return on plan assets excluding interest income	(14)	(9)
Contributions by the employer	90	189
Benefits paid from the fund	(56)	(80)
Fair value of plan assets at the end of the year	**773**	**704**
Net (liability)/ asset recognised in the balance sheet	**(159)**	**(146)**

Amount for the year ended March 31, 2021 and March 31, 2020 recognized in the statement of profit and loss under employee benefits expenses.

₹ in Lakh

Recognized in Profit and Loss	Year ended	
	March 31, 2021	March 31, 2020
Current service cost	108	96
Net interest cost	10	12
Expenses recognized	**118**	**108**

Amount for the year ended March 31, 2021 and March 31, 2020 recognized in statement of other comprehensive income:

₹ in Lakh

Recognized in other comprehensive income	Year ended	
	March 31, 2021	March 31, 2020
Actuarial (gains) / losses on obligation for the year	(28)	62
(Return) / loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	14	9
Net (income)/expense for the year recognized in OCI	**(14)**	**71**

Notes forming part of the Consolidated financial statements (contd...)

The weighted-average assumptions used to determine benefit obligations as at March 31, 2021 and March 31, 2020 are set out below:

Weighted average actuarial assumptions	As at	
	March 31, 2021	**March 31, 2020**
Discount rate#	6.87%	6.89%
Methodology adopted for valuation is projected unit credit method.	7.50%	7.50%
Weighted average duration of defined projected benefit obligation*	15	15

MCXCCL discount rate 6.82% for FY 20-21

* MCXCCL - 13 years

₹ in Lakh

Sensitivity analysis	As at	
	March 31, 2021	March 31, 2020
Projected benefit obligation on current assumptions	932	850
Delta effect of +1% change in rate of discounting	(103)	(98)
Delta effect of -1% change in rate of discounting	122	117
Delta effect of +1% change in rate of salary increase	120	115
Delta effect of -1% change in rate of salary increase	(103)	(99)
Delta effect of +1% change in rate of employee turnover	(7)	(7)
Delta effect of -1% change in rate of employee turnover	8	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 (2006-08).

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 ₹ 159 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.

Notes forming part of the Consolidated financial statements (contd...)

Maturity profile of projected benefit obligation: ₹ in Lakh

Projected benefits payable in future years from the date of reporting	March 31, 2021	March 31, 2020
Within 1 year	40	23
1-2 year	20	18
2-3 year	43	35
3-4 year	30	39
4-5 year	27	28
5-10 years	539	496
11 years and above	1,749	1,705

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 ₹ 258 Lakh (previous year ₹ 257 Lakh) refer note 27.

₹ in Lakh

Particulars	**As at**	
	March 31, 2021	**March 31, 2020**
Contribution to provident and family pension fund	255	254
Contribution to employees state insurance scheme (ESIC)*	-	0
Contribution to labour welfare fund#	0	0
Contribution to employees deposit linked insurance (EDLI)	3	3

* 0 Represents ₹ 0.001 Lakh for FY 2019-20

0 Represents ₹ 0.14 Lakh for FY 2020-21 (PY ₹ 0.14 Lakh)

2. Other long term employee benefits :

Privilege leave and sick leave assumptions

The liability towards compensated absences (privilege leave and ick leave) for the year ended March 31, 2021 based on actuarial valuation carried out by using projected accrual benefit method resulted in increase in liability by ₹ 56 lakh. (previous year - increase by ₹ 44 lakh)

a. Financial assumptions

Particulars	**As at**	**As at**
	March 31, 2021	**March 31, 2020**
Discount rate #	6.87 % p.a.	6.89 % p.a.
Salary escalation rate	7.50 % p.a.	7.50 % p.a.

MCXCCL Discount rate 6.82% for FY 2020-21 & 6.84% for FY 2019-20

b. Demographic assumptions

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Employee turnover		
For service 4 years and below	10.00 % p.a.	10.00 % p.a.
For service 5 years and above	2.00 % p.a.	2.00 % p.a.
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	

Notes forming part of the Consolidated financial statements (contd...)

40. 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 Consolidated financial statements (contd...)

The following table exhibits the net compensation expenses arising from share based payment transaction:

₹ in Lakh

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
2008 Plan: Employee stock options (ESOPs)				
Outstanding at the beginning of year	-	-	41,028	851.10
Granted during the year	-	-	-	-
Forfeited and lapsed during the year	-	-	6,140	851.10
Exercised during the year	-	-	34,888	851.10
Outstanding at the end of year	-	-	-	-
Exercisable at the end of year	-	-	-	-

Lapsed options available for reissuance are 95,551 (As at March 31, 2020: 95,551) shares.

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

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

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

Each option granted represents a right to the option grantee but not an obligation to apply for 1 fully paid up equity share of ₹ 10 each of the company at duly adjusted exercise price after consolidation of share and bonus issue i.e. ₹ 144 pursuant to the corporate action during the year ended March 31, 2011.

Notes forming part of the Consolidated financial statements (contd...)

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	₹ 1282.75	₹ 855.70	₹ 516.50	₹ 851.10

41. 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 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, 2021 are as follows:

₹ in Lakh

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Amortized cost:				
Financial assets at amortized cost:				
Cash and cash equivalents (refer note 10)	2,979	2,979	40,689	40,689
Bank balances (refer note 11)	39,629	39,629	35,237	35,237
Bank deposits with original maturity of more than twelve months (refer note 5)	48,234	48,234	36,029	36,029
Unbilled revenue (refer note 13)	2,686	2,686	3,653	3,653
Trade receivables (refer note 9)	896	896	646	646

Notes forming part of the Consolidated financial statements (contd...)

₹ in Lakh

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Loans (refer note 12)	5	5	22	22
Other financial assets (refer note 5 & 13)	7,696	7,696	5,200	5,200
Investment in PSU bank bonds (refer note 4)	16,140	16,140	13,608	13,608
Financial liabilities at amortized cost:				
Trade payables (refer note 20)	2,033	2,033	3,103	3,103
Other financial liabilities (refer note 18 & 21)	47,288	47,288	81,264	81,264
Fair value through profit or loss:				
Investments (refer note 4 & 8)				
Tax free bonds	29,417	29,417	27,818	27,818
Mutual funds	67,139	67,139	77,965	77,965
ETF bond	4,773	4,773	3,060	3,060
Fair value through OCI:				
Investments in unquoted equity shares of other entities (refer note 8)	1,797	1,797	1,931	1,931

Note:-

1. Investment in equity instrument & warrants are not held for trading. The group has chosen to measure these at FVTOCI irrevocably as the management believes that presently fair value gains and losses relating to these investments in P & L 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 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, 2021:

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, 2021: ₹ in Lakh

Particulars	As at March 31, 2021	As at March 31, 2020	Level	Hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Financial Assets				
Investments in Mutual Funds (FVTPL)	67,139	77,965	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	27,818	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

Notes forming part of the Consolidated financial statements (contd...)

Particulars	As at March 31, 2021	As at March 31, 2020	Level	Hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Investments in equity instruments (FVTOCI)*	1,797	1,931	3	Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).
Investments in ETF Bonds	4,773	3,060	1	1. Quoted prices (unadjusted) in active markets for identical assets or liabilities.

* The carrying amount of financial asset measured at FVTOCI in the financial statements are a reasonable approximation of their fair values since the group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(c) Financial risk management

1. Financial risk factors

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The group's financial risk management is an integral part of how to plan and execute its business strategies. The group's financial risk management policy is set by the group's management.

2. Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables.

3. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Since the group has no borrowings, exposure to risk of change in market interest rate is nil.

4. Foreign currency risk

The Group transacts internationally periodically and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the company has not entered in foreign exchange forward exchange contracts.

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ In Lakh	Amount in Foreign Currency	₹ In Lakh	Amount in Foreign Currency
Trade receivables				
In USD*	0	695	8	11,421
Trade payables				
In USD	-	-	517	6,87,513
In GBP**	-	-	0	192

* 0 Represents ₹ 0.051 lakh

** 0 Represents ₹ 0.18 lakh

Notes forming part of the Consolidated financial statements (contd...)

5. Sensitivity analysis

A change of 5% in foreign currency would have following impact on profit before tax

₹ in Lakh

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
	5% Increase	5% decrease	5% Increase	5% decrease
Trade receivables				
USD*	0	(0)	0	(0)
Trade Payables				
USD	-	-	26	(26)
GBP#	-	-	(0)	0

* 0 Represents ₹ 0.003 lakh (PY ₹ 0.38 lakh)

0 Represents ₹ 0.01 lakh

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 ₹ 896 lakhs and ₹ 646 lakhs as at March 31, 2021 and March 31, 2020 respectively and unbilled revenue amounting to ₹ 2,686 lakh and ₹ 3,653 lakh as at March 31, 2021 and March 31, 2020 respectively.

Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The group measures the expected credit loss of trade receivables from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Investment in mutual fund is with financial institutions with high credit rating assigned by the international credit rating agencies.

Ageing of account receivables **₹ in Lakh**

Particulars	As at	
	March 31, 2021	March 31, 2020
Trade receivables		
Less than 6 months	494	673
More than 6 months	491	159
Total	**985**	**832**

Notes forming part of the Consolidated financial statements (contd...)

Movement in provisions of doubtful debts **₹ In Lakh**

Particulars	As at	
	March 31, 2021	March 31, 2020
Opening provision	186	208
Add:- Additional provision made	14	-
Less:- Provision reversed	-	13
Less:- Bad debts written off	110	9
Closing provision	**89**	**186**

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.

i. Financial arrangements

Following are the unutilized sanctioned bank overdraft limits as at the respective year end.

₹ in Lakh

Particulars	As at	
	March 31, 2021	March 31, 2020
Expiring within one year (bank overdraft)	10,450	10,085

ii. Maturity patterns of other Financial liabilities

₹ in Lakh

Particulars	As at	
	March 31, 2021	March 31, 2020
Trade Payable		
Less than 6 months	1,623	3,098
More than 6 months	410	5
Total	**2,033**	**3,103**

9. 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.

10. 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

Notes forming part of the Consolidated financial statements (contd...)

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.

11. 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.

42. Investment in an associate

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 financials statements. The following table illustrates the summarized financial information of the group's investment in CCRL.

₹ in Lakh

Particulars	As at	
	March 31, 2021	**March 31, 2020**
Current assets	4,045	4,148
Non-current assets	1,226	1,148
Current liabilities	(81)	(145)
Equity	**5,190**	**5,151**
Proportion of the group's ownership interest	24%	24%
Carrying amount of the group's interest	1,242	1,233

₹ in Lakh

Particulars	Year ended	
	March 31, 2021	**March 31, 2020**
Revenue	472	505
Employee benefits expense	(228)	(256)
Depreciation and amortization expense	(7)	(40)
Administration and other expenses	(182)	(180)
Profit before tax	**55**	**30**
Tax expense	(18)	(13)
Profit for the year	**37**	**18**
Other comprehensive Income	1	(1)
Total comprehensive Income for the year	38	17
Group's share of profit for the year (net of tax)	9	4
Group's share of other comprehensive income for the year #	0	(0)
Group's share of total comprehensive income for the year	9	4

0 Represents ₹ 0.17 lakh in FY 2020-21 (PY ₹(0.16) lakh)

Notes forming part of the Consolidated financial statements (contd...)

The associate had the following contingent liabilities and capital commitments **₹ in Lakh**

Particulars	As at	
	March 31, 2021	March 31, 2020
Contingent liabilities	-	-
Commitment:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-

43. i) Additional information as required under Schedule III to the Companies Act, 2013, for enterprises consolidated as subsidiary/associates.

The financial statements of the following subsidiaries/associates have been consolidated as per Indian accounting standards (Ind AS) 110 "Consolidated financial statements":

Name of subsidiary/associate	Country of incorporation	Proportion of ownership interest (current year)	Proportion of ownership interest (previous year)
Multi Commodity Exchange Clearing Corporation Limited (MCXCCL)	India	100%	100%
CDSL Commodity Repository Limited (CCRL)	India	24%	24%

ii) Additional information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiaries and associate

₹ 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
Holding Multi Commodity Exchange of India Limited	94%	1,32,840	83%	18,783	103%	(97)	83%	18,687
Subsidiary (Indian) MCXCCL	5%	7,741	17%	3,730	-3%	3	17%	3,733
Associate (Indian) CDSL Repository Limited	1%	1,242	0%	9	0%	0	0%	9
Total	**100%**	**1,41,823**	**100%**	**22,522**	**100%**	**(94)**	**100%**	**22,429**

Notes forming part of the Consolidated financial statements (contd...)

₹ in Lakh

Name of the entities	2019-20							
	Net assets i.e. total assets minus total liabilities		Share in profit /(loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidated TCI	Amount
Holding	95%	1,29,457	88%	20,854	94%	(187)	88%	20,667
Multi Commodity Exchange of India Limited								
Subsidiary (Indian)	4%	5,248	12%	2,792	6%		12%	
MCXCCL						(12)		2,780
Associate (Indian)	1%	1,233	0%	4	0%		0%	
CDSL Repository Limited						(0)		4
Total	**100%**	**1,35,938**	**100%**	**23,650**	**100%**	**(199)**	**100%**	**23,451**

44. Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, had issued norms related to the computation of minimum required corpus (MRC) to the core settlement guarantee fund (SGF).The required contribution shall be contributed by the clearing corporation (minimum 50%) from its own fund, stock exchange (minimum 25%) and members (maximum 25%). Accordingly, Core SGF had been contributed by clearing corporation (MCX CCL) from its own fund and stock exchange (MCX) as prescribed by SEBI guidelines.

Accordingly, below mentioned amounts are transferred to SGF from reserves of MCXCCL to ensure compliance with said circular :

Month	₹ in lakh
August 2020	1,240
Total	**1,240**

In the event of a clearing member (member) failing to honour settlement commitments, the core SGF shall be used to fulfill the obligations of that member and complete the settlement without affecting the normal settlement process.

Total core SGF as at March 31, 2021 is ₹ 46,923 lakhs comprising of:

MCXCCL contribution	MCX Contribution	Penalties/ Interest	₹ in lakh
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 ₹ 1870 lakh SGF penalties and ₹ 2,826 lakh relating to SGF fixed deposits fixed deposit interest respectively for financial year ended March 31, 2021.

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 2020-21 ₹ 499 Lakh has been utilised and short MAT credit utilisation relating to previous year of ₹ 360 lakhs has been recognized.

46. During the previuos year, 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

Notes forming part of the Consolidated financial statements (contd...)

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 on March 31, 2020 and the above amounts are shown under contingent liabilities.

47. Event occurring after balance sheet date

The Board of Directors has recommended equity dividend of ₹ 27.60 per share (previous year ₹ 30/-) for the financial year 2020-21.

Dividend by the Holding company

₹ in Lakh except equity shares

Particulars	As at	
	March 31, 2021	March 31, 2020
Equity shares	5,09,98,369	5,09,98,369
Final dividend for the year ended March 31, 2021 of ₹ 27.60	14,076	15,300
(March 31, 2020 - ₹ 30/-) per fully paid share		
Dividends not recognized at the end of the reporting period	14,076	15,300

48. 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 ₹ 1978 lakhs on the said project. On account of non- fulfillment of the scope of the Project within the timelines and disputes arising between the parties, the Board constituted an empowered Committee to evaluate the financial and technical aspects of the said System developed by the said vendor. Further, the Holding company had requested the said vendor, for amicable resolution of dispute, to complete the project without any cost escalation and provide knowledge transfer to Holding company team for the amount paid thus far. Review by the Holding company of the codebase of the trading platform developed by the vendor for the spot market indicated that the same has been developed on the design principles of extensibility, modularity and loose coupling. The codebase may be potentially used for the spot platform with additional enhancements. Hence, the Holding company and the software vendor are in the final stages of reaching an amicable out of court resolution where by the Holding company would be provided the rights to the trading software on the payment of the outstanding invoices. Accordingly the software vendor has extended the pause on the Singapore International Arbitration Centre (SIAC). Further the Holding company is also exploring other third party readymade solutions for the spot platform.

49. The novel coronavirus (COVID-19) pandemic continues to spread across the globe including India. COVID-19 has taken its toll on not just human life, but business and financial markets too. With substantial increase in COVID-19 cases across different parts of country, government have introduced a various measures to contain the spread of virus, including lockdown and restrictions on movement of people and goods across different geographies.

Certain establishment including commodities market intermediaries are permitted to operate and continue to remain exempted from restrictions. In case there is disruption in the functioning of commodity markets, the business of the group may be affected.

The management has, at the time of approving the financial statements, 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.

50. 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).

51. 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

Notes forming part of the Consolidated financial statements (contd...)

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.

52. Previous year figures have been regrouped/reclassified wherever necessary to conform to current year figures.

53. The Consolidated Financial Statements were approved by the Audit Committee and Board of Directors on May 22, 2021.

For and on behalf of the Board of Directors

P.S. Reddy **Managing Director & CEO** DIN : 01064530	**Saurabh Chandra** **Chairman** DIN : 02726077	**Shankar Aggarwal** **Director** DIN : 02116442
Ajay Puri **Company Secretary**	**Satyajeet Bolar** **Chief Financial Officer**	

Place: Mumbai/Delhi
Date: May 22, 2021

CORPORATE ADDRESS

Multi Commodity Exchange of India Ltd.

Exchange Square, Suren Road, Chakala, Andheri (East), Mumbai – 400093, India

Tel. No. +91-22-67318888, CIN: L51909MH2002PLC135594, info@mcxindia.com, www.mcxindia.com

MCX

METAL & ENERGY

Trade with Trust