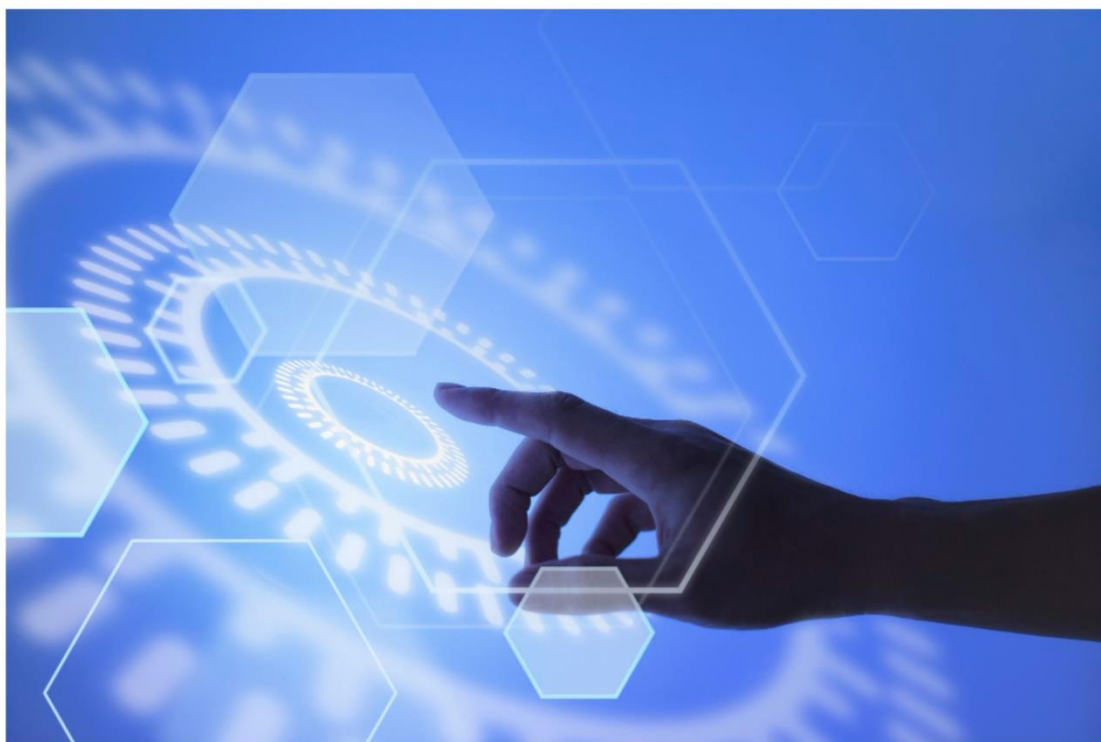


METROPOLITAN CLEAR >>>>>



ANNUAL REPORT — 2020 - 21 —

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Metropolitan Clearing Corporation of India Limited

Registered Office: Building A, Unit 205B, 2nd Floor, Agastya Corporate Park,
Sunder Baug Lane, Kamani Junction, L.B.S Road, Kurla West, Mumbai - 400070

CIN: U67120MH2008PLC188032

LEI number: 335800QRNLKAHGA1BL68

Website: www.mclear.in

Corporate Information

Board of Directors

Mr. Vijay Ranjan	Chairman & Public Interest Director
Ms. Rita Menon	Public Interest Director
Mr. Alok Kumar Mittal	Public Interest Director
Mr. Saket Bhansali	Shareholder Director <i>(w.e.f. October 05, 2020)</i>
Mr. P.K. Ramesh	Shareholder Director <i>(w.e.f. October 05, 2020)</i>
Mr. Krishna J. Wagle	Managing Director <i>(w.e.f. February 27, 2021)</i>

Key Managerial Personnel

Dr. A. Sebastin	Chief Operating Officer <i>(w.e.f. April 12, 2021)</i>
Mr. Kirit Dodiya	Chief Financial Officer <i>(w.e.f. July 28, 2021)</i>
Ms. Avni Patel	Company Secretary & AVP-Legal
Mr. Sumit Badakh	IT Head & Chief Information Security Officer
Ms. Geeta Bhandarkar	Compliance Officer
Ms. Rachna Prajapati	Head, Human Resource

Auditors

Statutory Auditor	Internal Auditor	Secretarial Auditor
M/s. Kirtane & Pandit LLP Chartered Accountants	M/s. M. M. Nissim & Co. Chartered Accountants	Mr. A. Sekar Practicing Company Secretary

Registrar and Share Transfer Agents

KFin Technologies Private Limited.

Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana
Email: einward.ris@kfintech.com, Ph No.: 1 800 309 4001
www.kfintech.com

DIRECTORS' REPORT

To

The Members

Metropolitan Clearing Corporation of India Limited (MCCIL)

Your Directors are pleased to present their Thirteenth Report on the business and operations of your Company together with the Audited Statements of Accounts and the Auditors' Report for the financial year ended March 31, 2021.

1. FINANCIAL RESULTS FOR 2020-21

Table 1: Summary of Financials

(INR in lakhs)

Items	As on March 31, 2021	As on March 31, 2020
Total Income	2,193.24	2,398.72
Less: Expenditure	2,109.17	2,084.38
Profit Before Tax	84.06	314.35
Add/Less: Tax Expenses/(Income)	(40.81)	(75.69)
Profit After Tax	43.25	238.66
Add: Other Comprehensive Income (Net)	(0.69)	(10.92)
Balance carried to Balance Sheet	42.56	227.73

Note: During the financial year 2020-21, the Company earned total income of INR 2193.24 lacs as against INR 2398.72 lacs in the previous year. The profit after tax of the company for the year under review amounted to INR 42.56 lacs as compared to INR 227.73 lacs for the previous year. Decrease in Profit was due to increase in Depreciation and Employee Cost and decrease in treasury income.

The components of expenditure and their quantum in comparison with the total income are presented in Table 2 below.

Table 2: Components of Expenditure

Particulars	FY 2020-21	FY 2019-20
Technology cost	38.88%	40.34%
Employees benefits expense	27.91%	20.66%
Depreciation and amortization expense	13.35%	10.53%
Other expenses	14.72%	14.53%
Total expenses	94.86%	86.06%

It may be observed that technology cost is the highest cost incurred by the Company forming 38.88% of the Total Income in the FY 2020-21 (Table 2). Employees benefit expenses stood at 27.91% followed by other expenses at 14.72%. However, the technology cost decreased from 40.34% of the total income in the FY 2019-20 to 38.88% of the total income in the FY 2020-21. Employee cost has increased to 27.91% of the total income in the FY 2020-21.



from 20.66% in the FY 2019-20. The other expenses have increased to 14.72% of the total income in the FY 2020-21 from 14.53% in the FY 2019-20. The Total expenses have increased to 94.86% of the total income in the FY 2020-21 from 86.06% in the FY 2019-20. The Company is on course of reducing its expenses to economize on the operations cost. The net profit for the current year under reference stood at 1.94% of the total income for the FY 2020-21.

2. REVIEW OF OPERATIONS

Your Company is a subsidiary of Metropolitan Stock Exchange of India Limited (MSE). MCCIL was incorporated in November, 2008 with the main objective to act as central counterparty to provide novation and clearing & settlement services to various Exchanges. In the FY 2019-20, your Company entered into interoperability arrangements with the Indian Clearing Corporation Limited (ICCL) & NSE Clearing Limited (NCL) to extend its clearing and settlement services for trades executed at National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) in addition to the Metropolitan Stock Exchange of India Limited (MSE). Your Company is also providing clearing and settlement services to Indian Commodity Exchange Limited (ICEX) in commodity derivatives and mutual fund segments.

On September 29, 2014, SEBI granted recognition to MCCIL to act as a Clearing Corporation under the Regulation 4 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012. The MCCIL is also designated as a Qualified Central Counter Party (QCCP) by the SEBI. The Company is registered with both the depositories (i.e. NSDL & CDSL) as a Clearing Corporation as well as a SEBI registered Depository Participant. MCCIL is also authorized by the RBI and the SEBI to settle OTC deals in Corporate Bonds, Structured Debt Instruments, CPs and CDs reported in RBI approved reporting platforms. MCCIL is also authorized by the RBI under section 10 of FEMA to carry out Clearing & Settlement activities for currency derivatives contracts.

MCCIL has adopted best practices in the industry to make sure transactions are managed efficiently and completed seamlessly which include transparency in its functions, capital adequacy norms for membership and dedicated settlement guarantee funds. The company has been using globally accepted strategies for margining the transactions, online monitoring of members' position by applying prudential limit norms, automatic trading restriction on breach of prudential limits, multilateral netting for obligation computation and periodic back testing of margins.

A. Clearing and Settlement Operations:

MCCIL was initially providing clearing and settlement services to the MSE in respect of all the four segments namely, Currency Derivatives, Equity Derivatives, Equity Cash Market & Debt Segments, and also facilitates settlement of OTC deals on corporate bonds, certificate of deposits, commercial paper and structured debt instruments.

Subsequently, with effect from June 2020, in view of interoperability, MCCIL now clears and settles trades for all Exchanges under interoperability viz NSE, BSE and MSE in Currency Derivatives, Equity Derivatives and Equity Cash Market segments.

MCCIL is also providing clearing and settlement services to Indian Commodity Exchange Limited in Commodity Derivatives Segment since October 2018 and in Mutual Fund Segment since December 2019.

On the strength of its state of art risk management techniques and competent management, all settlements undertaken by the Clearing Corporation during the financial year 2020-21 were completed without defaults and delay. Thus, the Clearing Corporation maintained its impeccable track record of having completed all settlements from the date of commencement of its operations (i.e. from February 16, 2009) to the end of the financial year 2020-21, in a timely manner without defaults.

The settlement volumes in various segments during the financial year 2020-21 are as follows:

a. Currency Derivatives Segment:

Monthly settlement statistics in the currency derivatives segment for the financial year 2020-21 are as provided in Table 3.

Table 3 - Currency Derivatives Segment (CDS)

Amount in INR crore

Month	Futures Daily Settlement	Futures Final Settlement	Premium Settlement	Options Exercise Settlement	Total
(1)	(2)	(3)	(4)	(5)	(6)= (2)+(3)+(4)+(5)
Apr-20	7.94	0.32	0.00	0.00	8.26
May-20	12.65	0.08	0.00	0.00	12.73
Jun-20	6.39	0.76	0.00	0.00	7.15
Jul-20	4.25	0.35	0.00	0.00	4.61
Aug-20	16.86	0.44	0.00	0.00	17.30
Sep-20	6.00	0.30	0.00	0.00	6.30
Oct-20	2.11	0.79	0.00	0.00	2.91
Nov-20	8.31	0.50	0.00	0.00	8.81
Dec-20	16.16	2.04	0.00	0.00	18.20
Jan-21	0.75	0.37	0.00	0.00	1.12
Feb-21	4.96	1.73	0.00	0.00	6.69
Mar-21	4.43	1.53	0.00	0.00	5.96

During the financial year 2020-21, MCCIL successfully carried out all settlements in the currency derivatives segment without reporting any members' default and delay in settlements. However, the



aggregate value of settlements declined from INR 102.27 crores in FY 2019-20 to INR 100.02 crores in FY 2020-21.

b. Equity Cash Market:

During the financial year 2020-21, the Clearing Corporation did not receive any trade for settlement in Equity Cash Market.

c. Equity Derivatives Segment:

During the financial year 2020-21, there was no settlement in the Equity Derivatives Segments.

d. Debt Market Segment:

During the financial year 2020-21, the Clearing Corporation did not receive any trade for settlement in Debt Market Segment.

e. Commodity Derivatives Segment:

Monthly settlement statistics in the Commodity Derivatives Segment for the period from April 01, 2020 to March 31, 2021 are provided in Table 5 below.

Table 5: Commodity Derivative Segment

Month	Settlement Value in Crores
April'20	1.524
May'20	0.955
June'20	2.974
July'20	3.656
Aug'20	1.784
Sep'20	0.475
Oct'20	0.106
Nov'20	-
Dec'20	0.004
Jan'21	0.028
Feb'21	0.020
March'21	0.033

From April 01, 2020 to March 31, 2021, the Company has completed all settlements without any defaults and delay.

f. Mutual Fund segment

MCCIL entered into an agreement with Indian Commodity Exchange Limited on November 21, 2019 wherein MCCIL agreed to provide clearing and settlement services in units of mutual funds transacted on ICEX MF platform. MCCIL started providing clearing and settlement services to ICEX in Mutual Fund Segment with effect from December 2019.

Till, March 31, 2021, 20 mutual fund houses were enabled on the ICEX MF platform.

- (i) The average daily number of transactions settled for subscription of mutual fund units for the period April 01, 2020 to March 31, 2021 was 381. The highest daily number of transactions settled was 4,550 and was observed on January 11, 2020.
- (ii) The average daily number of transactions settled for redemption of mutual fund units for the period April 01, 2020 to March 31, 2021 was 1,688. The highest daily number of transactions settled was 30,576 and was observed on October 05, 2020.
- (iii) The total average daily number of transactions settled of mutual fund units for the period April 01, 2020 to March 31, 2021 was 2,101. The highest daily number of transactions settled was 30,687 and was observed on October 05, 2020.

Table 6: Total No. of Orders in respect of Subscription, Redemption & Switch transactions

Month	Total No. of Orders	Value (INR)
April'20	354	40,700.00
May'20	427	98,969.90
June'20	178	59,324.91
July'20	51889	2,863,246,285.16
Aug'20	47142	2,859,184,473.74
Sep'20	49657	3,580,296,519.90
Oct'20	88484	5,276,061,526.49
Nov'20	86698	6,790,758,788.18
Dec'20	71974	4,632,987,342.07
Jan'21	25546	567,238,450.54
Feb'21	28175	764,471,008.07
March'21	69064	2,862,064,552.96

B. Core Settlement Guarantee Fund & Liquid Assets Deposited by Clearing Members

a. Core Settlement Guarantee Fund (Core SGF)

In line with the SEBI guidelines, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, the Company constituted Core SGF, for each segment with effect from December 1, 2014 against which no exposure is given and which is readily and unconditionally available to meet settlement obligations of clearing corporation in case of clearing member's failure to honor settlement obligation. In the event of a clearing member failing to honor settlement commitments, the Core SGF will be used to fulfill the obligations of that member and complete the settlement without affecting the normal settlement process.

Securities & Exchange Board of India had issued norms related to the computation and contribution to the Core Settlement Guarantee Fund (Core SGF) as part of the SEBI circular CIR/CMD/DRMNP/25/2014 dated August 27, 2014. Based on said guidelines, clearing corporation and stock exchange are required to contribute at least 50% and 25% respectively, of the minimum required corpus (MRC) of the core SGF whereas up to 25% of the MRC of the core SGF contribution can be collected from clearing members. The Core SGF also includes penalties levied by the Clearing Corporation and accruals from investment of the Core SGF. Minimum required corpus (MRC) of the core SGF is determined every month based on stress tests.

Accordingly, an amount of INR 41.65 crore was computed as the Minimum Required Corpus (MRC) of Core SGF in Currency Derivatives Segment as on March 31, 2021. In view of adequacy of corpus of Core SGF in Currency Derivatives Segment taking into consideration of the contribution made by the MCCIL (INR 22.60 crore), the Exchanges (INR 10.41 crore) and the interest income, the Clearing Corporation has decided to discontinue obtaining contributions from the Clearing Members w.e.f. July 1, 2017. Further, in accordance with the directions received from the SEBI, the MCCIL contributed an amount of INR.25 lakh towards the corpus of Core SGF each in Equity Derivative Segment, Equity Cash Market and Debt Market Segment with effect from February 2, 2015.

Table 7: Minimum Required Corpus (MRC) of Core SGF (INR in Crores)

Segment	MRC	Contribution Required from MCCIL	Contribution Required from Exchanges	Contribution required from Members
(a)	(b)	(c)=50%*b	(d)=25%*b	(e)=25%*b
Equity Cash Market	0.00	0.25	0.00	0.00
Equity Derivatives Segment	0.00	0.25	0.00	0.00
Debt Market Segment	0.00	0.25	0.00	0.00
Currency Derivative Segment	41.65	22.60	10.41	0.00
Commodity Derivatives Segment	10.00	5.00	2.50	2.50
Total	51.65	28.35	12.91	2.50

Table 8: Corpus of Core SGF as on March 31, 2021(INR in Crores)

Segment	Core SGF	MCCIL Contribution		Exchanges	Member Deposits						Penalties	Interest
					Cash		Non-Cash Deposits (MCCIL)					
		Cash	For Surrendered Members		Cash	Exchanges	MCCIL	BG	FDR	G-Secs		
Equity Cash Market	0.40	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15
Equity Derivatives Segment	0.43	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.15
Debt Market Segment	0.40	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.15
Currency Derivative Segment	55.21	22.60	0.00	10.41	0.00	0.00	0.00	0.00	0.00	0.00	5.54	16.66
Commodity Derivatives Segment	48.25	5.00	0.00	35.34	0.00	0.00	0.00	0.00	0.00	0.00	0.55	7.36
Total	104.69	28.35	0.00	45.75	0.00	0.00	0.00	0.00	0.00	0.00	6.13	24.46

Further, Clearing Members are required to maintain liquid assets in the prescribed forms with the Clearing Corporation to meet their minimum liquid net worth requirement, Core Settlement Guarantee Fund (Core SGF) contribution requirement, membership requirement and margin requirements.

b. Liquid Assets Deposited by the Clearing Members

The Clearing Members are required to maintain liquid assets in the prescribed forms with the Clearing Corporation to meet their base minimum capital requirement, minimum liquid net worth requirement, Core Settlement Guarantee Fund (Core SGF) contribution requirement, membership requirement and margin requirements. The total value of liquid assets (cash and non-cash) maintained by the Clearing Members including their Core SGF Contribution as on March 31, 2021 are presented in Table 9:

Table 9: Liquid Assets Maintained by the Clearing Members as on March 31, 2021 (INR in Crores)

Sr. No.	Segment	Liquid Assets	MCCIL Contribution		Exchanges	Member Deposits						Penalties	Interest
			Cash	For Surrendered Members		Cash		Non-Cash Deposits (MCCIL)					
					Cash	Exchanges	MCCIL	BG	FDR	G-Secs	Approved Sec / Com		
1	Equity Cash Market	2.80	0.00	0.00	0.00	0.00	2.34	0.00	0.46	0.00	0.00	0.00	0.00
2	Equity Derivatives Segment	9.73	0.00	0.00	0.00	0.00	5.10	0.50	4.13	0.00	0.00	0.00	0.00
3	Debt market Segment	0.29	0.00	0.00	0.00	0.00	0.29	0.00	0.00	0.00	0.00	0.00	0.00
4	Currency Derivative Segment	133.53	0.00	0.00	0.00	0.00	22.57	0.50	16.39	94.07	0.00	0.00	0.00
5	Commodity Derivatives Segment	8.26	0.00	0.00	0.00	0.00	3.55	0.50	4.21	0.00	0.00	0.00	0.00
	Total	154.61	0.00	0.00	0.00	0.00	33.85	1.50	25.19	94.07	0.00	0.00	0.00

The total value of liquid assets (cash and non-cash) maintained by the Clearing Members with MCCIL as on March 31, 2021 amounts to INR. 154.61 crore (previous year: INR 191.25 crore).

C. Warehousing

Warehouse infrastructure and its ancillary services play a critical role in the delivery mechanism of the commodity derivatives market. A robust and credible warehousing infrastructure is very much required for an effective commodity derivatives market that can inspire confidence amongst the market participants and other stake holders.

In order to facilitate good delivery by the commodity derivatives exchanges SEBI has prescribed minimum standards and norms for compliance by the accredited warehouses, Warehouse Service Providers (WSPs) and assayers, through its circular SEBI/HO/CDMRD/DMP/CIR/P/2016/103 dated September 27, 2016.

Since Metropolitan Clearing Corporation of India Limited (MCCIL) is providing clearing and settlement and risk management services to Indian Commodity Exchange Limited (ICEX) for commodity derivatives segment with effect from October 01, 2018, it needs to cater to the storage requirements of various members and their respective constituents/depositors, those who are willing to store goods and give delivery on the ICEX platform. Accordingly, MCCIL has made necessary arrangements (for warehousing and logistics) by accrediting Warehouse Service Providers (WSP)/Vault Service Providers (VSP). MCCIL also undertakes, normal & surprise audit and inspection of warehouses/vaults and implement the best practices for safe storage and preservation of goods deposited by various business participants for delivery on our platform.

Since October 01, 2018 till date, MCCIL has utilized services of the WSPs/ VSPs as mentioned in Table 10 below for various products, both agri & non-agri. MCCIL has handled delivery in both electronic and physical form as well. Agri commodities are handled through Repositories where-as the non-agri products are being handled by indigenously developed software called as Electronic Debit & Credit Module (EDCM).

Table 10: List of Warehouse Service Providers/ Vault Service Providers

Sl.No	WSP/VSP	Location of Warehouse / Vault	Commodity
1	CWC	Kakkanad	Rubber
2	CWC	Kadavanthra/Ernakulam	Rubber/Pepper
3	CWC	Trichur	Rubber
4	CWC	Kanjikode	Rubber
5	CWC	Kunnamthanam	Rubber
6	CWC	Trivandrum	Rubber
7	CWC	Nagercoil	Rubber
8	CWC	Kannur	Rubber
Non – Agri			
1	Malca-Amit JK Logistics Pvt. Ltd.	Surat	Diamond
2	Mahawar Iron Stores Pvt Ltd	MGG	Steel

*Warehouses for Paddy and Isabgul seed of Sohanlal Commodity Management Pvt. Ltd have been de accredited.

Sohanlal Commodity Management Pvt. Ltd

During the period from April 01, 2020 to March 31, 2021, the cumulative delivered quantity at MCCIL's platform, of all agricultural commodities was 1360 MTs; Non-agricultural commodities was 3660 MTs and Diamonds was 31306 Cents.

The total delivery handled for agri and non-agri products at MCCIL during the period from April 01, 2020 till March 31, 2021 is mentioned in Table 11 below.

Table 11: Total delivery handled during the period April 01, 2020 till March 31, 2021

Delivery Month	Total Delivery Qty. Diamond	Total Delivery Qty. STEEL	Total Delivery Qty RUBBER	Total Delivery Qty ISABGUL
	(in Carats)	(in MTs)	(in MTs)	(in MTs)
April'20	40.26	40	208	-
May'20	41.36	1300	280	-
June'20	40.90	1680	112	-
July'20	170.36	640	430	-
Aug'20	0.18	-	262	-
Sep'20	4.04	-	68	-
Oct'20	9.06	-	-	-
Nov'20	1.24	-	-	-
Dec'20	0.2	-	-	-
Jan'21	2.42	-	-	-
Feb'21	2.01	-	-	-
March'21	1.00	-	-	-

Total delivery handled during the period April 01, 2020 till March 31, 2021 Value Wise is given in Table 12 below:

Table 12:

Month and Year	DIAMOND 0.3CT	DIAMOND 0.5CT	DIAMOND 1CT	RUBBER	STEEL LONG	Grand Total
Apr-20		6,411.80	14,491,467.10	24,434,800.00	1,222,800.00	40,155,478.90
May-20		10,085.70	14,898,938.40	31,874,400.00	39,986,200.00	86,769,624.10
Jun-20		6,600.00	14,617,803.60	13,504,520.00	50,381,000.00	78,509,923.60
Jul-20		6,825.40	56,594,924.80	54,749,400.00	19,765,400.00	131,116,550.20
Aug-20			59,339.70	35,150,940.00		35,210,279.70
Sep-20			1,223,100.00	9,204,000.00		10,427,100.00
Oct-20			3,055,850.40			3,055,850.40
Nov-20		34,360.00	373,443.20			407,803.20
Dec-20			71,952.00			71,952.00
Jan-21			863,250.30			863,250.30
Feb-21	26,730.80	273,370.60	57,142.60			357,244.00
Mar-21			352,425.00			352,425.00
Grand Total	26,730.80	337,653.50	106,659,637.10	168,918,060.00	111,355,400.00	387,297,481.40

List of approved Warehouses and their capacity, utilized and un-utilized details are as mentioned in Table 13 below

Table 13:

WSP Name	Sr No.	Warehouse Name	Warehouse Address	Commodities	Warehouse Capacity (WDRA)	Available Stock	Unutilized Capacity	Unit
CWC	1	CWC, Kakkanad	KINFRA, EPIP, Kakkanad, Kochi-682030 Phone: 0484-2427921	RUBBER	21850	-	-	MT
	2	CWC, Kadavanthra/Ernakulam (Basis Center)	Gandhinagar, Kadavanthra, Kochi-682020 Phone: 0484-2204028	RUBBER	14065	-	-	MT
	3	CWC, Trichur	Kuriachira - Trichur - 680 006 Phone: 0487-2251985	RUBBER	32590	-	-	MT
	4	CWC, Kanjikode	Kinfra wise park, Kanjikode, Palakkad- 678621 Phone: 0491-2569239	RUBBER	15000	-	-	-
	5	CWC, Kunnamthanam	SIDCO Industrial Park, Thottapadi, Kunnamthanam P.O, Thiruvalla-689 581 Phone: 0469-2690265	RUBBER	12600	-	-	-
	6	CWC, Trivandrum	KINFRA Appara Park, St.Xaviers College P.O, Pallithura, Thumba-695586 Phone-0471-2705568	RUBBER	3666	-	-	-
	7	CWC, Nagercoil	Pallivillai Road, Vetturanimadam P.O, Nagercoil-629 003 Phone: 04652 232383	RUBBER	1000	-	-	-
	8	CWC, Kannur	Keltron Nagar, Mangattuparamba, Kannur University Campus post, Kalliasseri (CT), Kannur, Kerala, Pin- 670567	RUBBER	9590	-	-	-
	9	CWC, Kadavanthra/Ernakulam (Basis Center)	Gandhinagar, Kadavanthra, Kochi-682020 Phone: 0484-2204028	PEPPER	14065	-	-	-
Mahawar Iron Stores Pvt Ltd	1	Mahawar Iron Stores Pvt Ltd Mandi Gobindgarh, PUNJAB	221 off Bhadla Road, Mandi Gobindgarh District Khanna, Punjab. PIN - 141401	STEEL LONG	4000	-	-	-

Table 14: Vault Stock Details as on 31st March 2021

Date	Commodity	State	Delivery Centers	Vault Name & Address	Stock Eligible for Exchange Delivery in Cents
31/03/2021	DIAMOND1CT (E-units in Cent)	Gujarat	Surat	Malca Amit (J. K) Logistics Pvt LTD C-601, Diamond World Mini Bazar, Varacha Road, Surat - 395006	5879
31/03/2021	DIAMOND0.5CT (E-units in Cent)				1003
31/03/2021	DIAMOND0.3CT (E-units in Cent)				217



D. New Initiatives and Developments

a. Interoperability in Offer for Sale

Metropolitan Clearing Corporation Of India Limited (MCCIL) introduced a broad framework for interoperability among Clearing Corporations with effect from 13th July 2020. This would allow market participants to consolidate their clearing and settlement functions at a single CCP, irrespective of the stock exchange in which the order is executed.

b. Margin Obligation to be given by Pledge/Re-pledge in the Depository System.

SEBI, vide circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 dated 25th February 2020, mandated margin obligation to be given by Pledge / Re-pledge in the Depository System. MCCIL has developed and introduced the mechanism for the same with effect from 1st August 2020.

c. Steady State Model

After interoperability, it was mutually decided by all the Clearing Corporations to have the provision of Steady State Model in respect of Custodial Participant / Institutional trades.

d. Renewal of the Recognition

The SEBI vide letter dated September 30, 2020 renewed recognition of the Company as Clearing Corporation for a period of one year commencing from October 03, 2020 and ending on October 02, 2021.

e. Live Operations from Disaster Recovery site:

The Clearing Corporation carried out all intraday and post trade live operations including settlements in all the segments from the DR site in Delhi from December 07, 2020 to December 12, 2020. The operations were switched over from the primary site to DR site without prior intimation to members to demonstrate the capability and readiness of the DR site setup. The operations were carried out from the DR site smoothly and no issue was reported related to connectivity, performance and availability of systems. The switch over from live site to DR site and vice versa was also conducted faultlessly.

f. Renewal of ISO certification

MCCIL follows well defined operating procedures and clearly defined service standards to provide qualitative and timely services to members. Considering the sensitive nature of its business, the company adheres to stringent information security standards. The MCCIL has obtained ISO certifications for quality management system (ISO 9001-2015) and information security management



system (ISO/IEC 27001:2013). The above certification was renewed in the month of September 2018 and is valid for a period of three years subject to satisfactory surveillance audit on yearly basis.

g. Special Contingency Insurance Cover for default risk

The Clearing Corporation has renewed the special contingency insurance cover for risks arising out of default of clearing member resulting in pecuniary loss to the Settlement Guarantee Fund. The annual limit of the insurance cover for FY 2020-21 is INR 50 crore.

The above mentioned insurance cover forms part of the default waterfall mechanism adopted by the Company. On account of the sound risk management framework, there was no default in settlements and therefore the insurance cover was never put to use.

h. Change in Registered Office of the Company

The Board of Directors vide circular resolution passed on December 23, 2020, approved change in registered office of the Company from “4th Floor, Vibgyor Towers, Plot No.C-62, Opposite Trident Hotel, Bandra Kurla Complex, Bandra East, Mumbai 400098” to “Unit 205B, 2nd Floor, Piramal Agastya Corporate Park, Sunder Baug Lane, Kamani Junction, L.B.S Road, Kurla West, Mumbai - 400 070” with effect from January 01, 2021.

3. REGULATORY UPDATES

MCCIL is subject to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (‘SECC Regulations, 2018’) as amended from time to time. During the period from April 2020 to March 2021, SEBI has issued various circulars/notifications, the implementation and compliance of which is required to be ensured by MCCIL. The important circulars / notification are highlighted herein below:

- a. SEBI vide circular SEBI/HO/MRD2/DCAP/CIR/P/2020/27 dated February 24, 2020 has modified the margin framework for Cash market and Derivatives (Index Derivatives, Single Stock Derivatives, Currency and Interest Rate Derivatives) with new Var Margin Rates, Extreme loss Margin and additional margin for highly volatile stocks.
- b. SEBI vide circular number SEBI/HO/MIRSD/DOP/CIR/P/2020/90 dated May 29, 2020 has instructed Clearing Members not to consider Power of Attorney by TM / CM as equivalent to the collection of margin by TM / CM in respect of securities held in the demat account of the client with effect from August 01, 2020.
- c. SEBI vide another circular number SEBI/HO/MIRSD/DPIEA/CIR/P/2020/115 dated July 01, 2020 has provided SOP to harmonize the action amongst all SEs / CCs / Depositories in a time bound manner they have prepared a SoP so as to achieve uniformity in implementation of actions in the cases of TM/ CM leading to default.



- d. SEBI vide circular number SEBI/HO/MRD2/DCAP/CIR/P/2020/127 dated July 20, 2020 has prescribed that the Stock Exchanges/ Clearing Corporations shall adopt the framework specified 'Mechanism for regular monitoring of and penalty for short-collection/ non-collection of margins from clients' in Cash and Derivatives segments.
- e. SEBI has also issued a circular number SEBI/HO/CDMRD/DRMP/CIR/P/2020/128 dated July 21, 2020 reviewing the Stress Testing Methodology for Positions with early pay-in.
- f. SEBI vide circular number SEBI/HO/MIRSD/DOP/CIR/P/2020/143 dated July 29, 2020 has specified mechanism with regard to margin obligations to be given by way of Pledge / Re-pledge in the Depository System with effect from August 01, 2020.
- g. SEBI vide circular number SEBI/HO/MIRSD/DOP/CIR/P/2020/173 dated September 15, 2020 has specified few requirements for CC's with respect to collection and reporting of margins by TM / CM in Cash segment.
- h. SEBI has issued circular number SEBI/HO/MIRSD/DPIEA/CIR/P/2020/186 dated September 28, 2020 advising SE/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.
- i. SEBI has issued circular number SEBI/HO/MRD2/DCAP/CIR/P/2021/03 dated January 08, 2021 allowing transfer of excess contribution made by Stock Exchanges from Core SGF of one Clearing Corporation to the Core SGF of another Clearing Corporation, in inter-operable scenario.
- j. SEBI has issued circular number SEBI/HO/MRD/DCAP/CIR/P/2021/23 dated March 03, 2021 directing Market Intermediaries to formulate a Code of Conduct to regulate, monitor and report trading by their designated persons and immediate relative of designated persons towards achieving compliance with the PIT Regulations, by adopting the minimum standards set out in Schedule C to the PIT Regulations.
- k. SEBI has issued circular number SEBI/HO/MRD1/DTCS/CIR/P/2021/33 dated March 22, 2021 modifying the framework for BCP and DR with some stringent and mandatory requirements.
- l. SEBI has issued circular number SEBI/HO/CDMRD/DRMP/CIR/P/2021/35 dated March 23, 2021 reviewing delivery default norms including penalty for seller and buyer in both agricultural and non-agricultural commodities

4. DIVIDEND AND RESERVES

Your Company has not declared dividend during the Financial Year 2020-21.



5. SHARE CAPITAL

The paid-up Share Capital of the Company as on March 31, 2021 was Rs. 125,37,09,910 /- divided into 12,53,70,991 Equity shares of Rs.10/- each. The shareholding pattern as on March 31, 2021 is provided in Table 14:

Sr. No.	Name of Shareholder	No. of shares of Rs. 10/- each	Percentage
1.	Metropolitan Stock Exchange of India Ltd.	120,171,446	95.85%
2.	Multi Commodity Exchange of India Ltd.	2,758,942	2.20%
3.	63 moons technologies limited	2,440,603	1.95%
	Total	125,370,991	100%

Vide order dated March 19, 2014 SEBI has directed 63 moons technologies limited, inter-alia to divest equity shares held in the MCCIL directly or indirectly within 90 days of order. Further, vide same order the SEBI stated that the 63 moons technologies limited and entities through whom it indirectly holds equity shares or any instrument entitling voting rights in the MCCIL shall cease to be entitled to exercise voting rights in respect of those shares or instrument with immediate effect. The Securities Appellate Tribunal (SAT) has since its order dated July 09, 2014 upheld the decision of SEBI. Further, SEBI has vide letter no. SEBI/MRD/DRMNP/2019/15963 dated June 25, 2019 advised to freeze the voting rights and corporate benefits of 63 moons technologies limited.

In the Extra Ordinary General Meeting (EGM) held on June 16, 2015, shareholders of the Metropolitan Clearing Corporation of India Limited (MCCIL) passed a special resolution unanimously to amend the Articles of Association of the Company to include provisions for certain restrictions on shareholding and divestment of shareholding, of such persons held to be 'not fit and proper persons' by any competent court or regulatory authorities and/ or holding shares in excess of the percentage that they are entitled to hold as per the SECC Regulations, by insertion of new articles.

This amendment has been carried out with the objective to transfer entire shareholding of 63 moons technologies Ltd to demat escrow account to be operated by the Board of Directors of the MCCIL, to ensure compliance with Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

These amendments have been published in Central and State Gazette and, thereafter, the same has been submitted to the SEBI for approval. The amendments are under consideration of SEBI.

6. DIRECTORS

As per the SECC Regulations, the Governing Board of a clearing corporation comprises (i) Public Interest Directors (PIDs), (ii) Shareholder Directors and (iii) Managing Director. Further the number of Public Interest Directors of a recognized clearing corporation shall not be less than the number of Shareholder Directors on the Governing Board. The Managing Director shall be included in the category of the Shareholder Directors.

As on March 31, 2021, the Company's Governing Board consists of three Public Interest Directors, two Shareholder Directors and the Managing Director.



A. Public Interest Directors

As on March 31, 2020, the following were the Public Interest Directors of the Company:

- Mr. Vijay Ranjan (DIN: 02346190)
- Ms. Rita Menon (DIN: 00064714)
- Mr. Alok Kumar Mittal (DIN: 00008577)

The abovementioned PIDs are independent directors in terms of provisions of Companies Act, 2013 and have given declarations that they meet the criteria of independence as laid down u/s 149(6) of the Companies Act, 2013.

B. Shareholder Directors

The Nomination and Remuneration Committee vide circular resolution passed on August 03, 2020 had recommended the names of Mr. P.K. Ramesh (DIN: 08363403) and Mr. Saket Bhansali (DIN: 06817955) to the Board of Directors of the Company for being appointed as Shareholder Directors. The Governing Board at its meeting held on August 10, 2020 approved appointment of Mr. P.K. Ramesh and Mr. Saket Bhansali as Shareholder Directors of the Company subject to approval of Shareholders and SEBI.

The shareholders at the Annual General Meeting held on September 18, 2020 approved appointment of Mr. P.K. Ramesh and Mr. Saket Bhansali as Shareholder Directors of the Company subject to approval of the SEBI. The SEBI vide its letter no. SEBI/HO/MRD2/DCAP/OW/P/2020/16451/1 dated October 05, 2020 approved their appointment as Shareholder Directors of the Company and the same was later approved by the Board on October 06, 2020.

Mr. P.K. Ramesh retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment subject to compliance with applicable regulations. The Board recommends the reappointment of Mr. P.K. Ramesh as Director of the Company to the shareholders at the forthcoming Annual General Meeting of the company subject to applicable regulations.

C. Managing Director

Mr. Balu Nair ceased to be the Managing Director & CEO with effect from February 26, 2021. The Board places on record its deep appreciation and gratitude towards the valuable contributions made by Mr. Balu Nair during his tenure as Managing Director & CEO of the Company.

Pursuant to resignation of Mr. Balu Nair as Managing Director & CEO, your company had followed the process prescribed in the regulatory guidelines for appointment of Managing Director and submitted necessary application to SEBI for appointment of Managing Director.



SEBI vide its letter dated SEBI/HO/MRD2/DCAP/OW/2021/4963/1 dated February 25, 2021 and the Board of Directors at its meeting held on February 27, 2021 approved appointment of Mr. Krishna J. Wagle (DIN: 09082635) as Managing Director of the Company for a period of three years with effect from February 27, 2021. The appointment is subject to approval of the Shareholders at the next general meeting.

7. KEY MANAGERIAL PERSONNEL

As per Companies Act, 2013

Mr. Balu Nair ceased to be the Managing Director & CEO with effect from February 26, 2021.

Mr. Krishna J. Wagle stepped down as the Chief Financial Officer of the Company on February 26, 2021 pursuant to receipt of approval from SEBI vide its letter no. SEBI/HO/MRD2/DCAP/OW/2021/4963/1 dated February 25, 2021 for his appointment as Managing Director.

The Company appointed Ms. Avni Patel as Company Secretary with effect from July 1, 2016.

As per SECC Regulations 2018

In terms of SECC Regulations, 2018 your company appointed the following Key Managerial Personnel:

- Dr. A. Sebastin resigned as Chief Operating Officer of the Company with effect from June 30, 2020. He was again appointed as Chief Operating Officer of the Company with effect from April 12, 2021.
- Ms. Geeta Bhandarkar was appointed as Compliance Officer of the Company with effect from June 24, 2019.
- Ms. Rachna Prajapati, Head Human Resource appointed as KMP with effect from August 08, 2019.
- Mr. Sumit Badakh, appointed as IT Head & KMP with effect from November 01, 2019 & CISO with effect from June 10, 2020.

8. DISCLOSURE OF RESOURCES COMMITTED TOWARDS STRENGTHENING REGULATORY FUNCTIONS AND TOWARDS ENSURING COMPLIANCE WITH REGULATORY REQUIREMENTS PURSUANT TO REGULATION 33(3) OF SEBI SECC REGULATIONS 2018.

As per Schedule II, Part – C of SECC Regulations 2018, departments handling the following functions shall be considered as Regulatory departments in a Clearing Corporation:

- Risk management,
- Member registration,
- Compliance,
- Inspection,



- Enforcement,
- Default,
- Investor protection,
- Investor services,

There are 14 resources in these functions in various designations All the regulatory departments are adequately staffed and being assisted by qualified officials of the Company.

Moreover, Public Interest Directors in their separate meeting held twice in a financial year, review the functioning of the regulatory departments including the adequacy of resources dedicated to regulatory functions.

8. HUMAN RESOURCES

During the financial year 2020-21, emphasis was given to Human Resource Planning with the objective of optimum use of human resources and to have the correct number and types of employees needed to meet organizational goals. The total strength of employees as on March 31, 2021 was 57.

9. AUDITORS

M/s Kirtane & Pandit LLP, Statutory Auditors of the Company were appointed as Statutory Auditors of your Company at the 6th Annual General Meeting held on September 30, 2014 for a term of five consecutive years, until the conclusion of the AGM to be held for the financial year 2018-19. The Board of Directors at their Meeting held on May 03, 2019 approved re-appointment of M/s. Kirtane Pandit LLP FRN: 105215W/W100057), Chartered Accountants, Mumbai for another term of 5 years beginning from financial year 2019-20 to 2023-24 As per the provisions of Section 139 of the Companies Act, 2013, the re-appointment of Auditors is required to be approved by the Members at Annual General Meeting. The Shareholders at the Annual General Meeting held on September 13, 2019 approved re-appointment of M/s. Kirtane Pandit LLP as Auditors of the Company for a further term of five consecutive years.

The Companies Amendment Act, 2017 read with Notification S.O. 1833(E) dated 7th May 2018 had done away with the requirement of annual ratification of the appointment of auditor. Thus the ratification of the Auditors' appointment is not being considered in the ensuing Annual General Meeting.

10. AUDIT COMMITTEE

As per the section 292A of the Companies Act, 1956, the Company constituted an Audit Committee of the Board on April 17, 2009 and the scope of the Committee was revised from time to time in line with the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.



At the beginning of the year 2020-21 the members of the Audit Committee were:

- Mr. Alok Kumar Mittal, Public Interest Director – Chairman
- Mr. Vijay Ranjan, Public Interest Director – Member
- Ms. Rita Menon, Public Interest Director – Member

Pursuant to appointment of Mr. Saket Bhansali as Shareholder Director the Audit Committee was reconstituted by the Board of Directors vide circular resolution passed on October 23, 2020, and accordingly following were the members of the Audit Committee as on March 31, 2021.

- Mr. Alok Kumar Mittal, Public Interest Director – Chairman
- Ms. Rita Menon, Public Interest Director – Member
- Mr. Saket Bhansali, Shareholder Director – Member

During the financial year 2020-21, the Audit Committee met 4 (four) times on June 11, 2020, August 10, 2020, November 06, 2020, and February 05, 2021.

All the recommendations of the audit committee were accepted by the Board with requisite majority during 2020-21.

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board met 9 (nine) times during the year i.e. on April 02, 2020, June 11, 2020, August 10, 2020, October 31, 2020, November 06, 2020, November 30, 2020, January 19, 2021, February 05, 2021 and February 27, 2021

Details of the meetings of the Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee have been given in the Corporate Governance Report.

12. DEPOSITS

The Company did not accept any public deposits during the financial year 2020-21.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy, Technology Absorption

In view of the nature of activities which are being carried out by the Company, Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 concerning conservation of energy and technology absorption are not applicable to the Company. At MCCIL, a conscious effort is made to



minimize the negative effects of its footprint on the environment. The Company strives to optimize energy usage and reduces its wastage.

B. Foreign Exchange earnings and outgo during the year under review

The details of foreign exchange earnings and outgo during the FY 2020-21 are as follows:

Earnings: NIL

Outgo: INR 44.68 towards Membership & Subscription Fees & INR 4.89 Lacs towards Professional Charges

The Company does not directly export. However, by offering clearing and settlement services in currency futures contracts, it facilitates corporates, exporters and importers to hedge their currency risk.

14. CORPORATE SOCIAL RESPONSIBILITY

As mentioned in Section 135 of the Companies Act, 2013, every company having net worth of Rupees five hundred crores or more, or turnover of Rupees one thousand crores or more or a net profit of Rupees five crores or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an Independent Director.

During the F.Y. 2019-20, Company had constituted the Corporate Social Responsibility (CSR) Committee under the Chairmanship of Ms. Rita Menon. The detailed composition of the CSR Committee has been disclosed in the Corporate Governance Report which forms a part of the Annual Report.

During the F.Y. 2020-21, since the Company does not fall within the limits prescribed under section 135 of the Companies Act, 2013 and the rules made thereunder; your Company is not required to undertake any activity under Corporate Social Responsibility.

The Company has formulated CSR Policy as approved by the Board. The link to the CSR Policy is provided in Annexure VI to the Board's report.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

As per Multi-Party Interoperability Agreement entered into on June 15, 2019 amongst Metropolitan Clearing Corporation of India Ltd (MCCIL), Metropolitan Stock Exchange of India Limited (MSE), NSE Clearing Limited (NCL), National Stock Exchange of India Limited (NSE), Indian Clearing Corporation Limited (ICCL) & BSE Limited (BSE), for the purposes of settlement of Inter CC obligations, Clearing Corporations are required to post collateral with each other. The various forms in which the margins can be exchanged between the Clearing Corporations are cash, securities, corporate bonds, government securities, bank guarantees, fixed deposit receipts and any other form as allowed by SEBI from time to time, or mutually agreed by the Clearing Corporations. Further, for this purpose,



each Clearing Corporation will only post its own collateral with the other Clearing Corporation free from any lien, charge or any encumbrances whatsoever.

Accordingly, MCCIL has lien marked its Fixed deposits amounting to INR 5.96 Crore in favour of NCL towards Inter CC Margin.

16. RISK AND INTERNAL ADEQUACY OF CONTROLS

A. Risks and Concerns

The MCCIL has adopted a comprehensive risk management policy which is approved by the Risk Management Committee (RMC) of the company. The RMC members include Public Interest Directors of the company and external risk management experts. Credit risk, price risk, liquidity risk, operational risk, legal risk and systemic risk are the main types of risks for MCCIL. The risk management framework adopted by MCCIL comprises of its rules, regulations and byelaws to identify, measure, monitor, and manage the range of risks that arise in the business of the Company as a Financial Market Infrastructure.

Risk Management Committee is also responsible for monitoring and periodic review of the Risk Management Policy. The Risk Management Policy takes into account all risks that the Clearing Corporation may face such as Business Risk, Strategic Risk, Compliance Risk, etc. The systems implemented by the clearing corporation are capable of monitoring the margins and positions at participant and constituent level. Exposures for margin computation and position limit monitoring are identified at individual constituent level as well as at participant level on aggregate basis. Participants can set limit for its constituents to prevent excessive exposures. Further, the systems are also capable to aggregate positions of any constituent across participants based on unique identifiers like PAN. MCCIL reviews its risk-management policies, procedures, and systems by taking into account fluctuation in risk intensity, changing environments and market practices.

Effectiveness of policies and systems are assessed through periodic back testing and stress testing techniques and also by monitoring the level of exceptions or shortfalls.

B. Internal Control Systems and their Adequacy

The Company has implemented effective control systems to ensure that all its assets, interests and information are safeguarded with proper checks and balances. The Company has appointed Internal Auditors and System Auditors to ensure that the financial transactions, operational mechanism and technological infrastructure are error free. The Statutory Auditors are appointed by the Company as per the extant regulatory guidelines. The Company has carried out an evaluation of internal control mechanism and prepared the Risk Control Matrices with the help of external experts. Statutory Auditors have ascertained the adequacy of the internal financial controls system in place and the operating effectiveness of such controls based on the Risk Control Matrices.



The Audit Committee is in overall supervision of the internal controls and reports are being made to the Board in a periodic manner.

17. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY AND THE DATE OF THE REPORT

No such material change nor commitment affecting financial position of the company occurred between the end of the financial year of the company and the date of the report.

18. EXPLANATIONS OR COMMENTS ON THE QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITORS IN THEIR REPORT

There is no qualification, reservation, adverse remarks and disclaimer made by the statutory Auditors and Secretarial Auditor in their reports.

19. EMPLOYEES STOCK OPTION PLAN

The Company has not issued any Employee Stock Options. However, the Parent Exchange, MSE had granted stock options to the employees of the MCCIL to subscribe to MSE equity shares under its Employees Stock Options, 2009.

20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC 2 is set out in the Annexure I to the Directors' Report.

21. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company has to comply with the SEBI Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 for appointment of directors on the governing board. Further the remuneration payable to the Directors is also governed by the SECC Regulations. The Board periodically evaluates the need for change in its composition and size taking into account financial strength of the company.

The Company's Policy with regard to appointment and remuneration of Directors is governed by the provisions of SECC Regulations 2018. As per Regulation 24 (9) of SECC Regulations 2018, Public Interest Directors shall be remunerated only by way of sitting fees as admissible to independent directors in the Companies Act, 2013.



22. DECLARATION BY INDEPENDENT DIRECTORS

Every Independent Director, at the first meeting of the Board in every financial year and whenever there is a change in the circumstances which may affect his status as an independent director, has to give a declaration that he meets the criteria of Independence. The Company has received necessary declaration from each independent director under section 149 (7) that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

All the Directors as on March 31, 2021 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 under Part A, Schedule II of SECC Regulations, 2018 from the respective Directors as on March 31, 2021, as applicable.

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered themselves with the India Institute of Corporate Affairs (IICA) and have included their names in the databank of Independent Directors.

Based on the confirmation/declaration received from the independent directors, that he/she was not aware of any circumstances that are contrary to the declarations submitted by him/her, the Board acknowledged the veracity of such confirmation and takes the same on record. In the opinion of the Board, all the aforesaid Independent Directors possess the requisite expertise and experience and they hold the highest standards of integrity.

23. EVALUATION OF DIRECTORS AND THE BOARD

The Board has put in place a policy for evaluation of its own performance, its committees, the Individual Directors and External Experts.

The following process has been adopted by the Company for performance evaluation:

- (a) Independent Directors review the performance of the Chairperson, the Non-Independent Directors, the Board and External Experts;
- (b) The Nomination and Remuneration Committee ("NRC") carries out the evaluation of every Director's performance. The NRC, while doing so, also takes into account the inputs of review by Independent Directors;
- (c) The Board evaluates the performance of the Board, its Committees and each Director and while doing so, takes into account the inputs received from the NRC and the review by Independent Directors.



The performance evaluation by Independent Directors, the NRC and the Board respectively, is carried out on the basis of criteria laid down in the policy for evaluation of performance of the board of directors and external persons, which, inter-alia, includes the abovementioned parameters.

The Shareholder Directors did not evaluate the performance of:

- (i) the Managing Director (MD) / CEO on the ground that the MD/CEO has joined recently and they do not have sufficient information to evaluate his performance and
- (ii) the Board, Chairman and the Committees on the ground citing that they had expressed dissent on many items where the shareholder Directors felt that the same were not in due compliance with parent Board's directions and shareholders' interest and that it may not be appropriate to conduct the evaluation.

The meeting of the Independent Directors was conducted on March 26, 2021 wherein all the independent directors were present to evaluate the performance of the non-independent directors, board of directors as a whole & the chairperson, and effectiveness of the mechanism for obtaining the desired information from the management of the Company.

The link to the Policy for evaluation of Board and Directors is provided in Annexure VI to the Board's report.

24. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

The details of training and familiarization program are provided in Corporate Governance report. Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, functions, duties and responsibilities.

25. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies' (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed Mr. A. Sekar, Practicing Company Secretary to undertake the secretarial audit of the Company. The Secretarial Audit Report is annexed as Annexure II to this report. There are no adverse observations reported by the Secretarial Auditor in his report.

Further the Secretarial Auditor confirms that the Company complies with applicable secretarial standards issued by the Institute of Company Secretaries of India (ICSI).

26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion & Analysis Report is annexed separately to this report.



27. VIGIL MECHANISM

Your Company has a well-established vigil mechanism in place which is managed by the compliance and ethics team.

28. LITIGATIONS

During the year, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

29. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

30. SECRETARIAL STANDARDS

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

31. STATEMENT ON REMUNERATION OF EMPLOYEES OF THE COMPANY

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 SECC Regulations, 2018, the ratio of the remuneration of each Director to the median employee's remuneration, ratio of compensation paid to each key management personnel vis-a-vis median of compensation paid to all employees and other details forms part of this report as Annexure III.

In compliance with the requirements of Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2018, a statement containing details of employees is enclosed as Annexure III.

32. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed as Annexure IV. Further, in compliance with section 134(3)(a) of the Act, MGT 9 is uploaded on the Company's website and can be accessed at: <https://www.mclear.in/mcxsccl/Disclosures/financials.aspx>



33. CORPORATE GOVERNANCE REPORT

In terms of Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Corporate Governance Report along with certificate issued by M/s. Kirtane & Pandit LLP, Chartered Accountants is attached and forms part of this report.

34. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief, make following statements:-

- (i) The applicable Accounting Standards have been followed in the preparation of the annual accounts along with the proper explanation relating to material departure, if any.
- (ii) Such accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as on March 31, 2021 and the Statement of Profit and Loss for the said financial year ended March 31, 2021.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.
- (v) The proper internal financial controls are in place and such internal financial controls are adequate and operating effectively.
- (vi) The systems to ensure compliance with the provisions of all applicable laws are in place and such systems are adequate and operating effectively.

35. BUY-BACK OF SHARES

During the last financial year your Company did not have any scheme of buyback of shares, as specified in the Companies Act, 2013.

36. POLICY TO DEAL WITH SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

The Company has implemented a sexual harassment policy in line with the requirement of Sexual Harassments of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment, and on-going training is provided to



employees. During the financial year 2020-21 the Company has not received any complaints regarding sexual harassment. Pursuant to Section 21(1) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the annual report for the calendar year 2020 was submitted to the District Officer.

37. PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

MCA has vide Companies (Accounts) Amendment Rules, 2021, effective from April 01, 2021, amended rule 8 with respect to the disclosures of details of an application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year along with their status as at the end of the financial year. The same was not applicable to your Company as there are no such applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 with respect to the Company.

38. DIFFERENCE IN AMOUNT OF THE VALUATION

MCA has vide Companies (Accounts) Amendment Rules, 2021, effective from April 01, 2021 amended Rule 8 with respect to the disclosures of details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof. The same was not applicable to the Company as there was no such instance of either settlement or loan from a Bank or Financial Institution during the year under review.

39. COST AUDIT/COST RECORDS

The requirement relating to disclosure and the maintenance of cost records as specified by the Central Government under section 148 of the Companies Act, 2013 is not required to be made by the Company, and accordingly, such accounts and records are not prepared and maintained.

40. BOARD POLICIES

The details of the following policies approved and adopted by the Board are provided in Annexure VI to the Board's report.

- Corporate Social Responsibility Policy
- Nomination & Remuneration Policy
- Policy for evaluation of Board and Directors
- Policy on dealing with related party transactions
- Whistle Blower policy

41. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to the Company's employees for their enormous efforts as well as their collective contribution to enable the Company to meet the challenges set before it. The Directors would also like to place on record their gratitude for the valuable guidance and support received from the Securities and



Exchange Board of India and Reserve Bank of India and confidence reposed by shareholders, clearing members, banks, clearing banks, technology providers and all other business associates in your Company's Management.

For and on behalf of the Board of Directors

Sd/-

Vijay Ranjan

Chairman & Public Interest Director

DIN: 02346190

Sd/-

Krishna J. Wagle

Managing Director

DIN: 09082635

Date: June 07, 2021

Place: Mumbai



Management Discussion and Analysis Report

1. Global Economic Scenario

The global economy was climbing out from the depths to which it had plummeted during the Great Lockdown in April 2020. But with the COVID-19 pandemic continuing to spread, many countries slowed reopening and some are reinstating partial lockdowns to protect susceptible populations. While recovery in China has been faster than expected, the global economy's long ascent back to pre-pandemic levels of activity remains prone to setbacks.

International Monetary Fund (IMF) has estimated that during 2020, the world output shrank by 3.3 per cent. The world economy is projected to grow at 6.0 per cent in 2021. The advanced economies are expected to grow at 5.1 per cent whereas emerging market growth rate is estimated as 6.7 per cent.

Great amount of Uncertainty still prevails and the new normal is yet to be perceived. A Paradigm shift is underway. Say for instance New Ways of Working, New ways of Education, A Large scale jump in distant experiences and conversions of requirements through digital space. Manufacturing would be spread across geographies to mitigate concentrated dependencies leading to shift in economic outlooks for various countries / geographies.

The growth projections imply wide negative output gaps and elevated unemployment rates in 2020 and in 2021 across both advanced and emerging market economies. Another source of uncertainty is the extent of global spill overs from soft demand, weaker tourism, and lower remittances.

A set of factors comprises financial market sentiment and its implications for global capital flows. Moreover, there is uncertainty surrounding the damage to supply potential Progress with vaccines and treatments, as well as changes in the workplace and by consumers to reduce transmission, may allow activity to return more rapidly to pre-pandemic levels than currently projected, without triggering repeated waves of infection.

The COVID-19 pandemic has profoundly changed our world and the past year has been challenging for many. Today, although vaccines are bringing hope, the pandemic and its challenges are far from over.

Deteriorating financial sentiment could trigger a sudden stop in new lending (or failure to roll over existing debt) to vulnerable economies. And cross border spill overs from weaker external demand could amplify the impact of country-specific shocks.

Output losses have been particularly large for countries that rely on tourism and commodity exports and for those with limited policy space to respond. Youth, women, workers with relatively lower educational attainment, and the informally employed have generally been hit hardest. Income inequality is likely to increase significantly because of the pandemic.

Globally Real Estate space is also experiencing a huge Uncertainty on Demand supply with varied perceptions. With increased fulfilment happening through Digital Emarketing platforms Retail Space can be affected significantly while the Supply Chain Logistics requirement on the other hand would balance the demand but on large scale spaces. A second wave of demand could be felt from Health, Hospitality and Education sectors as countries would like to scale up the infrastructure to be more robust to mitigate such events in future . A large scale shift will also be evident in personal health and hygiene space. While the Concentrated Metros and Urban sectors would take time to shift to the new demand cycle the path looks clear for the upcountry development which thereby would also put a thrust on infrastructure development leading to growth of heavy industry such as steel cement and allied infrastructure.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Global Market Indicators:

Sr. No.	Parameter	Value as on 31/03/21	Value as on 31/03/20	Variation in percent
1	Nasdaq Composite	13246.90	7700.10	72.04
2	Dow Jones Ind Avg	32981.60	21917.20	50.48
3	FTSE 100	6713.60	5672.00	18.36
4	Hang Seng	28378.40	23603.50	20.23
5	NIKKEI	29178.80	18917.00	54.25
6	Gold \$/ounce	1707.71	1578.93	8.16
7	NYMEX WTI Crude (\$/bbl)	59.16	21.50	75.16

Geo-political Balance: To protect themselves from economic fallout due to COVID, global organizations are coming together to restore geo-political and economic balance. Organizations like WHO, the UN and other public/private NGOs are working on rebuilding nations by ensuring that economic stimulus programs are prioritized.

COVID-19 has had an impact on multiple facets of our lives, including the way we work, conduct business or leisure. While some of these impacts have been shifting into major trends, the underlying technology transformation has been significantly accelerated. While this disruption has highlighted several gaps in the existing operating models, it also provides an opportunity to build more resilience in the system; this is where companies strategize, build and grow in these times of adversity

Global Economic growth parameters (in percent)

Parameters	Average 2013-19	2019	2020	2021	2022
Real GDP growth	3.3	2.7	-3.5	5.8	4.4
Unemployment Rate	6.5	5.4	7.1	6.5	6.0
Inflation	1.7	1.9	1.5	2.7	2.4
Fiscal balance	-3.2	-3.1	-10.8	-10.1	-6.0
World Real trade growth	3.4	1.3	-8.5	8.2	5.8

(Source: OECD Economic Outlook)



The unregulated and free-market globalisation may gradually come to an end due to COVID-19 exposing the serious risks of independent and uncoordinated actions of countries on the global economy and the well-being of people. The pandemic proved that issues arising in one country has a domino effect and can end up having a serious impact on the entire economic world.

A new form of globalisation that recognises interdependence and the good of humanity based on collective actions of countries, businesses and people will start to emerge. As a result, companies will change their governance and business management models with greater focus on corporate social responsibility and the well-being of people. Many countries will pass new laws to protect employees in situations such as COVID-19. With the emergence of social capitalism, a new kind of capitalism will drive companies. Not only markets and market regulation, but also what is good for the communities and the society, will drive business strategy.

2. Domestic Economic Scenario

India has emerged as the fastest growing major economy in the world and is expected, to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

The year gone by was difficult for several nations across the globe as well as for India. India implemented a strict lockdown approach in 2020 to curtail spreading of the coronavirus outbreak and concentrate on expanding the country's infrastructure & health facilities.

India joined the global economy in an unprecedented contraction in 2020-21, dragged down by the COVID-19 pandemic. Headline inflation was elevated for most part of the year led by supply chain disruptions due to the pandemic and spikes in key food prices. Inflation, however, moderated subsequently due to seasonal easing in food prices since December 2020, albeit with an upside push from adverse base effects during February-March 2021.

The Economic growth rate for FY 20 stood at 4.20 percent, a six year low since 2014-15 on the back of consumption and economic slowdown. For FY 21, GDP has contracted by 7.30 percent which is the lowest in the last 12 years. This is the first full-year contraction in the Indian economy in the last four decades since 1979-80, when GDP had shrunk by 5.2 per cent. For FY 22, GDP is expected to be in double digits above 10 percent due to lower base and several initiatives across sectors taken by the Government to improve the overall economic condition in the country

Monetary and credit conditions remained expansionary and financial market conditions eased considerably on the back of abundant liquidity. Public finances were impacted by a cyclical slowdown in revenues, which was exacerbated by COVID-19, while pandemic-induced fiscal measures pushed up expenditure. On the external front, the sizeable contraction in imports relative to exports, under deep recessionary conditions, led to a current account surplus; along with robust net capital inflows, this led to a large build-up of foreign exchange reserves.



With an improvement in the economic scenario, there have been investments across various sectors of the economy. A significant recovery in investment growth, backed by the self-reliant India, and a substantial increase in infrastructure and capital expenditure proposed in the Union Budget 2021-22 will be instrumental in this robust recovery. The wheels of India's capex cycle have begun to turn, with signs of progress expected in the second half of the year.

India has been well equipped to tackle any risk exposure raised by the recent increase in COVID-19 reports as the vaccination campaign continues to scale up in India, driven by best practices from the country's effective management of the pandemic in its first wave. With the end of a challenging FY11, India looks forward to a stronger and more self-sufficient FY22.

However, India's long-term growth story remains intact, fortified by pillars such as favorable demographics, proactive reforms, infrastructure investments, and building a sustainable financial market.

Headline Wholesale Price Index inflation for March 2021 printed at 7.39%, substantially higher than 1% recorded in March 2020, largely due to inflationary pressures emanating from manufactured products and fuel index. Average Consumer Price Index inflation for FY21 stood at 6.18% as compared to 4.76% in FY20.

For FY21, average IIP growth stood at -8.4% as compared to the growth of -0.6% in FY20.

India's fiscal deficit for FY 21, is expected to be around 9.4 percent of GDP as compared to 4.6 percent of FY 20. India is likely to post a Current account surplus at 2 percent of GDP after a gap of 17 years as compare to 0.7 percent for FY20.

According to the data released by the Ministry of Labour and Employment, the unemployment rate for 2019-20 was 8.74 percent and for 2020-21 unemployment rate was 6.52 percent. With the onslaught of COVID 19, the unemployment rate in May 21 is touching 14.5 percent. The steady and substantial rise in the unemployment rate in May 2021 is likely to be the result of loss of employment during lockdown due to second wave of COVID-19.

The onset of the second wave of the pandemic has again cast a doubt on the near term and medium term trajectory of economic growth. In this scenario, it is expected that RBI will support growth and see through the transient effects of inflation if they arise due to supply chain disruptions in the coming months

India's attempt to implement reforms to unlock the country's investment potential is expected to improve business environment, liberal FDI policies, quick solution to corporate disputes, simplified tax structure, and a boost to public and private expenditure. To achieve the GDP of US\$ 5 trillion by FY25, India needs to spend about US\$ 1.4 trillion (Rs. 100 trillion) over these years on infrastructure.



The toughest year for humanity in recent times turned out to be one of the best for stock markets. Even as Covid-19 infections multiplied and economic activity plunged, stocks rejoiced perhaps reflecting faith in human ingenuity on one hand, and reacting to unprecedented liquidity amid low valuations on the other.

It is becoming pretty evident that the current crisis has only accelerated the shift towards a multi-polar world, challenging the unquestioned hegemony of the West. As global powers race for dominance and new coalitions emerge, EMs like India should enjoy increased bargaining power in the new world order if we play our cards right. While we command a strategic location on the globe, India is particularly well placed to leverage its position for two more reasons: one, its 1.3 billion population makes it a large market and two, the same population also serves as a rich source for big data.

India's vision to become Atmanirbhar Bharat (self-reliant India) is pivoted on high industrial and economic growth as we overcome the challenges created by COVID-19.

3. Industry Developments

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The country's financial services sector consists of capital markets, insurance sector, mutual funds and non-banking financial companies (NBFC's)

The stock exchange is the mirror of the economy of any country. It helps industries and commerce to develop a country. In this regard the importance of stock exchange is massive. For running stock exchanges smoothly, the "Clearing Corporation" is a very important organ of the stock exchanges and for other stakeholders. It is established to handle confirmation, settlement and delivery of transactions.

India has scored a perfect 10 in protecting shareholders' rights on the back of reforms implemented by Securities and Exchange Board of India (SEBI) in the World Bank's Ease of Doing Business 2020 report.

The Government of India has taken various steps to deepen reforms in the capital market, including simplification of the IPO process, which allows qualified foreign investors (QFIs) to access the Indian bond market.

The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development



and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

India is the world's largest sourcing destination with largest qualified talent pool of technical graduates in the world. According to National Association of Software and Service Companies (Nasscom)

India's stock market capitalization at end of March 2021 stood at INR 2,04,308.15 billion, a huge rise of 80.03 percent as compared to INR 1,13,487.57 billion at end March 2020.

Indian stock market turnover in Cash Segment for FY 21 amounted to INR 1,64,430.09 billion, a rise of 70.22 percent as compared to INR 96,597.35 billion in FY 20

Indian Stock Market Turnover in Currency Derivatives Segment for Instrument USDINR for FY 21 amounted to INR 1,50,887.46 billion, marginally down by 4.09 percent as compared to INR 1,57,305 billion in FY20.

Capital raised from the Primary Market through Public and Rights Issues (Equity and Debt) in FY 21 amounted to INR 1133.52 billion through 75 issues as compared to INR 919.49 billion through 110 issues in FY 20, reflecting an increase of 23.28 percent in terms of amount garnered.

Funds raised through Private Placement of Corporate Debt as reported to Stock Exchanges in FY 21 amounted to INR 6775.11 billion through 1783 issues as compared to INR 6747.03 billion through 1787 issues in FY 19, reflecting an increase of 14 percent in terms of funds garnered.

At end of March 2021, there were a total of 1,735 mutual fund schemes in the market, and net assets under management of mutual funds stood at 31,4 lakh crore .

India's debt to GDP ratio increased from 74% to 90% during the COVID- 19 pandemic, the IMF said, noting that it expects this to drop down to 80% as a result of the country's economic recovery.

S&P Global Ratings warned systemic risk in Indian banks is likely to remain high in the wake of the second wave of COVID-19 and high proportion of weak loans.

The second wave has put the future of MSMEs and small businesses in uncertainty yet again, with restrictions in activity and mobility impacting millions. Anticipating the liquidity crunch, the Reserve Bank of India (RBI) announced several liquidity measures to help ease the financial burden on such individuals and businesses.

Digital Transformation is a business trend that has gained immense popularity over the last few months. , tech companies experienced overwhelming demand for their services and unprecedented strain on their networks

India is today one of the most vibrant global economies on the back of robust banking and insurance sectors. The relaxation of foreign investment rules has received a positive response from the insurance sector, with many



companies announcing plans to increase their stakes in joint ventures with Indian companies. Over the coming quarters, there could be a series of joint venture deals between global insurance giants and local players.

COVID-19 pandemic emphasized the importance of healthcare sector and its inter-linkages with other sectors - showcased how a health crisis transformed into an economic and social crisis National Health Mission (NHM) played a critical role in mitigating inequity as the access of the poorest to pre-natal/post-natal care and institutional deliveries increased significantly.

India is fast becoming home to start-ups focused on high growth areas such as mobility, E-commerce, and other vertical specific solutions - creating new markets and driving innovation.

Rise in domestic investments has been one of the biggest contributors to the India growth story and public and private sector have both enabled and sustained these investments

4. Highlights of the Clearing Corporation

Metropolitan Clearing Corporation of India Limited (MCCIL), a subsidiary of Metropolitan Stock Exchange (MSE) was incorporated on November 7, 2008 with the main objective to act as central counterparty providing novation and clearing & settlement services for various asset classes.

On September 29, 2014, the Securities and Exchange Board of India (SEBI) granted recognition to MCCIL as a Clearing Corporation under the Regulation 4 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012.

MCCIL is authorized by the RBI and the SEBI, to settle OTC deals in Corporate Bonds, Structured Debt Instruments, CPs and CDs reported in RBI approved reporting platforms.

MCCIL is also authorized by the RBI under section 10 of FEMA to carry out Clearing & Settlement activities, for currency derivatives contracts.

MCCIL is providing the clearing and settlement services in following segments namely:

- a. Currency Derivatives – Under Interoperability,
- b. Equity Derivatives – Under Interoperability,
- c. Equity Cash Market – Under Interoperability,
- d. Offer for Sale – Under Interoperability
- e. Commodity Derivative Segment – For Indian Commodity Exchange Limited (ICEX)
- f. Mutual Fund Segment - For Indian Commodity Exchange Limited (ICEX)



MCCIL has adopted various best practices in the industry to make sure transactions are managed efficiently and completed seamlessly, which include capital adequacy norms for membership, dedicated settlement guarantee fund, globally accepted systems for margining, online monitoring of member positions based on prudential position limit norms, automatic trading restriction on breach of prudential limits, multilateral netting for obligation computation and periodic back testing of margins.

The main objective of the MCCIL is to act as central counterparty to all the trades and provide full novation and carry out the business of clearing and settlement of transactions executed on recognized exchanges.

Technology is considered as the backbone of MCCIL's business and a Strategic Differentiator.

The Robust technology deployed enables us to adopt market safeguards through Real Time Risk Monitoring by tracking of Member's margin utilizations and Mark-to-Market (MTM) losses against their collaterals made available to us. The system automatically generates real time alert and takes pre-decided actions, which provides flexibility to Clearing Members to manage and control their risk.

MCCIL promotes sound and efficient Clearing and Settlement activities through effective and efficient fund settlement, margining and robust risk management systems. Our constant endeavour is to enhance the quality of risk management systems and clearing processes to be the best-in class standards

INTEROPERABILITY

The stock market regulator (SEBI) laid down the guidelines for a world-class interoperable framework for the clearing corporations in November 2018.

SEBI's interoperability framework for CCPs necessitated linking of multiple clearing corporations to allow "market participants to consolidate their clearing and settlement functions at a single CCP, irrespective of the stock exchange on which the trade is executed."

Operationalizing such an inter-linkage was a very complicated and hi-tech process, as it entailed interconnecting all three stock exchanges and clearing corporations and marrying their technologies and systems seamlessly.

Therefore, this is one of the biggest changes in the history of Indian exchanges and clearing corporations since the introduction of dematerialized settlements and derivatives trading through exchanges in the early 2000s.

With interoperability now in place, members get to clear their trades through a clearing corporation of their choice. It would lead to higher netting efficiency by reducing the funds and securities pay in obligation. Interoperability would also reduce membership costs, as a benefit from arbitrage in prices between two exchanges.



All the products available for trading on the stock exchanges (except commodity derivatives) shall be made available under the interoperability framework.

MCCIL has entered into the interoperability arrangements with the other Clearing corporations viz. NCL & ICCL thereby providing clearing services to NSE and BSE in addition to MSE.

Under Interoperability, MCCIL successfully cleared and settled first Equity Cash Segment trade on June 03, 2019, Currency Derivatives Segment trade on August 19, 2019.

MCCIL continues to stay true to the spirit of good governance that forms the fulcrum of our business.

MCCIL embraces and follows the spirit of all rules and regulations.

MCCIL with its advanced technology is set to achieve new horizons by increasing clearing and settlement volumes under Interoperability.

MCCIL believes in finding and creating opportunities through our business expertise and impeccable, technology-driven team.

MCCIL envisions a state-of-the-art, intuitive, secure, and efficient clearing and settlement systems with Clearing Member centricity at the core of every feature.

5. Risks & Concerns and Adequacy of Internal Control Systems

Over View

Effective risk management is integral to MCCIL's business strategy which functions as a Central Counterparty licensed under SEBI. As a key financial Market Intermediary which undertaking clearing and settlement activities MCCIL is committed to actively managing our risks to support our strategic objectives.

The objective of our risk management framework is to ensure that various risks are identified, measured and mitigated and also that policies, procedures and standards are established to address these risks and to ensure a systematic response in the case of crystallisation of such risks.

Risk Management

MCCIL risk management practices have been designed and implemented taking into consideration the varying needs of our organisation, operating structure, business operations and regulatory requirements. Our risk management philosophy clearly defines these lines of defence within the organisation.

Our Board approved policy details out our approach to risk management and the roles and responsibilities of all stakeholders.



MCCIL operates in a business environment that has undergone, and continues to experience, significant and rapid technological change. To remain competitive, we must continue to enhance and improve the responsiveness, functionality, capacity, accessibility and features of our clearing platforms, software, systems and technologies

MCCIL’s risk control structure is based on the ‘3 lines of defence’ model:

- The First line (Management) is responsible and accountable for identifying, assessing and managing risk
- The Second line (Risk Management and Compliance) is responsible for defining the Risk Management standards and policy framework, and for providing challenge to the first line on Risk Management activities, risk assessments and reporting to the Group Board Committees on risk exposure
- The Third line (Internal Audit) provides independent assurance to the Board and other key stakeholders over the effectiveness of the systems of controls and the Enterprise Risk Management Framework

The key risks associated with our business have been classified into implied market risk, market risk, operational risk, information technology/cyber security risk, liquidity risk, credit risk and reputation risk. The policies have been framed with respect to such risks which set forth limits, mitigation strategies and internal controls

Risk Categories



Market Risks- As a financial market Intermediary, MCCIL follows strict regulatory requirements in managing its resources and maintaining capital adequacy. The company maintains a strong balance sheet.

Margin Risk - Margin requirements for trade exposures are regularly reviewed for adequacy and margins are collected promptly.



Liquidity Risks -MCCIL sets aside resources to cover liquidity risks, also to provide sufficient headroom, we perform regular liquidity stress tests.

Operational Risks- MCCIL has a thorough process for self-assessment of our capabilities, using both our own past experiences and those of our peers to drive continuous improvements for greater operational resiliency.

Credit Risk -MCCIL has established layers of defence to safeguard its Clearing Corporation against members’ credit risk. Good quality members are screened at admission. Their credit standing and internal risk management capability are reviewed regularly as part of ongoing supervision

As a CCP, MCCIL is a legal entity that interposes itself between the counterparties to the contracts traded on one or more markets, clears and settles by becoming the buyer to every seller and the seller to every buyer. Thereby, MCCIL eliminates the counterparty risk for trading participants on the markets cleared by MCCIL.

At MCCIL Risk Management system consist of the following steps:

Risk Governance	Risk Identification
Risk Mitigation	Risk Monitoring & Reporting
Risk assessment & measurement	Risk Reporting & remediation

Cyber Security

With rapid technological advancement in securities market, MCCIL maintains a robust cyber security architecture and has in place a cyber-resilience framework to protect the integrity of data and guard against breaches of privacy

MCCIL is vigilant in monitoring the cyber threat environment to ensure that cyber risks are managed and the regulatory requirements are met. We continually strengthen our defences and have also focused our efforts on recovery and response

MCCIL is also enabling its business, cyber security and IT strategy to enable the business and functions run uninterrupted with new norm for working due to pandemic situation and implementing controls and solutions to enable users work from home with zero trust, data and information security and Cyber Security in place

MCCIL has implemented 365 X 24X7 Cyber security Operations comprising of state of the art technologies to make the Clearing Corporation system cyber resilient.

Cyber Security is not always an investment that yields profit but prevents loss. In other words, when you invest in security, you expect to reduce the risks threatening your assets. This will help us optimize our efforts towards securing MCCIL.



In addition to this we plan to further secure our digital assets. As we normalize work from home at MCCIL, we also recognize that this widens our cyber-attack surface. We have implemented an array of steps in order to secure the access to the MCCIL network and ensure its authenticity while in progress. We have been open regarding the process we have in place and have continuously trained our employees regarding the best approach towards keeping MCCIL secure.

Risk Statement

Effective risk management is important to MCCIL's achievement of its strategic goals. The MCCIL manages risk across multiple risk domains, including but not limited to financial, business and strategic, operational (including IT and cyber security), and legal and regulatory risks. Business operations are managed in line with risk appetite tolerances set by the Board.

MCCIL recognises its role as a market infrastructure provider and manager of systemic risk, and that its long-term sustainability is dependent on its pursuit of strategic goals while simultaneously managing risks, having sufficient capital and liquidity, ensuring continuity of operations, and protecting its reputation.

Risk assessment and mitigation strategies are ongoing and an integral part of the organisation's business reviews.

Business Continuity Plan (BCP)

At the start of the pandemic we decided to quickly activate our Business Continuity Plan.

Our first priority was to ensure that all critical functions worked seamlessly from any location and that we were able to also adhere to all regulatory timelines. Our entire team was provided with Work from Home (WFH) infrastructure and continued to engage with Members, Regulators and service providers.

The business continuity plan was invoked and several initiatives were undertaken to ensure that operations of the Company continued without disruptions. The initiatives undertaken included operating critical functions from multiple locations, rolling out Work From Home initiatives, accessing various applications through use of virtual private networks and rapidly enhancing digitisation across all levels within the organisation. During this period, the focus was on proactive and real-time risk management in wake of high volatility and operational challenges on account of limited mobility of staff. The risk management framework and digital capabilities of our Company responded well to the situation.

The management and staff of MCCIL have risen to the situation and ensured that all segments of the Clearing Corporation continued to operate seamlessly and efficiently. Despite the challenges, MCCIL has not compromised on any of its Regulatory function either in terms of monitoring or surveillance or enforcement or in terms of its service levels.



MCCIL has also taken measures to manage operational challenges arising out of limited

Mobility of staff

The handling of the COVID-19 pandemic is testimony to our commitment to Business continuity and operational resilience. Through the crisis, we were able to operate effectively and fulfil our obligations to market participants. Steps were also taken to safeguard the health and safety of our staff and the protection of the work environment. We will continue to monitor ongoing developments and adapt accordingly, including planning ahead as part of the new normal.

The use of data analytics and process automation have also improved our agility and responsiveness to changing market conditions. All these defences came into good effect when managing the unprecedented volatility triggered by the COVID-19 pandemic

Other Measures

The Company has appointed a Compliance Officer and a legal team to advise the company on issues relating to compliance with various laws.

Internal Control Systems

MCCIL has well established processes and clearly defined roles and responsibilities at various levels. Comprehensive Operational manual and Standard Operating Procedures have been put in place in various departments of the Company

MCCIL has instituted adequate internal control systems commensurate with the nature of its business and the size of its operations. This provides a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations

The internal control system ensures strict adherence to all applicable statutes and Regulations governing the business operations.

Internal Financial Control Systems and their Adequacy

Internal audit carries out internal control reviews and provides an independent report to the Audit Committee on the adequacy and effectiveness of the risk management and internal controls of the organisation. Our statutory auditor carries out a review of our internal controls over financial reporting to the extent of the scope as laid b out in their audit plans. All significant audit observations and follow-up actions thereon are periodically reported to the Audit Committee and closely monitored for effective implementation

The Audit Committee and Risk Management Committee are responsible for overseeing the risk management framework, reviewing the key risks and mitigation strategies, and ensuring the effectiveness of risk management policies and procedures

The internal financial control procedure adopted by the Company is adequate for Safe guarding 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. Further, the statutory auditors have verified the systems and processes and confirmed that the internal financial controls over financial reporting are adequate and operating effectively.

During the year, such internal controls over financial reporting were tested by management, internal auditors and statutory auditors. No reportable material weakness in design and effectiveness was observed

The Audit Committee is in overall command of supervision of the internal controls and reports are being made to the Board in a periodic manner.

6. Financial performance

a) Financial performance with respect to operational performance Amount in INR Lacs

Financial Highlights	2020-21	2019-20
Revenue from operations	1,480.95	909.43
Profit before Interest, Depreciation, Tax and Exceptional Items	404.80	576.09
Profit before tax	84.06	314.35
Cash profit	363.99	500.39
Net profit	42.56	227.73

b) Revenue and operating expenses

The Company earned total revenues of INR 1480.95 Lacs from operations during the year ended March, 2021 as against INR 909.43 Lacs in the year ended March, 2020. The Increase in revenue is due to CNS fees markup invoice raised as per the existing CNS agreement.

c) Operating profit before depreciation and amortization and exceptional items

The Company earned EBITDA of INR 404.80 Lacs for the year ended March, 2021 as compared to INR 576.09 Lacs during the previous year ended March, 2020. The EBITDA margin for the year 2020 - 2021 is 27.33% as against 63.35% for the year 2019-20.

d) Depreciation and Amortization

The depreciation and amortization charges were INR 292.79 Lacs for the year ended March, 2021 as against INR 252.57 Lacs for the year ended March, 2020.



e) Profit after tax

The profit after tax stood at INR 42.56 Lacs for the year 2020 - 2021 as compared to a profit of INR 227.73 Lacs for the year 2019 – 2020.

f) Balance Sheet

As on March 31, 2021, the Company had total assets of INR 28,761.00 Lacs and shareholders' funds at INR 14001.13 Lacs. The Company is debt-free as on March 31, 2021.

g) Key Financial Ratios

In accordance with SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018,

The Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios.

Sr. No	Particulars	2020-21	2019-20
1	Debtors Turnover	7:1	31:1
2	Inventory Turnover	NA	N.A
3	Interest Coverage Ratio	NA	N.A
4	Current Ratio	6:1	4:1
5	Debt Equity Ratio	NA	N.A
6	Operating Profit Margin (%)	3.80%	12.65%
7	Net Profit Margin (%)	3.80%	12.65%
8	Return on Networth(%)	0.30%	1.63%

Note: Finance Cost recorded in Profit & Loss account is as per Ind AS 116 on Leases. As a result interest coverage ratio would be N.A in the absence of any debt.

7. Material Developments in Human Resources

The Company is in the process of strengthening its manpower and projecting present resources into the future. In this direction the company has already appointed Chief Operating Officer, IT Head and Chief Information Security Officer. The manpower planning helps to determine the quantitative and qualitative adequacy of manpower in future.

The number of employees as March 31, 2021 stood at 57 as against 58 employees as on March 31, 2020.



8. Future Business Outlook

The Indian Clearing Corporations (CCPs) framework has witnessed significant and revolutionary developments in the FY 20 and FY21. The years saw the landmark decision of SEBI to launch Interoperability among CCPs.

The Regulatory framework for Interoperability among CCPs was released by SEBI in November'18; thereafter detailed Draft Guidelines were released in May '19. Most of the products available for trading on the stock exchanges (except commodity derivatives) were made available under the interoperability framework. i.e. Equity Cash Segment, Equity Derivatives Segment and Currency Derivatives Segment were covered for Interoperability.

The official launch of the interoperability framework is perhaps one of the biggest capital markets reforms since the introduction of dematerialized settlements and derivatives trading through exchanges in the early 2000s. CCP's were to establish peer to peer link for ensuring interoperability.

Salient features of an interoperability arrangement are Better capital utilization, reduced trading disruption, reduced aggregate exposure, reduced operational complexity, enhanced market competition and lower cost of clearing. Interoperability would help in reducing systemic risk, encourage innovation, facilitate competition and align the risk management framework with industry best standards.

Interoperability allows consolidation of the clearing and settlement functions with only a single CCP per segment for a market participant. It will lead to reduced costs and improved capital utilization while simultaneously reducing the operational complexities associated with subscribing to multiple CCPs.

In June 19, the first trade under the new Interoperability regime was registered on Metropolitan Stock Exchange (MSE) Equity cash segment, in which one leg was settled through BSE's ICCL and other leg was settled through MCCIL.

Prior to Interoperability trades executed only on MSE could be cleared through MCCIL. Now trades executed on any other exchange can be cleared through MCCIL. This opens up new opportunities for MCCIL in all the three segments allowed under Interoperability.

In global markets, Interoperability of Clearing Corporations is not only a well-established practice but has yielded positive results for investors and other stakeholders.

MCCIL Efforts

Approach- It may seem naïve but it started with What MCCIL stands for, our parent company and what are we into and what we offer.



Brand Image Building- Creating Awareness in the market. Awareness that after designating one particular Clearing Corporation, Clearing Members have a choice to change and choose another Clearing Corporation under Interoperability.

At MCCIL, for clearing and settlement under Interoperability, Members are approached for:

Currency Derivatives Segment, Equity Derivatives Segment, Equity Cash Segment and Offer for Sale

Positive features are explained to members.

Unique Systems - At MCCIL we have Unique and Robust Risk Management system for Real Time monitoring of Mark to Market losses and proactive controls to pre-empt defaults on account of settlement shortages. This feature is being appreciated by Members and we would further en-cash business opportunity on this.

Diversification of Risk – Technology and digital capabilities were tested in Covid-19 regime, as such we offer Members to diversify Risk between Trading Risk and Settlement Risk, as one of the key element of Interoperability was to mitigate Risk.

Finance Ministry had approved Mega PSU Banks Merger which was effective from 1st April'20. Merged banks and Anchor Banks were Trading Members with our parent exchange MSE and also Clearing Members with MCCIL.

As a Business Strategy Initiative our team was in regular contact with merged banks and Anchor banks to oversee closure of Membership process and amalgamation of merged banks. Even during lockdown communicating via mails and calls, the processes were completed by acquiring required SEBI approval and release of Membership deposits and our services were appreciated by Anchor Banks.

MCCIL clears and settles Commodity Derivatives Segment trades executed at Indian Commodity Exchange Limited (ICEX). Also Mutual Fund transactions executed on ICEX platform are settled through MCCIL.

Way Forward

COVID -19 has thrown up a multitude of challenges as well as opportunities for the financial sector. Post Covid-19 it will be an era of a lot more emphasis on diversification of risk and mitigating risk.

MCCIL endeavor to be the architect of next-generation sustainable clearing and settlement solutions ensuring competitive, transparent and reliable access to our clearing technology.

At **MCCIL 'FUTURE'** stands for

- Reinventing ourselves over and over again
- Never standing still



- Thinking Out of the Box
- Thinking in terms of solutions
- Our Strategy and New Initiatives

In order to propel MCCIL to the next phase of growth and transform into a company with a broader positioning, we articulated a strategy at the start of the year comprising focus on five elements namely - Enhancing Operational Efficiency, Dedicated Relationship Manager service, Robust Risk management features, offering all segments under Interoperability, providing better engagement experience.

Towards this, we executed various Initiatives during the course of the year which held us in good stead.

For our Company the Challenges emanated from a strict lockdown regime coupled with restriction on mobility of Business Development team. However through it, we have come out from it, to be more strong and resilient. Our teams were enabled to Work-from Home. Our business continuity protocols and technological capabilities ensured minimalistic onsite presence.

Our business continuity, market reputation, and success depend on delighting our Members, and they are at the Centre of everything we do. Using insight and tech-led innovation, we develop unique offerings and services for a superior customer experience.

The challenges that we have faced in recent years have strengthened our determination to keep focusing on our core which is technological innovation.

As we explore these new avenues, we are convinced that we will accomplish our dreams and together with our stakeholders, we are looking forward, and looking ahead, against all odds!

MCCIL is geared up to en-cash this opportunity to increase its share of Clearing Members in all the three segments available under Interoperability. With appropriate Business Strategy and Customer focus approach, business and revenue growth can be achieved.

MCCIL, with a dynamic technology and human capital at its disposal, is all set to contribute to fulfilling the Vision of the Company. As a result, there is expected to be a corresponding increase in clearing and settlement volumes and consequently profitability at the Clearing Corporation, and this path-breaking journey would create value for each of our stakeholders.

Form No. AOC – 2

Pursuant to clause (h) sub-section (3) of section 134 of the Act 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 transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts arrangements transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contract or arrangements or transactions	Date of the approval of the Board	Amount paid as advance if any	Date on which special resolution was passed in general meeting as required u/s. 188
NIL								

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

Name of related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangement /transactions	Salient terms of the contracts or arrangements or transactions including the value for the year	Date(s) of approval by the Board, if any	Amount paid as advances, if any
Metropolitan Stock Exchange of India Limited (hereinafter referred to as MSE) (Holding Company)	Agreement for providing Clearing & Settlement Services	Ongoing since October 1, 2012	Clearing and settlement income aggregating Rs. 644.46/- Lacs earned by the MCCIL from the MSE for clearing and settling of trades done on the Exchange.	February 10, 2017	Nil
	Agreement for providing Clearing & Settlement Services	Multi Party Agreement	Clearing and settlement income aggregating Rs. 1.29/- Lacs earned by the MCCIL from the MSE for clearing and settling of trades done on the Exchange.		
	Recovery of expenses/Amount collected on behalf	No Agreement	Recovery of Expenses/ Amount collected on behalf of MSE Rs 38.57 lacs, includes amount of Rs 35.72 lacs receivable as on 31.03.2021		
	Asset Procured	No Agreement	Asset of Rs 1.84 lacs has been procured from MSE and the same is payable at the year end		
	Reimbursement of IT Support Charges*	-	Reimbursement of IT Support income aggregating Rs.10.72/- Lacs earned by the MCCIL from the MSE		



Name of related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangement /transactions	Salient terms of the contracts or arrangements or transactions including the value for the year	Date(s) of approval by the Board, if any	Amount paid as advances, if any
	Agreement for sharing resources entered between MCCIL and MSE	Ongoing since January 2, 2013 and April 01, 2018	Installation, maintenance and support of Software and networking infrastructure aggregating Rs. 98.26/- lacs to the MSE, including balance payable at the end of the year Rs. 100.99/- Lacs.	February 10, 2017 and August 31, 2018.	Nil
	MOU for sharing office premises entered along with addendum dated July 11, 2018 between MSE & MCCIL	From April 01, 2018 to August 18, 2021	To occupy and use office premises a rent of Rs. 59.97/- Lacs to MSE, including balance payable at the end of the year Rs. 1.88/- Lacs.	11-Nov-16 and August 14, 2018	Nil
	Tripartite Agreement between MSE, MCCIL and 63 Moons Technologies Limited (formerly known as Financial Technologies (India) Ltd.) (FTIL)	Ongoing since April 15, 2010	Agreement to call upon the MCCIL to pay amounts under the agreements dated 25th August 2008 and 15th September 2008, in case of default by MSE	February 10, 2017	Nil
Key Management Personnel	Remuneration paid to Key Management Personnel	Ongoing	Salary and allowances (excludes gratuity and long term compensated absences which are actuarially valued for the Company as a whole) Rs. 138.67/- lacs	10-May-17	Nil

For and on behalf of the Board of Directors

Sd/-

Vijay Ranjan

Chairman & Public Interest Director

DIN: 02346190

Sd/-

Krishna J. Wagle

Managing Director

DIN: 09082635

Date: June 07, 2021

Place: Mumbai

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March, 2021

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

To,

The Members of

Metropolitan Clearing Corporation of India Limited

CIN: U67120MH2008PLC188032

Bldg. A, Unit 205B, 2nd Floor, Agastya Corporate Park,

Sundar Baug Lane, Kamani Junction, LBS Marg, Kurla West Mumbai – 400070

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Metropolitan Clearing Corporation of India Limited (CIN: U67120MH2008PLC188032) (hereinafter referred as "The Company"). I have conducted Secretarial Audit in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covered for the financial year ended 31st March, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period covering for the financial year ended 31st March, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Securities Contracts (Regulation)(Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred to as "SECC Regulations, 2018)) read with the circulars issued pursuant thereto;
- (iv) The Depositories Act, 1996 and the regulations and bye laws framed there under;
- (v) 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;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act);
 - a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;to the extent applicable
 - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;



For the year under review, the provisions of the following Acts / Regulations were not applicable to the company:-

- a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- b) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- f) The Securities and Exchange Board of India (Share Based Employee Payments Regulations), 2014.

I have also examined compliance with the applicable clause of:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;

Based on the aforesaid information provided by the Company, I report that during the financial year under review, the Company has complied with the provisions of the abovementioned Acts, Rules, Regulations, Guidelines, Standards, etc. to the extent applicable.

The company has formulated a Compliance Management System to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, which in my opinion are prima facie commensurate with the size and operations of the company. The systems and processes in the company for compliance management are continuously reviewed by the Management so as to ensure that they are at any point of time commensurate with the size and operations of the company with respect to monitoring the compliance with applicable laws, rules, regulations and guidelines.

I further report that

- (a) The Board of Directors of the Company consists of sufficient number of Public Interest Directors, Shareholder Directors Managing Director etc. as required under the Act and Regulations. (b) 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, except in cases where meetings have been held at short notice and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.



- (c) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board and committees were unanimous, except in quite a few cases where dissenting views were recorded by Shareholder Directors.
- (d) With respect to the requirement to evaluation of the Performance of all the Directors individually as well as the Board as a whole, the Chairman and the Committees, it has been explained that the shareholder Directors did not evaluate the performance of:
 - (i) the Managing Director (MD) / CEO on the ground that the MD/CEO has joined recently and they do not have sufficient information to evaluate his performance and
 - (ii) the Board, Chairman and the Committees on the ground citing that they had expressed dissent on many items where the shareholder Directors felt that the same were not in due compliance with parent Board's directions and shareholders' interest and that it may not be appropriate to conduct the evaluation.

I further report that based on compliance mechanism established by the Company and on the basis of compliance certificates issued in terms of Regulation 33 of the SECC Regulations, 2018 by the Compliance Officer appointed under SECC Regulations, 2018 and taken on record by the Board of Directors, 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. Also as informed, the Company has responded appropriately to notices received from various statutory authorities / regulatory authorities including initiating actions for corrective measures, where found necessary.

I further report that during the Audit Period;

- (a) With respect to the implementation of the order passed by Hon'ble National Company Law Tribunal, Mumbai (Tribunal) dated 19th August, 2019 read with the amendment dated 18th September, 2019, for the reduction in Equity share capital by INR 170 crores, an amount of Rs. 3,30,93,974/- is shown under the head "Current Liabilities" in the Balance Sheet as at 31st March, 2021, being amounts payable to 63 Moons Technologies Limited, which has been set aside as per the order of the Tribunal pending further directions from Securities and Exchange Board of India (SEBI).
- (b) The Company (MCCIL) has raised invoice on MSE in terms of the Clearing and Settlement Agreement (C&S Agreement) dated October 01, 2012 for the Financial Year 2020-21. MSE has rejected the invoices citing that C&S agreement signed in 2012 is no longer valid post implementation of interoperability (IO) as a multi-partite IO Agreement was executed effective from June 1, 2019 for C&S charges for Currency Derivatives Segment (CDS), Equity Derivatives Segment (EDS) and Equity segment and hence C&S Agreement had been overridden by IO Agreement for CDS, EDS and Equity segments w.e.f. June 1, 2019. Further, MSE has issued a letter to MCCIL on September 15, 2020 for termination of C&S Agreement as applicable to Debt segment



which was temporarily suspended with effect from September 18, 2020 as there were no trades in this segment since 2013. SEBI has vide communication dated 02.02.2021 clarified that unless MSE has any other agreement with any of the clearing corporations in respect of the debt segment, the extant C&S Agreement between MCCIL and MSE shall remain in operation.

- (c) During the audit period, the company has shifted its registered office within the local limits of Mumbai from Vibgyor Towers, Bandra East, Mumbai to Agastya Corporate Park, Kurla West, Mumbai in compliance of the provisions of the Companies Act, 2013.

This report is to be read with our letters of even date which is annexed as Annexure I

Place: Mumbai

Date: 7th June, 2021

Sd/-

A SEKAR

Company Secretary

ACS 8649 CP 2450

UDIN: A008649C000430400



Annexure – 1

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. Following the nation-wide lockdown implemented by the Central and State Governments arising out of COVID-19 situation, all the documents including the statutory records, extract of the minutes of the meetings of the Board of Directors and their Committees for the Audit period were verified on the basis of the documents and records uploaded by the Company in the Virtual Data Room (VDR).
3. After appropriately considering the circumstances arising out of the situation explained in Paragraph 2, I confirm that I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
4. I have not verified the correctness, appropriateness of financial records and books of accounts of the Company and records pertaining to direct and indirect taxation of the company, which I believe are the domain of other professionals on whom the responsibility is entrusted by the provisions of the Companies Act, 2013.
5. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test check basis.
7. 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.

Place: Mumbai

Date: 7th June, 2021

Sd/-

A SEKAR

Company Secretary

ACS 8649 CP 2450

UDIN: A008649C000430400



DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 are as under:

- Managing Director & CEO's remuneration: Rs. 32,18,369
- Employees' remuneration: Rs. 3,84,11,526
- Median of employees' remuneration: Rs. 5,45,737
- The ratio of remuneration of the Managing Director & CEO to the median remuneration of the employees of the Company for the financial year is 5.90 X

Note: *Public Interest Directors (Independent Director) received only sitting fees and no remuneration is paid. No sitting fees and remuneration was paid to Shareholder Directors.

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

The percentage increase in remuneration of Managing Director & CEO, Company Secretary and Chief Financial Officer in the financial year is around NIL, 12% and 12% respectively.

iii. The percentage increase in the median remuneration of employees in the Financial year

- Last year's median : Rs. 4,89,975
- Current median : Rs. 5,45,737
- The percentage increase in the median remuneration of employees in the financial year is around 11%.

iv. The number of permanent employees on the rolls of company

As on March 31, 2021, there are 57 employees on the rolls of the Company.

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 7.28% as against 7 % 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.

Note: KMPs under Companies Act and KMPs under SECC Regulations are considered as managerial personnel.

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.

Statement pursuant to Regulation 27(5) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the period from April 1, 2020 to March 31, 2021

Sl. No	Name	Age	Designation	Remuneration received	Median of compensation of all employees*	Ratio of compensation paid to each KMP, vis-à-vis median of compensation paid to all employees of the Company	Experience no. of Yrs	Date of commencement of employment	Qualification	Last employment held before joining the company
		(Yrs.)		(Gross Rs.)						
1	Mr. Balu Nair	43	Managing Director & CEO	7827895	545737	14.34	20.2 Yrs	18-Feb-09	BBA, MBA, Lean & Sigma -Green Belt	National Stock Exchange of India Ltd.
2	Mr. Krishna J. Wagle	46	Chief Financial Officer/ MD	3218369	545737	5.90	24 Yrs	10-Jul-15	MBA, B.Com	Inter Connected Stock Exchange India Ltd.
3	Mr. A Sebastin	60	Chief Operating Officer	996361	545737	1.83	37.9 Yr	10-Jun-19	MSc, MPhil, CFA,CAIIB, PGDDS, PhD	Metropolitan Stock Exchange of India Ltd.
4	Ms. Avni Patel	37	Company Secretary / AVP – Legal	2184168	545737	4.00	11.6 Yrs	1-Jul-16	CS, LLB, B.Com	CD Equisearch Pvt Ltd
5	Ms. Geeta Bhandarkar	41	Compliance officer	699240	545737	1.28	16.11 Yrs	24-Jun-19	B.com, M.com, LLB Pursuing	Anand Rathi Share and Stock Brokers Ltd
6	Mr. Sumit Pandharinath Badakh	40	IT Head/Chief Information Security Officer	2027376	545737	3.71	16.7 Yrs	1-Nov-19	B.E-IT, MMS, CISSP, DCPLA	SBICAP Trustee Company Limited,
7	Ms. Rachna Prajapati	35	Head Human Resources	957924	545737	1.76	12 Yrs	20-Jun-16	PGDM- HR, B.A	Wealth Mantra Limited
8	Mr. Saroj Kumar Nanda	40	Assistant Vice President	2166439	545737	3.97	30 Yrs	1-Nov-19	MBA, B.A honours	Indian Commodity Exchange Limited (ICEX)
9	Ms. Jyoti Khubchand Ruprel	44	Assistant Vice President	1807452	545737	3.31	30.06 yrs	19-Aug-19	LLB, B.com	LIC Mutual Fund
10	Mr. Vimal Chand Mehta	35	Sr. Manager	1523664	545737	2.79	8 Yrs	11-Apr-16	CA , B.Com	Kiran Medical System Ltd
11	Ms. Roanna Cecilia Lewis	38	Sr. Manager	1477982	545737	2.71	15.9 Yrs	3-May-10	B.Com	HSBC Ltd
12	Mr. Ganesh R Kanaujiya	35	Sr. Manager	1289520	545737	2.36	25 Yrs	14-Sep-04	PGDFM, B.com	ICICI Prudential Life Insurance Co. Ltd.
13	Ms. Iris Patel	46	Manager	1224108	545737	2.24	22.7 Yrs	3-Mar-08	B.Com	Ranbaxy Laboratories Ltd

Notes:

- Mr. A. Sebastin ceased to be the Chief Operating Officer with effect from June 30, 2020. He was re – appointed as Chief Operating Officer from April 12, 2021.
- Mr. Balu Nair ceased to be Managing Director & CEO with effect from February 26, 2021.
- Pursuant to appointment of Mr. Krishna J. Wagle as Managing Director with effect from February 27, 2021, he stepped down as Chief Financial Officer with effect from February 26, 2021.
- Ms. Roanna Lewis resigned as Sr. Manager – Risk Management & Control Department from January 31, 2021
- Mr. Saroj Nanda resigned as Assistant Vice President from March 20, 2021



- All employees listed above are/were in employment of the Company in accordance with terms and conditions of employment agreed with them and the service rules of the company.
- The above remuneration excludes gratuity and long-term compensated absences which are actuarially valued for the Company as a whole.
- None of the employees are holding any equity shares in the Company within the meaning of clause (iii) of sub-rule 2 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- None of the above employees were related to any Director of the Company.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Date: June 07, 2021
Place: Mumbai

Vijay Ranjan
Chairman & Public Interest Director
DIN: 02346190

Krishna J. Wagle
Managing Director
DIN: 09082635

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U67120MH2008PLC188032
Registration Date	November 7, 2008
Name of the Company	Metropolitan Clearing Corporation of India Limited
Category / Sub-Category of the Company	Public Company/ Limited by shares
Address of the Registered office and contact details	Building A, Unit 205B, 2nd Floor, Agastya Corporate Park, Sunder Baug Lane, Kamani Junction, L.B.S Road, Kurla West, Mumbai – 400070 Tel- 022-25040161
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, India.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
Processing & Clearing services of Securities Transactions	6619	73.86%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable section
Metropolitan Stock Exchange of India Limited	U65999MH2008PLC185856	Holding	95.85	2(87)(ii) of the Companies Act, 2013



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change in shareholding during the year
	Demat	Physical	Total	%	Demat	Physical	Total	%	
Promoter									
Indian	--	--	--	--	--	--	--	--	--
Individual/HUF	--	--	--	--	--	--	--	--	--
Central Govt	--	--	--	--	--	--	--	--	--
State Govt(s)	--	--	--	--	--	--	--	--	--
Bodies Corp	120171444	2	120171446	95.85	120171446	--	120171446	95.85	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other	--	--	--	--	--	--	--	--	--
Sub-total(A)(1)	120171444	2	120171446	95.85	120171446		120171446	95.85	--
Foreign	--	--	--	--	--	--	--	--	--
NRIs-Individuals	--	--	--	--	--	--	--	--	--
Other-Individuals	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A)(2):-	--	--	--	--	--	--	--	--	--
Public Shareholding	--	--	--	--	--	--	--	--	--
Institutions	--	--	--	--	--	--	--	--	--
Mutual Funds	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Central Govt	--	--	--	--	--	--	--	--	--
State Govt(s)	--	--	--	--	--	--	--	--	--
Venture Capital Funds	--	--	--	--	--	--	--	--	--
Insurance Companies	--	--	--	--	--	--	--	--	--
FIIIs	--	--	--	--	--	--	--	--	--

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change in shareholding during the year
	Demat	Physical	Total	%	Demat	Physical	Total	%	
Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1)	--	--	--	--	--	--	--	--	--
2. Non Institutions	--	--	--	--	--	--	--	--	--
Bodies Corp. (i) Indian (ii) Overseas	5199543	2	5199545	4.15	5199543	2	5199545	4.15	--
Individuals (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	--	--	--	--	--	--	--	--
Others(Specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(2)	5199543	2	5199545	4.15	5199543	2	5199545	4.15	--
Total Public Shareholding (B)=(B)(1)+(B)(2)	5199543	2	5199545	4.15	5199543	2	5199545	4.15	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	125370989	2	125370991	100	125370989	2	125370991	100	--

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumber red to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
Metropolitan Stock Exchange of India Limited	120171446	95.85	-	120171446	95.85	-	--
Total	120171446	95.85	-	120171446	95.85	-	--

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Metropolitan Stock Exchange of India Limited				
	At the beginning of the year	120171446	95.85	120171446	95.85
	Date wise Increase/Decrease in shareholding during the year specifying the reason for increase /decrease (eg. Allotment/ transfer/ bonus/sweat equity shares, etc)	-	-	-	-
	At the End of the year	-	-	120171446	95.85

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Multi Commodity Exchange of India Limited				
	At the beginning of the year	2758942	2.20	2758942	2.20
	Date wise Increase/Decrease in shareholding during the year specifying the reason for increase /decrease (eg. Allotment/ transfer/ bonus/sweat equity shares, etc)	-	-	-	-
	At the End of the year	-	-	2758942	2.20
2.	63 moons technologies limited (formerly known as Financial Technologies (I) Limited)				
	At the beginning of the year	2440603	1.95	2440603	1.95
	Date wise Increase/Decrease in shareholding during the year specifying the reason for increase /decrease (eg. Allotment/ transfer/ bonus/sweat equity shares, etc)	-	-	-	-
	At the End of the year	-	-	2440603	1.95

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in shareholding during the year specifying the reason for increase /decrease (eg. Allotment/transfer/ bonus/sweat equity shares, etc)	-	-	-	-
	At the End of the year	-	-	-	-

V. INDEBTEDNESS*

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	--	--	--	--
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	--	--	--	--
Change in Indebtedness during the financial year	--	--	--	--
- Addition				
- Reduction				
Net Change	--	--	--	--
Indebtedness at the end of the financial year	--	--	--	--
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	--	--	--	--

* The Company has never borrowed.

Note: Finance Cost recorded in Profit & Loss account is as per Ind AS 116 on Leases.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager Amount in rupees

Particulars of Remuneration	Mr. Balu Nair MD*	Mr. Krishna J. Wagle#	Total Amount
Gross salary			
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7827895	422349	8250244
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
Stock Option			
Sweat Equity			
Commission	--		--
- as % of profit			
- others, specify...			
Others, please specify	--		--
Total (A)	7827895	422349	8250244

*Ceased to be Managing Director & CEO with effect from February 26, 2021.

#Appointed as Managing Director with effect from February 27, 2021.

B. Remuneration to other directors:

Amount in rupees

Particulars of Remuneration	Name of the Directors			
	Mr. Vijay Ranjan	Ms. Rita Menon	Mr. Alok Mittal	Total Amount
Independent Directors				
· Fee for attending board committee meetings	13,00,000	12,40,000	12,40,000	37,80,000
· Commission				
· Others, please specify				
Total (1)	13,00,000	12,40,000	12,40,000	37,80,000
Other Non-Executive Directors				
· Fee for attending board committee meetings	-	-	-	-
· Commission				
· Others, please specify				
Total (2)	-	-	-	-
Total (B)=(1+2)	13,00,000	12,40,000	12,40,000	37,80,000
Total Managerial Remuneration				
Overall Ceiling as per the Act	Rs.1,00,000 (per Director/per meeting)			

C. Remuneration to Key Managerial Personnel Other Than MD /Manager (Amount in rupees)

Particulars of Remuneration	Key Management Personnel		
	Mr. Krishna J. Wagle CFO*	Ms. Avni Patel CS	Total
Gross salary	2796020.00	2184168.00	4980188.00
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
Stock Option			
Sweat Equity			
Commission			
- as % of profit			
- others, specify...			
Others, please specify			
Total	2796020.00	2184168.00	4980188.00

**Ceased to be Chief Financial Officer with effect from February 26, 2021.*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief description	Details of Penalty/Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. Directors					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. Other Officers In Default					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

For and on behalf of the Board of Directors

Sd/-

Vijay Ranjan

Chairman & Public Interest Director

DIN: 02346190

Sd/-

Krishna J. Wagle

Managing Director

DIN: 09082635

Date: June 07, 2021

Place: Mumbai

Board Policies

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 mandate the formulation of certain policies for all listed companies. The corporate governance policies are available on the Company's website, at www.mclear.in.

The policies are reviewed periodically by the Board and updated as needed. Key policies that have been adopted are as follows:

Name of the policy	Brief description	Web link	Summary of key changes during the financial year 2020-21
Corporate Social Responsibility Policy	The objective of undertaking CSR efforts are not only to help people by providing facilities for health, education, civic amenities etc. but also to create opportunities for development of skills, employment including self-employment, to promote greater environmental responsibilities and encourage the development and diffusion of environmentally friendly technologies for sustainable development.	http://mclear.in/mcxsxccl/Disclosures/Codes-and-Policies.aspx	There has been no change in the policy.
Policy for evaluation of Board and Directors	The objective of the framework is to prescribe and lay down the criteria and procedure for evaluation of performance of the Board of Directors of the Company and to ensure compliance of the applicable provisions of the Companies Act, 2013 (the Act), the Listing Regulations 2015 and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 [SECC Regulations, 2018] read with SEBI Circular SEBI/HO/MRD/DOP2DSA2/CIR /P/2019/26 dated February 05, 2019.	http://mclear.in/mcxsxccl/Disclosures/Codes-and-Policies.aspx	There has been no change in the policy.
Nomination and Remuneration Policy	The policy envisages the framework for nomination, remuneration and evaluation of Board of Directors, Key Managerial Personnel, Senior Management Personnel and Employees in accordance with provisions of Section 178(4) of Companies Act, 2013, ('the Act') including rules thereof, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 27 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.	http://mclear.in/mcxsxccl/Disclosures/Codes-and-Policies.aspx	There has been no change to the policy.



Name of the policy	Brief description	Web link	Summary of key changes during the financial year 2020-21
Policy on dealing with related party transactions	This Policy aims to comply with the provisions of the Section 188 of the Companies Act 2013 and rules framed thereunder and Clause 49 of the Listing Agreement read with Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulation, 2018. No Related-Party Transaction may be entered into by the Company, or any of its subsidiaries or associates, except in accordance with the provisions of this Policy. It is also intended to ensure correct reporting of transactions between the Company and its Related Parties.	http://mclear.in/mcxsxccl/Disclosures/Codes-and-Policies.aspx	There has been no change to the policy.
Whistle Blower policy	The Company has adopted a whistleblower mechanism for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation as a part of good Corporate Governance	http://mclear.in/mcxsxccl/Disclosures/Codes-and-Policies.aspx	There has been no change to the policy.



Corporate Governance Report

1. Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance procedures is founded upon a legacy of fair, ethical and transparent governance practices inherited from internationally recognized standards.

The Company has been guided by universal business principles of transparency, integrity, professionalism, comprehensive disclosures and structured accountability. These principles coupled with fair & transparent disclosures and governance practices & procedures guide your Company's management to serve and protect long-term interests of all its stakeholders and help in sustaining its stakeholders' confidence including shareholders, employees, corporations/companies and the communities among which it operates.

The Corporate Governance is an ongoing process which is being discharged by the Metropolitan Clearing Corporation of India Limited to the best of its strength. To keep pace with an evolving global environment, your Company continuously and persistently adapts to the best governance practices for carrying its business in the highest ethical and transparent manners.

Your Company always endeavors to ensure that the highest corporate manners and behavior are extended not only to its shareholders but also to its domestic as well foreign clients, thereby evidencing that your Company's management is the trustee of its shareholders' capital and not the owners.

2. Board of Directors:

A. Composition of the Board:

Your Company being a Clearing Corporation is regulated by the SEBI and is required to comply with the Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and circulars and instructions issued by the SEBI from time to time ("SECC Regulations"), Securities Contracts (Regulation) Act, 1956 ("SCRA") and Securities Contracts (Regulations) Rules, 1957 ("SCRR") (collectively hereinafter referred to as "SEBI Regulations") besides the Companies Act, 2013 and the rules made thereunder ("the Act").

The present Board of the Company comprises of 6 Directors viz. three Public Interest Directors, two Shareholder Directors and one Managing Director. The SECC Regulations require that the Public Interest Directors shall not be less than the number of Shareholder Directors to constitute the quorum for the meeting of the Governing Board. In terms of the SECC Regulations, the Managing Director shall be included in the category of Shareholder Director.



SIZE AND COMPOSITION OF BOARD

Mr. Vijay Ranjan	• Chairman & Public Interest Director
Ms. Rita Menon	• Public Interest Director
Mr. Alok Mittal	• Public Interest Director
Mr. P. K Ramesh	• Shareholder Director
Mr. Saket Bhansali	• Shareholder Director
Mr. Krishna J. Wagle	• Managing Director

Your Company has adequately complied with the provisions with regard to constitution of the Governing Board.

Profile of Directors:

Mr. Vijay Ranjan – Chairman & Public Interest Director

Mr. Vijay Ranjan has Bachelor's Degree with Hons. in English Literature, Master's Degree in English Literature, Bachelor's Degree in Law and Diploma in Fiscal Studies from University of Bath [U.K.]. He is an Indian Revenue Service (Retired) of 1972 batch. He has served as an Executive Director of Securities and Exchange Board of India (SEBI) from 1994 to 1999 handling Investigation, Administration and Primary Market. He held substantive rank of Chief Commissioner of Income-Tax on the date of superannuation. He was also a Visiting Faculty at Gujarat National Law University (GNLU), Gandhinagar. Presently, he is member of Bar Council specializing in Income-tax and Securities Laws.

Ms. Rita Menon – Public Interest Director

Ms. Rita Menon holds M A (Economics) from Delhi School of Economics. She is a retired IAS officer of 1975 batch. In her career as IAS officer she has held a number of senior positions in Government of India and Government of Uttar Pradesh. In Government of India she has held senior positions such as Chairman and Managing Director of Indian Trade Promotion Organisation, Secretary - Ministry of Textile, Special Secretary/ Additional Secretary-Department of Expenditure, Ministry of Finance, Joint Secretary in Department of Defence Production in Ministry of Defence, Joint Secretary and Director in Ministry of Health & Family Welfare. In the Government of Uttar Pradesh she served as a Managing Director of UP Finance Corporation, Additional Chief Executive Officer of Greater Noida Development Authority, Commissioner and Director of Industries and Vice Chairperson of Ghaziabad Development Authority apart from various field level and secretariat posts.



Mr. Alok Mittal – Public Interest Director

Mr. Alok Mittal is a commerce graduate and a Chartered Accountant. He is a senior level professional Chartered Accountant with more than 30 years of experience of running his own CA firm. His areas of expertise include tax management, tax compliance and litigation, statutory audit, business advisory, risk advisory, financial advisory, cost controls, restructuring of business and developing internal control system.

Mr. P.K. Ramesh – Shareholder Director

Mr. P K Ramesh has done his LLB from University of Mumbai. He has done his post-graduation in Securities Law from Government Law College. He has a Master's degree in Business Administration (MBA) in Finance from Indira Gandhi National Open University (IGNOU). Mr. P K Ramesh has a Master's Degree in Economics and Politics and a Bachelor's degree in Mathematics. Currently Mr. P K Ramesh is the Chief Regulatory and Compliance Officer in the parent exchange i.e. Metropolitan Stock Exchange of India Limited and Director in MSE Fintech Limited (formerly known as MCX-SX KYC Registration Agency Limited).

Mr. Saket Bhansali – Shareholder Director

Mr. Saket Bhansali is a MBA(PGDM) in Finance and Marketing from M S Ramaiah Institute of Management, Bangalore. He has B.Com (Hons), Accounting from Jai Narain Vyas University, Jodhpur. Currently Mr. Saket Bhansali is the Chief Financial Officer, Senior Vice President – Head, New Initiatives , Head HR in the parent exchange i.e. Metropolitan Stock Exchange of India Limited and Director in MSE Fintech Limited (formerly known as MCX-SX KYC Registration Agency Limited).

Mr. Krishna J. Wagle – Managing Director

Mr. Krishna J. Wagle is an MBA in Finance. He has 24 years of experience in field of Finance, which includes 20 years of experience in Capital Markets at Exchange, Clearing Corporation and Broker level, Strategic Financial Planning and Fund Management. He has been associated with the organisation since July 2015 and has held various positions like Chief Financial Officer, VP- Business Strategy, Procurement and Administration. He was previously associated with Inter-connected Stock Exchange of India Ltd. where he headed the finance department for a period of 12 Years.

During the financial year 2020-21 the following changes occurred in the constitution of the Governing Board:

1. SEBI vide its letter no. SEBI/HO/MRD2/ DCAP / OW / P / 2020/16451/1 dated October 05, 2020 approved appointment of Mr. P.K. Ramesh and Mr. Saket Bhansali as Shareholder Directors of the Company.
2. Mr. Balu Nair ceased to be the Managing Director & CEO with effect from February 26, 2021.



3. SEBI vide its letter no. SEBI/HO/MRD2/DCAP/OW/2021/4963/1 dated February 25, 2021 approved appointment of Mr. Krishna J. Wagle as Managing Director of the Company for a period of three years from February 27, 2021.

The Board confirms that the Independent Directors fulfill the conditions specified in Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

Key Board qualification, expertise and attributes

The MCCIL Board comprises of professional and qualified members who are experts in their field and have the necessary competence and skills which allows them to make effective contributions to the Board and its committees and enables informative and guided decision making. The Board of Directors understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates. They possess the required attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders,

The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board:

Leadership	Extended leadership in significant enterprise, resulting in practical understanding of organizations, processes, strategic planning and risk management. Demonstrating strengths in developing talent, planning succession and driving change and long-term growth.
Governance & Law	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective shareholder engagements and driving corporate ethics and values. Background in understanding the regulatory framework and the implications of the same in the capital and securities markets.
Finance & Accounting	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes, or experience in actively supervising a principal financial officer or person performing similar functions
Risk Management	Background and experience in practical understanding of the risks relating to the business of the Company and managing potential risks in order to minimise the negative impact that it may have on an organisation.

In the table below, the specific areas of focus or expertise of the individual Board Member has been mentioned. However, the absence of a mark against the members name does not necessarily mean the member does not possess the corresponding qualification or skill

Key Board qualification				
Name of the Director	Area of expertise			
	Leadership	Governance & Law	Finance & Accounting	Risk Management
Mr. Vijay Ranjan	✓	✓	✓	-
Ms. Rita Menon	✓	✓	✓	-
Mr. Alok Mittal	✓	✓	✓	-
Mr.. P.K. Ramesh	✓	✓	✓	✓
Mr. Saket Bhansali	✓	✓	✓	-
Mr. Krishna J Wagle	✓	✓	✓	-

Certification from Company Secretary in Practice

Mr. A Sekar, Practicing Company Secretary has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as **Annexure A**.

B. Meetings of the Board

As mentioned earlier, your Company is required to adhere to the SEBI Regulations and the Companies Act. All strategic issues of policy nature and those involving the public interest are required to be placed before the Board in compliance of the SEBI Regulations, the Companies Act and Listing Regulations (to the extent applicable) and the same are necessarily discussed at every Board meeting. The Board also considers matters which in their consideration and opinion are necessary to be discussed at the meeting.

During the Financial Year 2020-21, the Board of Directors met Nine (9) times i.e. on April 02, 2020, June 11, 2020, August 10, 2020, October 31, 2020, November 06, 2020, November 30, 2020, January 19, 2021, February 05, 2021 and February 27, 2021.

The Company Secretary prepares the agenda and the explanatory notes in consultation with the Managing Director and circulates the same in advance to the Directors. Every Director is free to suggest inclusion of items in the agenda. The Board meets at least once every quarter inter alia to review the quarterly results and other items on the agenda. Additional Meetings are held, as and when necessary. The Minutes of the proceedings of the Meetings of the Board of Directors are noted and the draft Minutes are circulated amongst the members of the Board for their perusal. The comments, if any, received from them are incorporated in the minutes in consultation with the Chairman. The minutes are confirmed by the members of the Board in the next Meeting. The Senior Management Personnel are invited to provide additional inputs for the items being discussed by the

Board of Directors as and when necessary. The important decisions arrived at the Board/Committee meetings are communicated to the concerned departments promptly for action.

The Board of Directors has complete access to the information within the Company subject to protection of trading data and other confidential information in terms of SEBI guidelines. The details of Board's composition and in respect of each director, the nature of directorship, the number of meetings attended, directorship in other companies, chairmanship and membership of committees of the Board of other companies for the financial year 2020-21 is given in Table A:

Table A: Details of Board's composition for the Financial Year 2020-21

Name of the Director	Nature of Directorship	Board Meetings		Attendance at the last AGM	Directorship in other companies (^)	Chairmanship and membership of committees of Board of the other companies (**)	
		Held#	Attended			Chairman	Member
Mr. Vijay Ranjan (DIN: 02346190)	Chairman & Public Interest Director	9	9	Present	2	-	-
Ms. Rita Menon (DIN: 00064714)	Public Interest Director	9	9	Present	3	-	-
Mr. Alok Kumar Mittal (DIN: 00008577)	Public Interest Director	9	9	Present @@@	3	-	--
Mr. P.K.Ramesh ¹ (DIN: 08363403)	Shareholder Director	6	6	NA	1	-	-
Mr. Saket Bhansali ² (DIN: 06817955)	Shareholder Director	6	6	NA	1	-	-
Mr. Balu Nair ³ (DIN: 07027100)	Managing Director & CEO	8	8	Present	-	-	-
Mr. Krishna J. Wagle ⁴ (DIN: 09082635)	Managing Director	1	1	NA	-	-	-
[#] No. of meetings held during the tenure of the Director. [^] Excludes directorship(s) in Indian Private Companies, Foreign Companies, Section 25 Companies and Alternate Directorships ^{**} Only Audit Committee and Shareholders' Grievance Committee of Indian Public Limited companies have been considered. ¹ Mr. P.K. Ramesh was appointed as the Shareholder Director with effect from October 05, 2020. ² Mr. Saket Bhansali was appointed as Shareholder Director with effect from October 05, 2020. ³ Mr. Balu Nair ceased to be the Managing Director & CEO with effect from February 26, 2021 ⁴ Mr. Krishna J. Wagle was appointed as the Managing Director with effect from February 27 2021. @@@ Chairman of the Audit Committee.							

Notes to table A:

1. None of the Directors listed above is related inter-se.
2. None of the Directors holds the office of Director in more than the permissible number of companies under the Companies Act, 2013.

C. Familiarization programs imparted to Public Interest Directors (PID):

The Company has formulated a familiarization program for independent Directors (PIDs) in order to assist them understand details about the Company, their role, rights, responsibilities in the Company, nature of industry in



which the Company operates, business model of the Company, etc. All PID's are introduced to our company's culture through orientation sessions. Senior management personnel provide an overview of operations to familiarize the new PIDs. They are also introduced to our organization structure, our services and Board procedures, matters reserved for the Board, and our major risks and risk management strategy. The details of familiarization program imparted to Independent Directors are given on the Company's website at the following location <https://www.mclear.in/mcxsccl/Disclosures/Codes-and-Policies.aspx>

D. Board evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and Remuneration committee to lay down the evaluation criteria for performance of the Chairman, the Board, the Committees and individual directors excluding the Director being evaluated. The Board has adopted a framework on Board evaluation. The details relating to the same is annexed as Annexure VI to the Directors Report. As per the framework, the Company will carry out an evaluation of the Board as a whole, Board Committees and Directors on an annual basis. For the financial year 2020-21, Board evaluation was done in terms of the framework adopted. Except the Shareholder Directors all other Directors evaluated the Board of Directors, the Chairman, Board as whole, Board Committees. The Shareholder Directors have expressed the following concerns while undertaking the Board Evaluation in terms of the framework:

- (i) In the case of MD&CEO, the new MD&CEO at MCCIL has assumed the office only in the very recent past and they do not have sufficient information available to comment on the performance of the MD&CEO as of date
- (ii) With regard to the Board /Committees/Chairman, the Shareholder Directors stated that considering the MSE Board's directions dated January 14, 2021 and the discussions that had taken place from time to time, the Shareholder directors have expressed dissent in many items, where it was felt that the same were not in due compliance with the parent Board's directions and shareholders' interests. In the situation, the Shareholder Directors are of the view that it may not be appropriate to conduct the evaluation.

E. Separate meeting of Independent Directors

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Companies Act, 2013 and Rules framed thereunder, Independent Directors shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management in order to (a) review the performance of non-independent directors and the board of directors as a whole; (b) review the performance of the chairperson, taking into account the views of executive directors and non-executive directors; (c) assess the quality, quantity and timeliness of flow of information between the management and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.



The meeting of the Independent Directors was held on March 26, 2021 wherein all the Independent Directors were present.

3. Board Committees

A. Audit Committee:

The Audit Committee plays a vital role in ensuring high level of governing standards by overseeing, monitoring and advising the Company's management and auditors in conducting audits and preparation of financial statements. The audit committee helps the Board monitor the Management's financial reporting process and ensure that the disclosures are not only accurate and timely, but follow the highest level of transparency, integrity and quality of financial reporting.

Terms of Reference

The terms of reference of the Audit Committee are as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The role of the Audit Committee includes the following:

1. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. To recommend the appointment and removal of external auditors, fixation of audit fee and approval for payment to any other services;
3. To review with the management, the annual financial statements and auditors report thereon before submission to the Board, focusing primarily on:
 - a. Any changes in accounting policies and practices and reasons for the same;
 - b. Major accounting entries involving estimates based on exercise of judgment by the management;
 - c. Significant adjustments made in financial statements arising out of audit findings;
 - d. The going concern assumption;
 - e. Compliance with accounting standards;
 - f. Compliance with legal requirements concerning financial statements;
 - g. Matters required to be included in the directors responsibility statement to be included in the board's report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013



- h. Any related party transactions i.e., transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of Company at large.
 - i. Modified opinion (s) in the draft audit report;
4. To review with the management, performance of statutory and internal auditors, the adequacy of internal control systems;
 5. To review the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the Department, reporting structure coverage and frequency of internal audit.
 6. To discuss with internal auditors any significant findings and follow up thereon;
 7. To review the findings of internal investigations into matters where there is suspected fraud or irregularity or failure of internal control system of a material nature and report to Board;
 8. To discuss with the external auditors before the audit commences, nature and the scope of audit as well as have post-audit discussion to ascertain any area of concern;
 9. To review financial statements before submissions to the Board;
 10. To evaluate Company's internal financial controls and risk management systems.
 11. To recommend for appointment, remuneration and terms of appointment of auditors of the Company
 12. To review and monitor the auditors independence and performance and effectiveness of audit process.
 13. To examine financial statement and the auditor's report thereon.
 14. To approve entering into or any subsequent modification of transactions of the Company with related parties.
 15. To scrutinise inter corporate loans and investments.
 16. To undertake valuation of undertakings or assets of the Company wherever it is necessary.
 17. To review with the management the statement of uses/ application of funds raised through an issue(public issue, rights issue, preferential issue, etc) and monitor end use of funds raised through public offers and related matters.



18. To approve or provide approval for subsequent modification of related party transactions
19. To look into the reasons of substantial defaults in payment to the depositors, debenture holders, shareholders, (in case of non-payment of declared dividend) and creditors;

In addition to the above, the Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Composition, meetings and attendance during the F.Y. 2020-21:

At the beginning of the F. Y. 2020-21 the members of the Audit Committee consisted of:

- Mr. Alok Kumar Mittal, Public Interest Director – Chairman
- Mr. Vijay Ranjan, Public Interest Director – Member
- Ms. Rita Menon, Public Interest Director – Member

Pursuant to appointment of Mr. Saket Bhansali as Shareholder Director the Audit Committee was reconstituted by the Board of Directors vide circular resolution passed on October 23, 2020. The following were the members of Audit committee as on March 31, 2021:

- Mr. Alok Kumar Mittal, Public Interest Director – Chairman
- Ms. Rita Menon, Public Interest Director – Member
- Mr. Saket Bhansali, Shareholder Director – Member

During the financial year 2020-21, the Audit Committee met 4 (four) times on June 11, 2020, August 10, 2020, November 06, 2020 and February 05, 2021.

Member	Category	Meetings Held	Meetings Attended
Mr. Alok Kumar Mittal	Public Interest Director	4	4
Mr. Vijay Ranjan*	Public Interest Director	2	2
Ms. Rita Menon	Public Interest Director	4	4
Mr. Saket Bhansali@	Shareholder Director	2	2
*Ceased to be member of the Committee with effect from October 23, 2020.			
@ Appointed as member of the Committee with effect from October 23, 2020.			

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

The Chief Financial Officer, the representatives of the statutory auditors and internal auditors are regularly invited to the Audit Committee meetings. The Company Secretary is the Secretary to the Committee. Mr. Alok Kumar Mittal, Chairman of the Audit Committee attended the Annual General Meeting held on September 18, 2020 to answer shareholders queries.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) laid down the policy for compensation of employees including Key Management Personnel in terms of the compensation norms prescribed by the SEBI. The NRC also laid down performance evaluation criteria for the Board of Directors, individual directors (including independent directors) and Committees of the Board of Directors. As per SEBI Circular no. SEBI/HO/MRD/DOP2DSA2/CIR/P/2019/13 dated January 10, 2019, the Nomination and Remuneration Committee shall include only Public Interest Directors and shall be chaired by a Public Interest Director. Further, as per requirements of the Companies Act, 2013, the Company is required to constitute a Nomination and Remuneration Committee (NRC) consisting of three or more non-executive directors out of which not less than one-half shall be Independent Directors. The Chairman of NRC shall be different from Chairman of the Board. The NRC was constituted by the Board for the purpose of discharging its functions required under both the Companies Act, 2013 and under SEBI requirements.

The Committee is delegated powers to decide/recommend remuneration of Directors and KMPs in compliance with the Act and SECC Regulations besides formulating the compensation policy for KMPs.

The Committee identifies and recommends to Board person who are qualified to become director and who may be appointed in senior management in accordance with the criteria laid down. The committee also determines the employment terms and compensation payable to Key Managerial Personnel. The committee formulates the compensation policy and reviews the same on a periodic basis. It coordinates and oversees the annual evaluation of the Board and the individual directors.



Composition, meetings and attendance during the F.Y. 2020-21:

At the beginning of the year, the members of the Committee were:

1. Mr. Alok Kumar Mittal, Public Interest Director – Chairman
2. Mr. Vijay Ranjan, Public Interest Director – Member
3. Ms. Rita Menon, Public Interest Director – Member

The committee was reconstituted on December 13, 2020 for the limited purpose of appointment of the Managing Director as follows:

1. Mr. Alok Kumar Mittal, Public Interest Director – Chairman
2. Mr. Vijay Ranjan, Public Interest Director – Member
3. Ms. Rita Menon, Public Interest Director – Member
4. Mr. Sandip Ghose, External Expert, – Member

Subsequent to appointment of Mr. Krishna J. Wagle as Managing Director, the Committee was again reconstituted at the Board Meeting held on February 27, 2021. The composition of Committee post reconstitution was as follows:

1. Mr. Alok Kumar Mittal, Public Interest Director – Chairman
2. Mr. Vijay Ranjan, Public Interest Director – Member
3. Ms. Rita Menon, Public Interest Director – Member

As on March 31, 2021 the composition of the committee remained unchanged.

During the financial year 2020-21, the Committee met 4 (four) times on June 10, 2020, September 22, 2020, December 04, 2020 and January 19, 2021.

Member	Category	Meetings held	Meetings Attended
Mr. Alok Kumar Mittal	Public Interest Director	4	4
Mr. Vijay Ranjan	Public interest Director	4	4
Ms. Rita Menon	Public Interest Director	4	4
Mr. Sandip Ghose*	External Expert	1	1
* Appointed as Member of the Committee on December 13, 2020 and ceased to be a member of the committee with effect from February 27, 2021.			

The Company Secretary is the Secretary to the Committee.

Details of remuneration to Directors:

i. Remuneration of the Managing Director and his Shareholding

Mr. Balu Nair

Mr. Balu Nair was reappointed as the Managing Director & CEO of the Company for the second term w.e.f. June 20, 2019 pursuant to the SEBI approval received on June 19, 2019 for a period of three years. The Nomination and Remuneration committee vide circular resolution passed on May 15, 2019 recommended the remuneration of INR of 75,00,000/- per annum plus Annual Variable Pay not exceeding 25 % of the remuneration on cost to company (all inclusive) to be paid to Mr. Balu Nair as Managing Director & CEO of the Company. The said remuneration was approved by the Board of Directors vide circular resolution passed on May 16, 2019, the SEBI vide letter dated June 19, 2019 and the shareholders of the Company in its Annual General Meeting held on September 13, 2019.

The Nomination and Remuneration Committee at its meeting held on June 10, 2020 recommended to the Board payment of annual variable pay of 22% of remuneration i.e. 22% of INR 75,00,000/- i.e. INR 16,50,000/- to Mr. Balu Nair, for the period from June 20, 2019 to June 19, 2020 with 50% (i.e. INR 8,25,000/-) payable upfront in the Financial Year 2020-21 and the balance 50% (i.e. INR 8,25,000/-) payable on deferred basis after three years i.e. in the Financial Year 2023-24; after deducting applicable taxes.. The said variable pay was approved by the Board of Directors at its meeting held on June 11, 2020.

The details of remuneration of Mr. Balu Nair is as follows:

Components of the Salary Package	Amount(p.a.)
Fixed Pay	
Basic Salary	3,150,000
HRA	1,575,000
Conveyance Allowance	0
Provident Fund (Employer Contribution) / Other Allowances	378,000
Special Allowance	1,583,101
Sub Total (A)	6,686,101
Fringe Benefits	
Food Coupons	0
Medical Reimbursement	15,000
LTA Reimbursement	262,500
Other Entitlements/Reimbursement	99,600
Sub Total (B)	377,100
Total of A+B (Gross Salary)	7,063,201
Other Benefits Costed	
Car Entitlement*	240,000
Insurance Benefits (Group Term life Insurance + Accident Insurance+ Mediclaim)	45,357
Gratuity	151,442
Sub Total (C)	436,799
Total Remuneration (Gross Salary + Other Benefits)	7,500,000
Variable Pay :	
The Variable Pay is over and above the Total Gross Salary & Other Benefits. 50% of the variable pay will be paid on a deferred basis after three years.	Upto 25% of the Total Remuneration (i.e. INR1,875,000/-)



Pursuant to his resignation, Mr. Balu Nair ceased to be the Managing Director & CEO with effect from February 26, 2021.

Mr. Krishna J. Wagle

Mr. Krishna J. Wagle was appointed as Managing Director of the Company with effect from February 27, 2021 pursuant to the SEBI approval received on February 25, 2021. The Nomination and Remuneration Committee at its meeting held on January 19, 2021 approved the remuneration of INR 48,00,000/- per annum plus Annual Variable Pay of INR 24,00,000/- to be paid to the Managing Director for a period of one year from the date of his joining. The said remuneration was approved by the Board of Directors on January 19, 2021 and SEBI vide letter dated February 25 2021. The said remuneration is subject to approval of Shareholders.

The details of remuneration of Mr. Krishna J. Wagle are as follows:

Components of the Salary Package	Amount (p.a.)
Fixed Pay	
Basic Salary	2,016,000
HRA	1,008,000
Conveyance Allowance	19,200
Provident Fund (Employer Contribution) / Other Allowances	241,920
Special Allowance	1,100,905
Sub Total (A)	4,386,025
Fringe Benefits	
Food Coupons	30,000
Medical Reimbursement	15,000
LTA Reimbursement	168,000
Other Entitlements/Reimbursement	60,000
Sub Total (B)	273,000
Total of A+B (Gross Salary)	4,659,025
Other Benefits Costed	
Car Entitlement*	
Insurance Benefits (Group Term life Insurance + Accident Insurance+ Mediclaim)	44,052
Gratuity	96,923
Sub Total (C)	140,975
Total Remuneration (Gross Salary + Other Benefits)	4,800,000
Variable Pay :	
The Variable Pay is over and above the Total Gross Salary & Other Benefits. 50% of the variable pay will be paid on a deferred basis after three years.	2,400,000

Remuneration of the Non-Executive Directors and their shareholding as on 31.03.2021 is as below:

Name of the Director	Sitting Fees (Amount in INR)		Shareholding in the Company as on 31.03.2021
	Board Meetings	Committee Meetings	
Mr. Vijay Ranjan	4,00,000	9,00,000	NIL
Ms. Rita Menon	4,00,000	8,40,000	NIL
Mr. Alok Kumar Mittal	4,00,000	8,40,000	NIL

C. Stakeholders Relationship Committee

The Board had constituted Shareholders Grievance Committee on March 15, 2013 primarily with the objective of redressing shareholders' and investors' grievances. The name of the Committee was changed from Shareholders Grievance Committee to Stakeholders Relationship Committee on May 19, 2015 pursuant to regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the terms of reference with regards to objectives of the Committee were also modified to a certain extent.

Terms of reference

- Resolving the grievances of the security holders 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.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Composition, meetings and attendance during the F.Y. 2020-21:

At the beginning of the year the members of the Committee were:

- Mr. Alok Kumar Mittal, Public Interest Director – Chairman
- Mr. Vijay Ranjan , Public Interest Director – Member
- Mr. Balu Nair, Managing Director & CEO – Member

Pursuant to resignation of Mr Balu Nair as Managing Director & CEO with effect from February 26, 2021, the committee was reconstituted by the Board of Directors on February 27, 2021 as follows:

1. Mr. Alok Kumar Mittal, Public Interest Director – Chairman
2. Mr. Vijay Ranjan , Public Interest Director – Member
3. Mr. Krishna J. Wagle, Managing Director – Member

The composition of committee remained unchanged as on March 31, 2021.

During the financial year 2020-21, the Committee met 1 (one) time on September 22, 2020.

Member	Category	Meetings held	Meetings Attended
Mr. Alok Kumar Mittal	Public Interest Director	1	1
Mr. Vijay Ranjan	Public Interest Director	1	1
Mr. Balu Nair ¹	Managing Director	1	1
Mr. Krishna J. Wagle ²	Managing Director	-	-
¹ Ceased to be Member of the Committee w.e.f February 26, 2021.			
² Appointed as Member of the Committee w.e.f. February 27, 2021.			

The Company Secretary is the Secretary to the Committee. During the financial year 2020-21, the Company has not received any complaint from its shareholders and there are no unresolved complaints at the end of the period. Nature of requests /complaints received and redressed during the year 2020-21 are as follows:

Sr. No.	Particulars	Opening	Additions	Resolved	Pending
1.	Shareholders Complaints	NIL	NIL	NIL	NIL
2.	Demat Requests received	NIL	2	2	NIL
3.	Remat Requests received	NIL	NIL	NIL	NIL
1.	Transfer Requests received	NIL	4	4	NIL
2.	Transmission Requests received	NIL	NIL	NIL	NIL
3.	Requests received for Duplicate Share Certificate(s)	NIL	NIL	NIL	NIL
4.	Any other request from the shareholder	NIL	NIL	NIL	NIL

No complaints were pending as on March 31, 2021.

D. Corporate Social Responsibility Committee

In terms of Section 135 of the Companies Act, 2013, every company having net worth of Rupees five hundred crores or more, or turnover of Rupees one thousand crores or more or a net profit of Rupees five crores or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an Independent Director.

The provisions of CSR were applicable during the financial year 2019-20.



Your Company has constituted a Corporate Social Responsibility Committee on August 08, 2019.

Terms of reference:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c. To monitor the CSR policy of the Company from time to time;
- d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

Composition, meetings and attendance during the F.Y. 2020-21:

The composition of the Committee at the beginning of the financial year was as follows:

1. Ms. Rita Menon, Public Interest Director – Chairperson
2. Mr. Kunal Sanghavi, Shareholder Director – Member
3. Mr. Balu Nair, Managing Director & CEO – Member

In view of resignation of Mr. Kunal Sanghavi, Shareholder Director, the committee was reconstituted on May 26, 2020 as follows: and following are the current members of the committee:

1. Ms. Rita Menon, Public Interest Director – Chairperson
2. Mr. Vijay Ranjan, Public Interest Director – Member
3. Mr. Balu Nair, Managing Director & CEO – Member

Pursuant to appointment of Mr. P.K. Ramesh as Shareholder Director, the committee was reconstituted on October 23, 2020 as follows:

1. Ms. Rita Menon, Public Interest Director – Chairperson
2. Mr. P.K. Ramesh, Shareholder Director – Member
3. Mr. Balu Nair, Managing Director & CEO – Member

Pursuant to resignation of Mr. Balu Nair as Managing Director & CEO, the committee was reconstituted on February 27, 2021 as follows:

1. Ms. Rita Menon, Public Interest Director – Chairperson
2. Mr. P.K. Ramesh, Shareholder Director – Member
3. Mr. Krishna J. Wagle, Managing Director – Member

During the financial year 2020-21, the Committee met 1 (one) time on June 08, 2020.

Member	Category	Meetings held	Meetings Attended
Ms. Rita Menon	Public Interest Director	1	1
Mr. Vijay Ranjan ¹	Public Interest Director	1	1
Mr. P. K. Ramesh ²	Shareholder Director	-	-
Mr. Balu Nair ³	Managing Director & CEO	1	1
Mr. Krishna J. Wagle ⁴	Managing Director	-	-

The Company Secretary is the Secretary to the Committee.

A. Other Board Committees

Your Company is regulated by the SEBI and is required to comply with the requirements of the SEBI Regulations. Other than the Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee constituted by the Company under the provisions of the Companies Act, 2013 and the Listing Regulations, your Company is additionally required to constitute Committees which are mandated by the SEBI for clearing corporations. The Board has also constituted certain other Committees for operational convenience.

Pursuant to the SEBI Regulations, the Company has constituted various other committees with the terms of reference defined by the SEBI:

Sr. No.	Name of the Committee
1	Advisory Committee
2	Audit Committee
3	Corporate Social Responsibility Committee
4	Executive Committee
5	Management & Investment Committee
6	Member and Core Settlement Guarantee Fund Committee
7	Nomination and Remuneration Committee
8	Public Interest Directors Committee
9	Risk Management Committee
10	Selection Committee
11	Stakeholders Relationship Committee
12	Standing Committee on Technology
13	Independent Directors Committee
14	Regulatory Oversight Committee
15	Investor Grievance Redressal Committee



B. Compliance reports of applicable laws:

The Board periodically reviews compliance reports of all the laws applicable to the Company, prepared by the Company as well as the steps taken by it to rectify the instances of non-compliances, if any, and define process to avoid future non-compliances.

C. General Body Meetings

- a. Annual General meeting of the Company was held on September 18, 2020 at 02.30 PM through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”). The special resolutions with regard to remuneration payable to Mr. Balu Nair (DIN: 07027100), Managing Director & CEO of the Company was passed at the said meeting. Special business with regard to appointment of Mr. P.K. Ramesh (DIN: 08363403) as Shareholder Director of the Company, subject to approval of the SEBI and appointment of Mr. Saket Bhansali (DIN: 06817955) as Shareholder Director of the Company, subject to approval of the SEBI were passed by Ordinary resolutions.
- c. Details of the General Body Meetings and special resolutions passed therein during previous three financial years:

Date	Time	Category	Venue of the meeting	Particulars of special business/ resolution passed
February 23, 2017	11:30 AM	EGM	Vibgyor Towers, 4th floor, Plot No C 62, G Block, Opp. Trident Hotel,	1. Appointment of Mr. Vijay Bhaskar Pedamallu as an Independent Director. 2. Appointment of Mr. Alok Mittal as an Independent Director.
August 04, 2017	11:30 AM	EGM	Bandra Kurla Complex, Bandra (E), Mumbai 400098	1. To Increase the Authorised Share Capital of the Company and Alteration of the Capital Clause of the Memorandum of Association of the Company. 2. To raise funds by Issuing Equity Shares through Offer of Further Shares.



Date	Time	Category	Venue of the meeting	Particulars of special business/ resolution passed
September 12, 2017	11:30 AM	AGM		<ol style="list-style-type: none"> Revision in remuneration of Mr. Balu Nair, Managing Director of the Company with effect from July 01, 2017 Ratification and approval of transactions with Metropolitan Stock Exchange of India Limited (MSE) under Regulation 23(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. <ol style="list-style-type: none"> Ratification of Agreement for providing Clearing & Settlement Services dated October 1, 2012 Ratification of Agreement for sharing resources dated January 2, 2013 Ratification of Agreement for Sub-License of Office Premises dated April 15, 2015 Ratification of Memorandum of Understanding for utilizing office premises dated January 30, 2017. Ratification of Tripartite Agreement between MSE, MCCIL and Software Vendor (63 moons technologies limited) ("FTIL") dated April 15, 2010. Increase in Authorised Share Capital of the Company and alteration of the capital clause of the Memorandum of Association of the Company.
September 25, 2018		AGM		<ol style="list-style-type: none"> Appointment of Ms. Rita Menon (DIN: 0064714) as an Independent Director. Appointment of Mr. Vijay Ranjan (DIN:02346190) as an Independent Director Ratification of addendum to memorandum of understanding for utilizing office premises dated January 30, 2017.
November 22, 2018	11:30 AM	EGM		<ol style="list-style-type: none"> Reduction of Equity Share Capital of the Company.
January 08, 2019	11:30 AM	EGM		<ol style="list-style-type: none"> Appointment of Mr. Kunal Sanghavi (DIN: 08100891) as Shareholder Director of the company, subject to approval of the SEBI.
June 10, 2019	2:00 PM	EGM		<ol style="list-style-type: none"> Recommending candidature and remuneration of Mr. Balu Nair as Managing Director and Chief Executive Officer of the company to SEBI. Recommending candidature and remuneration of Mr. Krishna J. Wagle

Date	Time	Category	Venue of the meeting	Particulars of special business/ resolution passed
				as Managing Director and Chief Executive Officer of the company to SEBI. 3. Recommending candidature and remuneration of Mr. Gurpreet Sidana as Managing Director and Chief Executive Officer of the company to SEBI.
September 13, 2019				1. Appointment of Mr. Balu R. Nair (DIN: 07027100) as a Director of the Company 2. Appointment of Mr. Balu R. Nair (DIN : 07027100) as the Managing Director and Chief Executive Officer of the Company and approval of remuneration to be paid to him.

D. Postal Ballot:

During the financial year 2020-21 following resolutions were passed through postal ballot on June 01, 2020:

1. To appoint Ms. Latika S. Kundu (DIN: 08561873) as Shareholder Director of the company, subject to approval of the SEBI.
2. To reappoint Mr. Alok Kumar Mittal (DIN: 00008577) as an Independent Director

E. Means of Communication:

For easy reference of the Shareholders, data related to:

- o Quarterly and annual financial results;
- o Shareholding pattern;
- o Intimation and outcome of General meetings;
- o Intimation and outcome of every Board Meetings;
- o Annual Report etc.

are available on website of the Company www.mclear.in

F. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The disclosures required to be given under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given in the following Table:

1.	Number of complaints of sexual harassment received in the year	Nil
2.	Number of complaints disposed of during the year	Not applicable
3.	Number of cases pending as on end of the financial year	Not applicable



G. General Shareholder Information:

1.	Annual General Meeting (F.Y. 2020-21) Day, Date, Time and Venue	September, 27, 2021 at 3:00 pm The Company is conducting meeting at the Registered Office of the Company i.e. at Building A, Unit 205B, 2nd Floor, Agastya Corporate Park, Sunder Baug Lane, Kamani Junction, L.B.S Road, Kurla West, Mumbai - 400070 and through Video Conferencing/Other Audio Visual Means pursuant to the MCA Circular dated May 5, 2020. For details, please refer Notice of this AGM.
2.	Financial year	April 01, 2020- March 31, 2021
3.	Dividend payment date	Not Applicable
4.	Listing on Stock Exchanges	Your Company is not listed.
5.	Market Price data in last financial year	Not applicable
6.	Performance in comparison to broad based indices such as BSE sensex, CRISIL Index, etc.	Not applicable
7.	Plant Location	Not applicable
8.	Registrars & Transfer Agents (RTA)	KFin Technologies Private Limited Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana.
9.	Share Transfer system	Authority has been delegated to the Management and Investment Committee of the Board to approve share transfers and the Stakeholders Relationship Committee reviews disposal of transfer requests if any from time to time. The Company has also appointed KFin Technologies Private Limited as its RTA who periodically receives from the Depositories, the beneficial holdings of the Company.
10.	Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity	Your Company do not have any outstanding GDRs/ADRs/Warrants or any Convertible instruments
11.	Commodity Price Risk or foreign exchange risk and hedging activities	Not applicable
12.	Name and Designation of Compliance Officer	Ms. Geeta Bhandarkar, Compliance Officer
13.	Address for Correspondence	Metropolitan Clearing Corporation of India Limited Building A, Unit 205B, 2nd Floor, Agastya Corporate Park, Sunder Baug Lane, Kamani Junction, L.B.S Road, Kurla West, Mumbai - 400070. Tel: 25040161 Website: www.mclear.in
14.	Email	investorgrievances@mclear.in

Dematerialization of Shares: Most of the shares of the Company are under dematerialized (electronic) form as required under the SECC regulations except for one equity shares of INR 10 each which are held by individuals as nominee of the 63 moons technologies limited and one by Multi Commodity Exchange of India Limited. The securities of the Company are admitted for dematerialization with Central Depository Services (India) Limited



(CDSL) and National Securities Depository Limited (NSDL). The ISIN of the Company's equity shares is INE831N01021. As on March 31, 2021, a total of 12,53,70,989 equity shares of the Company were in dematerialized form.

Stock Market data: Not Applicable as the Company is not listed on any Stock Exchange.

Share price performance to broad based indices: Not Applicable as the Company is not listed on any Stock Exchange.

Disclosure of Accounting Treatment: The Company follows the guidelines of Accounting Standards laid down by the Central Government under the provisions of Section 133 of the Companies Act, 2013 in the preparation of its financial statements.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by SEBI or any other statutory authority on any matter related to capital markets during the last three years: There have been no penalties, strictures imposed by SEBI or any other statutory authority during the past three years, for any non-compliance.

A. Distribution of Shareholding & Shareholding pattern (As on March 31, 2021):

Sr. No	Category (Amount)	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1	up to 5000	-	-	-	-
2	5001 - 10000	-	-	-	-
3	10001 - 20000	-	-	-	-
4	20001 - 30000	-	-	-	-
5	30001 - 40000	-	-	-	-
6	40001 - 50000	-	-	-	-
7	50001 - 100000	-	-	-	-
8	100001 & above	3	100	125,370,991	100
	Total	3	100	125,370,991	100

Shareholding Pattern as on March 31, 2021

Sr. No	Category	No. of shareholders	No. of shares held	% of shareholding
(A)	PROMOTER AND PROMOTER GROUP			
(1)	INDIAN			
	Bodies Corporate	1	120,171,446	95.85
	Sub-Total A(1)	1	120,171,446	95.85
(2)	FOREIGN	0	0	0.00
	Sub-Total A(2)	0	0	0.00
	Total A=A(1)+A(2)	1	120,171,446	95.85
(B)	PUBLIC SHAREHOLDING			
(1)	INSTITUTIONS			
(a)	Mutual Funds /UTI	0	0	0.00

(b)	Financial Institutions /Banks	0	0	0.00
(c)	Venture Capital Funds	0	0	0.00
(d)	Foreign Institutional Investors	0	0	0.00
(e)	Foreign Bodies Corporate	0	0	0.00
	Sub-Total B(1)	0	0	0.00
(2)	NON-INSTITUTIONS			
(a)	Bodies Corporate	2	5 199545	4.15
(b)	Individuals	0	0	0
(c)	Others	0	0	0.00
	Trusts	0	0	0.00
	Non-Resident Indian	0	0	0.00
	Clearing Members	0	0	0.00
	Sub-Total B(2)	2	5199545	4.15
	Total B=B(1)+B(2)	2	5199545	4.15
	Total (A+B)	3	125,370,991	100

Notes:

The above figures include holdings of five nominee shareholders of the above shareholders who hold one share each as allowed u/s 187(3) of the Companies Act, 2013.

Based on the definition of promoter as mentioned in Section 2(69) of the Companies Act, 2013 and in the light of fact that the Multi Commodity Exchange of India Limited (MCX) and the 63 moons technologies limited neither they have any Board representation on the Clearing Corporation nor they exercise any control over the Clearing Corporation. The Board at its meeting held on May 21, 2014 noted that the MCX and the FTIL are not promoters of the Company and decided not to classify them as promoter in future filings.

The SEBI in its order dated March 19, 2014 stated that 63 moons technologies limited is not a 'fit and proper person' to acquire or hold any equity share or any instrument that provides for entitlement for equity shares or rights over equity shares at any future date, in a recognized stock exchange or clearing corporation, either directly or indirectly, and directed them to divest equity shares held in MCCIL, directly or indirectly, within 90 days of the order. In the same order, SEBI also stated that 63 moons technologies limited and entities through whom it indirectly holds equity shares or any instrument entitling voting rights in MCCIL shall cease to be entitled to exercise voting rights in respect of those shares or instruments with immediate effect. The Securities Appellate Tribunal (SAT) has since its order dated July 09, 2014 upheld the decision of the SEBI. The SEBI had vide its letter dated September 29, 2014 directed the Company to comply with the shareholding requirements of SECC Regulations and SEBI's direction issued vide order dated March 19, 2014 with regard to entities which have been declared not 'fit and proper' person. Further, SEBI has vide letter no. SEBI/MRD/DRMNP/2019/15963 dated June 25, 2019 advised to freeze the voting rights and corporate benefits of 63 moons technologies limited.

The Hon'ble National Company Law Tribunal vide order dated August 19, 2019 and the Registrar of Companies vide issue of certificate dated August 29, 2019 approved reduction in share capital of the Company by 170,000,000 (Seventeen Crore) Equity Shares of INR 10/- each (Indian Rupees Ten only) held by the shareholders on proportionate basis. Further, in terms of the aforesaid order, proportionate funds amounting to INR 3,30,93,974/- to be paid to 63 moons technologies ltd, pursuant to capital reduction, have been transferred to current liabilities in the books of accounts of the Company, until further directions are received from SEBI in this matter.

B. Other Disclosures

(A) Disclosures on materially significant related party transactions

The transactions with related parties are entered in the ordinary course of business and at arm's length.

The details of the related party transactions are disclosed in the Annual Report. The 'Policy on dealing



with related party transactions' of the Company is available on the Website of the Company at the following address:

www.mclear.in

- (B) Details of non-compliance, Penalties, strictures imposed by the Stock Exchanges, the SEBI or any statutory authority, on any matter related to the capital markets during the last three years: Nil
- (C) Disclosure relating to establishment of Whistle Blower policy and affirmation that company employees have been denied access to the Audit Committee

The Company has adopted a Code for Key Management Personnel and Employees which includes a Whistle Blower Policy. Further, no person of the Company has been denied the access to the Audit Committee.

- (D) Details of compliance with Mandatory Requirements and adoption of non- mandatory requirements:

Mandatory Requirements:

As per the regulation 33 of SECC Regulations, 2018 the disclosure requirements and corporate governance norms as applicable to a listed company are mutatis mutandis applicable to a recognized clearing corporation.

In view of the same, the Company has been duly complying with all the mandatory requirements as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent practicable and applicable.

Non Mandatory Requirements:

- i) The financial statements of the Company are unqualified.
- ii) The Company has adopted a Code for Key Management Personnel and Employees which includes a Whistle Blower Policy. This policy enables an employee to report any actual or possible violation of the code of conduct. This policy ensures confidentiality and protection to the employee against retaliation.

C. Certificate on Corporate Governance:

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Auditors' certificate on corporate governance is annexed to the Board's report.



D. Details of total fees paid to statutory auditors

The details of total fees for all services paid by the Company to statutory auditors are as follows:

Auditor's Remuneration	Amount (in Rs.)
Statutory Audit Fees	5,00,000
Professional Fees	7,63,165
Total	12,63,165

E. Secretarial Audit

The Company has engaged the services of, Mr. A. Sekar, Practising Company Secretary, Mumbai Company Secretaries, to conduct Secretarial Audit pursuant to the requirements of the Companies Act, 2013 and the rules laid down thereunder for the financial year ended 31st March, 2021. The report of Secretarial Auditor is annexed to the Board's report. The Secretarial Audit report confirms that the Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

F. Managing Director Certification

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the MD & CFO certification is provided in this Annual Report.

G. Management's discussion and analysis

A detailed report on our Management's discussion and analysis forms part of this Annual Report.

H. Risk Management Policy

The Company has devised a formal risk management policy and follows a well-established and detailed risk assessment and minimization procedure. The Board has constituted a separate Risk Management Committee which periodically reviews the functioning of risk management policy and appraises the Board on regular intervals of its implementation or deviations, if any.

I. Code of conduct:

The Company has formulated and implemented a comprehensive Code of Conduct for Directors, Key Management Personnel and employees of the Company. The Code of Conduct has been posted on the website www.mclear.in.

The Board Members and the Senior Management Personnel affirm compliance with the Code of Conduct on an annual basis.



A declaration to this effect obtained for the financial year 2020-21, signed by the Managing Director, forms part of the Annual Report.

For and on behalf of the Board of Directors

Sd/-

Vijay Ranjan

Chairman & Public Interest Director

DIN: 02346190

Sd/-

Krishna J. Wagle

Managing Director

DIN: 09082635

Date: June 07, 2021

Place: Mumbai



AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Metropolitan Clearing Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Metropolitan Clearing Corporation of India Limited ('the Company') for the year ended March 31, 2021, as stipulated in Schedule V of Securities Exchange of Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Schedule V of Securities of Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For **Kirtane & Pandit LLP**,
Chartered Accountants
FRN: 105215W/W100057

Place: Mumbai
Date: 7th June, 2021

Sd/-
Aditya A. Kanetkar Partner
Membership No: 149037
UDIN: 21149037AAAADY1959



CERTIFICATE
(Pursuant to Clause 10(i) of Part C of Schedule V of LODR)

I have examined the relevant Registers, Records, Forms, Returns and Disclosures received from the Directors of
METROPOLITAN CLEARING CORPORATION OF INDIA LIMITED

(CIN U67120MH2008PLC188032), having Registered Office at Bldg. A, Unit 205B, 2nd Floor, Agastya Corporate Park, Sundar Baug Lane, Kamani Junction, LBS Marg, Kurla West, Mumbai 400 070 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that as on 31st March, 2021, none of the Directors on the Board of the Company, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Mumbai
Date: 7th June, 2021

Sd/-

A SEKAR
COMPANY SECRETARY ACS 8649 CP 2450
UDIN A008649C000430411



DECLARATION REGARDING COMPLIANCE BY BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2020 -21 as adopted by the Board of Directors.

For the purpose of this declaration, Senior Management Personnel means Key Management Persons appointed under SECC Regulations, 2018 and Key Managerial personnel appointed under the Companies Act, 2013 as on March 31, 2021.

Sd/-

Krishna J. Wagle

Managing Director

DIN: 09082635

Place: Mumbai

Date: June 07, 2021

Managing Director Certification

(Issued in accordance with the provisions of regulation 33 of SECC regulations read with Regulation 17(8) of SEBI
(Listing Obligations & Disclosure Requirements) Regulations, 2015)

To
The Board of Directors
Metropolitan Clearing Corporation of India Limited
Dear Sirs/ Madam,

We have reviewed the financial statements and the cash flow statement of Metropolitan Clearing Corporation of India Limited for the financial year ended March 31, 2021 and to the best of our knowledge and belief, we hereby certify that:

- a. (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current 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 codes of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies. In our opinion there are adequate internal controls over financial reporting.
- d. We have indicated to the Auditors and the Audit Committee:
 - I. significant changes, if any, in internal control over financial reporting during the year;
 - II. significant changes, if any, in accounting policies made during the year and that the same have been disclosed suitably 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.
- e. We further declare that all Board Members and Senior Management Personnel (including Key Managerial Personnel in terms of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018) have affirmed compliance with the Code of Conduct and Ethics for the Financial Year 2020-21.

Yours Sincerely,

Place: Mumbai
Date: June 07, 2021

Sd/-
Krishna J. Wagle
Managing Director



INDEPENDENT AUDITOR'S REPORT

To the Members of
Metropolitan Clearing Corporation of India Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Metropolitan Clearing Corporation of India Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss including statement of changes in equity and statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit, Statement of 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 (SAs) 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

We have determined that there are no significant reportable Key Audit Matters to be communicated in the Report.



Emphasis of Matters

We drew attention to the Note No 43 of the Financial Statements, regarding uncertainty of the receivables from Invoices raised on Parent Company. On the basis of contractual tenability, clarifications from SEBI discussions, the Management considers these receivables are recoverable. Management is certain on the recovery for the outstanding dues in the near future.

Our opinion is not qualified in this matter.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the Other Information. The other information comprises the Director's Report, but does not include Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to date of this Auditor's Report, 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.

When we read the Annual Report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility 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, (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 implementation and maintenance of 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 Statement 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 a part of an audit in accordance with SA's, 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.

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.

Report on Other Legal and Regulatory Requirements

1. 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, the Statement of Profit and Loss including the statement of changes in equity and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



- (g) With the 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 by the Company to its directors during the year is in accordance with the provisions of the Section 197 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 does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. The Company regularly transfers sums to the Investor Education and Protection Fund.

2. 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 Companies Act, 2013, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Kirtane & Pandit LLP,

Chartered Accountants

Firm's Registration No.105215W/W100057

Sd/-

Aditya A. Kanetkar

Partner

M. No. 149037

UDIN: 20149037AAAACQ5694

Place: Mumbai.

Date: June 07, 2021



Annexure A to the Auditor's Report – March 31, 2021

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Metropolitan Clearing Corporation 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. 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.

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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the Standalone 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.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 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 Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 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, 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Kirtane & Pandit LLP**,
Chartered Accountants
Firm Registration No. 105215W/ W100057

Sd/-
Aditya A. Kanetkar
Partner
M. No. 149037
UDIN: 20149037AAAACQ5694

Place: Mumbai.
Date: June 07, 2021



Annexure B to the Auditor's Report – March 31, 2021

Annexure B referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date to the members of Metropolitan Clearing Corporation of India Limited on the accounts of the company for the year ended March 31, 2021.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment;
- (b) As explained to us, Property, Plant & Equipment have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (c) According to the information and explanation given to us and on the basis of examination of the records, Company does not possess any immovable property.
- (ii) The nature of the business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, Firms, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information provided to us, the Company has complied with the provisions of the Section 186 of the Companies Act, 2013, in respect providing guarantees and securities. No loans or guarantees were granted as per Section 185 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-Section (1) of Section 148 of the Act.
- (vii) According to the information and explanations given to us and based on the records of the company examined by us,
 - (a) The company has generally been regular in depositing the undisputed statutory dues, including Provident Fund, Income-tax, Goods & Service Tax and other material statutory dues, as applicable, with the appropriate authorities in India;



According to the information and explanation given to us, no undisputed amount payable in respect of Provident Fund, Income-tax, Goods & Service Tax and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Goods & Service Tax and Customs Duty which have not been deposited on account of any disputes.

(viii) In our opinion, and according to the information and explanations given to us and based on our examination of the records, the Company has no borrowings from any bank, financial institute, government or debenture holders, accordingly clause 3 (viii) is not applicable to the company.

(ix) In our opinion, and according to the information and explanations given to us, the Company does not raise money by way of initial public offer or further public offer and term loans, other than for what it was purposes.

(x) During the course of audit, we have not noticed any fraud by the company or any fraud on the company by its officers or employees during the year.

(xi) In our opinion, the company has paid or payable managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.

(xii) The nature of business is not related to Nidhi Company; hence, this clause is not applicable.

(xiii) In our opinion, and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with related parties are in compliances with the section 177 & 188 of the Companies Act, 2013 and details have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) The company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Kirtane & Pandit LLP,

Chartered Accountants

Firm Registration No. 105215W/ W100057

Sd/-

Aditya A. Kanetkar

Partner

M. No. 149037

UDIN: 20149037AAAACQ5694

Place: Mumbai.

Date: June 07, 2021

Metropolitan Clearing Corporation of India Limited

CIN : U67120MH2008PLC188032

Balance Sheet as at March 31, 2021

(INR in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3	680.59	404.88
Other Intangible Assets	3	526.38	467.43
Intangible Assets under development	3	56.43	53.04
Right to Use	4	467.24	282.90
Other Non - Current Financial Assets	5	463.87	9,839.36
Deferred Tax Assets	6	-	-
Other Non - Current Assets	7	257.60	40.23
		2,452.10	11,087.84
Current assets			
Financial Assets			
Investments	8	1,590.24	1,612.21
Trade Receivables	9	465.33	61.90
Cash and Cash Equivalents	10	9.65	36.98
Bank balances other than above	11	22,767.85	14,237.19
Other Current Financial Assets	12	202.26	16.16
Current Tax Assets (Net)	13	1,091.23	1,173.21
Other Current Assets	14	79.47	79.08
		26,206.02	17,216.74
TOTAL ASSETS		28,658.12	28,304.58
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	12,537.10	12,537.10
Other Equity	16	1,464.03	1,421.47
		14,001.13	13,958.57
Non-current liabilities			
Financial Liabilities			
Lease Liability	4	364.56	76.75
Other Financial Liabilities	17	10,175.40	9,758.87
Provisions	18	33.74	31.95
Deferred Tax Liability	19	95.57	54.62
		10,669.27	9,922.19
Current liabilities			
Financial Liabilities			
Trade Payables:	20		
(a) Total outstanding dues of micro enterprises and small enterprises		0.93	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1.12	8.67
Lease Liability	4	104.89	191.35
Other Financial Liabilities	21	3,385.57	3,771.42
Other Current Liabilities	22	471.10	434.98
Provisions	23	24.11	17.40
		3,987.72	4,423.82
		14,656.99	14,346.01
TOTAL EQUITY AND LIABILITIES		28,658.12	28,304.58

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Kirtane & Pandit LLP,

Chartered Accountants

Firm's Registration No: 105215W/W100057

Sd/-

Aditya A. Kanetkar

Partner

M. No: 149037

For and on behalf of the Board of Directors

Sd/-

Vijay Ranjan

Public Interest Director

DIN: 02346190

Sd/-

Krishna J. Wagle

Managing Director

DIN: 09082635

Sd/-

Avni Patel

Company Secretary

M No: A23918

Place: Mumbai

Date: June 07, 2021

Place: Mumbai

Date: June 07, 2021

Metropolitan Clearing Corporation of India Limited

CIN : U67120MH2008PLC188032

Statement of Profit & Loss for the Year Ended March 31, 2021

(INR in Lakhs)

Particulars		Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
I	Revenue From Operations	24	1,480.93	909.43
II	Other Income	25	712.30	1,489.30
III	Total Income		2,193.24	2,398.73
IV	Expenses			
	Employee Benefit Expenses	26	612.15	495.47
	Finance Cost	4	28.64	20.09
	Depreciation and Amortization Expenses	3	292.79	252.57
	Other Expenses	27	1,175.59	1,316.25
	Total expenses		2,109.17	2,084.38
V	Profit / (Loss) Before Tax		84.06	314.35
VI	Tax Expense			
	Current Tax		-	(10.00)
	Income Tax For Earlier years		0.37	(8.09)
	Deferred Tax		(41.18)	(57.60)
VII	Profit/ (Loss) for the period		43.25	238.66
VIII	Other Comprehensive Income (OCI)			
A.	(i) Items that will not be reclassified to profit or loss:			
	Remeasurement of gains and losses on defined benefit obligations		(0.92)	(14.60)
	(ii) Income tax on items not reclassified to Profit or Loss		0.23	3.67
IX	Total comprehensive income for the period		(0.69)	(10.93)
	Total Income for the period		42.56	227.73
X	Earnings per share (for continuing operations)	28		
	(a) Basic		0.03	0.12
	(b) Diluted		0.03	0.12

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Kirtane & Pandit LLP,

Chartered Accountants

Firm's Registration No: 105215W/W100057

Sd/-

Aditya A. Kanetkar

Partner

M. No: 149037

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Managing Director

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Sd/-

Avni Patel

Company Secretary

M No: A23918

Place: Mumbai

Date: June 07, 2021

Place: Mumbai

Date: June 07, 2021

Metropolitan Clearing Corporation of India Limited

CIN : U67120MH2008PLC188032

Statement of Changes in Equity

A. Equity Share Capital

(INR in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
At the beginning of the year	12,537.10	29,537.10
Changes in equity share capital during the year	-	(17,000.00)
Outstanding at the end of the year	12,537.10	12,537.10

B. the F.Y. 2020-21 Other Equity for

Profit for the year	Amount
Balance as at April 01, 2020	1,421.47
Profit for the year	43.25
Other Comprehensive Income for the year	(0.69)
Dividend Distribution Tax	-
Balance as at March 31, 2021	1,464.03

Other Equity for the F.Y. 2019-20

Particulars	Amount
Balance as at April 01, 2019	1,462.96
Profit for the year	238.66
Other Comprehensive Income for the year	(10.92)
Dividend Distribution Tax	(269.23)
Balance as at March 31, 2020	1,421.47

As per our report of even date

For Kirtane & Pandit LLP,

Chartered Accountants

Firm's Registration No: 105215W/W100057

Sd/-

Aditya A. Kanetkar

Partner

M. No: 149037

Place: Mumbai

Date: June 07, 2021

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DIN: 02346190

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Managing Director

DIN: 09082635

Sd/-

Avni Patel

Company Secretary

M No: A23918

Metropolitan Clearing Corporation of India Limited

CIN : U67120MH2008PLC188032

Cash Flow Statement for the Year Ended March 31, 2021

(INR in Lakhs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
A. Cash Flow from Operating Activities		
Net Profit Before Tax	84.06	314.35
Adjustments for:		
Depreciation and Amortization Expense	292.79	75.01
Finance cost	28.64	20.09
Dividend from Current Investments	(0.12)	(16.99)
Interest Income	(989.48)	(1,620.11)
Remeasurement of Post-Employment Benefit Obligations	(0.92)	(14.60)
Adjustment for MTM Investment measured at FVTPL	(31.82)	(92.03)
Operating Loss Before Working Capital Changes	(700.91)	(1,648.62)
Adjustments for:		
(Increase)/Decrease in Trade Receivables	(403.43)	28.67
(Increase)/Decrease in Other Current Financial Assets	(8,662.96)	25,369.95
(Increase)/Decrease in Other Current Assets	81.59	(455.40)
Increase/(Decrease) in Trade Payables	(6.62)	5.36
Increase/(Decrease) in Other Current Financial Liabilities	(436.18)	358.31
Increase/(Decrease) in Short Term Provisions	6.71	7.48
Cash (used in) / generated from Operating Activities	(9,420.89)	25,314.38
Taxes Paid (Net)	(10,037.74)	23,980.10
Net Cash (used in) / generated from Operating Activities	(10,078.32)	23,904.41
B. Cash Flow from Investing Activities		
Sale / (Purchase) of Current Investments (Net)	-	-
Purchase of Property, Plant & Equipment	(815.18)	(1,046.49)
Investment in Deposits	9,379.24	(9,824.35)
Maturity of Deposits	(3.75)	1,367.41
Changes in Other advances	(217.37)	351.47
Changes in other financial liabilities	459.27	823.42
Dividend Income	0.12	16.99
Interest Income	989.48	1,620.11
Net Cash generated from / (used in) Investing Activities	9,791.81	(6,691.44)
C. Cash Flow from Financing Activities		
Dividend Distribution Tax paid	-	(269.23)
Lease Liability Payment	259.17	76.75
Proceeds towards Capital Reduction	-	(17,000.00)
Net Cash used in Financing Activities	259.17	(17,192.47)
Net (Decrease) / Increase in Cash and Cash Equivalents	(27.34)	21.10
Cash and Cash Equivalents at the beginning of the year	36.98	15.88
Cash and Cash Equivalents at the end of the year	9.65	36.98
	(27.34)	21.10

Note to Cash Flow Statement:

The cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows".

As per our report of even date

For Kirtane & Pandit LLP,

Chartered Accountants

Firm's Registration No: 105215W/W100057

Sd/-

Aditya A. Kanetkar

Partner

M. No: 149037

For and on behalf of the Board of Directors

Sd/-

Vijay Ranjan

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Sd/-

Avni Patel

Company Secretary

M No: A23918

Place: Mumbai

Date: June 07, 2021

Place: Mumbai

Date: June 07, 2021



Metropolitan Clearing Corporation of India Limited

CIN : U67120MH2008PLC188032

1 GENERAL INFORMATION

Metropolitan Clearing Corporation of India Limited ("the Company") ("MCCIL") U67120MH2008PLC188032(CIN) is a unlisted limited company incorporated and domiciled in India. The address of the registered office and principal office is at Building A, Unit 205B, 2nd Floor, Agastya Corporate Park, Sunder Baug Lane, Kamani Junction, L.B.S Road, Kurla West, Mumbai - 400 070. The Company is in the business of Clearing and Settlement of trades in multi-assets classes carried out at different exchanges under Interoperability and in Commodity Derivative Segment and Mutual Fund Segment carried out at Indian Commodity Exchange Limited (ICEX).

2 SIGNIFICANT ACCOUNTING POLICIES

A. Basis of presentation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

B. Revenue Recognition

"Effective from April 01, 2018, the Company has adopted IND AS 115 "Revenue from Contracts with Customers" using the cumulative effect method. IND AS 115 establishes a comprehensive framework for determining whether, how much and when Revenue is to be recognized. This standard replaces IND AS 18 Revenue and IND 11 Construction Contracts. The Company has adopted IND AS 115 using cumulative effect method.

Revenue Income is recognized in the Statement of Profit and Loss when:

- The income generating activities have been carried out on the basis of a binding agreement
- The income can be measured reliably
- It is probable that the economic benefits associated with the transaction will flow to the Company
- Costs relating to the transaction can be measured reliably

Company usually recognizes revenue on clearing of Trades. Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services. The Company recognizes revenue when the amount of revenue can be reliably measured and whether performance obligations are satisfied at a point of time for each of the Company's activities as described below.



- a) Revenue is measured on the Transaction Price, which is consideration received or receivable, adjusted for discounts, price concessions and incentives, if any.
- b) Clearing and Settlement charges and processing charges are recognized on accrual basis as and when the services are rendered
- c) Penal Charges, in the year of declaration of default, in respect of shortages due from the respective member, are booked to the extent such charges are recoverable.
- d) Revenue is reported excluding taxes.

Revenue is recognized in the period when the service is provided as per arrangements/agreements with the customers. The sources of revenue are:

- (i) Clearing and Settlement of trades on MSE /NSE/BSE
- (ii) Clearing and Settlement of trades on ICEX.

C. Other income

Interest Income is recognized on time proportionate basis. Interest Income is recognized when it is probable that the economic benefits will flow to the company and amount can be measured reliably.

Dividend income is recognized when the right to receive payment is established.

D. Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Income tax provision is made based on the estimated tax liability as computed after taking credit for allowances and exemptions in accordance with the Income Tax Laws prevalent at the time of the relevant assessment year.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. In absence of probability of future profits till last year, deferred tax was not calculated.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

E. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.



F. Leases

The Company has adopted Ind AS 116 'Leases' with effect from April 01, 2019. Ind AS 116 replaces Ind AS 17 - Leases and Implementation and related Guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of Leases for both parties i.e. for Lessor and for Lessee. Ind AS 116 introduces single lessee accounting entry approach and requires lessee to account asset and liabilities for all leases for more than 12 months and underlying assets are not defined as 'Low Value' by the Management of the Company. The Company treated the leases with remaining lease term for less than 12 months as if they were "short term lease". The Company has decided that Rent for of INR 25,000 per month is defined as 'Low Value'.

The Company has adopted IND AS 116 and elected to apply standard prospectively, recognized on the initial date of application i.e. April 01, 2019.

With the effect from April 01, 2019, the Company recognized new asset & new liabilities for its operating lease of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to:

- a) Amortization charge for the right to use;
- b) Interest accrued on lease liability."

G. Impairment of Assets

(i) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on company's policy. The company's policy takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the company's policy. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

(ii) Non-financial assets Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying



amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

H. Financial Instruments

(i) Classification of Financial Assets

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Equity Instruments

The Company subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain / (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) De-recognition of financial assets

A financial asset is de-recognized only when:

- a) The Company has transferred the rights to receive cash flows from the financial asset or;



- b) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset."

I. Financial Liabilities

(i) Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or losses are measured at fair value with all changes in fair value recognized in the statement of profit and loss.

(iii) De-recognition

A financial liability is de-recognized when the obligation specified in the contract is discharged, cancelled or expires.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

J. Fair Value Measurement

Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of following three levels:

Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are unobservable inputs for the asset or liability."

K. Property, plant and equipment

Property, Plant and Equipment are stated at carrying value as per Ind AS which is the deemed cost less depreciation. Deemed cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value are as follows:

Asset Category	No. of Years
Computer Hardware	6
Office Equipment	5
Furniture & Fixtures	10
Leasehold Improvement	5

Depreciation for the year ended March 31, 2021 has been provided on the basis of useful lives as prescribed in the Schedule II of the Companies Act, 2013.

Depreciation on Property, Plant and Equipment purchased / sold during the year is provided for pro-rata basis, for period during which the assets are put to use. Where there is a revision of the estimated useful life of an asset, the unamortized depreciable amount is charged over the revised remaining useful life of the said asset. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

L. Intangible assets

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use
- there is an ability to use the software
- it can be demonstrated how the software will generate probable future economic benefits



- e) adequate technical, financial and other resources to complete the development and to use the software are available, and
- f) the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software cost includes employee costs and an appropriate portion of relevant overheads. Intangible Assets are stated at cost less accumulated amortization and impairment loss, if any. Computer Software is amortized over a period of ten years, as per revised useful lives prescribed in the Schedule II.

M. Provisions

Provisions for legal claims and discounts / incentives are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

N. Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

O. Employee Benefits

(i) Gratuity Obligations

The Company has maintained a Group Gratuity cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Defined benefit costs are categorized as follows:

- a) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);



- b) Net interest expense or income; and
- c) Re-measurement.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet."

(ii) Defined Contribution Plans

a) Provident fund and Family Pension Fund

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute/ Rules.

b) Compensated Absences

The provision is based on an independent external actuarial valuation at the balance sheet date, which includes assumptions about demographics, early retirement, salary increases and interest rates."

P. Core Settlement Guarantee Funds

As per SEBI regulation every recognized clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognized stock exchange. The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognized Stock Exchange to guarantee the settlement of trades executed in the respective segment of the Stock Exchange. In the event of a clearing member(member) failing to honour settlement commitments, the Core SGF shall be used to fulfil the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Metropolitan Clearing Corporation of India Limited (MCCIL), Stock Exchanges and the clearing members, 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. Penalties and fines levied by the Company are transferred to Core SGF as Other Contributions.

Q. Earnings per share

Earnings per share are calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

There is no dilution to basic EPS as there are no outstanding dilutive potential equity shares.



R. Use of Estimates

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 3 Property, Plant and Equipment

Tangible Assets:

(INR in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	NET BLOCK
	As at	Additi	Deleti	As at	Upto	For the	Dele-	Upto	As at	As at
	March 31, 2020	ons	ons	March 31, 2021	March 31, 2020	Year	tions	March 31, 2021	March 31, 2021	March 31, 2020
Office Equipment's	2.98	49.33	-	52.32	2.83	1.65	-	4.48	47.84	0.16
Computer Hardware	471.81	115.71	3.63	583.89	67.25	78.67	3.63	142.29	441.60	404.56
Furniture & Fixtures	0.26	-	-	0.26	0.10	0.02	-	0.12	0.14	0.16
Leasehold Improvements	-	195.60	-	195.60	-	4.59	-	4.59	191.01	-
TOTAL	475.05	360.64	3.63	832.07	70.18	84.94	3.63	151.48	680.59	404.88
Previous Year	40.54	434.52	-	475.05	38.27	31.91	-	70.18	404.88	2.27

Intangible Assets (Acquired):

(INR in Lakhs)

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	NET BLOCK
	As at	Addi-	Dele-	As at	Upto	For the	Dele-	Upto	As at	As at
	March 31, 2020	tions	tions	March 31, 2021	March 31, 2020	Year	tions	March 31, 2021	March 31, 2021	March 31, 2020
Computer Software	515.93	122.21	-	638.14	48.49	63.26	-	111.76	526.38	467.43
TOTAL	515.93	122.21	-	638.14	48.49	63.26	-	111.76	526.38	467.43
Capital Work in Progress	53.04	250.43	247.04	56.43	-	-	-	-	56.43	53.04
	568.97	372.64	247.04	694.57	48.49	63.26	-	111.76	582.81	520.47
Previous Year	164.88	469.57	65.48	568.97	5.39	43.10	-	48.49	520.47	159.49



Notes to Financial Statements for the Year Ended March 31, 2021

(INR in Lakhs)

Note 4 Lease

Following are the changes in the carrying value of right of use assets for the Year Ended March 31, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020
Classified on account of adoption of IND AS 116 as on April 1, 2020	282.90	460.46
Add: Original Cost Right to Use	544.13	-
Less: Depreciation for the year	144.59	177.56
Reversal of Right to use	215.20	-
Balance as on March 31, 2021	467.24	282.90

The following is the movement in lease liabilities during the Year Ended March 31, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as on April 1, 2020	268.10	443.90
Add: Lease liability	544.13	-
Add: Finance cost accrued during the year	28.64	20.09
Less: Payment of lease liabilities	154.61	195.89
Reversal of lease liability	216.80	-
Balance as on March 31, 2021	469.45	268.10

The following is the break Up of current and Non current lease liabilities as at March 31, 2021:

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	104.89	191.35
Non current lease liabilities	364.56	76.75
Total	469.45	268.10

Note 5 Other Non - Current Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposit with original maturity for more than 12 months	395.71	9,774.95
Deposits	68.16	64.41
Total	463.87	9,839.36

Note 6 Deferred Tax Assets

	Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance		-	-
Charge / (Credit) for the year		-	-
Total		-	-

Note 7 Other Non - Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advances other than capital advances	257.60	40.23
Taxes Recoverable, Statutory Deposits and Dues from Government		
Total	257.60	40.23



Note 8 Investments

Particulars	As at March 31, 2021	As at March 31, 2020
Investments in Mutual Funds (Quoted, Non Traded)		
Aditya Birla Sun Life Liquid Fund - Dir - Growth	12.71	12.25
<i>(Units Current Year - 3,834.12, Previous Year - 3,834.12)</i>	-	0.11
Axis Liquid Fund - Direct Plan - Daily Dividend		
<i>(Units Current Year - Nil, Previous Year - 11.306)</i>	-	16.45
Axis Liquid Fund - Direct Growth		
<i>(Units Current Year - Nil, Previous Year - 746.29)</i>	148.93	35.35
BOI AXA Liquid Fund - Direct Plan - Growth		
<i>(Units Current Year - 6,291.569, Previous Year - 1,547.385)</i>	269.05	192.44
BOI AXA Liquid Fund- Dir- Overnight		
<i>(Units Current Year - 25,849.125, Previous Year - 19,086.302)</i>	109.08	47.42
SBI Premier Liquid Fund- Dir- Overnight		
<i>(Units Current Year - 3,254.337, Previous Year - 1,457.365)</i>	-	631.16
Sundaram Money Fund - Direct Plan - Daily Dividend		
<i>(Units Current Year - Nil Previous Year - 62,47,568.636)</i>	56.88	18.31
Sundaram Money Fund - Direct Plan - Growth		
<i>(Units Current Year - 1,31,075.263, Previous Year - 43,724.357)</i>	652.25	412.30
Sundaram Money Fund- Direct- Overnight		
<i>(Units Current Year - 59599.543, Previous Year - 38814.200)</i>	-	34.44
ICICI Prudential Liquid -Direct Plan - Daily Dividend		
<i>(Units Current Year - Nil, Previous Year - 34,400.088)</i>	301.91	204.95
Mirae Asset Cash Management Fund - Direct Plan - Growth		
<i>(Units Current Year - 13,903.851, Previous Year - 9,784.65)</i>	39.41	7.03
Mirae Liquid Fund- Dir- Overnight		
<i>(Units Current Year - 3,738.308, Previous Year - 687.542)</i>		
Total	1,590.24	1,612.21
Aggregate amount of quoted investments and market value thereof	1,590.24	1,612.21

Note 9 Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables - outstanding for a period exceeding six months: unsecured & Consider Good	163.22	-
Other Trade Receivables: unsecured & Consider Good	302.11	61.90
Total	465.33	61.90

Note 10 Cash and Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks	9.65	36.98
Cash on hand	-	-
Total	9.65	36.98

Note 11 Bank balances other than above

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposit with original maturity for less than 12 months*	22,767.85	14,237.19
Total	22,767.85	14,237.19

* Inclusive of Lien Marked Fixed deposit INR 5.96 Crore In favour of NCL (Refer Note 31)

Note 12 Other Current Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Others Receivables	202.26	16.16
Total	202.26	16.16

Note 13 Current Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Taxes Recoverable, Statutory Deposits and Dues from Government	1,091.23	1,173.21
Total	1,091.23	1,173.21

Note 14 Other Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Capital Advance	0.51	-
Advances other than Capital Advances	6.57	1.68
Other Advances: Advance to Creditors		
Others	72.39	77.40
Prepaid Expenses		
Total	79.47	79.08

Note 15 Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
(a) Authorized				
Equity Shares of the par value of Rs.10/- each	300,000,000	30,000.00	300,000,000.00	30,000.00
(b) Issued				
Equity Shares of the par value of Rs.10/- each	125,370,991	12,537.10	125,370,991.00	12,537.10
(c) Subscribed and Fully Paid Up				
Equity Shares of the par value of Rs.10/- each	125,370,991	12,537.10	125,370,991.00	12,537.10

15.1 Reconciliation of the number of Shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	125,370,991	12,537.10	295,370,991.00	29,537.10
Add: Shares issued during the year	-	-	-	-
Less: Reduction of Share Capital	-	-	170,000,000	17,000
Outstanding at the end of the year	125,370,991.00	12,537.10	125,370,991.00	12,537.10



15.2 Shares held by Holding Company:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Metropolitan Stock Exchange of India Limited	120,171,446	95.85%	120,171,446	95.85%

15.3 Details of Equity Shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% Shareholding	No. of shares	% Shareholding
Metropolitan Stock Exchange of India Limited	120,171,446	5.85%	120,171,446	95.85%
	120,171,446	95.85%	120,171,446	95.85%

15.4 The Company has only one class of shares referred to as Equity Shares having a par value of INR 10/- each. Each Holder of Equity Shares is entitled to one vote per share.

15.5 The Company declares and pays dividend in Indian Rupees. No dividend has been declared by the Company during the Year Ended March 31, 2021.

Note 16 Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings		
Balance at the beginning of the year	1,436.59	1,467.16
Additions/ (Deletions) during the year	43.25	238.66
Deletions: Dividend Distribution Tax	-	(269.23)
Balance at the end of the year	1,479.85	1,436.59
Other Comprehensive Income (OCI)		
Balance at the beginning of the year	(15.12)	(4.19)
Remeasurement of post-employment benefit obligations	(0.69)	(10.93)
Balance at the end of the year	(15.81)	(15.12)
Total	1,464.03	1,421.47

Note 17 Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Settlement Banks Deposits	2,000.00	2,000.00
Other Deposits	40.30	65.30
Core Settlement Guarantee Fund (Refer Note 39):		
For Segments other than Commodity Derivatives	3,309.22	3,154.22
For Commodity Segment	4,825.87	4,539.35
Total	10,175.40	9,758.87



Note 18 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits		
Provision for Leave Encashment	31.90	31.95
Provision for Gratuity	1.84	-
Total	33.74	31.95

Note 19 Deferred Tax Liability

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	54.62	0.70
Charge / (Credit) for the year	40.95	53.93
Total	95.57	54.62

CURRENT LIABILITIES:

Note 20 Trade Payables:

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises. (Refer Note 47a)		
Principal Amount	0.93	-
Interest Paid/Accrued	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.12	8.67
Total	2.05	8.67

Note 21 Other Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Considered Good:		
Members Margin and Deposits - For Segments other than Commodity Derivatives	3,029.81	2,676.52
Members Margin and Deposits - Commodity Segment	355.77	1,094.90
Total	3,385.57	3,771.42

Note 22 Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Others:		
For Expenses	96.88	77.44
For Statutory Dues	17.19	26.60
Others Liabilities	26.09	-
Other Payable as per the Scheme Of Capital Reduction#	330.94	330.94
Total	471.10	434.98

pertains to amount to be paid to M/s. 63 moons technologies ltd, vide order dated August 19, 2019 by The Hon'ble NCLT. The amount will be paid after directions received from SEBI.

Note 23 Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits:		
Provision for Gratuity	17.11	13.72
Provision for Leave Encashment	3.54	3.41
Provision for Bonus	3.46	0.27
Total	24.11	17.40

Note 24 Revenue From Operations

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Sale of Services	1,093.75	415.78
<u>Other Operating Revenue</u>		
Interest on Deposits with Banks	356.53	350.84
Dividend from Investments	0.12	51.23
Processing & Annual Subscription Fees	4.71	5.14
Clearing support charges for Commodity Segment	25.84	86.44
Total	1,480.93	909.43

Note 25 Other Income

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Income		
- On Deposits with Banks - Own Funds	632.95	1,269.28
- On Income Tax Refund	3.02	92.56
Dividend Income	0.00	16.99
MTM - Investments measured at FVTPL	31.82	41.38
Other Non-Operating Income	34.58	51.51
Profit on sale of Investments	9.92	17.58
Total	712.30	1,489.30

Note 26 Employee Benefit Expenses

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, wages and bonus	585.05	465.40
Contributions to Provident Fund & other funds	25.00	20.82
Staff welfare expenses	2.11	9.25
Total	612.15	495.47

Note 27 Other Expenses

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Payment to Auditors (exclusive of taxes)	12.63	12.32
Operating Expenses - Commodity Segment	24.84	85.19
Corporate Social Responsibility Expenses (Refer Note 37)	-	6.33
Bank Charges	0.48	0.41
Director Sitting Fees	37.80	23.60
Insurance	24.44	20.56
Legal and Professional Charges	23.61	22.82
Office Expenses	75.18	86.39
Lease Expenses*	24.14	21.03
ROC Fees Expenses	0.08	0.04
Stamp Duty Expenses	0.23	2.02
Technology Cost	852.84	967.67
Miscellaneous Expenses	99.33	67.87
Total	1,175.59	1,316.25

* Represents Lease Expenses for Short Term Lease for the Current Financial Year.

Payment to Auditors:

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Statutory Audit Fees (Including Limited Review Fees)	5.00	5.00
Tax Audit Fees	1.75	1.75
Other Services	5.80	5.46
Out of pocket expenses	0.08	0.11
Total	12.63	12.32

Note 28 Earnings per share (for continuing operations)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit for the year attributable to Equity Shareholders	43.25	238.66
Weighted Average Number of Equity Shares Outstanding During The Year (Nos.)	1,253.71	1,950.43
Basic /Diluted Earnings Per Share (INR)	0.03	0.12
Nominal Value of Equity Share (INR)	10	10.00

Note: There is no dilution to basic EPS as there are no outstanding dilutive potential equity shares.

Note 29 Related party disclosures:

As per Ind AS 24, the disclosures of transactions with related parties are given below:



29.1 Details of Related Parties:

Sr. No.	Names of related parties where control exists and description of relationships	Country of Incorporation	Proportion of ownership interest for the year ended	
			March 31, 2021	March 31, 2020
A	Holding Company:	India	95.85%	95.85%
(i)	Metropolitan Stock Exchange of India Ltd. (MSE)			
B	Key Managerial Personnel:			
(i)	Mr. Balu Nair - Managing Director till 26.02.2021			
(ii)	Mr. Krishna J. Wagle - Managing Director w.e.f 27.02.2021			
(iii)	Mr. Krishna J. Wagle - Chief Financial Officer till 26.02.2021			
(iv)	Mrs. Avni Patel - Company Secretary			
(v)	Mr. Vijay Ranjan - Public Interest Director (Independent Director)			
(vi)	Mrs. Rita Menon - Public Interest Director (Independent Director)			
(vii)	Mr. Alok Mittal - Public Interest Director (Independent Director)			

(Note: Related parties have been identified by the management)

29.2 Details of transactions with related parties

Sr. No.	Nature of Transactions	Holding Company	Key Managerial Person/ Relative of KMP	Total
1	Reduction of Capital	- <i>16,294.95</i>	- -	- <i>16,294.95</i>
2	Services rendered	656.46 <i>29.58</i>	- -	656.46 <i>29.58</i>
3	Recovery of expenses/Amount collected on behalf	38.57 -		38.57
4	Assets Procured	1.84 -		1.84
5	Expenses Paid			
(a)	IT Support Charges	86.94 <i>243.12</i>	- -	86.94 <i>243.12</i>
(b)	Rent paid	59.97 <i>195.89</i>	- -	59.97 <i>195.89</i>
(c)	Office Expenses	11.32 <i>48.15</i>	- -	11.32 <i>48.15</i>
6	Director Remuneration	-		
(a)	Balu Nair	-	83.96 <i>65.19</i>	83.96 <i>65.19</i>
(b)	Mr. Krishna J. Wagle		4.09 -	<i>4.09</i> -
7	Employee Cost:			
(a)	Mr. Krishna J. Wagle-CFO	- -	28.47 <i>27.33</i>	28.47 <i>27.33</i>
(b)	Mrs. Avni Patel	- -	22.14 <i>20.21</i>	22.14 <i>20.21</i>
8	Director Sitting Fees			
(a)	Mr. Vijay Ranjan	- -	13.00 <i>7.00</i>	13.00 <i>7.00</i>
(b)	Mrs. Rita Menon	- -	12.40 <i>7.90</i>	12.40 <i>7.90</i>
(c)	Mr. Alok Mittal	- -	12.40 <i>8.70</i>	12.40 <i>8.70</i>

Figures in *Italic* represent Previous Year's amounts.

29.3 Details of balances with related parties at the year end:

Sr. No.	Related Party Transaction Summary	Holding Company	Key Managerial Person/ Relative of KMP	Total
1	Amount Receivable	465.33 <i>12.43</i>	- -	465.33 <i>12.43</i>
2	Amount Payable	- -	17.50 -	- -

Figures in *Italic* represent Previous Year's amounts.



Note 30 Contingent Liabilities:

There is No Contingent Liability as on March 31, 2021.

Note 31 Disclosure of Loans given/ Investment made/ Guarantee / Securities given as per Section 186(4) as per Companies Act 2013:

As per Multi-Party Interoperability Agreement entered into on June 15, 2019 amongst Metropolitan Clearing Corporation of India Ltd (MCCIL), Metropolitan Stock Exchange of India Limited (MSE), NSE Clearing Limited (NCL), The National Stock Exchange of India Limited (NSE), Indian Clearing Corporation Limited (ICCL) & BSE Limited (BSE), for the purposes of settlement of Inter CC obligations, are be required to post collateral with each other. The various forms in which the margins can be exchanged between the Clearing Corporations are cash, securities, corporate bonds, government securities, bank guarantees, fixed deposit receipts and any other form as allowed by SEBI from time to time, or mutually agreed by the Clearing Corporations. Further, for this purpose, each Clearing Corporation will only post its own collateral with the other Clearing Corporation free from any lien, charge or any encumbrances whatsoever.

Accordingly, MCCIL had lien marked its fixed deposits amounting to INR 5.96 Crore in favour of NCL towards Inter CC Margin.

Note 32 Capital Commitment:

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of Contracts remaining to be executed	17.91	21.50

Note 33 Capital Management:

- The Company's objectives when managing capital are to safeguard its liability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders and maintain an optimum capital structure to reduce the cost of capital. For the purpose of the Company's Capital Management, capital includes issued Equity Capital and all other equity attributable to the Equity Holders.
- No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021.
- Compliance with externally imposed capital requirements:
Capital requirement of Company is regulated by Securities and Exchange Board of India (SEBI). As per Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018, Clearing Corporation shall on an on-going basis, maintain capital including retained earnings and reserves, as may be specified by SEBI from time to time, to adequately cover counterparty credit risk, business risk, legal and operational risk. Further, every recognized Clearing Corporation shall maintain, at all times, a minimum net worth of INR 100 Crores or capital as determined under regulation 14(3)(a) and 14(3)(b), whichever is higher. Net worth of a Clearing Corporation means the aggregate value of its liquid assets. The Company has maintained minimum requirement of Liquid Net worth throughout the Financial Year 2020-21.

Note 34 Disclosure as per Revised Ind AS 19 'Employee Benefits':

A. Gratuity:

Particulars	As at March 31, 2021	As at March 31, 2020
1) Changes in present value of obligations		
Present Value of Obligations at beginning of the year	57.79	34.98
Service Cost	10.32	5.64
Interest Cost	3.98	2.72
Liability Transferred in/ Acquisition	0.16	-
Actuarial Loss/ (Gain)	0.60	14.45
Benefits Paid	-	-
Defined benefit obligations at end of the year (a)	72.86	57.79
2) Changes in fair value of plan assets		
Fair Value of Plan Assets as at beginning of the year	44.06	28.31
Assets Transferred in /Acquisition	0.16	-
Interest	3.04	2.20
Contributions by Employer	6.97	13.70
Return on Plan Assets, excluding interest income	(0.32)	(0.15)
Actuarial Loss/ (Gain)	-	-
Benefits Paid	-	-
Fair value of Plan Assets at end of the year (b)	53.91	44.06
3) Present Value of Funded Obligations (a-b)	18.95	13.72
4) Expenses recognized in the statement of Profit and Loss for the year ended March 31, 2021 is as follows:		
Current Service Cost	10.32	5.64
Net Interest Cost	0.95	0.52
Past Service cost	-	-
(Expected Contribution by the employer)	-	-
(Gain)/Losses on Curtailment and settlements	-	-
Net Effect of changes in Foreign Exchange Rates	-	-
Expenses Recognized	11.27	6.16
5) Expenses Recognized in the Other Comprehensive Income (OCI) for year ended March 31, 2021 is as follows		
Actuarial (Gain)/Losses on Obligation For the Period	0.60	14.45
Return on Plan Assets, Excluding Interest Income	0.32	0.15
Change in Asset Ceiling	-	-
Net (Income)/Expenses For the Period Recognized in OCI	0.92	14.60
6) Amount Recognized in Balance sheet		
Present Value of Benefit obligation at the end of the period	(72.86)	(57.79)
Fair Value of Plan Assets at the end of the period	53.91	44.06
Funded Status (Surplus/(Deficit))	(18.95)	(13.72)
Net (Liability) Recognized in Balance Sheet	(18.95)	(13.72)
7) Actual Return on Plan Assets		
The principal actuarial assumptions used as at March 31, 2021 are as follows:		
Discount Rate	6.80	6.89
Expected Rate of Return on Plan Assets	6.89	6.89
Withdrawal Rate:		
For service 3 years and below	10.00	12.00
and thereafter	4.00	2.00
Rate of increase in Compensation Levels	8.00	7.50



Expected Payout From The Fund

Particulars	As at March 31, 2021	As at March 31, 2020
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	23.84	0.93
2nd Following Year	1.72	1.10
3rd Following Year	1.82	1.21
4th Following Year	2.05	1.30
5th Following Year	2.98	1.42
Sum of Years 6 To 10	12.32	9.07
Sum of Years 11 and above	112.94	166.08

Expected Payout From The Employer

Particulars	As at March 31, 2021	As at March 31, 2020
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	-	-
2nd Following Year	-	-
3rd Following Year	-	-
4th Following Year	-	-
5th Following Year	-	-
Sum of Years 6 To 10	-	-
Sum of Years 11 and above	-	-

Sensitivity Analysis

The sensitivity Analysis have been determined based on reasonably possible change of the respective assumptions accruing at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented below may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the below sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in balance sheet.

There was no change in method and assumptions used in preparing the sensitivity analysis from prior years.

Particulars	As at March 31, 2021	As at March 31, 2020
Projected Benefit obligation on Current Assumptions	72.86	57.79
Delta Effect of +1% change in rate of discounting	(5.69)	(7.76)
Delta Effect of -1% change in rate of discounting	6.76	9.33
Delta Effect of +1% change in rate of salary Increase	6.61	9.13
Delta Effect of -1% change in rate of salary Increase	(5.68)	(7.75)
Delta Effect of +1% change in rate of Employer Turnover	(0.83)	(0.98)
Delta Effect of -1% change in rate of Employer Turnover	0.92	1.09



B. Provident Fund:

The company makes contribution towards provident fund as a specified percentage of the payroll cost to Regional Provident Fund Commissioner managed by the Employee's Provident Fund Organization, India.

Contribution to Provident Fund, recognized as expenses in the statement of Profit & Loss for the year is as under:

Particulars	As at March 31, 2021	As at March 31, 2020
Employer's Contribution to Provident Fund	24.98	20.80

Contribution to Provident Fund, recognized in the Balance sheet is as under:

Particulars	As at March 31, 2021	As at March 31, 2020
Employer's and Employee's Contribution to Provident Fund	4.00	4.12

Note 35 Leases:

The Company has adopted Ind AS 116 'Leases' with the date of initial application April 01, 2019 which replaces existing Ind AS 17 'Leases and related interpretations and guidance'. The Company has elected to apply standard prospectively, recognized on the initial date of application i.e. April 01, 2019. The Company has applied single discounting rates to a lease portfolio with a reasonable characteristic.

During the year, Company has recognized Right to Use of Assets and Lease Liability of INR 544.13 Lacs.

As required under the Indian Accounting Standard 116 on 'Leases', the details of lease payments on an undiscounted basis are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one year	130.20	206.15
Later than one year and not later than five years	397.26	78.69
Later than five years		-

Note 36 Segment Reporting:

The Company is engaged in the business of Clearing & Settlement of Trades.

This in the context of Ind AS 108 "Operating Segments" is considered to constitute the only reportable segment.

Note 37 Corporate Social Responsibility Expenses:

Particulars	As at March 31, 2021	As at March 31, 2020
Gross Amount Required To Be Spent By The Company During The Year	-	6.33
Amount Spent During The Year		
A. Construction/ Acquisition Of Any Asset	-	-
B. On Purposes Other Than (A) Above	-	6.33
Total	-	6.33

Note 38 Expenditure in Foreign Currency:

Particulars	As at March 31, 2021	As at March 31, 2020
Membership & Subscription Fees	44.68	-
Professional Charges	4.89	-
Travelling and Conveyance	-	0.33
Total	49.57	0.33

Note 39 Core Settlement Guarantee Fund (Core SGF):
(A) For Segments other than Commodity Derivatives:

Securities & Exchange Board of India (SEBI) had issued norms related to the computation and contribution to the Core Settlement Guarantee Fund (Core SGF) as part of the SEBI Circular CIR/CMD/DRMNP/25/2014 dated August 27, 2014 for Equity Cash Market (ECM), Equity Derivatives Segment (EDS), Currency Derivatives Segment (CDS) and Debt Market Segment (DMS). Based on said guidelines Clearing Corporation and Stock Exchange are required to contribute at least 50% and 25% of the Minimum Required Corpus (MRC) of the Core SGF whereas up to 25% of the Core SGF contribution can be collected from Clearing Members.

Minimum Required Corpus (MRC) of Core SGF - 31.03.2021

Segment	Contribution required from MCCIL	Contribution required from the Exchanges	Maximum contribution required from Clearing Members	MRC
	(a) = 50%*d	(b) = 25%*d	(c) = 25%*d	(d) = (a) + (b) + (c)
CDS - (Under Interoperability)	2,082.70	1,041.35	1,041.35	4,165.40
ECM - (Under Interoperability)	0.62	0.31	0.31	1.24
EDS - (Under Interoperability)	-	-	-	-
DMS - (MSE Segment)	-	-	-	-
TOTAL	2,083.32	1,041.66	1,041.66	4,166.64

Corpus of Core SGF as on March 31, 2021

Segment	Total Contribution to Core SGF				Penalties	Total Corpus
	MCCIL	MSE	Other Exchanges	Clearing Members		
	Cash	Cash	Cash	Cash	Cash	Cash
	(a)	(b)	(c)	(d)	(e)	(f) = (a)+(b)+(c)+(d)+(e)
CDS - (Under Interoperability)	3,515.14	1,452.24	-	-	553.84	5,521.21
ECM - (Under Interoperability)	39.64	-	-	-	0.17	39.81
EDS - (Under Interoperability)	39.64	-	-	-	3.62	43.26
DMS - (MSE Segment)	39.64	-	-	-	-	39.64
Total	3,634.05	1,452.24	-	-	557.63	5,643.92
Total - CORE SGF CORPUS						5,643.92

Note:

- 1 Contribution made by the MCCIL to the Core SGF Corpus is funded through its Equity.
- 2 Further, in accordance with the directions received from the SEBI, MCCIL had contributed an amount of INR 25 lakh each in Equity Derivative Segment, Equity Cash Market Segment and Debt Market Segment as the minimum corpus of Core SGF with effect from February 2, 2015.
- 3 Corpus of Core SGF includes contribution made by the contributors, penalties levied and income earned on the corpus.
- 4 As decided in the Risk Management Committee in their meeting held on December 20, 2019, the requirement from the Exchanges in the Equity Cash Market (ECM) Segment will be recovered from the Exchanges once the individual requirement from each Exchange reaches INR 1 Lakh.

(B) For Commodity Segment:

Securities & Exchange Board of India (SEBI) had issued norms related to Core SGF and standardized stress testing for credit risk for commodity derivatives vide circular SEBI/ HO/ CDMRD/ DRMP/ CIR/ P/ 2018/ 111 dated July 11, 2018. Based on said guidelines Clearing Corporation and Stock Exchange are required to contribute at least 50% and 25% of the Minimum Required Corpus (MRC) of the Core SGF whereas up to 25% of the Core SGF contribution can be collected from Clearing Members. Minimum Required Corpus (MRC) of Core SGF - 31.03.2021

Segment	Contribution required from MCCIL	Contribution required from ICEX	Contribution required from Clearing Members	MRC
	(a) = 50%*d	(b) = 25%*d	(c) = 25%	(d) = (a) + (b) + (c)
Commodity Derivative Segment	500.00	250.00	250.00	1,000.00
Total	500.00	250.00	250.00	1,000.00

Corpus of Core SGF as on March 31, 2021

Segment	Total Contribution to Core SGF			Penalties	Total Corpus
	MCCIL	ICEX	Clearing Members		
	Cash	Cash	Cash	Cash	Cash
	(a)	(b)	(c)	(d)	(e) = (a)+(b)+(c)+(d)
Commodity Derivative Segment	590.11	4,176.30	-	59.47	4,825.87
Total	590.11	4,176.30	-	59.47	4,825.87

Note:

- 1 Corpus of Core SGF for commodity segment includes contribution made by the contributors, penalties levied and income earned on the corpus.
- 2 Clearing Member contribution have not been sought in view of the adequacy of Core SGF Corpus after taking into consideration the contributions (including the interest income) made by the MCCIL and the ICEX.

Note 40

(A) For Segments other than Commodity Derivatives:

The total value of liquid assets (cash and non-cash) maintained by the Clearing Members for Segments other than Commodity Derivatives with MCCIL in addition to their Core SGF Contribution as on March 31, 2021 amounts to INR 14,635.32 Lacs (previous year: INR 19,125.07 Lacs).

(B) For Commodity Segment:

The total value of liquid assets (cash and non-cash) maintained by the Clearing Members for ICEX segment with MCCIL in addition to their Core SGF Contribution as on March 31, 2021 amounts to INR 826.75 Lacs (previous year: INR 3,547.96 Lacs).

Note 41 Financial instruments – Fair values and risk management:

Accounting classification and fair values:

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

March 31, 2021	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment in Equity instruments		-				-	-	
Investment in Holding Company		-				-	-	
Investments in Mutual Funds	1,590.24	-	-	1,590.24	1,590.24	-	-	1,590.24
Other Non - Current Financial Assets			463.87	463.87				
Other Financial Assets		-	202.26	202.26		-	-	
Trade receivables		-	465.33	465.33		-	-	
Cash and cash equivalents		-	9.65	9.65		-	-	
Bank Balances other than Cash and cash equivalents		-	22,767.85	22,767.85		-	-	
	1,590.24	-	23,908.95	25,499.19	1,590.24	-	-	1,590.24

Financial liabilities								
Borrowings		-					-	
Trade Payables		-	2.05	2.05			-	
Other Financial Liabilities		-	13,560.97	13,560.97			-	
		-	13,563.02	13,563.02			-	

March 31, 2020	Carrying amount				Fair value			
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Investment in Equity instruments		-				-	-	
Investment in Holding Company		-				-	-	
Investments in Mutual Funds	1,612.21	-	-	1,612.21	1,612.21	-	-	1,612.21
Other Non - Current Financial Assets			9,839.36	9,839.36				
Other Financial Assets		-	16.16	16.16		-	-	
Trade receivables		-	61.90	61.90		-	-	
Cash and cash equivalents		-	36.98	36.98		-	-	
Bank Balances other than Cash and cash equivalents		-	14,237.19	14,237.19		-	-	
	1,612.21	-	24,191.59	25,803.81	1,612.21	-	-	1,612.21
Financial liabilities								
Borrowings		-				-	-	
Trade Payables		-	8.67	8.67		-	-	
Other Financial Liabilities		-	13,530.28	13,530.28		-	-	
		-	13,538.95	13,538.95		-	-	

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as under:

- (I) Level 1 includes methods and input that used active quoted prices depending upon type of instrument. Management has used closing prices and values of closing NAV's as applicable in financial instruments covered under this level.
- (II) Level 2 includes fair value of the financial instruments that are not traded in active market are determined any appropriate valuation techniques with the use of observable any market data without relying much of the estimates that are entity specific. The inputs under this level are always observable.
- (III) In case of the Level 3 if one or more of the significant inputs are not derived on the basis of observable market data then fair value estimations derived with such inputs are included in the Level 3.

The Company follows a policy to recognize transfers between the levels only at the end of the reporting period and accordingly there are no transfers between levels during the year.

Note 42 Financial Risk Management:

The Company's activity exposes it to Market Risk, Liquidity Risk, Interest Risk and Credit Risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) 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, 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.

(B) Interest 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.



(C) Liquidity Risk:

Liquidity Risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity Risk may result from an inability to sell a financial asset quickly at close to its fair value.

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 business, the Company's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

(D) Credit risk

Credit Risk refers to a risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities primarily trade receivables, deposits held with banks, loans and other receivables.

The Company measures the expected credit loss of trade receivables from clearing members 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 provision considered.

(i) Trade receivables

Credit Risk arises from the possibility that Clearing Members will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information.

Note 43 MSE has issued a letter to MCCIL on September 15, 2020 for unilaterally terminating the existing Clearing & Settlement Agreement and refuted the invoices raised by the Company for Clearing & Settlement fees. MCCIL had approached SEBI for their guidance in this matter. SEBI vide communication dated February 02, 2021 has clarified that unless MSE has any other agreement with any of the Clearing Corporations in respect of the debt segment, the extant Clearing and Settlement Agreement between MCCIL and MSE shall remain in operation. Accordingly invoices of INR 644.46 Lakhs were raised during the year which is included in the Revenue from Operations.

As on March 31, 2021, the net outstanding amount of INR 429.60 Lakhs is included in the Note 9 Trade Receivables towards Clearing and Settlement Fees.

Note 44 SEBI in its order dated March 19, 2014 stated that 63 moons technologies limited (63 moons) (Formerly known as Financial Technologies (India) Limited) is not a 'fit and proper person' to acquire or hold any equity share or any instrument that provides for entitlement for equity shares or rights over equity shares at any future date, in a Recognized Stock Exchange or Clearing Corporation, either directly or indirectly and directed them to divest equity shares held in MCCIL, directly or indirectly, within 90 days of the order. In the same order, SEBI also stated that 63 moons and entities through which it indirectly holds equity shares or any instrument entitling voting rights in MCCIL shall cease to be entitled to exercise voting rights in respect of those shares or instruments with immediate effect. The Securities Appellate Tribunal (SAT) has since its order dated July 09, 2014 upheld the decision of SEBI. SEBI had vide its letter dated September 29, 2014 directed the Company to comply with the shareholding requirements of SECC Regulations and SEBI's direction issued vide order dated March 19, 2014 with regard to entities which have been declared not 'fit and proper' person. Further, the Company sent multiple letters to 63 moons regarding divestment of their stake in the Company; in reply to these letters 63 moons informed us that they are in search of the suitable buyer to acquire their stake in the Company. Further, SEBI vide letter no. SEBI/MRD/DRMNP/2019/15963 dated June 25, 2019 advised the Company to freeze the voting rights and corporate benefits of 63 moons technologies limited.



Note 45 Warehousing and Vaulting are key elements in effecting physical deliveries taking place through the Clearing Corporation. To cater to the storage requirements of various Clearing Members and their respective constituents/ depositors who are willing to store goods and give delivery on the Clearing Corporation, MCCIL has made necessary arrangements with accredited Warehouse Service Providers and one Vault Service Provider.

Note 46 During the lockdown, though all services across the nation were suspended, some essential services establishments including securities market participants could operate and were exempted from the lockdown. Accordingly, the company continued to function without any disruption during the lockdown period.

The Company is of view that the impact of COVID-19 on the operations of the Company and the resultant financial performance as well as carrying value of its assets and liabilities is not likely to be significant.

Note 47 Other Disclosures:

(a) Based on the information available with the Company and as informed to us by the management, there are eleven suppliers which are registered under the “Micro, Small and Medium Enterprises Development Act, 2006” and hence the disclosures relating thereto are made accordingly. (Refer Note No. 20).

(b) Prior year comparatives have been regrouped and reclassified wherever necessary to confirm to the current year's presentation. Amounts and other disclosures for the prior year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

(c) Figures represented in zero are amounts less than Thousand.

For Kirtane & Pandit LLP,

Chartered Accountants

Firm's Registration No: 105215W/W100057

Sd/-

Aditya A. Kanetkar

Partner

M. No: 149037

Place: Mumbai

Date: June 07, 2021

For and on behalf of the Board of Directors

Sd/-

Vijay Ranjan

Public Interest Director

DIN: 02346190

Place: Mumbai

Date: June 07, 2021

Sd/-

Krishna J. Wagle

Managing Director

DIN: 09082635

Sd/-

Avni Patel

Company Secretary

M No: A23918



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