

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 (Term ended on 16/08/2022)
Ms. Rita Menon	Public Interest Director (resigned w.e.f 05/09/2022)
Mr. Alok Kumar Mittal	Public Interest Director (resigned w.e.f 05/09/2022)
Mr. Saket Bhansali	Shareholder Director
Mr. P.K. Ramesh	Shareholder Director
Mr. Ashok Kumar Dogra	Chairman & Independent Director (w.e.f.16/09/2022)
Mr. Rakesh Srivastava	Independent Director (w.e.f. 16/09/2022)
Ms. Neha Gada	Director (w.e.f. 02/12/2022)

Key Managerial Personnel

Dr. A. Sebastin	Interim CEO & Chief Operating Officer (w.e.f. 12.02.2022)
Mr. Kirit Dodiya	Chief Financial Officer (w.e.f 28/07/2021)
Ms. Avni Patel	Company Secretary & AVP-Legal (Ceased w.e.f April 18,2022)
Mr. Sumit Badakh	IT Head & Chief Information Security Officer (Resigned on June 02, 2022)
Mr. Vishnu Kumar Sah	Company Secretary (Appointed w.e.f. June 22,2022)
Ms. Geeta Bhandarkar	Compliance Officer
Ms. Rachna Prajapati	Head, Human Resource
Ms. Lehar Arora	Company Secretary (w.e.f (01/11/2022)

Auditors

Statutory Auditor	Internal Auditor	Secretarial Auditor
M/s. Kirtane & Pandit LLP Chartered Accountants H-16, Saraswat Colony, Sitladevi Temple Road, Mahim, Mumbai 400 016	M/s. M. M. Nissim & Co. Chartered Accountants Barodawala Mansion, B Wing, 3rd Floor, 81, Dr. Annie Besant Road, Worli, Mumbai - 400 018	Mr. A. Sekar Practicing Company Secretary B 305, Sai Jyote, Lalubhai Park West, VILE PARLE WEST, MUMBAI 400 056

Registrar and Share Transfer Agents

KFin Technologies Limited

Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, Telangana
Email: einward.ris@ kfintech.com, Ph No.: 1800 309 4001
www.kfintech.com

DIRECTOR'S REPORT (Considering The Restated Financials For The Year 2021-22)

To

The Members

Your Directors are pleased to present their 14th Annual Report together with the Restated Financial Statements and the Auditors' Examination Report for the financial year ended March 31, 2022.

In the 14th Annual General Meeting held on 21st September 2022, the Authorised Representatives and Nominee Shareholders of MSE did not adopt the Annual Accounts for the Financial Year 2021-22, due to the Clearing & Settlement invoices raised by the Metropolitan Clearing Corporation Of India Limited (MCCIL) on Metropolitan Stock Exchange (MSE) for the Financial Year 2021-22 on account of losses plus 15% markup. In view of the directions from the Securities and Exchange Board of India (SEBI) for amicable settlement between the parties, the Board of MCCIL at its 105th Board Meeting directed to reverse the Clearing & Settlement Invoices raised by MCCIL on MSE for the Financial Year 2021-22 on account of losses plus 15% markup. Hence, Clearing & Settlement invoices amounting to Rs 7.41 crores were reversed and the Financial Statements of MCCIL were restated for the Financial Year 2021-22.

1. FINANCIAL RESULTS FOR 2021-22

Table 1: Summary of Financial Results

(INR in lakhs)

Particulars	FY 2021-22	FY 2020-21
Total Income	1,228.68	1,518.51
Less: Expenditure	1,873.52	2,195.85
Profit Before Tax	(644.84)	(677.34)
Add/Less: Tax Expenses/(Income)	(27.16)	(40.81)
Profit After Tax	(672.00)	(718.15)
Add: Other Comprehensive Income (Net)	11.70	(0.69)
Balance carried to Balance Sheet	(660.30)	(718.84)

During the financial year 2021-22, the Company earned total income of INR 1,228.68 lacs as against INR 1,518.51 lacs in the previous year. Due to reversal of Clearing & Settlement invoices, amounting to INR 741.57 lakhs, the earlier computed profit before tax i.e. INR 96.73 Lakhs, has changed to loss of INR 644.84 lakhs after restatement of Financial Statements. The profit/(loss) after tax of the company for the year under review amounted to INR (660.30) lacs as compared to INR (718.84) lacs for the previous year. 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 2021-22	FY 2020-21
Technology cost	65.24%	56.16%
Employees benefits expense	43.52%	40.31%
Depreciation and amortization expense	26.76%	19.28%
Other expenses	14.90%	26.96%
Total expenses	150.42%	142.72%

It may be observed that technology cost is the highest cost incurred by the Company forming 65.24% of the Total Income in the FY 2021-22 (Table 2). Employees benefit expenses stood at 43.52% followed by other expenses at 14.90%. However, the technology cost Increase from 56.16% of the total income in the FY 2020-21 to 65.24% of the total income in the FY 2021-22.

Employee cost has decreased to 43.52% of the total income in the FY 2021-22 from 40.31% in the FY 2020-21. The other expenses has decreased to 14.90% of the total income in the FY 2021-22 from 26.96% in the FY 2020-21. The Total expenses has decreased to 150.42% of the total income in the FY 2021-22 from 142.72% in the FY 2020-21. The Company is on course of reducing its expenses to economize on the operations cost.

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 also provided clearing and settlement services to Indian Commodity Exchange Limited (ICEX) in commodity derivatives and mutual fund segments during the last financial year.

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:

Metropolitan Clearing Corporation of India Limited (MCCIL) was initially providing clearing and settlement services to Metropolitan Stock Exchange of India Limited (MSE) in respect of all the four segments namely, Currency Derivatives, Equity Derivatives, Equity Cash Market & Debt segment, and settlement of OTC deals on corporate bonds, certificate of deposits, commercial paper and structured debt instruments.

Subsequently, with effect from June 2019, 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.

MCCIL is also provided 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 2021-22 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 2021-22, in a timely manner without defaults.

The settlement volumes in various segments during the financial year 2021-22 were as follows:

a. Currency Derivatives Segment:

Monthly settlement statistics in the currency derivatives segment for the financial year 2021-22 are as provided in Table 3.

Table 3 - Currency Derivatives Segment (CDS) Amount in INR crore

Month	Futures Daily Settlement	Futures	Premium Settlement	Options Exercise Settlement	Total
		Final Settlement			
(1)	(2)	(3)	(4)	(5)	(6)= (2)+(3)+(4)+(5)
Apr-21	8.40	0.70	0.00	0.00	9.10
May-21	1.59	0.00	0.00	0.00	1.59
Jun-21	0.00	0.00	0.00	0.00	0.00
Jul-21	0.00	0.00	0.00	0.00	0.00
Aug-21	0.00	0.00	0.00	0.00	0.00
Sep-21	0.50	0.03	0.00	0.00	0.53
Oct-21	0.00	0.00	0.00	0.00	0.00
Nov-21	0.00	0.00	0.00	0.00	0.00
Dec-21	0.002	0.00	0.00	0.00	0.00
Jan-22	0.00	0.00	0.00	0.00	0.00
Feb-22	0.00	0.00	0.00	0.00	0.00
Mar-22	0.00	0.00	0.00	0.00	0.00

During the financial year 2021-22, 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 100.02 crores in FY 2020-21 to INR 11.22 crores in FY 2021-22.

b. Clearing and Settlement – Equity Cash Market:

During the financial year 2021-22, there was no settlement in the Equity Cash Segment.

c. Clearing and Settlement – Equity Derivatives Segment:

During the financial year 2021-22, there was no settlement in the Equity Derivatives Segments.

d. Debt Market Segment:

During the financial year 2021-22, 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, 2021, to March 31, 2022, are provided in Table 4 below.

Table 4: Commodity Derivative Segment

Month	Settlement Value in Crores
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April'21	0.62
May'21	0.64
June'21	0.33
July'21	0.77
Aug'21	0.13
Sep'21	0.01
Oct'21	0.01
Nov'21	0.00
Dec'21	0.00
Jan'22	0.00
Feb'22	0.01
March'22	0.02

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. ICEX vide its letter issued notice of termination of the Agreement to MCCIL on 13 April 2022.

Till, March 31, 2022, 33 Mutual Fund houses were enabled on the ICEX MF platform.

The average daily number of transactions settled for subscription of mutual fund units for the period April 01, 2021, to March 31, 2022, was 3,210.

The average daily number of transactions settled for redemption of mutual fund units for the period April 01, 2021, to March 31, 2022, was 1,690.

The total average daily number of transactions settled of mutual fund units for the period April 01, 2021, to March 31, 2022, was 4,719.

Table 5: Total No. of Orders in respect of Subscription, Redemption & Switch transactions		
Month	Total No. of Orders	Value in (INR)
Apr-21	160663	6,74,33,75,420.37
May-21	113241	3,67,21,71,630.59
Jun-21	164505	7,38,34,79,245.51
Jul-21	161987	6,35,98,21,276.66
Aug-21	190442	12,47,82,93,075.00
Sep-21	175552	5,70,26,55,997.12
Oct-21	161230	3,96,50,61,467.00
Nov-21	83583	39,36,45,869.00
Dec-21	102522	50,94,34,913.17
Jan-22	109227	80,62,42,135.49
Feb-22	106490	42,39,07,156.00
Mar-22	67929	22,90,29,835.00

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 of the exchange 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(s) 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 respectively contribute at least 50% and 25% 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. 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. 0.25 crore 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 6: 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	0
Equity Derivatives Segment	0	0.25	0	0
Debt Market Segment	0	0.25	0	0
Currency Derivative Segment	41.65	22.6	10.41	0
Commodity Derivatives Segment	10.00			

Total	51.65	23.35	10.41	0
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Table 7: Corpus of Core SGF as on March 31, 2022 (INR in Crores)

Segment	Core SGF	MCCIL Contribution		Exchanges	Member Deposits						Penal-ties	Interest
					Cash		Non-Cash Deposits (MCCIL)					
		Cash	For Surrendered Members	Cash	Exchanges	MCCIL	BG	FDR	G-Secs	Approved Sec / Com		
Equity Cash Market	0.42	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0017	0.000001
Equity Derivatives Segment	0.45	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.01
Debt Market Segment	0.42	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
Currency Derivative Segment	57.95	22.60	0.00	10.41	0.00	0.00	0.00	0.00	0.00	0.00	4.23	1.59
Commodity Derivatives Segment	50.75	5	0.00	35.34	0.00	0	0	0	0	0	0.57	0.07
Total	109.99	28.35	0.0	45.75	0.0	0.0	0.0	0.0	0.0	0.0	4.8317	1.670001

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, 2022 are presented in Table 8:

Table 8: Liquid Assets Maintained by the Clearing Members as on March 31, 2022 (INR in Crores)

Sr. No	Segment	Liquid Assets	MCCIL Contribution		MSE Contribution	Member Deposits						Penalties	Interest
			Cash	For Surrendered Members		Cash		Non-Cash Deposits (MCCIL)					
					Cash	MS E	MCCIL	BG	FDR	G-Secs	App Sec.		
1	Equity Cash Market	2.30	0.00	0.00	0.00	0.00	2.24	0.00	0.06	0.00	0.00	0.00	0.00
2	Equity Derivatives Segment	8.17	0.00	0.00	0.00	0.00	4.32	0.50	3.35	0.00	0.00	0.00	0.00
3	Debt market Segment	0.28	0.00	0.00	0.00	0.00	0.28	0.00	0.00	0.00	0.00	0.00	0.00
4	Currency Derivative Segment	126.23	0.00	0.00	0.00	0.00	15.03	0.50	16.27	94.43	0.00	0.00	0.00
5	Commodity	6.12	0.00	0.00	3.41	0.00	0.00	0.25	2.46	0.00	0.00	0.00	0.00
	Total	136.97	0.00	0.00	0.00	0.00	21.87	1.00	19.68	94.43	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, 2022 amounts to INR. 136.98 crore (previous year: INR 154.61 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) provided Clearing & Settlement and Risk Management Services to Indian Commodity Exchange Limited (ICEX) for commodity derivatives segment with effect from October 01, 2018 MCCIL helps to facilitate to take and give deliveries from various accredited Warehouses or Vault with them to the member of ICEX also do the surprise and normal audit of associated warehouses/ vault . MCCIL has to make necessary arrangement of warehouses / vault by hiring Warehouse Service Providers (WSP)/Vault Service Providers (VSP) before launching any new contract (Commodity) on the ICEX platform

Since October 01, 2018, till date, MCCIL has utilized services of the WSPs/ VSPs as mentioned in Table 9 below for storing & delivery (Physical & Electronic) of various commodities (Agricultural, Metals & Precious Stone i.e Diamond) on behalf of ICEX. 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 9: 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* (Tamilnadu)	Rubber
8	CWC	Kannur	Rubber
9	*SLCM	Karnal	Paddy
10	*SLCM	Unjha	Isabgul Seed
Non – Agri			
1	Mahawar Iron Stores Pvt Ltd	Mandi Gobindgarh, PUNJAB	Steel
2	Malca-Amit JK Logistics Pvt. Ltd.	Surat	Diamond

The total delivery handled for agricultural and non- agricultural products at MCCIL during the period from April 01, 2021, till March 31, 2022 is mentioned in Table 10 below.

Table 10: Total delivery handled during the period April 01, 2021, till March 31, 2022.

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'21	-	-	-	-
May'21	-	-	-	-
June'21	-	-	-	-
July'21	51.71	-	-	-
Aug'21	-	-	-	-
Sep'21	-	-	-	-
Oct'21	1.35	-	-	-
Nov'21	-	-	-	-
Dec'21	-	-	-	-
Jan'22	-	-	-	-
Feb'22	-	-	-	-
March'22	-	-	-	-

Total delivery handled during the period April 01, 2021 till March 31, 2022 Value Wise

Table 11

Month and Year	DIAMOND 0.3CT	DIAMOND 0.5CT	DIAMOND 1CT	RUBBER	STEEL LONG	Grand Total
April'21	-					-
May'21	-	-	-	-	-	-
June'21	-	-	-	-	-	-
July'21	-	85020	18611506.35			18696526.35
Aug'21	-	-	-	-	-	-
Sep'21	-	-	-	-	-	-
Oct'21	29839.5		382845.75			412685.25
Nov'21	-	-	-	-	-	-
Dec'21	-	-	-	-	-	-
Jan'22	-	-	-	-	-	-
Feb'22	-	-	-	-	-	-
March'22	-	-	-	-	-	-
Grand Total	29839.5	85020	18994352.1	0	0	19109211.6

List of approved Warehouses and their capacity, utilized and un-utilized details are as mentioned in Table 12 below-

Table 12

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, Kadavnthra, 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 Apparal Park, St.Xaviers College P.O, Pallithura, Thumba-695586 Phone-0471-2705568	RUBBER	3666	-	-	-
	7	CWC, Nagercoil	Pallivillai Road, Vetturimadam 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, Kadavnthra, 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 13: Vault Stock Details as on 31st March 2022

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) Logitics Pvt LTD C-601, Diamond World Mini Bazar, Varacha Road, Surat - 395006	811
31/03/2021	DIAMOND0.5CT (E-units in Cent)				498
31/03/2021	DIAMOND0.3CT (E-units in Cent)				31

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. Segregation and Monitoring of Collateral at Client Level

SEBI, vide circular no. SEBI/HO/MRD2_DCAP/CIR/2021/0598 dated July 25, 2021 mandated framework of Segregation and Monitoring of Collateral at Client Level. Accordingly, MCCIL has developed and introduced the mechanism for upfront segment wise allocation of collateral to a TM/client or CM's own account and also mechanism for collateral Reporting (T+1) with a view to providing visibility of client wise collateral through a collateral web interface.

d. Web based collateral application

MCCIL has replaced existing desktop collateral application with web-based collateral application. The new web-based application database can also be accessed by Clearing Members, and they can view daily collateral details, segment wise break of allocated collateral and details of collateral reported at T+1 day.

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 29, 2021, renewed recognition of the Company as Clearing Corporation for a period of one year commencing from October 03, 2021, and ending on October 02, 2022

The Company vide its letter dated June 24, 2022, requested for renewal of recognition under regulation 12 of the Securities Contracts (Regulations) (Stock Exchange and Clearing Corporations) Regulations, 2018.

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 February 8, 2022, to February 11, 2022. 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 2021 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 2022-23 is INR 50 Crores.

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

3. REGULATORY UPDATES

a. Guidelines for warehousing norms for agricultural/agri-processed goods and non-agricultural goods (only base/industrial metals) underlying a commodity derivatives contract having the feature of physical delivery

SEBI vide circular number SEBI/HO/CDMRD/DMP/P/CIR/2021/551 dated April 16, 2021 has issued guidelines for warehousing norms for agricultural/agri-processed goods and non-agricultural goods (only base/industrial metals) underlying a commodity and directing CC's to put in place necessary arrangements for ensuring compliance with the provisions of Regulation 43A of SECC Regulations. Further SEBI has instructed the Clearing Corporations to frame guidelines in accordance with the revised norms as specified in the Annexure. With this Circular, there will be uniformity in requirements for agricultural and agri-processed commodities and base/industrial metals, ease of doing business, rationalised regulatory compliance costs etc. The norms laid down in this Circular shall come into effect from June 01, 2021.

As part of implementation process this circular has been disseminated on our website on April 22, 2021

b. Cross Margin in Commodity Index Futures and its underlying constituent futures or its variants

SEBI vide circular number SEBI/HO/CDMRD/CDMRD_DRM/P/CIR/2021/586 dated June 29, 2021 has stated that in order to improve the efficiency of the use of the margin capital by market participants, it has been decided to introduce cross margin benefit between Commodity Index futures and futures of its underlying constituents or its variants. This shall reduce the cost of trading and may lead to enhanced liquidity in both the Commodity index futures and its underlying constituent futures or its variants

Indian Commodity Exchange Limited for whom MCCIL is clearing, has not introduced trading on Commodity Index Futures and hence there is no requirement for introduction of cross margin.

c. Standard Operating Procedure for handling of technical glitches by Market Infrastructure Institutions (MIIs) and payment of “Financial Disincentives” Thereof

SEBI vide circular number SEBI/HO/MRD1/DTCS/CIR/P/2021/590 dated July 05, 2021 has issued Standard Operating Procedure for handling of technical glitches by Market Infrastructure Institutions (MIIs) and payment of “Financial Disincentives” thereof. Following directions has been issued by SEBI in this context.

- a. Follow the Standard Operating Procedure (SOP) for handling technical glitches as detailed at Annexure – I of this Circular, and,
- b. Comply with the “Financial Disincentive” structure as detailed at Annexure – II of this Circular.
- c. The aforesaid “Financial Disincentives”, when triggered automatically under predefined conditions, as detailed in Annexure-II of this Circular, shall be credited to the Investor Protection Fund / Core Settlement Guarantee Fund maintained by the MII.

The deadline for implementation of this circular was August 16, 2021 and shall supersede the SEBI directions dated August 06, 2019 to the MIIs having reference no. SEBI/HO/MRD/DOP1/OW/P/20062/7/2019 with regard to handling of technical glitches

MCCIL has adopted the Standard Operating Procedure and note to follow the same for handling technical glitches if any

d. Block Mechanism in demat account of clients undertaking sale Transactions

SEBI vide circular number SEBI/HO/MIRSD/DOP/P/CIR/2021/595 dated July 16, 2021 laid down provisions on block mechanism in demat account of clients undertaking for sale transactions wherein SEBI has laid down process flow for implementing Block Mechanism in clients demat account. Various process has been laid down for Matched orders, Unblocking of Securities and Margining of Trades.

Depositories were advised to make the facility of block mechanism available to the clients by August 01, 2021 and inform their participants of the step by step guide for block mechanism. Depositories and CCs were advised put in place an appropriate system by participants / members to make available the Block Mechanism for clients in the securities market

As part of implementation process a circular has been issued by MCCIL on its website on July 20, 2021. Also, we have implemented this module in our live system

e. Segregation and Monitoring of Collateral at Client Level

Circular issued by SEBI bearing number SEBI/HO/MRD2_DCAP/CIR/2021/0598 dated July 20, 2021 on Segregation and Monitoring of Collateral at Client Level wherein with a view to further strengthen the mechanism for protection of client collateral from (i) misappropriation/ misuse by TM/ CM and (ii) default of TM/CM and/or other clients, SEBI has laid down a few mandatory requirements which needs to be complied by CCs. Various amendments have been done in the

areas of operations. Also, various illustrations are provided for execution of these processes from Annexure-1 to Annexure – 8.

As directed by SEBI the provisions of Paragraphs 4 and 5 of this circular shall come into force with effect from October 01, 2021, and other provisions of this circular shall come into force with effect from December 01, 2021

Further Circular issued by SEBI on November 23, 2021 on the same lines informing about extension of timelines for Segregation and Monitoring of Collateral at Client Level. As per the revised circular the other provisions (except for paragraph 4 and 5) of the earlier circular dated July 20, 2021 shall come into force from February 28, 2022 instead of December 01, 2021.

As directed by SEBI, the provisions of Paragraphs 4 and 5 of above circular shall come into force with effect from October 01, 2021. SEBI has extended deadline for implementation of Segregation and Monitoring of Collateral at Client Level till May 02, 2022 (except for paragraph 4 and 5)

The provision of Paragraphs of 4 and 5 (Reporting of Client wise Collateral at T+1 day) of circular has been implemented as per SEBI deadline of October 01, 2021. Further as per deadline of May 02, 2022, MCCIL has implemented the SEBI requirement of Segregation and Monitoring of Collateral at Client Level

f. Penalty for Repeated Delivery Default

SEBI vide circular number SEBI/HO/CDMRD/DRMP/CIR/P/2021/619 dated August 17, 2021 has stated that there is a need to put in place a suitable deterrent mechanism to address instances of repeated delivery defaults. Further following points have been decided.

2.1. In the case of repeated default by a seller or a buyer, for each instance of repeated default, an additional penalty shall be imposed, which shall be 3 % of the value of the delivery default.

2.2. Repeated Default shall be defined as an event, wherein a default on delivery obligations takes place 3 times or more during a six months period on a rolling basis.

2.3. The penalty levied shall be transferred to Settlement Guarantee Fund (SGF) of the Clearing Corporation.

As part of implementation, MCCIL has issued a circular on August 24, 2021 informing members about the same. Also, in case of any instance of repeated delivery default the penalty shall be levied accordingly.

g. Position limits for currency derivatives segment

SEBI vide circular number SEBI/HO/MRD2/DCAP/P/CIR/2021/628 dated September 07, 2021 has revised the client level position limits in currency pairs. The revised position limits shall also apply to Non-Resident Indians (NRIs) and Category II FPIs that are individuals, family offices, and corporates.

SEBI has advised Stock Exchanges/ Clearing Corporations to specify additional safeguards/ conditions, as deemed fit, to manage risk and to ensure orderly trading. The provisions of this circular shall come into force with immediate effect.

As part of implementation circular has been issued by MCCIL on September 08, 2021 informing members about the provisions of this circular.

h. Introduction of T+1 rolling settlement on an optional basis

SEBI vide circular number SEBI/HO/MRD2/DCAP/P/CIR/2021/628 dated September 07, 2021 informed about Introduction of T+1 rolling settlement on an optional basis wherein it has been decided to provide flexibility to Stock Exchanges to offer either T+1 or T+2 settlement cycle. Various requirements have been laid down for Exchanges w.r.t implementation of this circular

As informed by SEBI the provisions of this circular shall come into force with effect from January 01, 2022. Stock Exchanges, Clearing Corporations and Depositories were directed to take necessary steps to put in place proper systems and procedures for smooth introduction of T+1 settlement cycle on optional basis, including necessary amendments to the relevant bye-laws, rules and regulations.

MCCIL has implemented the functionality of T+1 settlement in our ECM live system.

i. Discontinuation of usage of pool accounts for transactions in units of Mutual Funds on the Stock Exchange Platforms

SEBI vide circular number SEBI/HO/IMD/IMD-I DOF5/P/CIR/2021/635 dated October 4, 2021 informed about discontinuation of usage of pool accounts for transactions in units of Mutual Funds on the Stock Exchange Platforms. Further SEBI had issued following directions in relation to execution of the said circular.

1) The onus of compliance with PMLA provisions and not permitting transactions with third party bank account continues to lie with the AMCs. AMCs may avail the services of SEBI recognized Clearing Corporations to validate the investors' source bank account information. In such cases, Clearing Corporation shall make the necessary source account details available to AMCs.

2) The AMCs, recognised Stock Exchanges, Depositories and recognised Clearing Corporations shall take necessary steps including putting the required systems in place to ensure compliance with the provisions of this circular.

The provisions of this Circular were applicable with effect from April 01, 2022.

ICEX vide circular dated March 30, 2022 has suspended their operations in mutual funds segment with effect from April 13, 2022 and also has terminated the agreement with MCCIL for providing clearing and settlement services in MF segment. Accordingly, the requirement does not remain applicable now.

- j. Disclosure of Complaints against the Stock Exchange (s) and the Clearing Corporation (s)**
SEBI vide circular numbers SEBI/HO/CDMRD/DoC/P/CIR/2021/636 and SEBI/HO/MRD1/MRD1_ICC1/P/CIR/2021/664 dated October 04, 2021 and November 23, 2021 respectively has stated that in order to bring about transparency in the Investor Grievance Redressal Mechanism, it has been decided that all the Stock Exchanges and the Clearing Corporations shall disclose on their websites, the data on complaints received

against them and redressal thereof, latest by 7th of succeeding month, as per the format enclosed as Annexure A of the circular. The provisions of the circular shall come into effect from January 01, 2022

As is directed by SEBI, MCCIL disseminates the month wise grievance data by 7th of succeeding month on MCCIL website as per Annexure A of the circular.

k. Cut-off Time for generation of last Risk Parameter File (RPF) for client's margin collection purpose and modification in framework to enable verification of upfront collection of margins from clients in commodity derivatives segment

SEBI vide circular number SEBI/HO/CDMRD/CDMRD_DRM/P/CIR/2021/689 dated December 16, 2021 informed about Cut-off Time for generation of last Risk Parameter File (RPF) for client's margin collection purpose and modification in framework to enable verification of upfront collection of margins from clients in commodity derivatives segment.

According to this circular SEBI has modified para 2 of clause (i) of Annexure to their earlier circular (Circular no. SEBI/HO/MRD2/DCAP/CIR/P/2020/127) as under:

"Further, for commodity derivatives segment, clearing corporations shall send an additional minimum two snapshots for commodity derivative contracts which are traded till 9:00 PM and additional minimum three snapshots for the commodity derivatives contracts which are traded till 11:30/11:55 PM. Margins/EOD margins shall be determined as per the relevant Risk Parameter Files." This circular shall be effective from January 15, 2022.

ICEX vide circular dated March 29, 2022 has suspended their trading operations in Commodities segment with effect from April 01, 2022 and has also terminated the agreement with MCCIL for providing clearing and settlement services in Commodity segment. Accordingly, the requirement does not remain applicable now.

l. Increasing Awareness regarding Online Mechanisms for Investor Grievance Redressal

SEBI vide circular number SEBI/HO/MRD1/MRD1_ICC1/P/CIR/2022/05 dated January 05, 2022 has stated that in order to increase the awareness regarding online grievance redressal mechanisms, all Recognized Stock Exchanges including Commodity Derivatives Exchanges/ Depositories / Clearing Corporations are advised to display following options on their home page:

- 2.1. link / option to lodge complaint with them directly.
- 2.2. link to SCORES website/ link to download SCORES mobile app

As is advised by SEBI both the links have been provided on MCCIL website

m. Discontinuation of usage of pool accounts for transactions in the units of Mutual Funds: Clarifications with respect to Circulars dated October 4, 2021

SEBI vide circular number SEBI/HO/IMD/IMD-I DOF5/P/CIR/2022/29 dated March 15, 2022 referred to their earlier circular dated October 04, 2021 wherein an amendment in clause 4.4 has been done as below:

In case of redemption of units, Two-Factor Authentication (for online transactions) and signature method (for offline transactions) shall be used for authentication. One of the Factors for such Two-Factor Authentication for non demat redemption shall be a One-Time Password sent to the unit holder at his/her email/ phone number registered with the AMC. In case of demat redemption, process of authentication as laid down by the Depositories shall be followed.

The provisions of this Circular shall be applicable with effect from April 01, 2022 except the requirement at clause 2.4 above which shall be applicable with effect from April 15, 2022. ICEX vide circular dated March 30, 2022 has suspended their operations in mutual funds segment with effect from April 13, 2022 and also has terminated the agreement with MCCIL for providing clearing and settlement services in MF segment. Accordingly, the requirement does not remain applicable now.

4. DIVIDEND AND RESERVES

In view of the financial results of the Company, Your Company has not decided to declare any dividend during the Financial Year 2021-22.

5. SHARE CAPITAL

The paid-up Share Capital of the Company as on March 31, 2022 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, 2022 is provided in Table 14:

Table 14: Shareholding pattern as on March 31, 2022

Sr. No.	Name of Shareholder	No. of shares of Rs. 10/- each	Percentage
1.	Metropolitan Stock Exchange of India Ltd.	120,171,442	95.85%
2.	Multi Commodity Exchange of India Ltd.	2,758,942	2.20%
3.	63 moons technologies limited	2,440,602	1.95%
4	Hariraj Chauhan (Nominee of 63 Moons Technologies Limited)	1	0.00
5	Neeraj Omprakash Gupta (Nominee of MSE)	1	0.00
6	Saket Bhansali (Nominee of MSE)	1	0.00
7	Anish Kumar Sinha (Nominee of MSE)	1	0.00
8	Manisha H. Thakur (Nominee of MSE)	1	0.00
	Total	125,370,991	100%

Note: # SEBI vide its order dated March 19, 2014 stated that FTIL 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 FTIL 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 vide 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, SEBI has vide its letter reference no. SEBI/MRD/DRMNP/2019/15963 dated June 25, 2019 advised to freeze the voting rights and corporate benefits of 63 moons technologies limited (formerly known as Financial technologies India Limited "FTIL").

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 and KMPs

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, 2022, the Company's Governing Board consists of three Public Interest Directors, two Shareholder Directors.

A. Public Interest Directors

As on March 31, 2022, 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.

Mr. Ashok Kumar Dogra (DIN: 07074297) and Mr. Rakesh Kumar Srivastava (DIN :08896124) were appointed as the Independent Directors of the Company, w.e.f 16th September, 2022. Ms. Neha Gada (DIN: 01642373) was appointed as the Woman Director of the Company w.e.f 02nd December, 2022.

B. Shareholder Directors

Mr. Saket Bhansali (DIN: 06817955)

Mr. P.K Ramesh¹ (DIN : 08363403)

1-ceased to be director w.e.f February 16,2022 and re-appointed in the Board w.e.f May 20,2022.

C. Managing Director

Mr. Krishna Wagle resigned to be the Managing Director & CEO with effect from February 11, 2022. The Board places on record its appreciation and gratitude towards the valuable contributions made by Mr. Krishna Wagle during his tenure as Managing Director & CEO of the Company.

Pursuant to resignation of Mr. Krishna Wagle 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.

The Company is in the process of appointment of MD & CEO and requested SEBI vide its letter dated July 14,2022.

7. KEY MANAGERIAL PERSONNEL

As per Companies Act, 2013

Mr. Krishna Wagle ceased to be the Managing Director & CEO with effect from February 11, 2022. Ms. Avni Patel resigned as a Company Secretary w.e.f April 18,2022 and The Company appointed Mr. Vishnu Kumar Sah as Company Secretary with effect from June 22, 2022 and he resigned on_04th November, 2022. MS. Lehar Arora is appointed as the Company Secretary on 01st November, 2022.

As per SECC Regulations 2018

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

Mr. Sumit Badakh resigned as IT head & KMP on 02nd June 2022.

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 2021-22, 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, 2022 was 58.

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

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.

As on March 31, 2022 the members of the Audit Committee were:

- 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 2021-22, the Audit Committee met 4 (four) times on June 07, 2021, August 08, 2021, November 08, 2021, and February 12, 2022.

All the recommendations of the audit committee were accepted by the Board with requisite majority during 2021-22.

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board met 8 (eight) times during the year i.e. on April 30, 2021, June 07, 2021, July 06, 2021, August 06, 2021, November 08, 2021, November 25, 2021, February 12, 2022 and March 29, 2022.

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 2021-22.

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

Please note that the foreign exchange earnings for the Current Year and Previous Year is NIL

Foreign Exchange outgo is given in the table below.

Table 15: Foreign Exchange earnings and outgo:

Expenditure in Foreign Currency:		(equivalent Rs in lakhs)
Particulars	As at March 31, 2022	As at March 31, 2021
Membership & Subscription Fees	-	44.68

Professional Charges	-	4.89
Total	-	49.57

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. 2021-22, 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 No. 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

The audited financial statement of FY 2020-21 was not adopted arising out of the dispute stemming from the non-acceptance of the invoices raised by MCCL on MSE, and your company is in the process of amicably settle the dispute.

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, 2022 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, 2022, 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 Director did not evaluate the performance of:

- (i) 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, 2022 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 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, 2022 and the Statement of Profit and Loss for the said financial year ended March 31, 2022.
- (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 2021-22 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 2021 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. COMPANY 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.

Date: 12th December, 2022

Place: Mumbai

Sd/-

Ashok Kumar Dogra

DIN: 07074297

Chairman and

Independent Director

Sd/-

Rakesh Kumar Srivastava

DIN: 08896124

Independent Director

1. 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

2. 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.

3. Risks & Concerns and Adequacy of Internal Control Systems

Overview

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 advice 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.

4. Financial performance

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

Financial Highlights	2021-22	2020-21
Revenue from operations	711.11	836.48
Profit before Interest, Depreciation, Tax and Exceptional Items	(279.04)	(355.22)
Profit before tax	(644.84)	(677.34)
Cash profit	(306.21)	(397.41)
Net profit/(Loss)	(660.30)	(718.84)

b) Revenue and operating expenses

The Company earned total revenues of INR 711.11 Lacs from operations during the year ended March, 2022 as against INR 836.48 Lacs in the year ended March, 2021.

c) Operating profit before depreciation and amortization and exceptional items

The Company earned EBITDA of INR (279.04) Lacs for the year ended March, 2022 as compared to INR (355.22) Lacs during the previous year ended March, 2021. The EBITDA margin for the year 2021 - 2022 is (39.24)% as against (42.47)% for the year 2020-21.

d) Depreciation and Amortization

The depreciation and amortization charges were INR 328.79 Lacs for the year ended March, 2022 as against INR 292.79 Lacs for the year ended March, 2021.

e) Profit after tax

The profit/(loss) after tax stood at INR (660.30) Lacs for the year 2021 - 2022 as compared to a profit of INR (718.84) Lacs for the year 2020 - 2021.

f) Balance Sheet

As on March 31, 2021, the Company had total assets of INR 26,878.80 Lacs and shareholders' funds at INR 12,579.42 Lacs. The Company is debt-free as on March 31, 2022.

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	2021-22	2020-21
1	Debtors Turnover	NA	NA
2	Inventory Turnover	NA	NA
3	Interest Coverage Ratio	NA	NA

4	Current Ratio	7:1	6:1
5	Debt Equity Ratio	NA	NA
6	Operating Profit Margin (%)	-51.53	-44.65
7	Net Profit Margin (%)	-51.53	-44.65
8	Return on Networth(%)	-5.25	-5.43

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.

5. 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, Chief Technology Officer, and Chief Information Security Officer, Chief Financial Officer. The manpower planning helps to determine the quantitative and qualitative adequacy of manpower in future.

The number of employees as March 31, 2022 stood at **58** as against **57** employees as on March 31, 2021

The number of permanent employees on the rolls of company

As on March 31, 2022, there are **58** employees on the rolls of the Company

6. Future Business Outlook

Overview

Marking the entry of Indian Stock Exchanges and Clearing Corporations into the league of global hi-tech, interconnected markets, the long-pending Interoperability framework for Clearing Corporations (CCPs) prescribed by SEBI in November 2018 was finally implemented on June 03, 2019.

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. Interoperability helps in reducing systemic risk, encourage innovation, facilitate competition, and align the risk management framework with industry best standards. More importantly, this provides a level playing field to all players, exchanges, and Clearing Corporations with more options left with market participants. It is a step towards healthy competition of Clearing Corporations.

Under Interoperability Currency Derivatives Segment, Equity Derivatives Segment and Equity Cash Segment trades are cleared and settled.

COVID -19

The last two years that went by, were an apocalyptical one as we faced the a-once-in-a-century kind of disruption which brought life as we knew it, to a virtual standstill. In these turbulent times, MCCIL's commitment and faultless settlement assured the markets of continuity without a halt. MCCIL navigated the rough seas of Covid, making sure clearing and settlement continues flawlessly and uninterrupted. The COVID-19 induced pandemic has redefined the way we humans communicate, do commerce, and maintain relationships. Even now, the challenges remain in the form of scars left behind by the second wave and preparing for any future wave. Despite constrained environment that arose in these Covid times, MCCIL was able to empanel a new Clearing Member Bank for clearing and settling Currency Derivatives segment. Efforts were made to retain existing Members with our Clearing Corporation. Our approach has been to strengthen the core aspects of our business, while building for the future by focusing on five key strategic anchors, which are:

Ramp-up scale by expanding member acquisition

Monetise Clearing Member Value and expanding revenue streams

Enhance Clearing Member Experience, to increase penetration of existing member base

Increase Digital Agility, by investing in next gen technological capabilities to remain cutting edge

Demonstrate Cost Efficiency

We have made significant progress against all these anchors. Improved efficiency and a flair for innovation have been primary growth drivers and an integral core embedded in the Company's philosophy. As always, the pursuit of innovation will launch the transformation in our approach to do business in the future.

Diversification

MCCIL explored related diversification for new growth opportunities in other clearing and settlement segments as well, which included Commodity and Mutual Fund segment.

MCCIL cleared and settled Commodity Derivatives Segment trades executed at Indian Commodity Exchange Limited (ICEX). Also, Mutual Fund transactions executed on ICEX platform were settled through MCCIL

MCCIL aims to be amongst the most trusted financial services conglomerates in India and has continuously striven to create an ethos of trust across all the businesses

As part of the future growth strategy of MCCIL, your Company plans to undertake a measured growth to expand Clearing Member reach, focusing on value creation.

Your company believes that with sound risk management and a strong Clearing Member base, it is well positioned to capitalize on the growth opportunities offered in financial segments in future.

Expansion of product and participant categories

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

Businesses exist because of opportunity, and it is the only reason to invest in innovation

Core Strength

Your Company's robust technology infrastructure continues to provide smooth clearing and settlement experience to all members and end clients, as well as reliability and risk mitigation.

We expect our strong clearing and settlement platform, and associated technical capabilities, knowledge capital including domain expertise in developing products and solutions in-house, experienced relationship managers, and our trusted brand would continue to help us in attracting Clearing Members.

Our expertise and relationships with Members and financial intermediaries are expected to hold us in good stead to continue our path of growth

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

We reinforce and build on our ability to deliver on our mission with continuous innovation and periodic transformation of our business.

Way Forward

In the new digital era and in the new digital economy, sky is the only limit for the multitude of opportunities for us. We are committed to fly high. We have set our vision to actively participate in the development of technologies, new generation verticals and strive to expand our sphere of influence in new generational businesses.

MCCIL – is an upcoming third Clearing Corporation, a world class company with inspiring leadership, robust financials, engaged employees, and delighted members, your company is working in the direction to build a world-class organization which is innovation-focused, principled, and value-driven.

By increasing our share within the short-term market as well as enabling an expansion of the short-term market, MCCIL will witness significant core business growth.

The team thrives on a high-performance culture that comes from a structured leadership framework and greater ownership through simplification of processes.

MCCIL undertakes marketing efforts to reach out to potential Clearing Members, create awareness as well as proactively engage in dialect to address systemic issues and other barriers affecting open access.

Your Company aims to expand its market share in Indian financial services by increasing the Clearing Member base across the segments, and enhancing the customer experience, which will lead to higher clearing and settlement volumes, thereby contributing to the future growth and profitability

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

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.

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.

Annexure – I
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

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								

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 MSE) (Holding Company)	Agreement for providing Clearing & Settlement Services	Ongoing since October 1, 2012	NA		
	Agreement for providing Clearing & Settlement Services	Multi Party Agreement	Clearing and settlement income aggregating Rs.0.12/- 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	NA		
	Reimbursement of IT Support Charges	No Agreement	Reimbursement of IT Support income aggregating Rs.5.38/- Lacs earned by the MCCIL from the MSE		

	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.NIL to the MSE, including balance payable at the end of the year Rs. 100.63/- Lacs.		
	MOU for sharing office premises entered between MSE & MCCIL	From April 01,2021 to December 14,2023	To occupy and use office premises a rent of Rs. 6 Lacs to MSE. Also security deposit of INR 2 Lacs was paid during the year.		
	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		
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. 73.38/- lacs		

Date: 12th December, 2022
Place: Mumbai

Sd/-
Ashok Kumar Dogra
DIN: 07074297
Chairman and Independent Director

Sd/-
Rakesh Kumar Srivastava
DIN: 08896124
Independent Director

Sd/-
A.Sebastin
Interim CEO/COO

SECRETARIAL AUDIT REPORT**ANNEXURE II**

A. SEKAR B.COM, FCMA, ACS, LLB (GEN) COMPANY SECRETARY	B 305, Sai Jyote, Lalubhai Park West, VILE PARLE WEST, MUMBAI 400 056 HELLO : 98202-29134 EMAIL : a.sekar.cs@gmail.com
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SECRETARIAL AUDIT REPORT**For the Financial year ended 31st March, 2022**

*(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, 2022 ("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, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The 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, 2018;
- 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, 2018;
- f) The Securities and Exchange Board of India (Share Based Employee Payments and Sweat Equity) Regulations, 2021.

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, except that there is a vacancy in the office of Managing Director with effect from February 12, 2022.
- (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 Director did not evaluate the performance of:

- (i) the Managing Director (MD) / CEO and
- (ii) the Board, Chairman and the Committees on the ground citing that he 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, 2022, 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) had raised invoice on Metropolitan Stock Exchange (MSE) in terms of the Clearing and Settlement Agreement (C&S Agreement) dated October 01, 2012 for the Financial Years 2020-21 and 2021-22. 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 their communication dated February 2, 2021 and June 30, 2021 (addressed to MSE) 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.

Subsequently, SEBI vide its letter dated February 02, 2022 advised that as regards the issue of 'adoption of financial statements of MCCIL' the underlying issue i.e. raising of invoices against MSEI with Cost + 15% markup as per extant C&S agreement dated October 01, 2012 post interoperability agreement is commercial in nature. Therefore, MCCIL may amicably settle the issue by mutual consultation or refer the matter for arbitration as per clause 16 of C&S Agreement dated October 01, 2012.

- (c) The Annual General Meeting of the shareholders held on November 25, 2021, did not adopt the audited financial statements of the Company for the Financial Year Ended 31st March, 2021 citing the concerns of the holding company in their capacity as majority shareholders arising out of the dispute stemming from the non-acceptance of the invoices raised by MCCIL on MSE.

- (d) The shareholders at the said Annual General Meeting held on November 25, 2021 also did not approve the special resolution proposing the appointment and remuneration payable to Mr. Krishna J Wagle, appointed by the Board of Directors as Managing Director with effect from February 27, 2021, elevating him to this position from his erstwhile position as Chief Financial Officer (CFO) and subsequently he resigned from the position of Managing Director, thereby causing the vacancy in the office of a Key Managerial Person (KMP), which is yet to be filled up. The Company has represented that it has started the process of appointment of Managing Director & CEO.
- (e) Mr. P.K. Ramesh who was appointed as Shareholder Director with effect from October 05, 2020, retired by rotation in the Annual General Meeting held on November 25, 2021 and being eligible offered himself for re-appointment which was approved by shareholders. However, in terms of SECC Regulations, 2018, his re-appointment was subject to approval of SEBI. SEBI vide its email dated February 16, 2022 advised to initiate the appointment process afresh, and seek the approval of the Governing Board of MCCIL followed by shareholders' approval, before submitting the application to SEBI. Accordingly, Mr. P.K. Ramesh retired from the Board with effect from February 16, 2022. The Company has already initiated the process of his re-appointment and is awaiting approval from SEBI.

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

Place: Mumbai
Date: May 20, 2022

A SEKAR
Company Secretary
ACS 8649 CP 2450
UDIN: A008649D000357712

Annexure – 1

My 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. My 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) and pending validation by physical checks.
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 and other applicable statutes.
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. My 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, specifically given the differences and dissents in the Board functioning.

Place: Mumbai
Date: 20 May,2022

A SEKAR
Company Secretary
ACS 8649 CP 2450

Annexure – III

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

Remuneration to Managing Director, Whole-time Directors and/or Manager/ Remuneration to Key Managerial Personnel

	Mr. Krishna J. Wagle	Mr. Kirit Narendra Dodiya	Dr. A. Sebastin	Ms. Avni Patel	Mr. Sumit Badakh	Ms. Jyoti Khubchand Ruprel	Ms. Rachna Prajapati	Ms. Geeta G. Bhandarkar	
	MD- (resigned on 11/02/2022)	CFO (W.e.f. July 28, 2021)	Chief Operating Officer (W.e.f. April 12, 2021)	Company Secretary/ AVP- Legal (W.e.f. September 21, 2019)	CTO/CISO (W.e.f. November 01, 2019)	Head- Business Strategy (W.e.f. September 15, 2021)	Head - Human Resources (W.e.f. Aug 08, 2019)	Compliance Officer (W.e.f. June 24, 2019)	Total
Gross salary	4365206	1612136	3537999	1974654	2022657	1807452	946128	701782	1,69,68,014
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4365206	1612136	3537999	1974654	2022657	1807452	946128	701782	1,69,68,014
(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	4365206	1612136	3537999	1974654	2022657	1807452	946128	701782	1,69,68,014

i. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 are as under:

- Managing Director & CEO's remuneration: Rs. 4365206/-
- Employees' remuneration: Rs. 45558300/-
- Median of employees' remuneration: Rs.470420/-

- The ratio of remuneration of the Managing Director & CEO to the median remuneration of the employees of the Company for the financial year is 9.8 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, NIL and NIL respectively.

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

- Last year's median : Rs 5,45,737
- Current median : Rs. 470420/-
- The percentage increase in the median remuneration of employees in the financial year is around 13.8%.

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

As on March 31, 2022, there are 58 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 6.4% as against 5.8 % for the managerial personnel in the last financial year. Apart from the performance based normal increment, there was no other exceptional salary revision given in FY 2021-22.

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 section 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, 2021 to March 31, 2022

Remuneration of Top 10 person of the company for the period from April 1, 2021 to March 31, 2022

Sl. No.	Name	Age	Designation	Remuneration received (Gross Rs.)	Median of compensation of all employees*	Ratio of compensation paid to each KMP, vis-à-vis median of	Experience no. of Yrs	Date of commencement of employment	Qualification	Last employment held before joining the company
1	Mr. Krishna J. Wagle	47	Managing Director*	4365206	470420	9.28	25	10-Jul-15	MBA, B.Com	Inter Connected Stock Exchange India Ltd.
2	Dr. A. Sebastin	62	Chief Operating Officer	3537999	470420	7.52	39	12-Apr-21	PhD, MSc, MPhil, CFA, CAIIB, PGDDS	Metropolitan Clearing Corporation of India Ltd.
3	Mr. Sumit Pandharinath Badakh	41	Chief Technology Officer/Chief Information Security Officer	2022657	470420	4.30	17.7	01-Nov-19	B.E-IT, MMS, CISSP, DCPLA	SBICAP Trustee Company Limited,
4	Ms. Avni Patel	38	Company Secretary / AVP – Legal	1974654	470420	4.20	12.6	01-Jul-16	CS, LLB, B.Com	CD Equisearch Pvt Ltd
5	Ms. Jyoti Khubchand Ruprel	57	Head -Business Strategy	1807452	470420	3.84	30.06	19-Aug-19	LLB, B.com	LIC Mutual Fund
6	Mr. Kirit Narendra Dodiya	50	Chief Financial Officer	1612136	470420	3.43	25	28-Jul-21	CA , B.Com	Metropolitan Stock Exchange of India Ltd.
7	Mr. Vimal Chand Mehta	36	Sr. Manager	1523664	470420	3.24	12	11-Apr-16	CA , B.Com	Kiran Medical System Ltd
8	Mr. Shailendra Jagdamba Singh	43	Head - Risk Management & Controls	1402193	470420	2.98	15.9	01-Jun-21	MBA, B.sc	Metropolitan Stock Exchange of India Ltd.
9	Mr. Ganesh R Kanaujiya	49	Assistant Vice President	1289520	470420	2.74	26	14-Sep-04	PGDFM, B.com	ICICI Prudential Life Insurance Co. Ltd.
10	Mr. Sudhakar Prajapati	42	Sr. Manager	1277091	470420	2.71	17	22-Mar-21	MCA, B.Com	Metropolitan Stock Exchange of India Ltd.

Statement pursuant to section 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, 2021 to March 31, 2022

Remuneration of Top 10 person of the company for the period from April 1, 2021 to March 31, 2022										
Sl. No	Name	Age	Designation	Remuneration received (Gross Rs.)	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
1	Mr. Krishna J. Wagle	47	Managing Director*	4365206	470420	9.28	25	10-Jul-15	MBA, B.Com	Inter Connected Stock Exchange India Ltd.
2	Dr. A. Sebastin	62	Chief Operating Officer	3537999	470420	7.52	39	12-Apr-21	PhD, MSc, MPhil, CFA, CAIIB, PGDDS	Metropolitan Clearing Corporation of India Ltd.
3	Mr. Sumit Pandharinath Badakh	41	Chief Technology Officer/Chief Information Security Officer	2022657	470420	4.30	17.7	01-Nov-19	B.E-IT, MMS, CISSP, DCPLA	SBICAP Trustee Company Limited,
4	Ms. Avni Patel	38	Company Secretary / AVP – Legal	1974654	470420	4.20	12.6	01-Jul-16	CS, LLB, B.Com	CD Equisearch Pvt Ltd
5	Ms. Jyoti Khubchand Ruprel	57	Head - Business Strategy	1807452	470420	3.84	30.06	19-Aug-19	LLB, B.com	LIC Mutual Fund
6	Mr. Kirit Narendra Dodiya	50	Chief Financial Officer	1612136	470420	3.43	25	28-Jul-21	CA , B.Com	Metropolitan Stock Exchange of India Ltd.
7	Mr. Vimal Chand Mehta	36	Sr. Manager	1523664	470420	3.24	12	11-Apr-16	CA , B.Com	Kiran Medical System Ltd
8	Mr. Shailendra Jagdamba Singh	43	Head - Risk Management & Controls	1402193	470420	2.98	15.9	01-Jun-21	MBA, B.sc	Metropolitan Stock Exchange of India Ltd.
9	Mr. Ganesh R Kanaujiya	49	Assistant Vice President	1289520	470420	2.74	26	14-Sep-04	PGDFM, B.com	ICICI Prudential Life Insurance Co. Ltd.
10	Mr. Sudhakar Prajapati	42	Sr. Manager	1277091	470420	2.71	17	22-Mar-21	MCA, B.Com	Metropolitan Stock Exchange of India Ltd.

*Mr. Krishna Wagle was appointed as a Managing Director after approval from SEBI vide its letter no. SEBI/HO/MRD2/DCAP/OW/2021/4963/1 dated February 25, 2021, and approval of the Board of Directors for a period of three (3) years, from February 27, 2021. The appointment was subject

to approval of the Shareholders at the thirteenth Annual general meeting. The Shareholders rejected resolution of his appointment in Annual General Meeting held on November 25,2022.

KMP's As on March 31,2022

Sl. No	Name	Age	Designation	Remuneration received (Gross Rs.)	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
1	Dr. A. Sebastin	62	Chief Operating Officer	3537999	470420	7.52	39 Yrs	12-Apr-21	PhD, MSc, MPhil, CFA,CAIIB, PGDDS	Metropolitan Clearing Corporation of India Ltd.
2	Mr. Sumit Pandharinath Badakh	41	Chief Technology Officer/Chief Information Security Officer	2022657	470420	4.30	17.7 Yrs	01-Nov-19	B.E-IT, MMS, CISSP, DCPLA	SBICAP Trustee Company Limited,
3	Ms. Avni Patel	38	Company Secretary / AVP - Legal	1974654	470420	4.20	12.6 Yrs	01-Jul-16	CS, LLB, B.Com	CD Equisearch Pvt Ltd
4	Ms. Jyoti Khubchand Ruprel	57	Head-Business Strategy	1807452	470420	3.84	30.06 Yrs	19-Aug-19	LLB, B.com	LIC Mutual Fund
5	Mr. Kirit Narendra Dodiya	50	Chief Financial Officer	1612136	470420	3.43	25 Yrs	28-Jul-21	CA , B.Com	Metropolitan Stock Exchange of India Ltd.
6	Ms. Geeta Bhandarkar	42	Compliance officer	701782	470420	1.49	17.11 Yrs	24-Jun-19	B.com, M.com, LLB Pursuing	Anand Rath Share and Stock Brokers Ltd
7	Ms. Rachna Prajapati	36	Head Human Resources	946128	470420	2.01	13 Yrs	20-Jun-16	PGDM- HR, B.A	Wealth Mantra Limited

Notes:

- *Mr. Krishna J. Wagle resigned as Managing Director with effect from February 11, 2022.
- 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.

Date: 12th December, 2022
Place: Mumbai

Sd/-
Ashok Kumar Dogra
DIN: 07074297
Chairman and Independent
Director

Sd/-
Rakesh Kumar Srivastava
DIN: 08896124
Independent Director

Sd/-
A. Sebastin
Interim CEO/COO

Annexure - IV**Form No. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2022**

[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 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	63.02%

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	%	
A. Promoter									
Indian	--	--	--	--	--	--	--	--	--
Individual/ HUF	--	--	--	--	--	--	--	--	--
Central Govt	--	--	--	--	--	--	--	--	--
State Govt(s)	--	--	--	--	--	--	--	--	--
Bodies Corp	120171442	0	120171446	95.85	120171446	--	120171446	95.85	0
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other Nominee of Metropolitan Stock Exchange of India	3	1	--	--	--	--	--	--	--
Sub-total(A)(1)	120171445	1	120171446	95.85	120171446		120171446	95.85	0
Foreign	--	--	--	--	--	--	--	--	--
NRIs-Individuals	--	--	--	--	--	--	--	--	--
Other-Individuals	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A)(2):-	--	--	--	--	--	--	--	--	--
B.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	1	5199545	4.15	5199543	2	5199545	4.15	0
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(Nominee of 63 moons Technologies Limited)	0	1	--	--	--	--	--	--	--
Sub-total (B)(2)	5199543	2	5199545	4.15	5199543	2	5199545	4.15	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5199543	2	5199545	4.15	5199543	2	5199545	4.15	0
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	125370989	3	125370991	100	125370989	2	125370991	100	0

i) 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	-	0
Total	120171446	95.85	-	120171446	95.85	-	0

ii) 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

iii) 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

iv) 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. Krishna J. Wagle* MD &CEO	Total Amount
Gross salary	4365206	4365206
(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 (A)	4365206	4365206

*Ceased to be Managing Director & CEO with effect from February 11, 2022.

B. Remuneration/Sitting Fees to other directors: Amount in rupees

Particulars of Remuneration/Sitting Fees	Name of the Directors			
	Mr. Vijay Ranjan	Ms. Rita Menon	Mr. Alok Mittal	Total Amount
Independent Directors				
· Fee for attending board committee meetings	12,10,000	10,60,000	10,60,000	33,30,000
· Commission				
· Others, please specify				
Total (1)	12,10,000	10,60,000	10,60,000	33,30,000
Other Non-Executive Directors				
· Fee for attending board committee meetings	-	-	-	-
· Commission				
· Others, please specify				
Total (2)	-	-	-	-
Total (B)=(1+2)	12,10,000	10,60,000	10,60,000	33,30,000
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. Kirit Narendra Dodiya CFO (W.e.f. July 28, 2021)	Ms. Avni Patel Company Secretary/ AVP- Legal (W.e.f. September 21, 2019)	Total
Gross salary (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	4365206.00	1974654.00	63,39,860.00
Stock Option	-	-	-
Sweat Equity	-	-	-
Commission - as % of profit - others, specify...	-	-	-
Others, please specify	-	-	-
Total	4365206.00	1974654.00	63,39,860.00

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	--	--	--	--	--

Date: 12th December, 2022

Place: Mumbai

Sd/-

Ashok Kumar Dogra

DIN: 07074297

Chairman and
Independent Director

Sd/-

Rakesh Kumar Srivastava

DIN: 08896124

Independent Director

Sd/-

A. Sebastin

Interim CEO/COO

Annexure – V
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/mcxsccl/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/mcxsccl/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	http://mclear.in/mcxsccl/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
	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.		
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/mcxsccl/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/mcxsccl/Disclosures/Codes-and-Policies.aspx	There has been no change to the policy.

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 5 Directors viz. three Public Interest Directors, two Shareholder Directors. 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.

SIZE AND COMPOSITON OF BOARD

Mr. Vijay Ranjan	• Chairman & Public Interest Director
Ms. Rita Menon	• Public Interest Director
Mr. Alok Mittal	• Public Interest Director
Mr. P. K Ramesh¹	• Shareholder Director
Mr. Saket Bhansali	• Shareholder Director
Mr. Krishna J. Wagle²	• Managing Director

- 1- Ceased to be director w.e.f February 16,2022. SEBI vide its email dated February 16, 2022, advised to initiate the appointment process afresh and seek the approval of the Governing Board of MCCIL followed by shareholders' approval, before submitting the application to SEBI.The approval was granted by Nomination and Remuneration Committee , Board of Director and SEBI and he was re-appointed on the board w.ef May 20,2022.

2- Mr. Krishna Wagle resigned as Managing Director w.e.f February 11,2022.

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).

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 a 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	✓	✓	✓	-

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 2021-22, the Board of Directors met eight (8) times i.e. on April 30, 2021, June 07, 2021, July 06, 2021, August 06, 2021, November 08, 2021, November 25, 2021, February 12, 2022 and March 29, 2022.

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 2021-22 is given in Table A:

Table A: Details of Board's composition for the Financial Year 2021-22

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	8	8	Present	2	-	-
Ms. Rita Menon (DIN: 00064714)	Public Interest Director	8	8	Present	3	-	-
Mr. Alok Kumar Mittal (DIN: 00008577)	Public Interest Director	8	8	Present	3	-	--
Mr. P.K.Ramesh ¹ (DIN: 08363403)	Shareholder Director	7	7	Present	1	-	-
Mr. Saket Bhansali (DIN: 06817955)	Shareholder Director	8	8	Present	1	-	-

Mr. Krishna J. Wagle ²	Managing Director*	6	6	NA	-	-	-
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[#]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 ceased to be director w.e.f February.16,2022.
² Mr. Krishna Wagle resigned from the company w.e.f February 11,2022
@@@ Chairman of the Audit Committee.
*Mr. Krishna J. Wagle designation in minutes of the meeting post approval from the SEBI was shown and recorded as Managing Director.

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/mcxsxcl/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 2021-22, 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 Director have expressed the following concerns while undertaking the Board Evaluation in terms of the framework:

- (i) 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, 2022, 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. 2021-22:

As on March 31, 2022 -F. Y. 2021-22 the members of the Audit Committee consisted of:

- 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 2021-22, the Audit Committee met 4 (four) times on June 07, 2021, August 06, 2021, November 08, 2021 and February 12, 2022.

Member	Category	Meetings Held	Meetings Attended
Mr. Alok Kumar Mittal	Public Interest Director	4	4
Ms. Rita Menon	Public Interest Director	4	4
Mr. Saket Bhansali	Shareholder Director	4	4

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 November 25, 2021 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 be 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.

During the FY 21-22, Committee had following composition:-

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

During the financial year 2021-22, the Committee met 3 (three) times on June 04, 2021, June 26, 2021 and March 29, 2022.

Member	Category	Meetings held	Meetings Attended
Mr. Alok Kumar Mittal	Public Interest Director	3	3
Mr. Vijay Ranjan	Public interest Director	3	3
Ms. Rita Menon	Public Interest Director	3	3

The Company Secretary is the Secretary to the Committee.

Details of remuneration to Directors:

Remuneration of the Managing Director and his Shareholding

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 Shareholder rejected resolution of appointment of Mr. Krishna Wagle due to increased remuneration as a MD. The Company wrote to SEBI vide letter dated November 27,2021 requesting clarification on the same. SEBI vide letter number

SEBI/HO/MRD2_DCAP/OW/P/2022/05678/1 dated February 10,2022 SEBI requested to refer to their email dated November 11,2020 on 'Procedure for appointment of MD & CEO of MII's' wherein MII's had been advised that post approval of MD's name by SEBI, the MII shall get the name ratified in the shareholders meeting as per provisions of Companies Act and submit the minutes to SEBI. Further, MCCIL may either amicably settle the disagreement with MSEI or take necessary steps to appoint a new MD as per provisions of SECC regulations Mr. Krishna Wagle has been paid salary as a Managing Director till January 2022 and he resigned from the Company w.e.f February 11,2022

Note:

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+ Medclaim)	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. It is firstly based on company performance and then on individual performance. 50% of the variable pay will be paid on a deferred basis after three years.	2,400,000

- Sub limits for Other Entitlements/Reimbursements which includes fuel /driver /maintenance & other perquisites applicable as per your grade within above components.
- The reimbursement amount is Paid on monthly basis on submission of bills (as per the eligibility) on or before 15th day of January month to HR dept. If bills are not submitted, the amount can be claimed subject to TDS.

Remuneration of the Non-Executive Directors and their shareholding as on 31.03.2022 is as below:

Name of the Director	Sitting Fees (Amount in INR)		Shareholding in the Company as on 31.03.2022
	Board Meetings	Committee Meetings	
Mr. Vijay Ranjan	4,00,000	8,10,000	NIL
Ms. Rita Menon	4,00,000	6,60,000	NIL
Mr. Alok Kumar Mittal	4,00,000	6,60,000	NIL
TOTAL	12,00,000	21,30,000	

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. 2021-22:

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. Krishna Wagle, Managing Director & CEO – Member

Pursuant to resignation of Mr Krishna Wagle as Managing Director & CEO with effect from February 11, 2022, the committee was reconstituted by the Board of Directors on March 15, 2022 as follows:

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

The composition of committee remained unchanged as on March 31, 2022.

During the financial year 2021-22, the Committee met 1 (one) time on September 23, 2021.

Member	Category	Meetings held	Meetings Attended
Mr. Alok Kumar Mittal	Public Interest Director	1	1
Mr. Vijay Ranjan	Public Interest Director	1	1

Ms. Rita Menon ¹	Public Interest Director	-	-
Mr. Krishna J. Wagle ²	Managing Director	1	1
¹ Appointed as Member w.e.f March 15, 2022			
² Ceased to be Member w.e.f February 11, 2022			

The Company Secretary is the Secretary to the Committee. During the financial year 2021-22, 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 2021-22 are as follows:

Sr. No.	Particulars	Opening	Additions	Resolved	Pending
1.	Shareholders Complaints	NIL	NIL	NIL	NIL
2.	Demat Requests received	NIL	1	1	NIL
3.	Remat Requests received	NIL	NIL	NIL	NIL
1.	Transfer Requests received	NIL	3	3	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, 2022.

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 not applicable during the financial year 2021-22.

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

Terms of reference:

- 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;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the Company from time to time;
- 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. 2021-22:

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

During the financial year 2021-22, the CSR company doesnot come within the ambit of section 135 accordingly the meeting of the committee was not held during the financial year 2021-22.

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 originally held September 27, 2021 which was adjourned and held on November 25, 2021 at 03.00 PM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Shareholders rejected adoption of Financial Statement as at March 31, 2021. Reappointment of Mr. P.K Ramesh was approved by the shareholders. Appointment of Mr. Krishna Wagle as a Director was approved by the shareholders. However, Appointment of Mr. Krishna Wagle as a Managing Director & CEO was rejected by the shareholders. Further, Reappointment of Ms. Rita Menon and Mr. Vijay Ranjan was approved.
- 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),	1. To Increase the Authorised Share Capital of the Company and Alteration of the Capital

Date	Time	Category	Venue of the meeting	Particulars of special business/ resolution passed
			Mumbai 400098	<p>Clause of the Memorandum of Association of the Company.</p> <p>2. To raise funds by Issuing Equity Shares through Offer of Further Shares.</p>
September 12, 2017	11:30 AM	AGM		<p>1. Revision in remuneration of Mr. Balu Nair, Managing Director of the Company with effect from July 01, 2017</p> <p>2. 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.</p> <p>(i) Ratification of Agreement for providing Clearing & Settlement Services dated October 1, 2012</p> <p>(ii) Ratification of Agreement for sharing resources dated January 2, 2013</p> <p>(iii) Ratification of Agreement for Sub-License of Office Premises dated April 15, 2015</p> <p>(iv) Ratification of Memorandum of Understanding for utilizing office premises dated January 30, 2017.</p> <p>(v) Ratification of Tripartite Agreement between MSE, MCCIL and Software Vendor (63 moons technologies limited) ("FTIL") dated April 15, 2010.</p> <p>3. Increase in Authorised Share Capital of the Company and alteration of the capital clause of the Memorandum of Association of the Company.</p>

Date	Time	Category	Venue of the meeting	Particulars of special business/ resolution passed
September 25, 2018		AGM		<ol style="list-style-type: none"> 1. Appointment of Ms. Rita Menon (DIN: 0064714) as an Independent Director. 2. Appointment of Mr. Vijay Ranjan (DIN:02346190) as an Independent Director 3. 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"> 1. Reduction of Equity Share Capital of the Company.
January 08, 2019	11:30 AM	EGM		<ol style="list-style-type: none"> 1. 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"> 1. Recommending candidature and remuneration of Mr. Balu Nair as Managing Director and Chief Executive Officer of the company to SEBI. 2. Recommending candidature and remuneration of Mr. Krishna J. Wagle 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				<ol style="list-style-type: none"> 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.
November 25, 2021	3:00 PM	AGM		<ol style="list-style-type: none"> 1. Appointment of Mr. Krishna j. Wagle (DIN: 09082635) as a director of the company.

Date	Time	Category	Venue of the meeting	Particulars of special business/ resolution passed
				<p>2. Appointment of Mr. Krishna J. Wagle (DIN: 09082635) as the Managing Director of the company and approval of remuneration to be paid to him</p> <p>3. Reappointment of Ms. Rita Menon (DIN: 00064714) as an independent director</p> <p>4. Reappointment of Mr. Vijay Ranjan (DIN: 02346190) as an independent director.</p>

D. 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

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

E. 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

F. General Shareholder Information:

1.	Annual General Meeting (F.Y. 2021-22) Day, Date, Time and Venue	September, 21, 2022 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, 2021- March 31, 2022
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 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 K Fin Technologies 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: 022-25040161 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, 2022, a total of 12,53,70,988 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, 2022)

Sr. No	Category (Amount)	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1	up to 5000	6	66.67	6	0.00
2	5001 - 10000	-	-	-	-
3	10001 - 20000	-	-	-	-
4	20001 - 30000	-	-	-	-
5	30001 – 40000	-	-	-	-
6	40001 - 50000	-	-	-	-
7	50001 - 100000	-	-	-	-
8	100001 & above	3	33.33	125,370,985	100
	Total	3	100	125,370,991	100

Note: #SEBI vide its order dated March 19, 2014 stated that FTIL 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,

Shareholding Patters as on March 31, 2022				
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

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 FTIL 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 vide 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, SEBI has vide its letter reference no. SEBI/MRD/DRMNP/2019/15963 dated June 25, 2019 advised to freeze the voting rights and corporate

benefits of 63 moons technologies limited (formerly known as Financial technologies India Limited “FTIL”).

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 are as follows:

Auditor's Remuneration	Amount (in Rs.)
Statutory Audit Fees	5,00,000
Professional Fees	4,18,249
Total	9,18,249

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, 2022. 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 apprises 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

Date: 12th December, 2022

Place: Mumbai

Sd/-

Ashok Kumar Dogra

DIN: 07074297

Chairman and

Independent Director

Sd/-

Rakesh Kumar Srivastava

DIN: 08896124

Independent Director

Sd/-

A. Sebastin

Interim CEO/COO

**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, 2022, 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**

**Aditya A. Kanetkar
Partner
Membership No: 149037
UDIN: 22149037APCIFB7249**

Place: Mumbai
Date: August 05, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members,

Metropolitan Clearing Corporation of India Limited

CIN: U67120MH2008PLC188032

Building A, Unit 205B, 2nd Floor, Agastya Corporate Park,

Sunder Baug Lane, Kamani Junction, L.B.S Road, Kurla West, Mumbai - 400070

We have examined the following documents:

- i. Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act'),
- ii. Disclosure of concern or interests as required under Section 184 of the Act, and
- iii. Declaration of Fit and Proper person as per Regulation 20 of Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations Regulations 2018; hereinafter referred to as 'relevant documents'),

as submitted by the Directors of Metropolitan Clearing Corporation of India Limited ('the Company') bearing CIN: U67120MH2008PLC188032 and having its registered office at Building A, Unit 205B, 2nd Floor, Agastya Corporate Park, Sunder Baug Lane, Kamani Junction, L.B.S Road, Kurla West, Mumbai – 400070, to the Board of Directors of the Company ('the Board') for the Financial Year 2020-21 and Financial Year 2021-22 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10 (i) of the SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act. Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal of MCA viz. www.mca.gov.in, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that, during the Financial Year ended March 31, 2022, none of the Directors on the Board of the Company, as listed hereunder have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other statutory authority.

Sr. No.	Name	DIN	Date of Appointment	Date of Cessation
1	Alok Kumar Mittal (PID)	00008577	27/10/2016	-
2	Rita Menon (PID)	00064714	10/08/2018	-
3	Vijay Ranjan (PID)	02346190	24/08/2018	-

4	Saket Bhansali (SD)	06817955	05/10/2020	-
5	P V Krishna Iyer P K Ramesh (SD)	08363403	20/05/2022	-

PID-Public Interest Director

SD-Shareholder Director

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report of the Financial Year ended March 31, 2022.

Place: Mumbai

Date: 4th August, 2022

A SEKAR

COMPANY SECRETARY

ACS 8649 CP 2450

UDIN **A008649D000737674**

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 2021 -22 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, 2022.

Sd/-

A.Sebastin
Interim CEO

Place: Mumbai

Date: August 05,2022

Interim CEO/COO 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, 2022 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 2021-22.

Yours Sincerely,

Place: Mumbai

Date: August 05, 2022

Sd/-

A. Sebastin

Interim CEO /COO

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION

The Board of Directors
Metropolitan Clearing Corporation of India Limited

Dear Sirs,

1. We have examined, as appropriate, the attached Restated Financial Information of Metropolitan Clearing Corporation of India Limited (the "Company"), comprising the Restated Balance Sheet as at 31 March 2022, the Restated Profit and Loss Account, the Restated Cash Flow Statement for the year ended 31 March 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 09 November, 2022 for the purpose of further process of adoption of Financial Statements for the year ended March 31, 2022.
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information. The Board of Directors of the Company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Companies Act, and relevant provisions.
3. The Board of Directors of the Company has taken decision the in the meeting held on 11 October, 2022 for reversing the disputed Clearing and Settlement fees (C&S) charged to the Parent Company ("MSEI"), for amicably settlement of pending matter between MCCIL & MSE and adoption of accounts for the year ended March 31, 2022.
4. We have examined such Restated Financial Information taking into consideration:
 - a) Resolution passed by the Board of Directors in the meeting held on October 11, 2022 for the said reversal of C&S fees.
 - b) The C&S fees charged for the year ended 31 March 2022 are reversed in view of the above decision, accordingly impact of the above entries has been given.
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
5. These Restated Financial Information have been compiled by the management from:
 - a) the audited financial statements as at and for the year ended 31 March 2022, prepared by the Company in accordance with the requirements prescribed under the Companies Act, 2013 and Ind AS prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act and current practices prevailing within the industry in India (the "Financial Statements"), which have been approved by the Board of Directors at their meetings held on 09 November, 2022.
 - b) The Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012 (as amended)
6. For the purpose of our examination, we have considered our previous issued reports:
 - a) Limited Review Report issued by us dated 06 August 2021 for the quarter and year to date ended 30 June 2021 which includes following Emphasis of Matter paragraph:

"We drew attention to the Note No 5 of notes to the standalone financial results for the quarter ended June 30, 2021, regarding uncertainty of the receivables from Invoices raised on Parent Company. On the basis of contractual tenability, clarifications and discussions with Regulator, the Management considers these receivables are recoverable. Management is still following up with parent company for outstanding dues. This matter was also reported earlier under "Emphasis of matter" paragraph in our Independent Auditor's Report for the year ended 31st March, 2021.

Our opinion is not qualified in this matter".

- b) Limited Review Report issued by us dated 08 November 2021 for the quarter and year to date ended 30 September 2021 which includes following Emphasis of Matter paragraph:

"We drew attention to the Note No 5 of notes to the standalone financial results for the quarter ended September 30, 2021, regarding outstanding receivables from Invoices raised on Parent Company. Outstanding amount of INR 9.88 Crores (exclusive of applicable taxes) includes certain outstanding for more than 365 days. Confirmation for such balances is pending till date. No provision is made in the books of accounts.

On the basis of contractual tenability, internal assessment of the management and based on the clarifications and discussions, expecting favourable reply from Regulator; the Management considers these receivables are recoverable. Management is taking reasonable steps for recovering such outstanding dues.

This matter was also reported in our earlier reports under "Emphasis of matter" paragraph in our Independent Auditor's Report for the period ended March 31, 2021 and June 30, 2021.

Our opinion is not qualified in this matter".

- c) Limited Review Report issued by us dated 12 February 2022 for the quarter and year to date ended 31 December 2021 which includes following Emphasis of Matter paragraph:

"We drew attention to the Note No 5 of notes to the standalone financial results for the quarter ended December 31, 2021, regarding outstanding receivables from Invoices raised on Parent Company. Outstanding amount of INR 11.95 Crores (exclusive of applicable taxes) includes certain outstanding for more than 365 days. Confirmation for such balances is pending till date. As mentioned in the Note No.5 of the standalone financial results due to inherent limitations, no Expected Credit Loss is made in the books of accounts.

On the basis of contractual tenability, internal assessment of the management and based on the clarifications and discussions, latest clarifications received from the regulator; Management is taking reasonable steps for recovering such outstanding dues.

This matter was also reported in our earlier reports under "Emphasis of matter" paragraph in our Independent Auditor's Report for the period ended March 31, 2021, and Limited Review Report as on June 30, 2021 and as on September 30, 2021.

Our opinion is not qualified in this matter".

- d) Limited Review Report issued by us dated 20 May 2022 for the quarter and year to date ended 31 March 2022 which includes Qualified Opinion and basis of Qualified Opinion is as follows:

1. *We drew attention to the Note No. 5 to the financial results for the quarter and year ended March 31, 2022, regarding outstanding receivables from Invoices raised on Parent Company. Outstanding amount of INR 13.87 Crores (exclusive of applicable Taxes) includes certain outstanding for more than 365 days. As mentioned in the Note No. 5 of the financial results, due to inherent limitations, no Expected Credit Loss is made in the books of accounts.*

On the basis of contractual tenability, internal assessment of the management and based on the advices received from the regulator; Management is taking reasonable steps to resolve issues amicably for the recovery of the outstanding dues. Accordingly, we are not able to comment on the recovery of these receivables.

This matter was also reported in our earlier reports under “Emphasis of matter” paragraph in our Independent Auditor’s Report for the period ended March 31, 2021 and in Limited Review Report for the quarter ended as on June 30, 2021 and as on September 30, 2021.

2. *In near future, we expect stress on the revenue generation from Clearing and Settlement services due to termination of CNS agreements with a customer. Management has viable business plans to increase the revenue from operation, however the said plans are yet to be implemented. The company is adequately capitalized but we are unable to comment on treating the company as going concern.*
3. *Audited Financial results for the quarter ended and year ended as on March 31, 2022 are prepared on the basis of unadopted figures of Audited Financial Statements of the year 2020-21.*

e) Independent Auditors’ report issued by us 20 May 2022 for the year ended 31 March 2022 which includes the Qualified Opinion and the basis of Qualified Opinion is as follows:

1. *We drew attention to the Note No. 41 to the financial statements for the year ended March 31, 2022, regarding outstanding receivables from Invoices raised on Parent Company. Outstanding amount of INR 13.87 Crores (exclusive of applicable Taxes) includes certain outstanding for more than 365 days. As mentioned in the Note No. 41 of the financial statements, due to inherent limitations, no Expected Credit Loss is made in the books of accounts.*

On the basis of contractual tenability, internal assessment of the management and based on the advices received from the regulator; Management is taking reasonable steps to resolve issues amicably for the recovery of the outstanding dues. Accordingly, we are not able to comment on the recovery of these receivables.

This matter was also reported in our earlier reports under “Emphasis of matter” paragraph in our Independent Auditor’s Report for the period ended March 31, 2021.

2. *In near future, we expect stress on the revenue generation from Clearing and Settlement services due to termination of CNS agreements with a customer. Management has viable business plans to increase the revenue from operation, however the said plans are yet to be implemented. The company is adequately capitalized but we are unable to comment on treating the company as going concern.*
3. *We drew attention to the Note No. 47 of the Financial Statements, Financial Statements as on March 31, 2022 are prepared on the basis of unadopted figures of Audited Financial Statements of the year 2020-21.*

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:
 - a) have been prepared after incorporating adjustments for the changes in accounting, material errors and regrouping/reclassifications retrospectively in the financial year ended 31 March 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed;
 - b) have been prepared in accordance with the Companies Act, IND AS and relevant provisions.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the interim audited financial statements and the audited financial statements mentioned.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for the purpose of adopting accounts for the year ended 31 March 2022. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

**Aditya A. Kanetkar
Partner
M.No.149037**

UDIN: 22044576BFMAIX5479

Place: Mumbai.

Date: December 12, 2022

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Metropolitan Clearing Corporation of India Limited
Report on the Audit of the Financial Statements
Qualified Opinion**

We have audited the Financial Statements of Metropolitan Clearing Corporation of India Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 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, 2022, and profit, statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

1. We drew attention to the Note No. 41 to the financial statements for the year ended March 31, 2022, regarding outstanding receivables from Invoices raised on Parent Company. Outstanding amount of INR 13.87 Crores (exclusive of applicable Taxes) includes certain outstanding for more than 365 days. As mentioned in the Note No. 41 of the financial statements, due to inherent limitations, no Expected Credit Loss is made in the books of accounts.

On the basis of contractual tenability, internal assessment of the management and based on the advices received from the regulator; Management is taking reasonable steps to resolve issues amicably for the recovery of the outstanding dues. Accordingly, we are not able to comment on the recovery of these receivables.

This matter was also reported in our earlier reports under "Emphasis of matter" paragraph in our Independent Auditor's Report for the period ended March 31, 2021.

2. In near future, we expect stress on the revenue generation from Clearing and Settlement services due to termination of CNS agreements with a customer. Management has viable business plans to increase the revenue from operation, however the said plans are yet to be implemented. The company is adequately capitalized but we are unable to comment on treating the company as going concern.
3. We drew attention to the Note No. 47 of the Financial Statements, Financial Statements as on March 31, 2022 are prepared on the basis of unadopted figures of Audited Financial Statements of the year 2020-21.

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 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 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 Financial Statements of the current period. These matters were addressed in the context of our audit of the 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.

Information Other than the 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 Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained 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 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 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 Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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 except mentioned in the qualified opinion.
 - iii. The Company regularly transfers sums to the Investor Education and Protection Fund.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, other than disclosed in the notes, no funds (which are material either individually or in the aggregate)

have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, other than disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared any dividend during the year ended March 31, 2022.

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

Aditya A. Kanetkar

Partner

M. No. 149037

UDIN: 22149037AAJIOVS4291s

Place: Mumbai.

Date: May 20, 2022

Annexure A to the Auditor's Report – March 31, 2022

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, 2022 in conjunction with our audit of the 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 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 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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

Aditya A. Kanetkar
Partner
M. No. 149037

UDIN: 22149037AAJIOVS4291

Place: Mumbai.
Date: May 20, 2022

Annexure B to the Auditor's Report – March 31, 2022

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 ("the Company") on the accounts of the company for the year ended March 31, 2022.

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) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipments;
 - (B) The company is maintaining proper records showing full particulars of intangible assets;
 - (b) As explained to us, Property, Plant & Equipments 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;
 - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets), intangible assets during the year;
 - (e) According to the information and explanation given to us and on the basis of examination of the records of the Company, there are no Proceedings are initiated or no pending cases against the company for holding Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- (ii)
 - (a) The nature of the business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii)(a) of the Order is not applicable.
 - (b) During the year, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets;
- (iii) During the year, the Company has made investments in units of Mutual Funds, during the year, in respect of which:
 - (a) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause (iii) (a) of the Order is not applicable.
 - (b) In our opinion, the investments made are not prejudicial to the company's interest;
 - (c) There are no loan granted during the year, hence, reporting under clause (iii) (c) & (d) of the Order is not applicable.

Annexure B to the Auditor's Report – March 31, 2022

- (e) There are no loans or advances in the nature of loan granted which has fallen due during the year.
- (f) The company has not granted any loan or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment.
- (iv) In respect of investments, provisions of Section 185 & Section 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) As informed to us, the maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable.
- (vii) In respect of Statutory Dues,
 - (a) The Company has generally been regular in depositing undisputed statutory dues including Income tax, Goods and Service Tax, Provident Fund, cess and any other statutory dues to the appropriate authorities and there are no arrears of outstanding statutory dues as on the last day of the FY concerned for a period of more than 6 months from the date they became 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 which have not been deposited on account of any disputes
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix)
 - (a) The company has not taken any loan or borrowed any funds from any lender, hence reporting under clause (ix)(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) According to the information and explanations given to us and on the basis of our audit procedures, no term loans were taken by the Company, hence, reporting under clause (ix)(c) of the Order is not applicable.
 - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on Short Term or Long Term basis, hence reporting under clause (ix) (d) of the Order is not applicable.

Annexure B to the Auditor's Report – March 31, 2022

- (e) According to the information and explanations given to us, and the procedures performed by us, Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- (f) The Company has not raised any loans during the year on the pledge of securities held by the subsidiaries, associates or joint ventures;
- (x)
 - (a) According to the information and explanations given to us, and the procedures performed by us, money's are not raised by way of initial public offer or further public offer (including debt instruments) during the year were applied for the purposes for which those are raised.
 - (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year;
- (xi)
 - (a) No fraud by the company or on the company has been noticed or reported during the year.
 - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) According to the information and explanations given to us, and the procedures performed by us, there are no whistle-blower complaints received by the Company during the year (and upto the date of this Report).
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)
 - (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
 - (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

Annexure B to the Auditor's Report – March 31, 2022

(xvi)

- (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)

- (a) The Company has not crossed threshold limits of provisions of Corporate Social Activities under section 135 of the Act, hence reporting under clause (xx) (a) & (b) of the Order are not applicable for the year.

(xxi) There are no subsidiaries, joint venture or associates of the Company for which Consolidation Financial Statements are needs to be prepared, hence clause (xxi) of the Order is not applicable.

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

Aditya A. Kanetkar
Partner
M. No. 149037

UDIN: 22149037AAJIOVS4291

Place: Mumbai.
Date: May 20, 2022

Metropolitan Clearing Corporation of India Limited

CIN : U67120MH2008PLC188032

Restated Balance Sheet as at March 31, 2022

(INR in Lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current Assets			
Property, Plant and Equipment	3	658.83	680.59
Other Intangible Assets	3	594.41	526.38
Intangible Assets under development	3	65.21	56.43
Right to Use	4	342.64	467.24
Other Non - Current Financial Assets	5	1,246.88	463.87
Other Non - Current Assets	6	414.67	257.60
		3,322.65	2,452.11
Current assets			
Financial Assets			
Investments	7	944.37	1,590.24
Trade Receivables	8	133.89	-
Cash and Cash Equivalents	9	11.48	9.65
Bank balances other than above	10	21,164.05	22,767.85
Other Current Financial Assets	11	3.31	9.06
Current Tax Assets (Net)	12	1,193.35	1,091.23
Other Current Assets	13	104.99	79.47
		23,555.44	25,547.49
TOTAL ASSETS		26,878.09	27,999.60
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	12,537.10	12,537.10
Other Equity	15	42.32	702.63
		12,579.42	13,239.73
Non-current liabilities			
Financial Liabilities			
Lease Liability	4	248.28	364.56
Other Financial Liabilities	16	10,704.82	10,175.40
Provisions	17	18.38	33.74
Deferred Tax Liability	18	126.67	95.57
		11,098.15	10,669.27
Current liabilities			
Financial Liabilities			
Trade Payables:	19		
(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		-	0.58
Lease Liability	4	116.28	104.89
Other Financial Liabilities	20	2,527.84	3,385.57
Other Current Liabilities	21	534.36	574.51
Provisions	22	22.04	24.11
		3,200.52	4,090.59
		14,298.67	14,759.87
TOTAL EQUITY AND LIABILITIES		26,878.09	27,999.60

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

For and on behalf of the Board of Directors

Aditya A. Kanetkar

Partner

M. No: 149037

Ashok Kumar Dogra

Chairman & Independent Director

DIN: 07074297

Rakesh Kumar Srivastava

Independent Director

DIN: 08896124

Kirit Dodiya

Chief Financial Officer

A Sebastin

Interim CEO

Place: Mumbai

Date: November 09, 2022

Place: Mumbai

Date: November 09, 2022

Metropolitan Clearing Corporation of India Limited

CIN : U67120MH2008PLC188032

Restated Statement of Profit & Loss for the Period Ended March 31, 2022

(INR in Lakhs)

Particulars		Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
I	Revenue From Operations	23	711.11	836.48
II	Other Income	24	517.57	682.03
III	Total Income		1,228.68	1,518.51
IV	Expenses			
	Employee Benefit Expenses	25	534.72	612.15
	Finance Cost	4	25.31	28.64
	Depreciation and Amortization Expenses	3	328.79	292.79
	Other Expenses	26	984.71	1,262
	Total expenses		1,873.52	2,195.85
V	Profit / (Loss) Before Tax		(644.84)	(677.34)
VI	Tax Expense			
	Current Tax		-	-
	Income Tax For Earlier years		-	0.37
	Deferred Tax		27.16	(41.18)
VII	Profit/ (Loss) for the period		(672.01)	(718.15)
VII	Other Comprehensive Income (OCI)			
I				
A.	(i) Items that will not be reclassified to profit or loss:			
	Remeasurement of gains and losses on defined benefit obligations		15.64	(0.92)
	(ii) Income tax on items not reclassified to Profit or Loss		(3.94)	0.23
IX	Total comprehensive income for the period		11.70	(0.69)
	Total Income for the period		(660.30)	(718.84)
X	Earnings per share (for continuing operations)	27		
	(a) Basic		(0.54)	0.03
	(b) Diluted		(0.54)	0.03

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

For and on behalf of the Board of Directors

Aditya A. Kanetkar

Partner
M. No: 149037

Ashok Kumar Dogra

Chairman & Independent Director
DIN: 07074297

Rakesh Kumar Srivastava

Independent Director
DIN: 08896124

Kirit Dodiya

Chief Financial Officer

A Sebastin

Interim CEO

Place: Mumbai

Date: November 09, 2022

Place: Mumbai

Date: November 09, 2022

Metropolitan Clearing Corporation of India Limited

CIN : U67120MH2008PLC188032

Statement of Changes in Equity

(INR in Lakhs)

A. Equity Share Capital

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
At the beginning of the year	12,537.10	12,537.10
Changes in equity share capital during the year	-	-
Outstanding at the end of the year	12,537.10	12,537.10

B. Other Equity for the F.Y. 2021-22

Profit for the year	Retained Earnings
Balance as at April 01, 2021	702.63
Profit for the year	(672.01)
Other Comprehensive Income for the year	11.70
Dividend Distribution Tax	-
Balance as at June 30, 2021	42.33

Other Equity for the F.Y. 2020-21

Particulars	Retained Earnings
Balance as at April 01, 2020	1,421.47
Profit for the year	(718.15)
Other Comprehensive Income for the year	(0.69)
Dividend Distribution Tax	-
Balance as at March 31, 2021	702.63

As per our report of even date

For Kirtane & Pandit LLP,

Chartered Accountants

Firm's Registration No: 105215W/W100057

For and on behalf of the Board of Directors

Aditya A. Kanetkar

Partner
M. No: 149037

Ashok Kumar Dogra

Chairman & Independent Director
DIN: 07074297

Rakesh Kumar Srivastava

Independent Director
DIN: 08896124

Kirit Dodiya

Chief Financial Officer

A Sebastin

Interim CEO

Place: Mumbai

Date: November 09, 2022

Place: Mumbai

Date: November 09, 2022

Metropolitan Clearing Corporation of India Limited

CIN : U67120MH2008PLC188032

Restated Cash Flow Statement for the Period Ended March 31, 2022

(INR in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
A. Cash Flow from Operating Activities		
Net Profit Before Tax	(644.85)	84.06
Adjustments for:		
Depreciation and Amortization Expense	328.79	292.79
Finance cost	25.31	28.64
Dividend from Current Investments	-	(0.12)
Interest Income	(722.95)	(989.48)
Remeasurement of Post-Employment Benefit Obligations	15.64	(0.92)
Adjustment for MTM Investment measured at FVTPL	(33.68)	(31.82)
	(386.90)	(700.91)
Operating Loss Before Working Capital Changes	(1,031.74)	(616.85)
Adjustments for:		
(Increase)/Decrease in Trade Receivables	(133.89)	(403.43)
(Increase)/Decrease in Other Current Financial Assets	2,289.10	(8,662.96)
(Increase)/Decrease in Other Current Assets	(127.64)	81.59
Increase/(Decrease) in Trade Payables	(1.51)	(6.62)
Increase/(Decrease) in Other Current Financial Liabilities	(886.49)	(436.18)
Increase/(Decrease) in Short Term Provisions	(2.07)	6.71
	1,137.49	(9,420.89)
Cash (used in) / generated from Operating Activities	105.75	(10,037.74)
Taxes Paid (Net)	(31.10)	(40.58)
Net Cash (used in) / generated from Operating Activities	74.65	(10,078.32)
B. Cash Flow from Investing Activities		
Sale / (Purchase) of Current Investments (Net)	-	-
Purchase of Property, Plant & Equipment	(259.25)	(815.18)
Investment in Deposits	(777.49)	9,379.24
Maturity of Deposits	(5.53)	(3.75)
Changes in Other advances	(157.07)	(217.37)
Changes in other financial liabilities	545.16	459.27
Dividend Income	-	0.12
Interest Income	722.95	989.48
Net Cash generated from / (used in) Investing Activities	68.78	9,791.81
C. Cash Flow from Financing Activities		
Dividend Distribution Tax paid	-	-
Lease Liability Payment	(141.60)	259.17
Proceeds towards Capital Reduction	-	-
Net Cash used in Financing Activities	(141.60)	259.17
Net (Decrease) / Increase in Cash and Cash Equivalents	1.83	(27.34)
Cash and Cash Equivalents at the beginning of the year	9.65	36.98
Cash and Cash Equivalents at the end of the year	11.48	9.65
	1.83	(27.34)

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

For and on behalf of the Board of Directors

Aditya A. Kanetkar

Partner

M. No: 149037

Ashok Kumar Dogra

Chairman & Independent Director

DIN: 07074297

Rakesh Kumar Srivastava

Independent Director

DIN: 08896124

Kirit Dodiya

Chief Financial Officer

A Sebastin

Interim CEO

Place: Mumbai

Date: November 09, 2022

Place: Mumbai

Date: November 09, 2022

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:

- a) The income generating activities have been carried out on the basis of a binding agreement
- b) The income can be measured reliably
- c) It is probable that the economic benefits associated with the transaction will flow to the Company
- d) 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 50,000 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:"

<u>Asset Category</u>	<u>No. of Years</u>
Computer Hardware	6
Office Equipment	5
Furniture & Fixtures	10
Leasehold Improvement	5
Vehicle	8

Depreciation for the year ended March 31, 2022 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 March 31, 2021	Additions	Delet-ions	As at March 31, 2022	Upto March 31, 2021	For the period	Deleti-ions	Upto March 31, 2022	As at March 31, 2022	As at March 31, 2021
Office Equipment's	52.32	1.41	-	53.73	4.48	9.51	-	13.98	39.74	47.84
Computer Hardware	583.89	95.69	-	679.58	142.29	90.03	-	232.33	447.26	441.60
Furniture & Fixtures	0.26	-	-	0.26	0.12	0.02	-	0.14	0.11	0.14
Leasehold Improvements	195.60	0.91	-	196.51	4.59	37.40	-	41.99	154.53	191.01
Vehicle	-	18.47	-	18.47	-	1.28	-	1.28	17.19	-
TOTAL	832.07	116.49	-	948.55	151.48	138.24	-	289.72	658.83	680.59
Previous Year	475.05	360.64	3.63	636.47	70.18	84.94	3.63	146.89	680.59	404.88

Intangible Assets (Acquired):

(INR in Lakhs)

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	NET BLOCK
	As at March 31, 2021	Additions	Delet-ions	As at March 31, 2022	Upto March 31, 2021	For the period	Deleti-ions	Upto March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer Software	638.14	133.98	-	772.12	111.76	65.95	-	177.71	594.41	526.38
TOTAL	638.14	133.98	-	772.12	111.76	65.95	-	177.71	594.41	526.38
Intangible Assets under development	56.43	101.66	92.88	65.21	-	-	-	-	65.21	56.43
	694.57	235.64	92.88	837.33	111.76	65.95	-	177.71	659.62	582.81

Previous Year	568.97	372.64	247.04	694.57	48.49	63.26	-	111.76	582.81	520.47
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Note 4 Lease

(INR in Lakhs)

Following are the changes in the carrying value of right of use assets for the Year Ended March 31, 2022:

Particulars	As at March 31, 2022	As at March 31, 2021
Classified on account of adoption of IND AS 116 as on April 1, 2021	467.24	282.90
Add: Original Cost Right to Use	-	544.13
Less: Depreciation for the year	124.60	144.59
Reversal of Right to use	-	215.20
Balance as on March 31, 2022	342.64	467.24

The following is the movement in lease liabilities during the Year Ended March 31, 2022:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as on April 1, 2021	469.45	268.10
Add: Lease liability	-	544.13
Add: Finance cost accrued during the year	25.31	28.64
Less: Payment of lease liabilities	130.20	154.61
Reversal of lease liability	-	216.80
Balance as on March 31, 2022	364.56	469.45

The following is the break Up of current and Non current lease liabilities as at March 31, 2022:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	116.28	104.89
Non current lease liabilities	248.28	364.56
Total	364.56	469.45

Note 5 Other Non - Current Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposit with original maturity for more than 12 months	1,173.20	395.71
Deposits	73.68	68.16
Total	1,246.88	463.87

Note 6 Other Non - Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advances other than capital advances		
Taxes Recoverable, Statutory Deposits and Dues from Government	414.66	257.60
Total	414.66	257.60

Note 7 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in Mutual Funds (Quoted, Non Traded)		
Aditya Birla Sun Life Liquid Fund - Dir - Growth (Units Current Year - 3,834.12, Previous Year - 3,834.12)	13.16	12.71
BOI AXA Liquid Fund - Direct Plan - Growth (Units Current Year - 7,574.017, Previous Year - 6,291.569)	185.50	148.93
BOI AXA Liquid Fund- Dir- Overnight (Units Current Year - 8948.627, Previous Year - 25,849.125)	96.30	269.05
SBI Premier Liquid Fund- Dir- Overnight (Units Current Year - 2959.167, Previous Year - 3,254.337)	102.43	109.08
Sundaram Liquid Fund Direct Plan Growth (Units Current Year - 8,305.724 Previous Year - NIL)	156.07	-
Sundaram Money Fund - Direct Plan - Growth (Units Current Year - NIL, Previous Year - 1,31,075.263)	-	56.88
Sundaram Money Fund- Direct- Overnight (Units Current Year - 2,368.001, Previous Year - 59599.543)	272.89	652.25
Mirae Asset Cash Management Fund - Direct Plan - Growth (Units Current Year - 2,649.356, Previous Year - 13,903.851)	59.53	301.91

Mirae Liquid Fund- Dir- Overnight (Units Current Year -5,368.560, Previous Year - 3,738.308)	58.49	39.41
Total	944.37	1,590.24
Aggregate amount of quoted investments and market value thereof	944.37	1,590.24

Note 8 Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	133.89	-
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables - credit impaired	-	-
Provision for doubtful debts	-	-
Debts due by Related Parties (Net)	-	-
Total	133.89	-

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2 -3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	133.89	-	-	-	-	133.89
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-

Note 9 Cash and Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks	11.48	9.65
Cash on hand	-	-
Total	11.48	9.65

Note 10 Bank balances other than above

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposit with original maturity for less than 12 months*	21,164.05	22,767.85
Total	21,164.05	22,767.85

* Inclusive of Lien Marked Fixed deposit INR 5.96 Crore In favour of NCL (Refer Note 30)

Note 11 Other Current Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Others Receivables	3.31	9.06
Total	3.31	9.06

Note 12 Current Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Taxes Recoverable, Statutory Deposits and Dues from Government	1,193.35	1,091.23
Total	1,193.35	1,091.23

Note 13 Other Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Advance	6.79	0.51
Advances other than Capital Advances		

Other Advances: Advance to Creditors	0.04	6.57
Others		
Prepaid Expenses	98.15	72.39
Total	104.99	79.47

Note 14 Equity Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
(a) Authorized				
Equity Shares of the par value of Rs.10/- each	30,00,00,000	30,000.00	30,00,00,000.00	30,000.00
(b) Issued				
Equity Shares of the par value of Rs.10/- each	12,53,70,991	12,537.10	12,53,70,991.00	12,537.10
(c) Subscribed and Fully Paid Up				
Equity Shares of the par value of Rs.10/- each	12,53,70,991	12,537.10	12,53,70,991.00	12,537.10

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	12,53,70,991	12,537.10	12,53,70,991	12,537.10
Add: Shares issued during the year	-	-	-	-
Less: Reduction of Share Capital	-	-	-	-
Outstanding at the end of the year	12,53,70,991	12,537.10	12,53,70,991	12,537.10

14.2 Shares held by Holding Company:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Shareholding	No. of Shares	% Shareholding
Metropolitan Stock Exchange of India Limited	12,01,71,446	95.85%	12,01,71,446	95.85%

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

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% Shareholding	No. of shares	% Shareholding
Metropolitan Stock Exchange of India Limited	12,01,71,446	95.85%	12,01,71,446	95.85%
	12,01,71,446	95.85%	12,01,71,446	95.85%

14.4 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.

14.5 The Company declares and pays dividend in Indian Rupees. No dividend has been declared by the Company during the Period Ended March 31, 2022.

14.6 Details of shareholding of Promoters*

Shares held by promoters at the end of the year				% Change during the year
Sr.No.	Promoter Name	No. of shares	% of total shares	
1	Metropolitan Stock Exchange of India Limited	12,01,71,446	95.85%	NIL
Total		12,01,71,446	95.85%	NIL

Note 15 Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Retained Earnings		

Balance at the beginning of the year	718.43	1,436.59
Additions/ (Deletions) during the year	(672.01)	(718.15)
Deletions: Dividend Distribution Tax	-	-
Balance at the end of the year	46.43	718.44
Other Comprehensive Income (OCI)		
Balance at the beginning of the year	(15.81)	(15.12)
Remeasurement of post-employment benefit obligations	11.70	(0.69)
Balance at the end of the year	(4.11)	(15.81)
Total	42.32	702.63

Note 16 Other Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Settlement Banks Deposits	2,000.00	2,000.00
Other Deposits	40.30	40.30
Core Settlement Guarantee Fund (Refer Note 37):		
For Segments other than Commodity Derivatives	3,589.25	3,309.22
For Commodity Segment	5,075.27	4,825.87
Total	10,704.82	10,175.40

Note 17 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Provision for Leave Encashment	18.38	31.90
Provision for Gratuity	-	1.84
Total	18.38	33.74

Note 18 Deferred Tax Liability

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	95.57	54.62
Charge / (Credit) for the year	31.10	40.95
Total	126.67	95.57

CURRENT LIABILITIES:

Note 19 Trade Payables:

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer Note 48a)		
Principal Amount	-	0.93
Interest Paid/Accrued	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	0.58
Total	-	1.51

Note 20 Other Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Considered Good:		
Members Margin and Deposits - For Segments other than Commodity Derivatives	2,186.81	3,029.81
Members Margin and Deposits - Commodity Segment	341.03	355.77
Total	2,527.84	3,385.57

Note 21 Other Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Others:		
For Expenses	167.17	200.29
For Statutory Dues	11.25	17.19
Others Liabilities	25.00	26.09
Other Payable as per the Scheme Of Capital Reduction#	330.94	330.94

Total	534.36	574.51
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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 further directions received from SEBI.

Note 22 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits:		
Provision for Gratuity	14.04	17.11
Provision for Leave Encashment	4.72	3.54
Provision for Bonus	3.27	3.46
Total	22.04	24.11

Note 23 Revenue From Operations

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of Services	448.11	449.29
<u>Other Operating Revenue</u>		
Interest on Deposits with Banks	255.15	356.53
Dividend from Investments	-	0.12
Processing & Annual Subscription Fees	2.13	4.71
Clearing support charges for Commodity Segment	5.72	25.84
Total	711.11	836.48

Note 24 Other Income

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Income		
- On Deposits with Banks - Own Funds	467.81	632.95
- On Income Tax Refund	-	3.02
Dividend Income	-	-
MTM - Investments measured at FVTPL	33.68	31.82
Other Non-Operating Income	10.00	34.58
Profit on sale of Investments	6.08	9.92
Total	517.57	712.30

Note 25 Employee Benefit Expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries, wages and bonus	511.21	585.05
Contributions to Provident Fund & other funds	22.11	25.00
Staff welfare expenses	1.39	2.11
Total	534.72	612.15

Note 26 Other Expenses

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Payment to Auditors (exclusive of taxes)	9.18	12.63
Operating Expenses - Commodity Segment	5.47	24.84
Bank Charges	0.66	0.48
Director Sitting Fees	33.30	37.80
Insurance	17.91	24.44
Legal and Professional Charges	18.71	23.61
Office Expenses	57.25	75.18
Lease Expenses	6.00	24.14
ROC Fees Expenses	0.04	0.08
Stamp Duty Expenses	0.07	0.23
Technology Cost	801.65	852.84

Miscellaneous Expenses	34.48	186.01
Total	984.71	1,262.26

Payment to Auditors:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Audit Fees	2.00	2.00
Tax Audit Fees	1.75	1.75
Fees for Limited Review	3.00	3.00
Fees for Taxation matters	0.70	4.09
Fees for Company Law Matters	0.25	0.36
Fees for Other Services	1.45	1.36
Reimbursement of expenses	0.03	0.08
Total	9.18	12.63

Note 27 Earnings per share (for continuing operations)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit for the year attributable to Equity Shareholders	(672.01)	43.25
Weighted Average Number of Equity Shares Outstanding During The Year (Nos.)	1,253.71	1,253.71
Basic /Diluted Earnings Per Share (INR)	(0.54)	0.03
Nominal Value of Equity Share (INR)	10	10

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

Note 28 Related party disclosures:

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

28.1 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, 2022	March 31, 2021
A	Holding Company:			
(i)	Metropolitan Stock Exchange of India Ltd. (MSE)	India	95.85%	95.85%
B	Key Managerial Personnel:			
(i)	Mr Balu Nair till Feb 26,2021			
(ii)	Mr. Krishna J. Wagle - Managing Director till February 12, 2022			
(iii)	Mrs. Avni Patel - Company Secretary till April 18, 2022			
(iv)	Mr Kirit Dodiya - CFO w.e.f July 28, 2021			
(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)

28.2 Details of transactions with related parties

Sr. No	Nature of Transactions	Holding Company	Key Managerial Person/ Relative of KMP	Total
1	Services rendered	5.49 12.01	- -	5.49 12.01
2	Recovery of expenses/Amount collected on behalf	- 8.30		- 8.30
3	Assets Procured	- 1.84		- 1.84
4	Security Deposit Paid	2.00 -		2.00 -
5	Expenses Paid			
(a)	IT Support Charges	-	-	-

		86.94	-	86.94
(b)	Rent paid	6.00	-	6.00
		59.97	-	59.97
(c)	Office Expenses	15.67	-	15.67
		11.32	-	11.32
6	Director Remuneration	-		
(a)	Balu Nair		-	-
		-	83.96	83.96
(b)	Mr. Krishna J. Wagle		36.81	36.81
			4.09	4.09
7	Employee Cost:			
(a)	Mr. Krishna J. Wagle-CFO	-	-	-
		-	28.47	28.47
(b)	Mrs. Avni Patel	-	20.25	20.25
		-	22.14	22.14
(c)	Kirit Dodiya		16.32	16.32
			-	-
8	Director Sitting Fees			
(a)	Mr. Vijay Ranjan	-	12.10	12.10
		-	13.00	13.00
(b)	Mrs. Rita Menon	-	10.60	10.60
		-	12.40	12.40
(c)	Mr. Alok Mittal	-	10.60	10.60
		-	12.40	12.40

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

28.3 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 (Net off)	-	-	-
		-	-	-
2	Amount Payable	100.63	12.58	113.21
		102.88	17.50	120.38

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

Note 29 Contingent Liabilities:

There is No Contingent Liability as on March 31, 2022

Note 30 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 31 Capital Commitment:

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of Contracts remaining to be executed	-	17.91

Note 32 Capital Management:

(a) 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.

(b) No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022.

(c) 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 2021-22.

Note 33 Disclosure as per Revised Ind AS 19 'Employee Benefits':

A. Gratuity:

Particulars	As at March 31, 2022	As at March 31, 2021
1) Changes in present value of obligations		
Present Value of Obligations at beginning of the year	72.86	57.79
Service Cost	9.74	10.32
Interest Cost	3.44	3.98
Liability Transferred in/ Acquisition	-	0.16
Actuarial Loss/ (Gain)	(16.31)	0.60
Benefits Paid	(26.65)	-
Defined benefit obligations at end of the year (a)	43.09	72.86
2) Changes in fair value of plan assets		
Fair Value of Plan Assets as at beginning of the year	53.91	44.06
Assets Transferred in /Acquisition	-	0.16
Interest	2.15	3.04
Contributions by Employer	0.30	6.97
Return on Plan Assets, excluding interest income	(0.67)	(0.32)
Actuarial Loss/ (Gain)	-	-
Benefits Paid	-	-
Fair value of Plan Assets at end of the year (b)	29.04	53.91
3) Present Value of Funded Obligations (a-b)	14.04	18.95
4) Expenses recognized in the statement of Profit and Loss for the year ended March 31, 2022 is as follows:		
Current Service Cost	9.74	10.32
Net Interest Cost	1.29	0.95
Past Service cost	-	-
(Expected Contribution by the employer)	-	-
(Gain)/Losses on Curtailment and settlements	-	-
Net Effect of changes in Foreign Exchange Rates	-	-
Expenses Recognized	11.03	11.27
5) Expenses Recognized in the Other Comprehensive Income (OCI) for year ended March 31, 2020 is as follows		
Actuarial (Gain)/Losses on Obligation For the Period	(16.31)	0.60
Return on Plan Assets, Excluding Interest Income	0.67	0.32
Change in Asset Ceiling	-	-
Net (Income)/Expenses For the Period Recognized in OCI	(15.64)	0.92
6) Amount Recognized in Balance sheet		
Present Value of Benefit obligation at the end of the period	(43.09)	(72.86)
Fair Value of Plan Assets at the end of the period	29.04	53.91
Funded Status (Surplus/(Deficit))	(14.04)	(18.95)
Net (Liability) Recognized in Balance Sheet	(14.04)	(18.95)

7) Actual Return on Plan Assets		
The principal actuarial assumptions used as at March 31, 2022 are as follows:		
Discount Rate	6.41	6.80
Expected Rate of Return on Plan Assets	6.41	6.89
Withdrawal Rate:		
For service 3 years and below	15.90	10.00
and thereafter	15.90	4.00
Rate of increase in Compensation Levels	7.00	8.00

Expected Payout From The Fund

Particulars	As at March 31, 2022	As at March 31, 2021
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	11.41	23.84
2nd Following Year	4.47	1.72
3rd Following Year	4.45	1.82
4th Following Year	5.04	2.05
5th Following Year	3.93	2.98
Sum of Years 6 To 10	14.37	12.32
Sum of Years 11 and above	16.28	112.94

Expected Payout From The Employer

Particulars	As at March 31, 2022	As at March 31, 2021
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, 2022	As at March 31, 2021
Projected Benefit obligation on Current Assumptions	43.09	72.86
Delta Effect of +1% change in rate of discounting	(1.72)	(5.69)
Delta Effect of -1% change in rate of discounting	1.90	6.76
Delta Effect of +1% change in rate of salary Increase	1.87	6.61
Delta Effect of -1% change in rate of salary Increase	(1.73)	(5.68)
Delta Effect of +1% change in rate of Employer Turnover	(0.24)	(0.83)
Delta Effect of -1% change in rate of Employer Turnover	0.25	0.92

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, 2022	As at March 31, 2021
Employer's Contribution to Provident Fund	22.09	24.98

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

Particulars	As at March 31, 2022	As at March 31, 2021
Employer's and Employee's Contribution to Provident Fund	3.03	4.00

Note 34 Leases:

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, 2022	As at March 31, 2021
Not later than one year	135.10	130.20
Later than one year and not later than five years	262.16	397.26
Later than five years	-	-

Note 35 Segment Reporting:

As per the Indian Accounting Standard – 108 (IndAS-108) "Operating Segments", the Management is of the opinion that as the Company's operations comprise only facilitating clearing and settlement activities and the activities incidental thereto, there is neither more than one business segment nor more than one reportable geographical segment.

Note 36 Expenditure in Foreign Currency:

Particulars	As at March 31, 2022	As at March 31, 2021
Membership & Subscription Fees	-	44.68
Professional Charges	-	4.89
Total	-	49.57

Note 37 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 - 31.03.2022

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, 2022

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)	3,698.15	1,515.06	-	-	581.72	5,794.94
ECM - (Under Interoperability)	41.68	-	-	-	0.17	41.85
EDS - (Under Interoperability)	41.68	-	-	-	3.81	45.49
DMS - (MSE Segment)	41.68	-	-	-	-	41.68
Total	3,823.19	1,515.06	-	-	585.71	5,923.95
Total - CORE SGF CORPUS						5,923.95

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 - 31.03.2022

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, 2022

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	619.48	4,392.07	-	63.72	5,075.27
Total	619.48	4,392.07	-	63.72	5,075.27

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 38

(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, 2022 amounts to INR 13,697.49 Lacs (previous year: INR 14,635.32 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, 2022 amounts to INR 612.00 Lacs (previous year: INR 826.75 Lacs).

Note 39 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, 2022	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	944.37	-	-	944.37	944.37	-	-	944.37
Other Non - Current Financial Assets	-	-	1,246.88	1,246.88	-	-	-	-
Other Financial Assets	-	-	3.31	3.31	-	-	-	-
Trade receivables	-	-	133.89	133.89	-	-	-	-
Cash and cash equivalents	-	-	11.48	11.48	-	-	-	-
Bank Balances other than Cash and cash equivalents	-	-	21,164.05	21,164.05	-	-	-	-
	944.37	-	22,559.61	23,503.98	944.37	-	-	944.37

Financial liabilities								
Borrowings	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	13,232.66	13,232.66	-	-	-	-
	-	-	13,232.66	13,232.66	-	-	-	-

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	-	-	9.06	9.06	-	-	-	-
Trade receivables	-	-	-	-	-	-	-	-
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	-	23,250.42	24,840.66	1,590.24	-	-	1,590.24

Financial liabilities								
Borrowings	-	-	-	-	-	-	-	-
Trade Payables	-	-	1.51	1.51	-	-	-	-
Other Financial Liabilities	-	-	13,560.97	13,560.97	-	-	-	-
	-	-	13,562.49	13,562.49	-	-	-	-

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 40 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 41 The Board of Directors of the Company has taken decision in the meeting held on 11 October, 2022 for reversing the disputed Clearing and Settlement fees (C&S) charged to the Parent Company ("MSEI"), as per the instructions given by the SEBI for amicably settlement of disputes between MCCIL & MSE and adoption of accounts for the year ended March 31, 2022. Accordingly company has prepared the restated financials for the year ended March 31, 2022.

Note 42 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 43 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 44 Intangible assets under development

(a) Intangible assets under development ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	24.69	16.27	14.75	9.50	65.21
Projects temporarily suspended	-	-	-	-	-

(b) Intangible assets under development Completion Schedule

Intangible assets under development	To be Completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Development of Offer to Buy System (Clearing & Settlement)	-	9.50	-	-
Development of Physical Settlement software application	14.75	-	-	-
Software ISO2022 in ECM	1.59	-	-	-
Software application for framework to enable verification of margin from client in CDS	5.53	-	-	-
Development of interoperability model for OFS Clearing and settlement system	9.15	-	-	-
Software on block mechanism EDIS	1.71	-	-	-
Software Development of Steady State Model in Equity Cash Market (ECM) Segment.	6.14	-	-	-
Charges for Software Project for EOD - Monitoring of Position Limit at different participant level in Currency Derivative Segment	2.51	-	-	-
Software Development of Steady State Model in Equity Cash Market (ECM) Segment	6.14	-	-	-
Development of changes for OFS interoperability related to BSE FIX spec 1.3	0.53	-	-	-
Segregation of collateral at the client level	5.02	-	-	-
Software Application for Core Settlement Guarantee Fund (SGF), Default Waterfall and Stress Test	2.66	-	-	-
Total	55.71	9.50	-	-

Note 45 Disclosures of Ratios

Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance
Current Ratio	Current assets	Current liabilities	7.360	6.245	17.84
Return on Equity Ratio#	Net Profits after taxes	Shareholder's Equity	(0.053)	(0.057)	-8.14
Trade Receivables turnover ratio*	Revenue	Average Trade Receivable	10.622	27.027	-60.70
Net capital turnover ratio	Revenue	Working Capital	0.060	0.071	-14.71

Net profit ratio#	Net Profit	Revenue	(0.537)	(0.473)	13.52
Return on Capital employed#	Earning before interest and taxes	Capital Employed	(0.052)	(0.056)	-7.41
Return on investment#	Net Profits after taxes	Shareholder's Equity	(0.053)	(0.057)	-8.14

*** due to increase in outstanding of trade receivables**

Increase in the profit for the year

Note 46 The management has, at the time of approving the financial results, assessed the potential impact of the COVID-19 on the Company. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of its assets and liabilities is not 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. 19).

(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

Aditya A. Kanetkar
Partner
M. No: 149037

Place: Mumbai
Date: November 09, 2022

For and on behalf of the Board of Directors

Ashok Kumar Dogra
Chairman & Independent Director
DIN: 07074297

Kirit Dodiya
Chief Financial Officer

Place: Mumbai
Date: November 09, 2022

Rakesh Kumar Srivastava
Independent Director
DIN: 08896124

A Sebastin
Interim CEO