



CDSL Commodity Repository Limited

4th Annual General Meeting”

27th August, 2021

11 A.M. IST to 11.40 A.M. IST

Present:

Shri B. K. Bal	Chairman
Shri Prithwijiit Dinda	Authorized Representative of Central Depository Services (India) Limited
Shri Satyajeet Bolar	Authorized Representative of Multi Commodity Exchange of India Ltd
Shri Jayesh Shah	Authorized Representative of BSE Investments Limited
Shri Joydeep Dutta	Member
Shri Farokh Patel	Member
Shri Sunil Alvares	Member
Shri Bharat Seth	Member
Shri Ramkumar K.	Member & Additional Director
Shri Sudhir Kumar Goel	Director
Shri Pitambar Chowdhury	Managing Director & CEO

In Attendance:

Ms. Aditi Shah	Company Secretary & Compliance Officer
Ms. Krishna Kadam	CFO

Statutory Auditor, Chairperson of the Committees and others

Shri A M Hariharan	Partner- Lodha & Co - Statutory Auditors
Smt. Ragini Choksi	Partner – Ragini Choksi & Associates
Shri Vatsal Doshi	Vatsal Doshi & Associates
Shri Sudhir Kumar Goel	Chairman – Nomination & Remuneration Committee

Chairman - Shri BK Bal:

“The requisite quorum being present, I declare the meeting validly constituted and therefore, call the meeting to order.

The statutory registers are available for inspection by any member anytime by writing an email to the Company secretary.

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CHAIRMAN'S SPEECH AND WELCOME ADDRESS

Good Morning, my esteemed colleagues, Ladies and Gentlemen:

It is my pleasure and privilege to extend a warm welcome to all the shareholders, the Directors, the Auditors and all others connected through Video-conferencing to the 4th Annual General Meeting of your Company.

As in the last year, owing to COVID-19 concerns, extended-lockdown, and the social distancing norms, we are holding our this AGM through VC for this year as well in accordance with the directives of the Ministry of Corporate Affairs.

I hope all of you are safe and in good health. I thank the shareholders for joining this meeting. The leave of absence may be granted to my fellow Board members, Shri Neeraj Kulshrestha and Smt. Nayana Ovalekar, who are unable to attend this AGM due to their pre-occupation. I also welcome members from the management of the Company, representatives of Statutory Auditors and Secretarial Auditor who have joined the meeting through VC.

Your company has a Board of eight Directors from diverse fields, having adequate relevant professional experience and domain knowledge. Three of them, including me, are Independent Directors; two are shareholder Directors from the holding company, CDSL, one each is the shareholder Director from the MCX and the BSE and the 8th is the Managing Director and CEO. It gives me great pride to say that all the Directors have been quite involved in providing policy directions, enforcing corporate governance norms and standards, and reviewing the progress of business to move your company forward in the right direction as fast as possible.

I take this opportunity to introduce the Directors with a few words about them.

Shri J. Balasubramanian, who is a distinguished practicing Chartered Accountant of great eminence, carries with him the experience of Directorship on the Boards of many companies. He has been an Independent Director in this Company since 20-01-2018. He is the Chairman of the Audit Committee.

Dr. Sudhir Kumar Goel, besides being a seasoned senior administrator with long experience of working in Maharashtra Government, is an expert in the fields of agriculture and agricultural marketing and management. He is an Independent Director on a few more companies and has been an Independent Director on our Board since 30-03-2019. He is the Chairman of the Nomination and Remuneration Committee.

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Shri Neeraj Kulshrestha, who has about 28 years of experience in capital markets, has been the shareholder Director of the Company nominated by BSE Investments Limited since 26-10-2018. At BSE, he was earlier responsible for Business Development while presently heads the regulatory functions.

Shri Ajay Puri is the shareholder Director nominated by Multi Commodity Exchange of India Limited (MCX). He is currently, working as Company Secretary & Compliance Officer of the MCX. He has vast experience in capital market, merchant banking and regulatory compliances. He has been a Director on our Board since 10-08-2019.

Shri Girish Amesara and Shri Amit Mahajan, who were earlier the CDSL nominee Directors, resigned on 01-06-2021 and the CDSL nominated Shri Ramkumar K and Smt. Nayana Ovalekar their nominees. The Board has appointed both of them as Additional Directors of the Company w.e.f. 22nd July, 2021. It is being proposed to regularize their appointment as Directors by seeking your consent at this meeting.

Shri Ramkumar has been in the employment of the CDSL since September 2000, where he has worked in various roles and responsibilities in Operations, Training, Admission, Audit, Inspection and Compliance, Business Development and New Projects. The most important and relevant mention about him is his assignment as the COO of your Company from its inception in March' 2017 till September' 2019 when he created, nurtured and supervised your Company.

Smt. Nayana Ovalekar who joined the CDSL in 2003 is presently their Chief Regulatory Officer. She has been involved in the formulation of policies governing financial reforms in depository segment by being actively involved in ideation with the Regulator.

Shri Pitambar Chowdhury has been the Managing Director and CEO of your company with effect from the November 2019. He is a Business Manager with over 30 years of professional experience, of which 20 years have been in senior leadership positions. He had also been an entrepreneur in the Fin-Tech space for about 3 years.

Ms. Aditi Shah, is the Company secretary and Compliance Officer w.e.f 18th March, 2021.

I would now take a few minutes of your time to give an overview on the performance of the Company during 2020-21

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I am pleased to report that your Company has shown growth on most operating parameters. This is despite crippled activities owing to the lock-down during large part of 2020-21. The number of Electronic Negotiable Warehouse Receipts (eNWR) issued by the Company increased by 20%. The quantity of goods handled increased by about 22% and the value of goods handled increased by 14% over that of the previous year. Significantly, the non-exchange volume (in MT) grew by about 3 times over that of the previous year, mainly because the CCRL was part of a couple of innovative bulk-transactions involving securitization of eNWRs – which was a first in the country. Thus, the quantity of commodities handled by the CCRL in the non-exchange segment grew to 21% of total quantity of commodities handled, up from 9% in 2019-20.

The Operational Income for the year ended March 31, 2021, has increased by 10% to Rs. 97.62 lakhs from Rs 88.62 lakhs for the previous year. Other income for the year ended March 31, 2021, at Rs. 374.65 lakhs, represent a decrease of 10% over Rs. 416.78 lakhs of the previous year. As a result, the total income was reduced by 7% to Rs. 472.27 lakhs as against Rs. 505.40 lakhs in the previous year. However, the total expenditure also reduced by 12% to Rs. 416.66 lakhs over Rs.475.06 lakhs. Resultantly, the total income net of tax increased to Rs. 38.36 lakhs as compared to Rs. 16.92 lakhs in the previous year.

Let me now give a brief outline of the business strategy for the year 2021-22

The company has earlier adopted a new strategy document after considerable deliberations to drive business growth. The strategy aims to use opportunities available within the constraints of the present operating environment and the limitations of the Warehouse (Development and Regulatory) Act under which the entire ecosystem works, while at the same time building capabilities to exploit emerging opportunities.

The present operating environment has four legs for potential revenue-growth for the CCRL These are (i) non-exchange agri-segment, (ii) exchange agri-segment, (iii) procurements by Government Agencies and (iv) arrangements of bulk deals with WSPs and financial institutions. The company aims to use all the four legs for driving revenue-growth in 2021-22.

While many of the projections at the time of the establishment of the Repository have not yet fully materialized, it is heartening to inform you that the WDRA is working on notifying non-agri commodities such as metals for eNWRs, which should give a big boost to our Company's business.

Secondly, there has been a recent communication from the Indian Banks' Association (IBA) to member Banks to encourage the financing of receipts issued by regulated warehouses, discourage the financing through Collateral Managers and give preference to the eNWRs issued by warehouses registered with the WDRA. This was the principal objective of the Warehousing Development and

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Regulation Act, 2007, and, when implemented fully, will significantly increase the Company's business.

Thirdly, the Government of India has taken significant strides in compulsorily registering with WDR various government owned warehouses of Central Warehousing Company (CWC) and State Warehousing Companies (SWCs). Going forward there is expectation that various Government procurement agencies like FCI & NAFED that use these warehouses of CWC and SWCs, will also be onboarded onto the eNWR system. Your company has already successfully run a pilot project for NAFED in 14 CWC-owned warehouses last month.

Your continued trust and confidence in us have enabled our good performance, and will continue to encourage us to do better, going forward. Thank you for your support.

Now we may move on to the statutory functions and approvals.

“The Notice convening the meeting, Directors’ Report and audited accounts for the year ended 31st March 2021 have been circulated to the members, in advance, and with your permission, I take them as read.”

“The Auditor’s Report on the financial statements for the year ended 31st March, 2021 and the Secretarial Audit Report for the year ended 31st March 2021 does not contain any qualification, observation or comments on financial transactions or matters which have any adverse effect on the functioning of the Company. The Secretarial Audit Report does contain a minor observation regarding delayed filing of e-form, but the same has been rectified. Hence pursuant to Section 145 of the Companies Act, 2013, the Auditor’s Report on the financial statements for the year ended 31st March 2021 is not required to be read at the Meeting and with your permission, I take them as read.”

“The Annual Report of the Company has already been circulated to you and with your permission; I will take it as read”.

(Item No.1)

Chairman - “I now recommend the following Resolution:

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March, 2021 including the Audited Balance Sheet as at 31st March, 2021 and Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon along with all annexures as laid before this Fourth Annual General Meeting be and are hereby received, considered

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and adopted.”

I now request the members to consider, propose and second Item No. 1 of the Notice as an Ordinary resolution.

Shri Bharat Seth “I Propose”

Shri Sunil Alvares - “I Second”

I now invite the members to put forward any questions that they may have on the accounts.

“As no queries were raised by any member on the Annual accounts, I now put the resolution for voting to the members by show of hand.”

“I declare that the resolution is carried unanimously”

(Item No.2)

Chairman - “I put the second item of the Notice for your consideration for appointment of a Director in place of Shri Neeraj Kulshrestha (DIN - 02994647), Shareholder Director, who retires from office by rotation and being eligible, offers himself for re-appointment”

Shri Farokh Patel “I Propose”

Shri Bharat Seth - “I Second”

Chairman - “I now put the resolution for voting to the members by show of hands.”

“I declare that the resolution is carried unanimously”

(Item No.3)

Chairman - “I put the third item of the Notice for your consideration for approval on Appointment of Shri Ramkumar K (DIN – 09129008) as Shareholder Director of the Company - Ordinary Resolution.”

Shri Farokh Patel “I Propose”

Shri Sunil Alvares “I Second”

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Chairman - I now put the resolution for voting to the members by show of hand.”

“I declare that the resolution is carried unanimously”

(Item No.4)

Chairman - “I put the fourth item of the Notice for your consideration for appointment of Appointment of Smt. Nayana Ovalekar (DIN -02195513) as Shareholder Director of the Company – Ordinary Resolution.”

Shri Sunil Alvares “I Propose”

Shri Bharat Seth “I Second”

Chairman - I now put the resolution for voting to the members by show of hand.

“I declare that the resolution is carried unanimously”

“For a vote on the last item, I wish to recuse myself to avoid any conflict of interest. Mr. Balasubramanian is not present today for the meeting. With everyone’s permission, I would request Dr. Sudhir Goyal (Independent Director) to chair the meeting for the rest of the meeting and to formally close the same.”

(Item No.5)

Chairman - “To ratify the tenure of appointment of Shri B.K. Bal and Shri J. Balasubramanian - Ordinary Resolution.”

Shri Jayesh Shah - “I Propose”

Shri Bharat Seth - “I Second”

Chairman - I now put the resolution for voting to the members by show of hand.

“I declare that the resolution is carried unanimously”

Chairman - This concludes the formal business of the meeting and I declare the meeting as closed. I thank all of you for having attended the meeting and extending your support and co-operation.

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