Annual Report
2023-24

NCDEX
Pragati ka Solid Exchange

Enabling
an Inclusive Commodity Ecosystem

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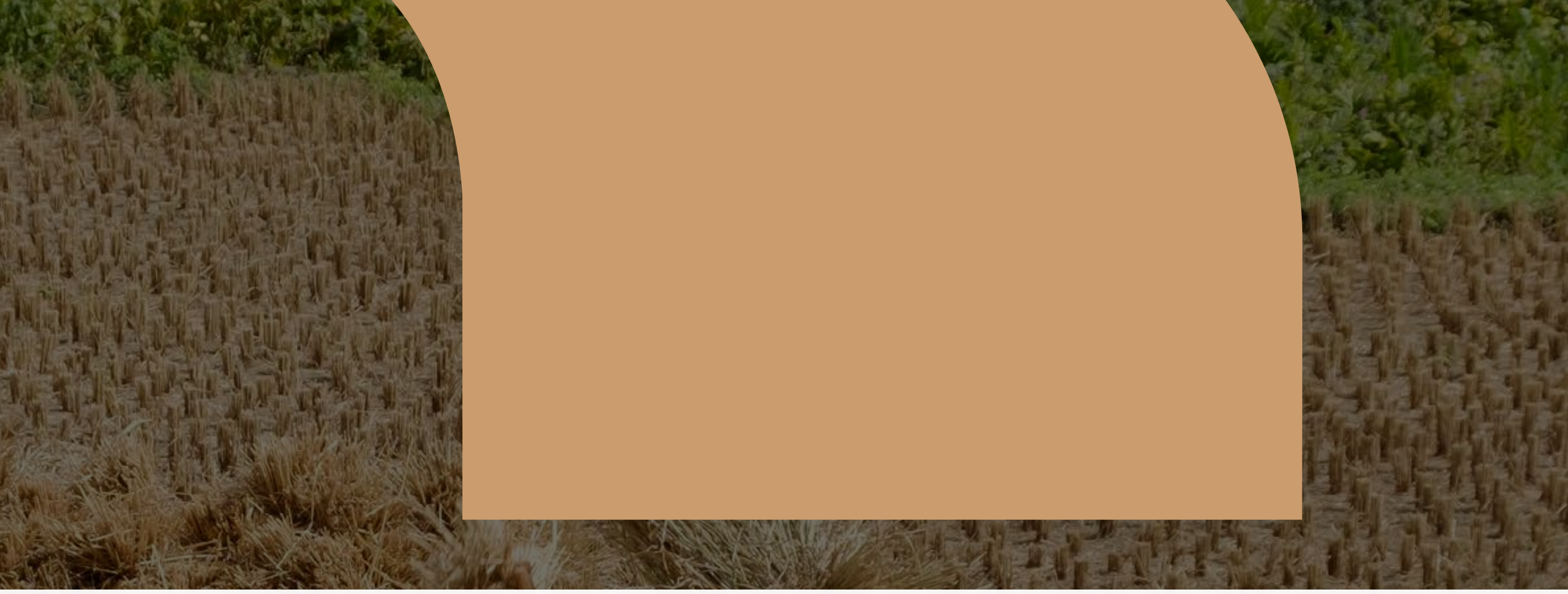
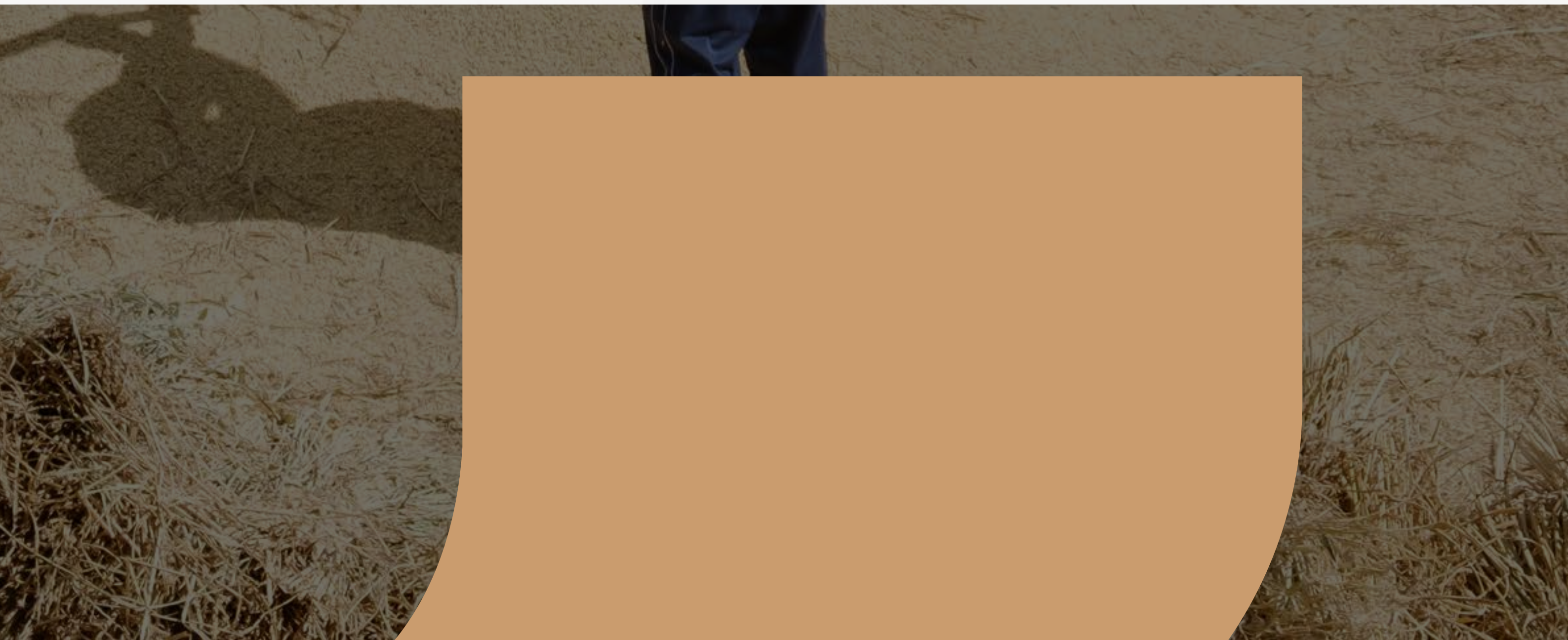


Vision

To be a globally trusted, innovative and diversified exchange ecosystem that creates value for all stakeholders

Mission

To be a financially sustainable Commodity ecosystem for efficient price discovery and risk management by leveraging resources, enhancing liquidity and adopting practices of good governance



YEAR AT A GLANCE

Commodity offered for trading

20
Agricultural commodities

1
Non-Agri

6
Options in agricultural commodities

250
Members

67,80,735
Client base

3,248
Terminals

114
WRDA approved warehouses

76
Pledgees Banks

40
FPO's traded

3.33 Lakh MT (metric tons)
Storage capacity

60
FPO registered

Other Salient Highlights for FY 2023-24

₹ 2,027.01 Crores

Highest Turnover Achieved in a Day (on Aug 02, 2023)

₹ 848.20 Crores

Average Daily Trade Value (ADTV)

₹ 2,269.52 Crores

Crores Average Daily Open Interest (ADOI)

2.87 Lakh Tonnes

Commodities Deposited

1.97 Lakh MT (metric tons)

Commodities Delivered

MD & CEO's Message

> Synonymous to the dynamism of the markets in the last financial year, unsettling has been the new settling. Such a scenario whenever it has occurred in the past has given rise to innovation and resilient robust institutions.

Dear Shareholders,

Synonymous to the dynamism of the markets in the last financial year, unsettling has been the new settling. Such a scenario whenever it has occurred in the past has given rise to innovation and resilient robust institutions. Financial year 2023-24 carried forward the Russia Ukraine war, was also shaken by beginning of another war (Israel Palestine conflict) and the world geopolitics was under a lot of stress. On such a global canvas the inter dependencies obviously made commodity markets experienced a tight and disturbed supply chain. An analysis of the global trading gross margin in commodities showed a decline from the year 2022 record high of USD150 Billion to around USD100 Billion in the year 2023.

Back home, in India as well commodity markets observed extreme volatility with food inflation remaining sticky and not relenting to cool off. The entire supply chain was impacted as they had no market driven tools to manage the price as this was the third consecutive year of suspensions of few agri commodity derivative contracts. To add to this unprecedented weather shocks which included fears of El Nino clouded the agricultural sector throughout financial year 2023-24. It is imperative to quote here that economies world over are considering food security as one of major global concerns. This is validated by an IMF report that mentions 345 Million people in almost 80 countries would face acute food insecurity which is more than double in the year 2020. As economies start looking inwards, policy measures in India imposed an export ban of Indian Basmati Rice and Sugar in financial year 2023-24. Production of grains and pulses in the last financial year was a tad lower than financial year 2022-23. Few other additional measures to tame food inflation were reduction of import duty on certain pulses and edible oils.

However, these policy measures are lopsided as they might protect a certain segment on the value chain but miss the other segments. Only market driven tools can offer a solution against price risk to the entire value chain. Studies have proved time and again that derivatives market do not impact current prices and lack of derivatives not only do not give visibility to farmers, importers, traders and government themselves, who are forced to resort to age old ineffective threats of stock limits. Only those who do not want transparency play the bogey of the "consumer" angle and this is not only harming the eco system but also the farm sector. Even a communist country like China has adopted derivatives whole-heartedly. Hence, we are engaging

Real success was realized when FPOs utilized options to hedge their price risk without being supported with a subsidized premium.

with the stakeholders like NABARD, on subsidizing premium payments of put options for farmers/FPOs who can derive benefits of future markets. We have a successful precedence in the year 2020 called Put Options Familiarization scheme which was supported by SEBI. Its real success was realized when FPOs utilized options to hedge their price risk without being supported with a subsidized premium.

An annualized volatility of 27 percent in spices and average volatility of more than 14 percent across other commodities are aberrations in the commodity markets that can only be countered with resilience, awareness and innovation. Hence as an Exchange we focused our energies towards intensifying our reach by tapping areas that were strong centers for physical trade in the commodities that were available for trade on our platform. Extensive on ground awareness roadshows have enabled an increase of 3 percent in the ADTC (Average daily traded clients) inspite of a drop of 7 percent in the overall ADTM (Average daily traded members). Additionally, over the last one year, we have been able to send a signal of confidence amongst our participants by launching the Crude Sunflower oil contract. This contract enabled the edible oil industry to establish a domestic benchmark for the edible oil segment.

Increasing the awareness amongst Farmer/FPOs is significant in our drive to fuel rural financial inclusion. Enabling the farmers by connecting FPOs to the commodity derivatives market has led to empowering the primary producer who is also a consumer. Hence by equipping them to hedge their price risk and have better visibility of future prices – we have enabled them to make sound marketing decisions. We have been rapidly adding new FPOs on a year on year basis where last year we saw an increase of 12 percent.

Above all we have maintained our leadership position holding 97 percent share in the agri commodity derivatives segment. We exuberate a strong sense of pride as the ADOI (Average daily traded open Interest) depicts an increase of 10 percent which is a testimony of the commodity value chain validating the significance of this segment.

Over the last couple of years' options as instrument has gained momentum in the commodity markets as well, we intend to launch commodity options on futures in Guarseed and slowly add more commodities under this instrument.

As we step into the next financial year, we are enthused to focus on all our products which are in pipeline like Options on Futures, Yellow peas and Cotton wash oil.

Under the sustainability goals of the government, preservation of nature is one of the key goals- we aligned our efforts with the government in the Carbon Credit space, and have set up the spot polling activity along with a Product Advisory Committee on the subject. Weather plays a big role in defining the output the Indian agricultural sector will give, hence it is crucial that we leverage our strong presence in this space and explore derivative products in the weather segment. This serves as a great opportunity for the exchange to serve varied industry circles and enable them to meet their sustainability goals.

We move ahead forward with more confidence as a team that will continue to extensively work on offering the market a wider basket of products that offer innovative solutions to price risk. While we focus on developing new products, our efforts will also be focused towards a policy review and revoking all suspended commodity derivative contracts. As we reinforce and reconstruct this space – we value the support we have received from all our stakeholders and wish to thank them for their support all along.

With best regards,

Arun Raste

Managing Director &
Chief Executive Officer

FPO Highlights FY 2023-24

1

24

Total number of promoting agencies / resource institutions engaged

2

33,406

Total number of farmers who are members of FPOs supported by above institutions

3

7

States covered (Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Andhra Pradesh, Telangana and Bihar)

4

40

Farmer Producer Organizations that hedged on NCDEX

5

24,826

Farmers base of FPOs that hedged

6

60

FPOs who have onboarded

7

71,777 MT

Quantity traded by the farmer collectives on the Exchange platform across 13 Commodities

8

1,191 MT

Delivery based trade

Company Information

Board of Directors	Mr. Ashish Bahuguna	Chairman and Public Interest Director
	Mr. Hemant Adarkar	Public Interest Director
	Dr. Mukulita Vijayawargiya (w.e.f. February 09, 2024)	Public Interest Director
	Mr. Prem Kumar Malhotra (upto August 08, 2024)	Public Interest Director
	Dr. Purvi Mehta (upto January 10, 2024)	Public Interest Director
	Mr. R. Amalorpavanathan	Public Interest Director
	Mr. Soma Sankara Prasad (w.e.f. July 02, 2024)	Public Interest Director
	Mr. Venkat Nageswar Chalasani (upto November 13, 2023)	Public Interest Director
	Mr. B. Venugopal (upto January 10, 2024)	Non-Independent Director
	Mr. Manikumar S. (upto September 26, 2023)	Non-Independent Director
	Mr. Rakesh Kapur	Non-Independent Director
	Mr. R. Doraiswamy (w.e.f. March 21, 2024)	Non-Independent Director
	Mr. Sanjeev Rohilla (w.e.f. January 04, 2024)	Non-Independent Director
	Mr. Arun Raste	Managing Director & Chief Executive Officer
Chief Financial Officer	Mr. Atul Roongta	
Company Secretary	Mr. Hoshi D. Bhagwagar	
Statutory Auditor	Khandelwal Jain & Co., Chartered Accountants 6-B&C, PIL Court, 6th Floor, 111, M. Karve Road, Churchgate, Mumbai 400 020.	
Secretarial Auditor	Ragini Chokshi & Co., Practicing Company Secretaries 34, Kamer Building, 5th Floor, 38, Cawasji Patel Street, Fort, Mumbai – 400001.	
Bankers	Axis Bank Limited Canara Bank HDFC Bank Limited ICICI Bank Limited Punjab National Bank Union Bank of India State Bank of India	Bank of India Development Credit Bank IndusInd Bank Limited Kotak Mahindra Bank Limited Tamilnad Mercantile Bank Limited Yes Bank Limited
Registered Office	First Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Road, Kanjurmarg (West), Mumbai 400 078.	
Branch Offices	Ahmedabad: 12th Floor, 1201 - B, BVR- EK, Opp. Inder Residency Hotel, Ellisbridge, Ahmedabad - 380006. Indore: 3rd Floor, 309, Gold Arcade, Opposite Curewell Hospital, New Palasiya Road #1, PentHouse, Indore - 452001. Jaipur: Vinayak Heights, 5th Floor, Plot No 105/106, Gom Defence Colony, Gautam Marg, Vaishali Nagar, Jaipur - 302021. Kolkata: Shrachi Tower, Mezzanine Floor, 686, Anandapur, E.M. Bypass Ruby, Kolkata - 700017. Delhi: 18th Floor, Ambadeep Building, 14 Kasturba Gandhi Marg, New Delhi – 110001. Hyderabad: Unit No-8-2-120/112/P/9/D, Park View Estate, 4th Floor, Banjara Hills Road No. 2, Opp. KBR Park Hyderabad - 500034.	
Registrar and Share Transfer Agents	Link Intime India Private Limited C-101, 24*7 park, L.B.S. Marg, Vikhroli (West), Mumbai 400083.	

Board of Directors

Mr. Ashish Bahuguna
Chairman and Public Interest Director

Mr. Hemant Adarkar
Public Interest Director

Dr. Mukulita Vijayawargiya
Public Interest Director
(with effect from February 09, 2024)

Mr. Prem Kumar Malhotra
Public Interest Director
(upto August 08, 2024)

Dr. Purvi Mehta
Public Interest Director
(upto January 10, 2024)

Mr. R. Amalorpavanathan
Public Interest Director

Mr. Soma Sankara Prasad
Public Interest Director
(with effect from July 2, 2024)

Mr. Venkat Nageswar Chalasani

Public Interest Director
(upto November 13, 2023)

Mr. B. Venugopal

Non-Independent Director
(upto January 10, 2024)

Mr. Manikumar S.

Non-Independent Director
(upto September 26, 2023)

Mr. Rakesh Kapur

Non-Independent Director

Mr. R. Doraiswamy

Non-Independent Director
(with effect from March 21, 2024)

Mr. Sanjeev Rohilla

Non-Independent Director
(with effect from January 04, 2024)

Mr. Arun Raste

Managing Director & Chief
Executive Officer

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Twenty First Annual Report and Audited Financial Statements of the National Commodity & Derivatives Exchange Limited (hereinafter called NCDEX/the Exchange) for the financial year ended March 31, 2024 (FY 2023-24).

PERFORMANCE

The following table shows the summary of financial performance of the Exchange on standalone as well as consolidated basis for the FY 2023-24:

(₹ in Lakhs)

Particulars	Standalone (the Exchange)		Consolidated (NCDEX Group)	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Total income	5,283	4,884	13,600	13,557
Total expenses	10,191	10,302	18,716	19,624
Profit before exceptional items and tax	**(4,908)**	**(5,418)**	**(5,116)**	**(6,067)**
Exceptional item	3,913	(487)	989	(533)
Share of net profit from joint venture and associate	-	-	807	799
Profit before tax	**(995)**	**(5,905)**	**(3,320)**	**(5,801)**
Tax expenses	(630)	(1,460)	(550)	(1,564)
Profit after tax	**(365)**	**(4,445)**	**(2,770)**	**(4,237)**
Other comprehensive income	(30)	(134)	(69)	(149)
Total comprehensive income for the year	**(395)**	**(4,579)**	**(2,839)**	**(4,386)**

Summary of financial performance of the Exchange on standalone and consolidated basis for the FY 2023-24

i. Standalone Results

The total income of the Exchange for FY 2023-24 was ₹ 5,283 Lakhs, reflecting an increase of 8% over FY 2022-23.

The total expenses of the Exchange for FY 2023-24 were ₹ 10,191 Lakhs, 1% lower than ₹ 10,302 Lakhs for FY 2022-23.

Profit/(loss) before exceptional item and tax during FY 2023-24 was ₹ (4,908) Lakhs as compared to ₹ (5,418) Lakhs for FY 2022-23.

Profit/(loss) after tax was of ₹ (365) Lakhs for FY 2023-24 as compared to ₹ (4,445) Lakhs for FY 2022-23.

ii. Consolidated Results

The total income of the NCDEX Group for FY 2023-24 was ₹ 13,600 Lakhs, reflecting an increase of 0.32% over that of FY 2022-23.

The total expenses of the NCDEX Group stood at ₹ 18,716 Lakhs, which was 5% lower than that in FY 2022-23.

The share in net profit from the Rashtriya e Market Services Private Limited (ReMS), a 50:50 joint venture between the State Government of Karnataka and NCDEX e Markets Limited (NeML) for FY 2023-24, was ₹ 105 Lakhs as compared to ₹ 49 Lakhs in FY 2022-23.

The share in net profit from Meta Materials Circular Markets Private Limited (MMCMPL), a 50:50 joint venture between MTC Business Private Limited and NCDEX e-Markets Limited (NeML) for FY 2023-24 was ₹ (64) Lakhs as compared to ₹ NIL Lakhs in FY 2022-23.

The share in net profit from Power Exchange India Limited (PXIL) for FY 2023-24, was ₹ 766 Lakhs as compared to ₹ 750 Lakhs in FY 2022-23.

Profit/(loss) after tax was ₹ (2,770) Lakhs during FY 2023-24, as compared to ₹ (4,237) Lakhs during FY 2022-23.

REVIEW OF OPERATIONS

Highlights

- The highest turnover achieved in a day during FY 2023-24 was ₹ 2,027 Crores.
- The top five traded commodities on the Exchange were Guar Seed, Guar Gum, Jeera, Cotton Cake and Turmeric.
- The Average Daily Traded Volume ('ADTV') in FY 2023- 24 stood at ₹ 848 Crores vis-a-vis ₹ 834 Crores in FY 2022-23.

The major highlights of the FY 2023-24 are given below:

Business:

- With suspension of key commodities extended twice i.e. in December 2022 and October 2023 for a period of one year each, the overall Exchange performance was impacted even during the FY 2023-24. However, both

ADOI (Average Daily Open Interest) and ADTV (Average Daily Traded Value) showed growth compared to FY 2022-23. The Exchange recorded an ADTV (Average Daily Traded Value) of ₹ 848 Crores in FY 2023-24 compared to ₹ 834 Crores in previous year. The ADOI (Average Daily Open Interest) remained ₹ 2,278 Crores during FY 2023-24 compared to ₹ 2,069 Crores in the last financial year. While ADTV grew marginally by 2%, the ADOI has experienced a 10% growth compared to the last financial year.

- The Exchange managed flawless physical settlement of contracts with no delivery concerns during the last financial year.
- Apart from business development initiatives, the Exchange's advocacy efforts with the policy makers have been backed with active research and this has strengthened our relationship with the entire value chain that have stood strong with us during these trying times.
- In the FY 2023-24, the Exchange launched four new products in the market striving to boost its business and larger engagement from market participants. The products included the Isabgol Seed futures, Groundnut Futures, Crude Sunflower Oil futures and Jeera mini futures. These contracts helped exchange to continue its engagement with the key stakeholders in the agri value chain. While Crude Sunflower oil remained the only available edible oil contract in the country for domestic hedging, Jeera Mini provided another avenue to the value chain participants to hedge their price risk for smaller quantities.

FPO Connect

By offering a cutting-edge marketplace, NCDEX bridge the gap between traditional farming practices and modern market dynamics. NCDEX's collaborative efforts with farmers, Farmer Producer Organisations (FPOs), and industry stakeholders aim to demystify price transparency and risk management. NCDEX takes pride in its role as a conduit, linking FPOs to efficient markets, fostering quality consciousness, and empowering them with the tools for informed decision-making in crop planning and marketing.

FY 2023-24 saw NCDEX make significant strides in its FPO program. NCDEX welcomed 60 new FPOs, representing over 33,406 farmers, bringing its total to an impressive 560 FPOs across 16 states, encompassing more than 11,01,496 farmers. In this period, 40 FPOs from seven states engaged in hedging activities across thirteen commodities, with a substantial volume of 71,777 metric tons valued at ₹ 5,238 Lakh. This year the volumes were ever highest since the FPO program was launched by NCDEX. Twelve FPOs took a step further by delivering seven commodities, totaling 1,191 MT worth nearly ₹ 1,003 Lakh. Since 2016, NCDEX's platform has facilitated 183 FPOs in trading 22 commodities, with a cumulative hedged volume of about 1,91,467 Lakh tons.

Recognizing that informed decisions stem from access to current and future pricing data, NCDEX has implemented a free SMS service for price reports. This initiative has garnered 38,882 farmer registrations, with the information rippling through FPO networks and lead farmers, amplifying its reach and impact. In line with SEBI's guidance, NCDEX has channeled regulatory fees into subsidizing delivery costs for FPOs. In FY 2023-24, this translated to reimbursements of ₹ 14.65 Lakhs to 8 FPOs across four states, covering deliveries of 1,034.73 metric tons across six commodities.

Understanding the complexities of futures contracts and options for FPOs, NCDEX has tailored its educational initiatives for maximum accessibility. NCDEX's comprehensive approach encompassed over 413 programs, including investor education sessions, training workshops, and webinars, spanning 10 states and 190 locations. These efforts reached 1,589 new FPOs, impacting a shareholder base of 14,351. The Exchange has also fostered partnerships with key agricultural institutions, including Krishi Vigyan Kendras, universities, NABARD, financial institutions, State Rural Livelihood Mission officials, and relevant government departments to broaden its educational impact. As we look to the future, the Exchange aims to catalyze positive change and enhance the resilience of Indian farmers, contributing to a more robust and prosperous agricultural sector.

The path ahead

This tough year demanded full efforts to counter bias and maintain the integrity of the derivatives market. The Exchange resilience has been fueled by relentless outreach and research initiatives. The Exchange remain focused on its core markets and products while also developing new lines. The Exchange's strong bond with associations and value-chain participants will drive momentum for the next financial year, and hopes for their continued support. Despite the challenges ahead, the Exchange believes that its long-term relationships with stakeholders and focus on market will help achieve many more milestones. The Exchange will continue its deep engagement with policymakers on advisory and awareness initiatives.

DIRECTORS' REPORT (Contd.)

CAPITAL STRUCTURE

The Authorized Share Capital of the Exchange is ₹ 70,00,00,000/-, comprising: 7,00,00,000 equity shares of ₹ 10/- each. The Issued, Subscribed and Paid-up Capital of the Exchange is ₹ 50,67,60,000 divided into 5,06,76,000 equity shares of ₹ 10/- each.

MEMBERSHIP

As on the March 31, 2024, the Exchange platform across the country had 250 members .

CUSTOMER SERVICE GROUP

Enhancing customers' experience has always been the focus of the Exchange. Several initiatives were taken during the year by the Customer Service Group (CSG) to enhance customer experience and optimization of operational processes. These initiatives were in addition to the internal process improvements, which have helped the Exchange in providing better service to the market participants.

Streamlining the processes:

- Authorised Person (AP) registration process has been streamlined further during the year, to improve the operational efficiency, and reduce the turnaround time. This has led to significant reduction in the number of calls and email received pertaining to the AP registration process.
- Exchange facilitates Status report for various purposes as per member's requirements. The process for taking internal approval from various departments has been streamlined which has helped to reduce the turnaround time.

DIVIDEND AND APPROPRIATIONS

For the FY ended March 31, 2024, your Directors have not recommended any dividend on the equity shares issued by the Exchange due to continued losses incurred by the Exchange.

DIVIDEND DISTRIBUTION POLICY

In terms of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations'), the Board has adopted a Dividend Distribution Policy which can be accessed on the website of the Exchange at https://ncdex.com/about/disclosures

TRANSFER TO RESERVES

No amount is proposed to be transferred to the General Reserve out of the amount available for appropriations.

TRANSFER OF UNPAID DIVIDEND AMOUNT TO NCDEX INVESTOR (CLIENT) PROTECTION FUND TRUST

Pursuant to the directions issued by SEBI vide its letter and email dated June 30, 2023 and August 24, 2023 respectively and provisions of SECC Regulations, 2018, the Exchange has transferred unpaid dividend of two shareholders namely Mrs. Pushpa Devi Saraogi and Mrs. Usha Devi Saraogi amounting to ₹ 1,16,550 each from the "Unpaid Dividend Account" for the FY 2019-20 into NCDEX Investor (Client) Protection Fund Trust on December 21, 2023.

PUBLIC DEPOSIT

The Exchange has not accepted any public deposits and, as such no amount towards repayment of principal or payment of interest was outstanding as on March 31, 2024.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Exchange during the FY 2023-24.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Mr. Manikumar S., Non-Independent Director retired by rotation and did not offer himself for re-appointment at the Twentieth Annual General Meeting held on September 26, 2023. In his place, Mr. Sanjeev Rohilla was appointed as a Non-Independent Director of the Exchange representing The National Bank for Agriculture and Rural Development (NABARD), a shareholder of the Exchange, at the Twentieth Annual General Meeting held on September 26, 2023, subject to approval of SEBI. SEBI vide its letter dated January 04, 2024, approved the appointment of Mr. Sanjeev Rohilla as a Non-Independent Director. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rakesh Kapur (DIN: 00007230) will be retiring by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment as Director. The Board recommends the name of Mr. Rakesh Kapur for re-appointment as Director of the Exchange in the "Non-Independent Director" category. His appointment is subject to approval of SEBI.

The Directors who were appointed during the year are as under:

Sr. No.	Name of the Director	Designation	Date of appointment
1.	Mr. Sanjeev Rohilla	Non-Independent Director	January 04, 2024
2.	Dr. Mukulita Vijayawargiya	Public Interest Director	February 09, 2024
3.	Mr. R. Doraiswamy	Non-Independent Director	March 21, 2024

The Directors who retired and resigned during the year are as under:

Sr. No.	Name of the Director	Designation	Date of Resignation/ Completion of Term
1.	Mr. Manikumar S.	Non-Independent Director	September 26, 2023
2.	Mr. Venkat Nageswar Chalasani	Public Interest Director	November 13, 2023
3.	Mr. B. Venugopal	Non-Independent Director	January 10, 2024
4.	Dr. Purvi Mehta	Public Interest Director	January 10, 2024

The Board wishes to place on record its sincere appreciation for the valuable advice and guidance provided by the outgoing Directors.

There was no change in the KMP's appointed under the Companies Act, 2013.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Exchange has received declarations from all the Independent Directors confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of the Listing Regulations. All the Independent Directors have also given the declarations that they satisfy "fit & proper" criteria as stipulated under Regulation 20 of Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations, 2018'). The Board is of the opinion that the Independent Directors of the Exchange collectively possess requisite qualifications, experience and expertise in the fields of law and regulatory, technology, finance and accounting, capital/ securities market, risk management, administration, economics, management financial market, market infrastructure, co-operatives, agriculture markets, agriculture economics, macroeconomics, post-harvest technologies, international development; and they hold highest standards of integrity. Skills/ expertise/ competence of the Board of Directors is provided in the Corporate Governance Report, which forms part of the Annual Report. All the Independent Directors have also given declarations that they have registered themselves with Indian Institute of Corporate Affairs (IICA) in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. Further, in terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self- assessment test conducted by the IICA within a period of two years from the date of inclusion of their names in the data bank. The said online proficiency self-assessment test will be undertaken by the Independent Directors of the Exchange, within the prescribed timelines, unless exempted under the said Rules.

ANNUAL EVALUATION

The formal annual evaluation of the performance of the Board, its Committees and Individual Directors including the Chairman and the Managing Director & Chief Executive Officer of the Exchange, was conducted in accordance with the provisions of the Companies Act, 2013, Regulation 17, 19 and Schedule II of the Listing Regulations, SECC Regulations, 2018 read with SEBI circulars dated January 05, 2017, January 10, 2019 and February 05, 2019. The evaluation was carried out on the basis of feedback obtained from the Directors on pre-defined parameters. The performance of the Board, its Committees and Individual Directors was found satisfactory.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2023-24

During the FY 2023-24, six meetings of the Board of Directors were held. Details of the meetings of the Board of Directors are provided in the Corporate Governance Report, which forms part of the Annual Report.

BOARD COMMITTEES

Details of the composition of Committees of the Board, meetings held, terms of reference and attendance of the Directors at such meetings during the FY 2023-24 are provided in the Corporate Governance Report, which forms part of the Annual Report.

AUDIT COMMITTEE

The Exchange has constituted the Audit Committee as per the provisions of the Companies Act, 2013. The composition and terms of reference of the Audit Committee are provided in the Corporate Governance Report, which forms part of the Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

The Exchange has constituted the Nomination and Remuneration Committee as per the provisions of the Companies Act, 2013 and SECC Regulations, 2018. The composition and terms of reference of the Nomination and Remuneration Committee are provided in the Corporate

DIRECTORS' REPORT (Contd.)

Governance Report, which forms part of the Annual Report. The Exchange has in place a Nomination and Remuneration Policy. The policy deals with matters like Directors' appointment and their remuneration, criteria for determining qualifications, positive attributes and independence of director, remuneration of Key Managerial Personnel and other employees. The Nomination and Remuneration Policy is available on Exchange's website at https://ncdex.com/about/disclosures

DETAILS OF MEETING OF SHAREHOLDERS

The Twentieth Annual General Meeting of the Exchange was held on September 26, 2023. The Twenty First Annual General Meeting of the Exchange will be held on Friday, September 27, 2024 in Mumbai.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The Exchange is a public limited Company, whose securities are not listed on any of the stock exchanges. In terms of Regulation 33 of SECC Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognized stock exchange. Pursuant to Schedule V of Listing Regulations, a report on Corporate Governance for the FY 2023-24 is forming part of the Annual Report. Further, a Corporate Governance Compliance Certificate from M/s. U. Hegde & Associates, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance is forming part of the Corporate Governance report.

CORPORATE SOCIAL RESPONSIBILITY

As per Section 135(5) of the Companies Act, 2013, the Board of Directors of a company shall ensure that the Company, in every financial year spends at least 2% (two percent) of average net profits of the company made during 3 (three) immediately preceding financial years in pursuance to the CSR Policy. Since 2% of average net profits of the Exchange made during 3 immediately preceding financial years has a negative balance, the Exchange is not mandatorily required to spend any amount on CSR activities for FY 2023-24. Accordingly, the Exchange was neither required to nor has undertaken any CSR activities for the FY 2023-24. Consequently, the annual report on CSR activities, as required under Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, is not forming part of the Directors' Report.

AUDITORS/AUDIT

A. Statutory Auditors

Khandelwal Jain & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Exchange for a period of 5 (Five) consecutive Financial Years from the conclusion of the Nineteenth Annual General Meeting of the Exchange until the conclusion of the Twenty Fourth Annual General Meeting of the Exchange.

As required under the provisions of section 139 (1) of the Companies Act, 2013, the Exchange has received a Certificate from Khandelwal Jain & Co. to the effect that their appointment is within the prescribed limit under Section 141 of the Companies Act, 2013 and that they are not disqualified for such appointment. There is no qualification, reservation or adverse remarks or disclaimer in the report given by Khandelwal Jain & Co. on the Financial Statements of the Exchange for the year ended March 31, 2024.

Khandelwal Jain & Co. have not observed any frauds in the course of the performance of their duties as auditor. This is reported in compliance with the provisions under sub-section (12) of section 143 of the Companies Act, 2013.

B. Secretarial Auditor

In terms of section 204 (1) of Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Exchange appointed M/s. Ragini Chokshi & Co., Company Secretaries, as Secretarial Auditor for FY 2023-24. In terms of sub- section (3) of section 134 of the Companies Act, 2013, Secretarial Audit Report issued by M/s. Ragini Chokshi & Co., Company Secretaries in Form MR-3 is attached as **Annexure 1**. There is no qualification, reservation or adverse remarks or disclaimer in the report given by M/s. Ragini Chokshi & Co. in Form MR-3. Further, in compliance with the Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Form MR-3 of material unlisted subsidiaries of the Exchange namely NCDEX e Markets Limited, National Commodity Clearing Limited and National E-Repository Limited are enclosed as **Annexure 2**.

C. Internal Auditor

The Board upon the recommendation of the Audit Committee has appointed "KPMG Assurance and Consulting Services LLP" as Internal Auditors of the

Exchange for a period of one year up to March 31, 2024 under Section 138 of the Companies Act, 2013, as per the scope approved by the Audit Committee.

D. Cost Records And Cost Audit

Maintenance of cost records and requirement of Cost Audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013, are not applicable for the business activities carried out by the Exchange.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Exchange complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General meetings.

ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Exchange has placed a copy of the Annual Return as at March 31, 2024 on its website at https://ncdex.com/about/annual-reports

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments have been disclosed in the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188 (1) OF THE COMPANIES ACT, 2013

All transactions with related parties are in the ordinary course of business and on an arm's length basis. The details of the related party transactions as required under the Ind AS 24 are set out in Note no. 34 to the standalone financial statements.

PARTICULARS OF EMPLOYEES

The information on the particulars of the employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and SECC Regulations, 2018, a statement containing the remuneration details is enclosed as **Annexure 3**.

INFORMATION REQUIRED TO BE FURNISHED PURSUANT TO RULE 17 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957

Detailed information pursuant to Rule 17 of the Securities Contracts (Regulation) Rules, 1957 is enclosed as **Annexure 4**.

RISK MANAGEMENT

The Exchange has an independent risk governance structure for integrated risk management covering various categories of enterprise risk including Strategic, Operational, Financial, Regulatory, Technology, Cyber and Reputational and is cognizant of the management of group risks. At the top of the Risk Management hierarchy is the Board of Directors (Board) of the Exchange, which provides broad strategic direction to the Risk Management function. In accordance with SECC Regulations, 2018 and SEBI Circular dated January 10, 2019 on 'Committees at Market Infrastructure Institutions ('SEBI guidelines'), the Board has formed a Risk Management Committee ('RMC'), which is a sub-committee of the Board comprising Public Interest Directors and Independent External Person. The RMC functions as per the terms of reference prescribed by SEBI guidelines and oversees the Risk Management function of the Exchange. The Chief Risk Officer (CRiO) heads the Enterprise Risk Management department of the Exchange. The Chief Risk Officer (CRiO) reports to the Managing Director & Chief Executive Officer of the Exchange and the RMC, in accordance with the SEBI guidelines.

The Exchange's Risk Management Framework envisages a combination of a top–down and bottom–up approach for an integrated Risk Management process. While the Board and the RMC provide broad direction and guidance and supervise the entire process, the Exchange management identifies key risks by using a granular approach with the active involvement of functional heads of various departments, the entire process being coordinated and monitored by the Enterprise Risk Management department. Further, the Enterprise Risk Management department of the Exchange also reports any breaches in the risk tolerance level as defined in the ERM Framework to the RMC. Risk Management in the Exchange is a comprehensive, disciplined and continuous process in which risks are identified, analyzed, consciously accepted or mitigated and managed by strengthening existing processes or by introducing new controls wherever feasible.

INFORMATION SECURITY

The Information Security team strives to be a responsive and effective team that helps the Exchange to meet their strategic objectives by lowering the risk of serious security events and data breaches. The Exchange embraces the SEBI-mandated Cyber Security Framework for the design and implementation of Information Security controls. The Information Security team looks after Cyber Security and Information Security policies keeping in mind the SEBI guidelines and best industry practices on the same. The Exchange is always striving to fulfil the expectations of regulators and adhere to the criteria established by national authorities responsible with information security and cyber defense of vital infrastructure. The Exchange promotes strong risk-aware culture and all personnel and members get information security awareness training on cyber-vigilance and Cyber Security measures. The Exchange has a dedicated 24X7 365 Days Security Operations Centre (SOC) that provides suggestions to improve Exchange's Cyber Security and takes action in the event of cyber incident.

SUBSIDIARY AND ASSOCIATE COMPANIES

The Exchange has four subsidiary companies namely, NCDEX e Markets Limited, National Commodity Clearing Limited, NCDEX Institute of Commodity Markets and Research and National E-Repository Limited. NCDEX e Markets Limited, the subsidiary of the Exchange, also has two joint venture Companies namely Rashtriya e-Market Services Private Limited and Meta Materials Circular Markets Private Limited. The details in respect of these companies are provided hereunder. A statement containing the salient features of the financial statements of the above companies is given in Form AOC-1, which is enclosed as **Annexure 5**. The Financial statements of the subsidiary companies have been displayed on the website of the Exchange. In addition, the Exchange has an associate Company namely, Power Exchange India Limited.

NCDEX e Markets Limited ('NeML')

NeML continues its engagements with the various government agencies across the country. NeML is engaged with almost 17 state governments and several key central government agencies / departments. In the year gone by, engagement with National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) saw NeML delivering a key portal for the direct procurement of pulses from the farmers. The eSamridhi portal designed and developed by NeML for NAFED was launched by Shri. Amit Shah – Union Minister of Home Affairs and Minister of Cooperation, on the 4th of January 2024 at New Delhi. This initiative enabled the Central Government to launch an innovative scheme of buying farmer produce at nearest mandi prices. This ensures that the farmer is paid prices beyond the MSP under a modified PSF program. The base working for this new mechanism was announced by the Department of Consumer Affairs, by publishing a formula to calculate the market price. The new eSamridhi portal is integrated with AADHAR, various state land records, crop sowing data, AgriStack, multiple banks and warehousing receipts.

NeML has established itself a market leader in the foodgrain Purchase and Disposal domain, having partnered with Central and local Governments for large and complex mandates. NeML during the year enabled a total of 56 Lakhs+ MT of Purchase for various government agencies and a total of 17 Lakhs+ MT of Disposals. In value terms, the platform crossed ₹ 37,000+ Crores for both disposals and purchases by the agencies.

On the Rashtriya e Market Services Private Limited (ReMSL) platform, a 50:50 joint venture between NeML and the State Government of Karnataka and the first digitization initiative of mandis in the country, the Traded Value of commodities for the year crossed ₹ 27,000+ Crores with a total of 32.9 Lakhs lots traded.

NeML is happy to share the formal launch of Meta Materials Circular Markets Private Limited (MMCM), a 50:50 Joint Venture company between NeML and the MTC Business Private Limited (MTC Group). Shri. Nitin Gadkari, Minister of Road Transport & Highways, Govt. of India graced the event to launch the initiative in New Delhi on December 18, 2023. This initiative heralds the foray of the NCDEX group into the ESG space. The foundation of this company was laid when NeML was mandated by the Ministry of Road Transport & Highways (MoRTH) to undertake trading of the Certificate of Deposit (CD) being issued by the VAHAN portal. MMCM has emerged as India's first-ever Automotive Circularity Orchestrator (ACO), leading the charge towards a sustainable future in the automotive industry. MMCM is also working with RVSF (Registered Vehicle Scrapping Facilities) to provide them an enterprise solution that connects all End-of-Life Vehicle stakeholders, create intangible assets for value creation from scrapping of vehicles, and help OEMs fulfil Extended Producer Responsibility (EPR) obligations. For FY 2023-24, a total of 1226 Certificates of Deposit were traded on the MMCM DigiELV platform and 10 RVSFs joined the MMCM ecosystem.

National Commodity Clearing Limited ('NCCL')

National Commodity & Clearing Ltd (NCCL) was granted recognition by SEBI to act as a Clearing Corporation on September 10, 2018 for a period of one-year subject to certain conditions prescribed therein. Subsequently, the recognition granted to act as a Clearing Corporation was renewed by SEBI for a further period of three years commencing on September 10, 2019 and ending on September 09, 2022 subject to certain conditions prescribed therein. Further, the recognition to act as a Clearing Corporation was again renewed by SEBI for a further period of three years commencing on September 10, 2022 and ending on September 9, 2025 subject to certain conditions prescribed therein.

NCCL has entered into a clearing and settlement agreement with NCDEX to provide, inter alia, clearing and settlement services along with all associated and related functions, including managing instruments offered as collaterals, risk management and clearing & settlement functions for all trades executed on the NCDEX platform.

NCCL has not undergone any change in the nature of its business during the FY 2023-24.

Settlement

NCCL successfully continued its record of accomplishment of completing all settlements in a timely manner.

A summary of trading, settlement and collaterals processed during the FY 2023-24 is given below:

Trades

Particulars	FY 2023-24	FY 2022-23
Number of trades	3,209,549	3,531,114
Traded quantity	2,84,92,773 (MTs)	3,05,36,080 (MTs)
	50,08,334 (Lots)	53,19,954 (Lots)
Traded value (₹ in Crores)	2,06,102	2,04,961

Settlement

Particulars	FY 2023-24	FY 2022-23
MTM Settlement (₹ in Crores)	2,575.96	2,530.81
Physical Settlement (₹ in Crores)	1,228.64	1,310.13

Management of collateral instruments

Instrument Processed	FY 2023-24		FY 2022-23	
	Count	Amount (₹ in Crores)	Count	Amount (₹ in Crores)
Bank Guarantees	219	415.53	328	575.38
Fixed Deposit Receipts	983	2042.58	1170	1315.48

National E-Repository Limited ('NERL')

Background

NERL started its operations on September 26, 2017 and is regulated by Warehousing Development and Regulatory Authority (WDRA) as a Repository and Platform for Creation and Management of Electronic Negotiable Warehouse Receipts (eNWRs). Apart from NCDEX, the other shareholders of NERL include National Bank for Agriculture and Rural Development (NABARD), the largest re-finance institution, ICICI Bank, one of the largest private sector Banks in India and State Bank of India, the largest public sector Bank in India. Such unique parentage makes it a unique proposition to provide repository services to the Indian Agricultural Market.

The main business of NERL is to offer a digital platform for the creation and management of eNWRs, issued in warehouses registered with the WDRA.

Exchange and Emerging Business:

FY 2023-24 was the 6th full year of operations for NERL after receiving the Permanent Certificate of Registration from WDRA. NERL also completed five years of operations in Emerging Business (non-exchange business). NERL closed the year with more than 9,980 active customers (over 2,000 customers added in FY 2023-24), 76 pledgee Banks/ NBFCs, 3 CM Pledgees, 1096 unique Warehouses issuing eNWR/eNNWR and 99 Repository Participants ('RPs') across 17 states and 1 UT in India. NERL has issued more than 5.5 Lakhs eNWRs (Exchange + Emerging Business) for commodities in excess of 59.70 Lakhs MT (Exchange + Emerging Business) deposited in registered warehouses of WDRA.

A new milestone was achieved in FY 2023-24 as Banks crossed ₹ 7,000 Crores finance against eNWR since inception, a clear indication of growing confidence of banks in eNWR.

Clients, banks and warehouses kept showing interest in the eNWR ecosystem, thus helping in achieving a 33.90% growth in Pledge finance as compared to FY 2022-23. NERL saw upwards of ₹ 3,000 Crores worth of pledge finance against eNWR on its platform in FY 2023-24. The Emerging Business saw a growth of 66% in deposits (deposits in eNWR & eNNWR) in FY 2023-24 as compared to FY 2022-23.

DIRECTORS' REPORT (Contd.)

The result for FY 2023-24 is as below:

	Quantity of eNWR (MT)		Growth %	Value (₹ in Crores)		Growth %
	FY 2023-24	FY 2022-23		FY 2023-24	FY 2022-23	
Exchange Business	2,80,456	2,40,770	16.48%	1924.91	664.71	189.59%
Emerging Business*	7,08,148	4,26,019	66.22%	3786.43	2,108.34	79.59%
Total	9,88,604	6,66,789	48.26%	5711.34	2773.05	105.96%
	Quantity of eNNWR (MT)					
Emerging Business*	1,84,788	1,08,233	70.73%			

*Note: All businesses other than Exchange are termed as "Emerging Business".

Loan against eNWR (₹ in Crores) for FY 2023-24

	FY 2023-24	FY 2022-23	Growth %
Exchange Business	541.02	456.31	18.56%
Emerging Business	2472.16	1,793.97	37.80%
Total	3013.18	2,250.28	33.90%

**Note: All businesses other than Exchange are termed as "Emerging Business".*

Since inception (as on March 31, 2024)

	FY 2023-24	FY 2022-23
RPs (account maintenance)	**99**	96
RPs (pledgee)	**76**	56
CM Pledgee	**3**	2
Number of active depositors/ client accounts	**9,980**	7,855

NCDEX Institute of Commodity Markets and Research ('NICR')

NICR, established in 2007 as a 100% subsidiary of NCDEX, is registered under Section 25 of the erstwhile Companies Act, 1956. NICR is dedicated to education, conducting practical research/consultancy in agri domain, and fostering awareness in commodity markets.

During the financial year, NICR successfully completed three research projects. One of the projects involved the development of Standard practices for sustainable and resilient orange production system in Chhindwara, Madhya Pradesh, which was completed and submitted to World Wide Fund for Nature – India (WWF India).

A research project titled "Study on the growth of e-NWR based pledge finance," was conducted for NABARD Consultancy Services (NABCONS) / Warehousing Development Regulatory Authority (WDRA). This extensive project involved a field survey of 2000 stakeholders across 12 states, aimed at evaluating the existing policy framework for eNWRs and addressing challenges faced by different stakeholders. Recommendations were provided to promote e-NWR based pledge financing.

Another project from the Food and Agriculture Organization (FAO) on "Scaling climate finance for agri-food systems in India under Article 6 of the UNFCCC Paris Agreement" also required field surveys and stakeholder consultations to study low emission pathways in the agriculture sector in India.

NICR also received an individual consultancy project from the Government of Maharashtra, funded by the World Bank.

In FY 2023-24, NICR continued its education program by offering online self-learning mode certification courses in English and Hindi. These courses are available in digital form with an online test assessment partner. NICR also continued its partnership with NSE Academy Limited (NAL) to host commodity certification courses, thereby enhancing the credibility and reach of its educational offerings. NAL shares revenues for each certificate issued.

Additionally, NICR offered an offline on-campus course to Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM), Pune, delivering a 30-hour onsite course on derivatives for its MBA students, thus expanding its reach and contributing to the professional development of future business leaders.

To promote financial literacy and awareness about commodity derivatives and fundamental factors affecting demand and supply, NICR continued to produce research reports covering various commodities at different frequencies. These reports included monthly commodity reports covering fundamentals of various exchange-traded commodities, fortnightly reports for 14 commodities covering fundamentals over the fortnight, a monsoon report on a weekly basis during the monsoon season, and a daily commodity performance report providing insights into the performances of commodities traded on NCDEX and other exchanges, as well as equity indices.

During the FY 2023-24, NICR explored new potential areas to offer its services and collaborated with the National Skill Development Corporation (NSDC) / Agriculture Skill Council of India (ASCI) to provide training to 10,000 students and 1,000 CBBOs/FPOs under Pradhan Mantri Kaushal Vikas

Yojana (PMKVY 4.0). Despite operational challenges and very limited time to implement, NICR managed to train 106 students and FPOs.

NICR took another initiative during the year by organizing single commodity conferences. With the help of sponsorships, NICR organized three conferences: the Global Turmeric Conference, Guar International Conference, and Maize & Millet Summit. These successful events fostered collaboration and knowledge exchange within the agricultural commodities sector, addressing challenges and exploring innovative solutions to enhance competitiveness and sustainability.

NICR's social media presence expanded to reach over 5,000 followers on platforms like LinkedIn and Twitter, indicating growing interest in its activities and efforts to engage with a wider audience interested in commodity markets, research, and related topics. This enhanced online presence increases NICR's visibility, credibility, and brand recognition, opening up opportunities for collaboration, knowledge exchange, and networking.

NICR's commitment to building on NCDEX's reputation and providing valuable education, research and consultancy services underscores its dedication to advancing knowledge and understanding in the commodities ecosystem. Leveraging its expertise and insights, NICR will continue to play a pivotal role in offering its services to market participants, stakeholders, and students around emerging trends, risks, and opportunities in commodity markets.

Rashtriya e Market Services Private Limited ('ReMS')

ReMSL in order to eliminate the hitherto existing opaque and fraudulent trade practices under the open cry auctions in the Regulated Agricultural markets of Karnataka, introduced electronic online trading platform, namely, the Unified Market Platform, in the agri-markets of the state in the year 2014. This innovation facilitated competitive price discovery and transparent trading in the sale of agricultural commodities of farmers. Electronic trading resulted in manifold improvement in the efficiency of trading-operations in the markets, facilitating sale of large number of lots in a day. Elimination of malpractices and competitive price discovery benefitted the farmers. The platform also facilitated Traders to access information on the variety, quantity of commodities that are available for sale at various markets in the state & prices; as also in quoting their best prices online, from any place.

The 'International Innovations award' was given to the ReMS-Model under the category of Innovation in Public Service Management & also bagged the overall award, from the Commonwealth Association of Public Administration and Management (CAPAM). ReMS is also the recipient of the 'Indian Agribusiness Award'.

The success of this "Karnataka Model" in the state, led to replicating the Model by the Government of India and implementing it at National level in the form of e-NAM (e-National Agricultural Market).

During the FY 2023-24, a quantity of 31.07 Lakhs metric tonnes of commodities valued at ₹ 28,088 Crores were transacted on the Unified Market Platform. Revenue from operations increased by 55 % in FY 2023-24 from ₹ 1.90 Crore to ₹ 2.94 Crores as compared to the previous FY 2022-23.

Way forward, ReMSL is contemplating to undertake digital trading of commodities produced by the units of Pradhan Mantri Formalization of Micro Food Processing Enterprises Scheme (PMFME) through store fronts and direct marketing to consumers, procurement of commodities under Minimum Support Price (MSP).

Meta Materials Circular Markets Private Limited (MMCM)

MMCM was incorporated on July 08, 2022 and is a 50:50 Joint Venture between NeML and MTC Group. Being part of NeML, which is a subsidiary of NCDEX, NCDEX sought an approval from SEBI and the same was received on July 20, 2023. Post receipt of approval both the investee companies, NeML and MTC Venture Private Limited, had contributed the committed funds and the operations of the company began in August 2023. MMCM is dedicated to creating digital ecosystems anchored in the core principles of the circular economy.

In December 2023, MMCM celebrated a momentous occasion with the official launch of DigiELV, a Ministry of Road Transport and Highways (MoRTH) authorized End of Life Vehicle Certificate of Deposit (CD) Trading platform, and Automotive Circularity Orchestrator, in the esteemed presence of Shri Nitin Gadkari Ji, Minister of Road Transport and Highways of India. Consumers can buy, sell, and utilize Certificate of Deposits to avail tax benefits under the Vehicle Scrappage Policy. The system was launched by Minister of Roads Transport and Highways, it is integrated with Vahan portal of Government of India and the Certificate of Deposit which is a benefit certificate given to End of Life Vehicle Owners while scrapping their vehicle in environment friendly Vehicle Scrapping facilities. The certificate carries upto 25% road tax rebate and 100% registration tax waiver.

During the financial year ended March 31, 2024, the total income of MMCM was ₹ 48.07 Lakhs and total Loss after tax was of ₹ 134.17 Lakhs.

DIRECTORS' REPORT (Contd.)

Power Exchange India Limited ('PXIL')

PXIL is one of the three power exchanges operating in the country, wherein buyers and sellers transact on PXIL's platform to meet their power trading requirement. In addition to trading of power, the PXIL platform is also utilized for trading in Renewable Energy Certificates ('RECs') and Energy Saving Certificates ('ESCert').

The trading in electricity on PXIL happens under two product categories: The first is the collective segment in which buyers and sellers submit their bids on a Day-Ahead basis for meeting next day's power requirements and in Real Time Market ('RTM') for meeting power requirement for half-hour (30-minute) duration an hour prior to delivery. The auctions are conducted separately at pre-defined time periods, Day Ahead Market ('DAM') is single auction conducted between 10:00 to 11:00 hours, whereas, in case of RTM 48 separate auctions are conducted during even time blocks of each hour. In case of DAM, separate prices are discovered for clearing conventional power, green power comprising of Solar, Wind, Hydro and other type of renewable sources and high price power comprising of imported coal, liquid fuel and Battery Energy Storage System. The second product category is the Term-Ahead segment, in which electricity is traded bilaterally between buyer(s) and seller(s) for different delivery periods. The Term-Ahead segment comprises six products, viz. 24*7 Intra-Day, Day-Ahead Contingency, Daily, Weekly, Monthly and Any Day Products for transacting in conventional power, green power and high price power for durations upto 90-days / 12-Weeks / 3-Months ahead.

In all Green transactions, purchase of Renewable energy enables buyer to meet Renewable Purchase Obligation ('RPO') of the year. In FY 2023-24, against market size of 120.8 Billion Units ('BUs'), the volume traded on PXIL was 9.2 BU providing a market share of 7.6%, during the year PXIL market volume decreased marginally by nearly 3.2% from 9,5 BU in FY 2022-23.

In REC segment, CERC vide Order dated 08.10.2023 increased trading session from one to two during each calendar month, the sessions are held on 2nd Wednesday and last Wednesday of the month. During the year, nearly 39.85 Lakhs RECs were transacted at PXIL providing for market share of 34% when compared to transaction volume of 19.95 Lakhs providing market share of 28% in FY 2022-23.

Similarly, in ESCert segment, nearly 2.03 Lakhs ESCert were transacted providing market share of 18% during the year.

Hon'ble CERC notified implementation of CERC (Power Market) Regulation 2021 from August 15, 2021. Regulation 15 of PMR 21 prescribes ownership structure of power exchange. Vide Order dated 20.11.2023, CERC has granted additional time till 30.09.2024 to meet prescribed shareholding norms.

DISCLOSURE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Exchange has in place a "Policy on Prevention of Sexual Harassment" in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013. The disclosures required to be given under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as follows:

1	Number of complaints of sexual harassment received in the year	Nil
2	Number of complaints disposed off during the year	Nil
3	Number of cases pending for more than 90 days	Nil
4	Nature of action taken by the employer	Nil

VIGIL MECHANISHM

Pursuant to the provisions of Listing Regulations, 2015, the Companies Act, 2013 and the principles of good governance, the Exchange has devised and implemented a vigil mechanism, in the form of "Whistle Blower Policy". The purpose of Whistle Blower Policy is to allow the Employees, Directors and/or others associated with the Exchange to freely communicate their concerns about illegal or unethical practices and to raise concerns about unacceptable and improper practices being followed in the organization.

The Whistle Blower Policy is available on the website of the Exchange at https://ncdex.com/about/disclosures

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY AND THE DATE OF THE REPORT

The Board of Directors of the Exchange (pursuant to resolution dated May 10, 2024) and the shareholders of the Exchange (pursuant to their resolution dated June 12, 2024), authorized the Exchange to offer and issue by way of preferential issue/private placement of 1,89,76,358 equity shares of face value of ₹ 10/- (Rupees Ten only) at a premium of ₹150.6 (Rupees One Hundred Fifty point Sixty Paise Only) aggregating to ₹3,04,76,03,095 (Rupees Three

Hundred and Four Crore Seventy Six Lakhs Three Thousand and Ninety-Five Only) which shall be raised either in full or in tranches from identified entities, subject to their application, who are the Shareholders of the Exchange.

DETAILS OF SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURT OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year, no significant and material order was passed by the regulator or court or tribunals impacting the going concern status and the Exchange operations in future.

ALTERATION TO THE ARTICLES OF ASSOCIATION OF THE EXCHANGE

During the FY 2023-24, the Board of the Exchange at its meeting held on May 23, 2023 amended its Articles of Association (AOA) to ensure that the AOA are in conformity with the provisions of SECC Regulations, 2018, subject to the approval of SEBI. SEBI vide its letter dated December 13, 2023 accorded its approval to the proposed amendments to the AOA.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Exchange has maintained adequate internal financial controls over financial reporting. These controls include:

i) recording of transactions in a manner that facilitates preparation of financial statements as per the Indian Accounting Standards (Ind ASs),

ii) maintaining records that in reasonable detail, fairly and accurately reflect the transactions of the Exchange,

iii) ensuring that all expenditure and income are as per approval of the management,

iv) providing reasonable assurance regarding prevention and timely detection of unauthorized acquisition, use or disposition of Company's assets that could have material impact on the financial statements of the Exchange.

These financial controls were operating effectively as of March 31, 2024.

RESOURCES COMMITTED TOWARDS STRENTHENING REGULATORY FUNCTIONS AND TOWARDS ENSURING COMPLIANCE WITH REGULATORY REQUIREMENTS

The Exchange being a recognized stock exchange is governed by SEBI. SEBI from time to time has issued various regulations and guidelines applicable to the Exchange. The Exchange ensures compliances with the same and aims to remain at the forefront by creating a precedent for others to follow, in terms of compliance by implementing the best governance practices and disclosures.

The Regulatory departments of the Exchange comprised of functions and sub functions details of which are given below. These functions are responsible to undertake various aspects of regulatory compliances.

Each Regulatory department is headed by a senior official of the Exchange, reporting to the Managing Director & Chief Executive Officer, who further reports to Board of Directors. The total salary paid to the employees who have worked in the Regulatory departments fully/partially during FY 2023-24 was ₹ 11,77,55,774/-. The employee count in Regulatory departments closing March 31, 2024 was as under-

Department	Employee Count
Regulatory Group I	
Membership/IPF/SEBI Inspection	9
Member Inspection/Enforcement/Internal Audit	14
Compliance/ Investor Services Cell	9
Sub-Total 1	**32**
Regulatory Group II -Enterprise Risk, Surveillance & Investigation	
Market Intelligence	5
Surveillance/ Warehouse Audit/ Member Tech	11
Investigation	4
Spot polling	4
Enterprise Risk Management/Information Security	6
Sub-Total 2	**30**
Grand Total	**62**

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

Neither an application was made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the FY 2023-24.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Not Applicable

DIRECTORS' REPORT (Contd.)

DETAILS OF AGREEMENTS SPECIFIED IN CLAUSE 5A OF PARA A OF PART A OF SCHEDULE III OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

There are no such agreements.

STATUTORY DISCLOSURES

As per the Companies (Accounts) Rules, 2014, the details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

Conservation of Energy

The Exchange has initiated various measures for conserving energy. Out of these measures, migration of Data Centre and installing digital Uninterrupted Power Supply ('UPS') which were taken up in the previous years have helped in sustaining continuation of energy conservation. The other ongoing measures for conserving energy undertaken by the Exchange include reduction of contract demand charges, regular servicing, periodic maintenance of all electrical equipment and prompt switching off of equipment when not required.

Technology Absorption

Resiliency and Uptime

The Exchange takes pride to announce that the uptime of the Trading system was 100%, and there were no instances of any outages during the year.

The Exchanges ensured to provide a smooth and glitch free trading environment to the members despite multiple updates and upgrades to the system.

Further Strengthening of BCP / DR capabilities

The Exchange has further optimized its process and failover mechanism to be able and successfully start the trading system from the Disaster Recovery Site within 10 minutes of the declaration of 'Disaster and resume all other critical systems from Disaster Recovery Site within 30 minutes. The Exchange takes pride in having one of the lowest RTO amongst the MIIs.

Leveraging Technology for internal efficiencies, robotic process automations and cost optimizations

As a part of improving operational efficiencies, the Exchange has successfully achieved the following:

- Preparation for Mocks are done via mock installers instead of manual configuration changes. This has helped to reduce errors and increase efficiency. There has been an overall reduction in mock readiness time from 2 hours to 20 minutes.
- Leveraging Robotic Process Automation (RPA), server login access activity is being monitored real time, using predetermined criteria to identify instances of access to production servers during trading hours. When such access is identified, the application generates automated alerts and notifications, which are immediately forwarded to designated stakeholders. This automated alerting system ensures prompt awareness of any unauthorized or unusual server access during trading hours.
- An automated call tree mechanism is implemented for convening the relevant stakeholders for BCP-DR invocations via automated phone call with a calendar invite, thus reducing the communication time during the crisis situation.
- Automated release management was implemented via Jenkins CI/CD (a release management tool). This has helped to streamline the entire development/release process from lower environments to production. This also ensures consistency and reliability in each level of the release pipeline by automating code compilation and release build. This not only saves time, but also improves the quality of releases by reducing manual interventions.

Launch of Automated Commodity Watch System (ACWS)

The Automated Commodity Watch System (ACWS) was built to automate the process of Surveillance department who used to manually prepare an excel sheet on daily basis generated using the data extracted from various sources which included all online and offline alerts along with manual calculations.

The objective of the ACWS is to give suitable indicators for the detection of potential illegal or improper activity to protect investor confidence and to enhance integrity of the commodity market and its players. This system also incorporates the remarks for closure of each alert and provides a dashboard of all open, closed and in-progress alerts. These alerts assist the Exchange in keeping effective surveillance on the market to bring in enhanced transparency and fairness in the market.

ACWS is a secure and scalable web based application with clean and pragmatic design. It is built with enhanced security, reliable performance and responsive web design using open-source tools like Django web framework in Python and PostgreSQL with reduced licensing costs and offering flexibility in customization and enhancement.

Industry Awards and Accolades

Various Digital Transformation initiatives implemented by the Exchange has been very well recognized by the Tech Industry and the Exchange has received many prestigious technology awards in the last financial year:

- CIO 100 2023 Award by IDC India
- CIO Power list 2023 by Core Media
- Leading CIOs of India by CII
- Best Cloud Native Platform of the Year by Quantic Media
- Analytics and BIG Data Award by Express Computer

Foreign Exchange Earnings and Outgo

During the FY 2023-24, there has been a foreign exchange inflow to the extent of ₹ 444 Lakhs. There has been foreign exchange outgo to the extent of ₹ 645 Lakhs on account of technology expenses, professional and consultation fees, and other expenses.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Sections 134(3) and 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

a. that in the preparation of accounts for the FY ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. that the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Exchange at the end of the FY and of the loss of the Exchange for that period;

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Exchange and for preventing and detecting fraud and other irregularities;

d. that the Directors have prepared the accounts for the FY ended March 31, 2024 on a 'going concern' basis.

e. that the Directors have laid down internal financial controls to be followed by the Exchange and that such internal financial controls are adequate and operating effectively.

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

ACKNOWLEDGEMENTS

Your Directors express their gratitude for the support and advice received from SEBI, the Ministry of Finance and other ministries of the Government of India and various State Governments. The Directors also acknowledge the immense contribution made by the employees of the Exchange.

The Directors also acknowledge the service provided by software and hardware service providers, bankers to the Exchange, clearing and settlement banks, warehouse service providers, members and clients, grading and assaying agencies, the media both print and visual and all other service providers the Exchange has been working with.

By order of the Board of Directors

Arun Raste	**Ashish Bahuguna**
Managing Director &	Chairman
Chief Executive Officer	DIN: 02224776
DIN: 08561128	

Place: Mumbai
Date: August 08, 2024

ANNEXURE 1

FORM NO MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the Financial Year Ended March 31, 2024

To,
The Members,
National Commodity & Derivatives Exchange Limited
First Floor, Ackruti Corporate Park,
L. B. S. Marg, Kanjurmarg West, Mumbai-400078.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED** (hereinafter called as the 'Company') having (**CIN: U51909MH2003PLC140116**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on the verification and examination of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended March 31, 2024 (hereinafter called as the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company **for the financial year ended March 31, 2024** according to the provisions of:

The Companies Act, 2013 ('the Act') and the rules made thereunder;

(i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; **(Not Applicable to the Company during the Audit Period)**

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company during the Audit Period)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

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

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

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter "SECC Regulations, 2018").

ANNEXURE 1 (Contd.)

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with SECC Regulations, specific law applicable to the Company:

We further report that during the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that during the Audit period it was observed that SEBI had vide its letter dated May 23, 2019 directed the Company to freeze voting rights and restrict entitlement to any corporate benefits, including dividend over and above 5% of the paid-up capital of the Company, of two Members namely Indian Farmers Fertiliser Cooperative Limited ('IFFCO') and Oman India Joint Investment Fund ('OIJIF'), till compliance with SECC Regulations, 2018 or a period of nine (9) months from May 05, 2019. Thereafter, SEBI vide its letter dated February 05, 2020, further extended the timeline for compliance to August 03, 2020. Subsequently, SEBI vide its email dated June 09, 2020,further extended the timelines for compliance till the Initial Public Offering of the Company takes place or in case the said two Members are not able to offload their shareholding through Offer for Sale in IPO, an additional time of three months' had been accorded by SEBI to the two Members for complying with the SECC Regulations, 2018, with the condition that the other directions issued shall remain in force till compliance of SECC Regulations, 2018. Thereafter, SEBI vide its email dated April 19, 2021, further extended the timelines to comply with shareholding requirement as per SECC Regulations, 2018, till April 08, 2022 for one Member and till December 31, 2021 for another Member, with the condition that other directions issued with respect to the excess shareholding will remain in force till compliance with the SECC Regulations, 2018. Thereafter, SEBI vide its email dated December 14, 2021 and February 10, 2022 had further extended the timelines to comply with shareholding requirement as per SECC Regulations, 2018 till December 31, 2022 for both the members. Thereafter, SEBI vide its email dated January 20, 2023 further extended the timelines to comply with shareholding requirement as per SECC Regulations till December 31, 2023. Thereafter, SEBI vide its email dated February 14, 2024 has further extended the timelines to comply with shareholding requirement as per SECC Regulations till December 31, 2024.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors of the Company during the Audit Period were in accordance with the provisions of the Act, SECC Regulations and SEBI Listing Regulations.

Adequate notice was given to all directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, the Company has taken shorter notice consent from the Members of the Board / Committees and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried through either unanimously or on the basis of majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were following specific events or actions which have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. In order to align the Articles of Association (AOA) with amendments in Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2023, the amendments in AOA of the Company was approved by the Board at its meeting held on May 26, 2023 subject to approval of SEBI. Further, SEBI vide its letter dated December 23, 2023 approved the amendments in AOA of the Company.
2. Completion of Stake sale of 8.71% in NCDEX e-Markets Limited, subsidiary company to National Commodity Clearing Limited, wholly owned subsidiary company.
3. Completion of Stake sale of 1.13% in Power Exchange India Limited, Associate Company to Banyan Tree India Growth Capital Fund Structured Equity Scheme pursuant to stake sale of 5% approved by the Board of the Company at its meeting held on November 10, 2023.

For **RAGINI CHOKSHI & CO.**

Umashankar Hegde
(Partner)
M.No: A22133 #CP No: 11161
UDIN : - A022133F000451969
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No: 659/2020

Place: Mumbai
Date: May 27, 2024

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

ANNEXURE 1 (Contd.)

'Annexure A'

To,
The Members
National Commodity & Derivatives Exchange Limited
CIN: U51909MH2003PLC140116

Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RAGINI CHOKSHI & CO.**

Umashankar Hegde
(Partner)
M.No: A22133 #CP No: 11161
UDIN : - A022133F000451969
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No: 659/2020

Place: Mumbai
Date: May 27, 2024

ANNEXURE 2

FORM NO MR-3

SECRETARIAL AUDIT REPORT

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

For the Period 01-04-2023 to 31-03-2024

To,
Members,
NCDEX E MARKETS LIMITED
Unit No.101 & 101 T, First Floor,
Ackruti Corporate Park, L.B.S Marg,
Next to GE Garden, Kanjurmarg (W), Mumbai-400079

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices **NCDEX E MARKETS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering April 01, 2023 to March 31, 2024 (''The Reporting Period'') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period April 01, 2023 to March 31, 2024 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; **(Not Applicable to the Company during the period under review)**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(Not Applicable to the Company during the period under review)**

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009;

   d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations,2014 & Securities And Exchange Board Of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021

   e. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

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

(ii) SEBI (Listing obligation and Disclosures Requirements) Regulations, 2015. **(to the extent applicable)**

We further report that having regard to the compliance system prevailing in the Company and on perusal of the

ANNEXURE 2 (Contd.)

relevant documents and records in pursuance thereof on test check basis and on the basis of representation made, the company has generally complied with the following laws applicable specifically to the Company;

- Rules, Regulations, circulars, directives, conditions and guidelines applicable to the Company and issued by following State Agricultural Produce Marketing Act with which the Company is registered.
  1) Maharashtra
  2) Karnataka
  3) Gujarat (until November 16, 2023)
  4) Andhra Pradesh (until November 06, 2023)
  5) Himachal Pradesh
  6) Telangana.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has following specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

1) Resignation of Ms. Archana Tripathi as a Company Secretary w.e.f. July 21, 2023 and appointment of Ms. Akshata Vengurlekar as a Company Secretary w.e.f July 21, 2023.
2) Resignation of Mr. Mrugank Paranjape as a Managing Director of the Company w.e.f August 10, 2023.
3) Resignation of Mr. Somashekar Yaligar as a Chief Financial Officer of the Company w.e.f August 14, 2023.
4) Appointment of Mr. Shailesh Chitre as a Chief Executive Officer of the Company w.e.f August 11, 2023.
5) Appointment of Mr. Dhawal Shah as a Chief Financial Officer of the Company w.e.f August 16, 2023.
6) Resignation of Mr. Dhawal Shah as a Chief Financial Officer w.e.f October 31, 2023 and Appointment of Mr. Krishna Kumar Daga as Chief Financial Officer in his place w.e.f November 01, 2023
7) Approval of Related Party Transactions.
8) Cessation of Mr. Venugopal Nayar Bhaskaran as a Director w.e.f January 12, 2024 .
9) Appointment of Mr. Rakesh Kapur as an Additional Non-Executive Director and further his appointment as Chairman of the Board w.e.f January 23, 2024.

For **RAGINI CHOKSHI & CO.**

Umashankar Hegde
(Partner)
M.No: A22133 #CP No: 11161
UDIN : A022133F000383802

Place: Mumbai — ICSI Unique Code: P1988MH05 6900
Date: May 16, 2024 — Peer Review Certificate No: 659/2020

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

ANNEXURE 2 (Contd.)

'Annexure A'

To,
Members,
NCDEX E MARKETS LIMITED
Unit No.101 & 101 T, First Floor,
Ackruti Corporate Park, L.B.S Marg,
Next to GE Garden, Kanjurmarg (W), Mumbai-400079

Our Report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **RAGINI CHOKSHI & CO.**

Umashankar Hegde
(Partner)
M.No: A22133 #CP No: 11161
UDIN : A022133F000383802
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No: 659/2020

Place: Mumbai
Date: May 16, 2024

ANNEXURE 2 (Contd.)

FORM NO MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the Financial Year Ended March 31, 2024

To,
The Members,
National Commodity Clearing Limited
First Floor, Ackruti Corporate Park,
L. B. S. Marg, Kanjurmarg West, Mumbai - 400078.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NATIONAL COMMODITY CLEARING LIMITED** (hereinafter called as the 'Company') having (CIN: U74992MH2006PLC163550). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on the verification and examination of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended March 31, 2024 (hereinafter called as the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company **for the financial year ended March 31, 2024** according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; **(Not Applicable to the Company for the Audit Period as there is no FDI or ODI or ECB during the Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company for the Audit Period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company for the Audit Period)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company for the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company for the Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; **(Not applicable as the Company has not issued any non-convertible securities during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Audit Period)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable as the Company has not delisted its equity shares from any stock exchange during the Audit Period)**

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable as the Company has not bought back any of its securities during the Audit Period)**

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

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

ANNEXURE 2 (Contd.)

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") [to the extent applicable as a Recognized Clearing Corporation pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018].

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following laws applicable specifically to the Company:

- Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. ('The SECC Regulations, 2018') and the circulars/guidelines issued thereunder;

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors of the Company during the Audit Period were in accordance with the provisions of the Companies Act, 2013, SECC Regulations, 2018 and SEBI Listing Regulations, 2015

Adequate notice was given to all directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, the Company has taken shorter notice consent from the Members of the Board / Committees and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried through either unanimously or on the basis of majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were following specific events or actions which have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

1. Re-appointment of Mr. Bhaskaran Nayar Venugopal as a Non-Independent Director of the Company w.e.f. September 06, 2023. Further, Mr. Bhaskaran Nayar Venugopal ceased to be Non-Independent Director w.e.f January 12, 2024.
2. Appointment of Mr. Kumbla Srinivas Nayak as a Public Interest Director of the Company w.e.f August 25, 2023.
3. Resignation of Mr. Arun Raste as a Non-Independent Director of the Company w.e.f September 18, 2023.
4. Investment in 31,00,000 equity shares constituting 8.71% of its paid-up capital of NCDEX E-MARKETS LIMITED (a fellow subsidiary) by way of acquisition from the Holding Company namely National Commodity & Derivatives Exchange Limited.
5. Appointment of Mr.Abhishek Soni as a Chief Risk Officer (Key Management Personnel under SECC Regulations, 2018) of the Company w.e.f August 16, 2023 for a period of 5 years
6. Alteration to Articles of Association for confirming with the requirements of provisions of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulations, 2023, the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Second Amendment) Regulations, 2021 and the provisions of the Companies Act, 2013.
7. Cessation of Ms. Praveena Kala as Public Interest Director w.e.f November 02, 2023
8. Appointment of Mr. Bharat Sampat as Public Interest Director of the Company w.e.f March 19, 2024.
9. Appointment of Ms. Seema Nayak as Non-Independent Director of the Company w.e.f March 19, 2024.
10. The members of the Company at their 17th Annual General Meeting held on August 08, 2023 have approved the re-appointment of M/s Khandelwal Jain & Co, Chartered Accountants (Firm Regn No- 105049W) as the Statutory Auditor of the Company for a second term of five years to hold office from the conclusion of 17th Annual General Meeting till conclusion of 22nd Annual General Meeting of the Company.

For **RAGINI CHOKSHI & CO.**

Umashankar Hegde
(Partner)
M.No: A22133 #CP No: 11161
UDIN : A022133F000339978
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No: 659/2020

Place: Mumbai
Date: May 09, 2024

ANNEXURE 2 (Contd.)

Annexure to Secretarial Audit Report

To,
The Members
National Commodity Clearing Limited
CIN: U74992MH2006PLC163550

Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **RAGINI CHOKSHI & CO.**

Umashankar Hegde
(Partner)
M.No: A22133 #CP No: 11161
UDIN : A022133F000339978
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No: 659/2020

Place: Mumbai
Date: May 09, 2024

ANNEXURE 2 (Contd.)

FORM NO MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]
For the Financial Year Ended March 31, 2024

To,
The Members,
NATIONAL E-REPOSITORY LIMITED
First Floor, Ackruti Corporate Park,
L. B. S. Marg,Kanjurmarg West, Mumbai - 400078.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NATIONAL E-REPOSITORY LIMITED** (hereinafter called as the 'Company') having (CIN- U93090MH2017PLC291035). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended March 31, 2024 (hereinafter called as the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company **for the financial year ended March 31, 2024** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not Applicable to the Company for the Audit Period)**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not Applicable to the Company for the Audit Period)**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings; **(Not Applicable to the Company for the Audit Period as there is no FDI or ODI or ECB during the Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;**(Not Applicable to the Company for the Audit Period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;**(Not Applicable to the Company for the Audit Period)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018;**(Not Applicable to the Company for the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;**(Not Applicable to the Company for the Audit Period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Debt Securities) Regulations,2021; **(Not applicable as the Company has not issued any debt securities during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Audit Period)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company is not listed on any stock exchange during the Audit Period)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable as the Company has not bought back any of its securities during the Audit Period)**

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

ANNEXURE 2 (Contd.)

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

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Not Applicable)

We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following laws applicable specifically to the Company:

a) Guidelines issued by Warehousing Development & Regulatory Authority ("WDRA") on Corporate Governance for Repositories dated April 23, 2019 ('WDRA Corporate Governance Guidelines').

b) Guidelines on Repositories and Creation and Management of electronic Negotiable Warehouse Receipts issued thereunder to the extent applicable concerning the governance, administration and shareholding of the repository.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes that took place in the composition of the Board of Directors during the Audit Period was in accordance with the Act, Rules and Guidelines issued thereunder.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, the Company has taken shorter notice consent from the Members of the Board and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried through either unanimously or on the basis of majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were following specific events or actions which have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

1) Resignation of Mr. Atul Roongta as a Chief Financial Officer

2) Appointment of Mrs. Kalyani Mundada as a Chief Financial Officer

3) Appointment of Mr. Saurabh Khanna as Managing Director & Chief Executive Officer for 5 years.

4) Re-appointment of Mr. Arun Raste as a Nominee Director representing NCDEX.

5) Cessation of Mr. Rajay Sinha as a Nominee Director representing State Bank of India.

6) Cessation of Mr. Raghunath Balgangadharan as a Nominee Director representing NABARD.

7) Appointment of Mr. Samir Sawhney as a Nominee Director representing State Bank of India.

For **RAGINI CHOKSHI & CO.**
Company Secretary

Umashankar Hegde
(Partner)
M.No: A22133 #CP No: 11161
UDIN:A022133F000662982

Place: Mumbai
Date: July 03, 2024

ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No: 659/2020

ANNEXURE 2 (Contd.)

Annexure to Secretarial Audit Report

To,
The Members,
NATIONAL E-REPOSITORY LIMITED
First Floor, Ackruti Corporate Park,
L. B. S. Marg,Kanjurmarg West, Mumbai - 400078.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

For **RAGINI CHOKSHI & CO.**

Umashankar Hegde
(Partner)
M.No: A22133 #CP No: 11161
UDIN:A022133F000662982
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No: 659/2020

Place: Mumbai
Date: July 03, 2024

ANNEXURE 3

INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No	Employee's Name	Designation	Remuneration received in FY 2023-24 (Amount in ₹)	Nature of employment	Qualifications	Total Experience as on March 31, 2024	Date of commencement of employment	Age (Yrs)	Name of the previous employer
1	Mr. Arun Raste @	Managing Director & CEO	19,222,515	Full Time	MA (Economics), PDCJ (Comm.& Journalism), PGDM (Marketing)	39 Years	June 07, 2021	62	National Dairy Development Board
2	Mr. Atul Roongta @ $	Chief Financial Officer	18,293,185	Full Time	CA, B.Com	30 Years	July 3, 2017	53	Boi Axa Investment Managers Private Limited
3	Ms. Seema Nayak @ $	Chief Compliance Officer	10,746,933	Full Time	MBA (Marketing)	24 years	October 10, 2016	49	National Stock Exchange of India Limited
4	Mr. Viral Davda @ $	Chief Technology Officer	9,995,213	Full Time	PGDIT, B.Com	21 years	December 29, 2008	44	Datamatics Limited
5	Mr. Kapil Dev @ $	Chief Business Officer	7,904,588	Full Time	MBA (Agri. Business)	17 years	May 19, 2018	39	Glencore Ltd
6	Mr. Avinash Mohan @ $	Chief - Enterprise Risk, Surveillance & Investigation	7,788,135	Full Time	MMS, B.Com	24 years	May 17, 2005	46	National Stock Exchange of India Limited
7	Mr. Hitesh Savla @ $	Chief - Trading Operation and Customer Services	7,742,344	Full Time	CA, B.Com	26 years	April 25, 2005	46	BSE Limited
8	Ms. Aditi Mukherjee @ $	Chief People Officer	7,174,974	Full Time	PGDBM, EPHRM, B.Sc.	24 years	September 18, 2019	49	Tata Steel Limited
9	Mr. Sanjay Jain @	Senior Vice President - Enterprise Risk Management / Information Security	6,594,109	Full Time	B.E (Electronics Engineering)	24 years	August 05, 2021	48	Reserve Bank Information Technology Pvt ltd
10	Mr. Pritesh Kumar Ashar	Senior Vice President - Quality Assurance /Audit	4,685,655	Full Time	PGDBA (Systems & Finance)	23 years	June 4, 2015	45	Viteos Capital Market Services Limited

Notes:

A. The above mentioned remuneration is inclusive of Salary as per Provisions contained in Section 17(1), Employer's contribution towards Provident Fund, Contribution towards National Pension Scheme ('NPS'), Reimbursements paid under Motor Car Expense policy of the Exchange + Taxable value of Perquisites, as applicable.

B. The above mentioned remuneration is exclusive of provisions or payment made towards Gratuity.

ANNEXURE 3 (Contd.)

C. All employees mentioned above are Key Management Personnel under SECC Regulations, 2018 of SEBI. The remuneration of employees marked with '@' excludes 50% of their Variable Pay to be paid on a deferred basis after 3 years, as applicable. For employees marked with '$', remuneration received includes 50% variable pay pertaining to FY 2019-20 along with accrued interest on withheld Performance Based Incentive/Variable Pay.

D. As on March 31, 2024, there were 205 employees on the rolls of the Company.

E. None of the employees mentioned above are related to any of the Directors of the Exchange.

F. None of the employees mentioned above is holding equity shares in the Exchange within the meaning of Rule 5 (2) (iii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

INFORMATION REQUIRED UNDER REGULATION 27 (5) & (6) OF SECC REGULATIONS, 2018, FOR THE PERIOD FROM APRIL 01, 2023 TO MARCH 31, 2024

Sr. No	Employee's Name	Designation	Remuneration received in FY 2023-24	Ratio of the Compensation of Key Management Personnel to median Compensation (x)
1	Mr. Arun Raste	Managing Director & CEO	1,92,22,515	24.26
2	Mr. Atul Roongta	Chief Financial Officer	1,82,93,185	23.09
3	Ms. Seema Nayak	Chief Compliance Officer	1,07,46,933	13.56
4	Mr. Viral Davda	Chief Technology Officer	99,95,213	12.61
5	Mr. Kapil Dev	Chief Business Officer	79,04,588	9.98
6	Mr. Avinash Mohan	Chief - Enterprise Risk, Surveillance & Investigation	77,88,135	9.83
7	Mr. Hitesh Savla	Chief - Trading Operation and Customer Services	77,42,344	9.77
8	Ms. Aditi Mukherjee	Chief People Officer	71,74,974	9.05
9	Mr. Sanjay Jain	Senior Vice President & Chief Information Security Officer	65,94,109	8.32
10	Mr. Hoshi Bhagwagar	Senior Vice President & Company Secretary	46,29,239	5.84
11	*Mr. Aleen Mukherjee	Executive Vice President & Head – Farmer Producer Organization	26,88,753	3.39

*Mr. Aleen Mukherjee, Executive Vice President & Head - Farmer Producer Organisation (FPO) has ceased to be the KMP of the Exchange pursuant to his resignation with effect from close of business hours on August 28, 2023.

ANNEXURE 4

INFORMATION REQUIRED TO BE FURNISHED PURSUANT TO RULE 17 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957

RULE 17 (1)(a) CHANGES IN RULES AND BYE-LAWS

The amended Exchange Bye Laws (2022-2023) have been uploaded on the Exchange website pursuant to publication in the Central Gazette of India and Maharashtra State Gazette.

The periodic exercise of reviewing and amending the Exchange Bye Laws (2023-2024) has been initiated in line with SEBI circulars/ guidelines.

On necessary approvals, the Notification for the approved proposed amendments to Rules and Bye Laws shall be published in the Central and State Gazette in Part IV Weekly Gazette and Part Two (Sankirna) Weekly Gazette respectively, inviting public comments within a specific period of time. Post the above publication, a circular shall be issued, notifying of such pre-publication, thereby inviting public comments within a period of 15 days from the date of issuance of the said circular. The said amendments shall be finally published in the Central and State Gazette, after due Regulatory approval.

RULE 17 (1)(b) CHANGES IN THE COMPOSITION OF THE GOVERNING BODY

The Directors who were appointed during the year are as under:

Sr. No.	Name of the Director	Designation	Date of appointment
1.	Mr. Sanjeev Rohilla	Non-Independent Director	January 04, 2024
2.	Dr. Mukulita Vijayawargiya	Public Interest Director	February 09, 2024
3.	Mr. R. Doraiswamy	Non-Independent Director	March 21, 2024

The Directors who retired and resigned during the year are as under:

Sr. No.	Name of the Director	Designation	Date of Resignation/ Completion of Term
1.	Mr. Manikumar S.	Non-Independent Director	September 26, 2023
2.	Mr. Venkat Nageswar Chalasani	Public Interest Director	November 13, 2023
3.	Mr. B Venugopal	Non-Independent Director	January 10, 2024
4.	Dr. Purvi Mehta	Public Interest Director	January 10, 2024

RULE 17 (1)(c) SUB-COMMITTEES SET UP, CHANGES IN THE COMPOSITION OF EXISTING ONES

The following are the Committees of the Exchange as on March 31, 2024:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Risk Management Committee
4. Standing Committee on Technology
5. Public Interest Directors' Committee
6. Corporate Social Responsibility Committee
7. Regulatory Oversight Committee
8. Stakeholders Relationship Committee
9. Member and Core Settlement Guarantee Fund Committee
10. Advisory Committee
11. Business Strategy Committee
12. Capital Raising Committee
13. Farmer Engagement Group

ANNEXURE 4 (Contd.)

Changes in the composition of the Committee

1. Audit Committee*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Mr. Venkat Nageswar Chalasani	Mr. Ashish Bahuguna
2	Mr. Ashish Bahuguna	Mr. R. Amalorpavanathan
3	Mr. Rakesh Kapur	Mr. Rakesh Kapur

*re-constituted w.e.f. January 12, 2024

2. Nomination and Remuneration Committee*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Mr. R. Amalorpavanathan	Mr. R. Amalorpavanathan
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
4	Dr. Purvi Mehta	-

*re-constituted with effect from January 11, 2024

3. Risk Management Committee*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Dr. Purvi Mehta	Mr. Hemant Adarkar
2	Mr. Hemant Adarkar	Mr. Prem Kumar Malhotra
3	Mr. Prem Kumar Malhotra	Mr. Sanjeev Shukla
4	Mr. Venkat Nageswar Chalasani	-
5	Mr. Sanjeev Shukla	-

*re-constituted with effect from January 11, 2024

4. Standing Committee on Technology*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Mr. Hemant Adarkar	Mr. Hemant Adarkar
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. Venkat Nageswar Chalasani	Mr. Prem Kumar Malhotra
4	Mr. Anand Iyer	Mr. Anand Iyer
5	Mr. Dhananjaya Tambe	Mr. Dhananjaya Tambe
6	-	Ms. Mayurakshi Ray

*re-constituted w.e.f. January 12, 2024

5. Public Interest Directors' Committee*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
2	Mr. Hemant Adarkar	Mr. Hemant Adarkar
3	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
4	Dr. Purvi Mehta	Mr. R. Amalorpavanathan
5	Mr. R. Amalorpavanathan	Dr. Mukulita Vijayawargiya
6	Mr. Venkat Nageswar Chalasani	-

*re-constituted with effect from February 09, 2024

ANNEXURE 4 (Contd.)

6. Corporate Social Responsibility Committee*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Mr. Hemant Adarkar	Mr. Hemant Adarkar
2	Mr. Manikumar S.	Mr. Sanjeev Rohilla
3	Mr. Arun Raste	Mr. Arun Raste
4	-	-

*re-constituted with effect from February 09, 2024

7. Regulatory Oversight Committee*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
2	Mr. Hemant Adarkar	Mr. Hemant Adarkar
3	Dr. Purvi Mehta	Mr. Jayant Nalawade
4	Mr. Jayant Nalawade	-

*re-constituted with effect from January 11, 2024

8. Stakeholders Relationship Committee*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
2	Mr. Hemant Adarkar	Mr. Hemant Adarkar
3	Mr. Manikumar S.	Mr. Rakesh Kapur

*re-constituted with effect from December 11, 2023

9. Member and Core Settlement Guarantee Fund Committee*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. Venkat Nageswar Chalasani	Mr. Arun Raste
4	Mr. Arun Raste	-

*re-constituted with effect from November 14, 2023

10. Advisory Committee*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
2	Dr. Purvi Mehta	Mr. Pritam Kumar Patnaik - Axis Securities Limited
3	Mr. B. Venugopal	Mr. Suresh Arora - Share India Securities Limited
4	Mr. Kapil Mittal - Raghunandan Industries Private Limited	Mr. Kalpesh Rathi - Nine Star Broking Private Limited
5	Mr. Nitin Shahi - Findoc Investmart Private Limited	Mr. Amarsingh Deo - Angel One Limited
6	Mr. Pritam Kumar Patnaik - Axis Securities Limited	Mr. Sanil Kumar - Geojit Financial Services Limited
7	Mr. Suresh Arora - Share India Securities Limited	-
8	Mr. Kalpesh Rathi - Nine Star Broking Private Limited	-

*re-constituted with effect from February 09, 2024

ANNEXURE 4 (Contd.)

11. Business Strategy Committee*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Mr. Rakesh Kapur	Mr. Rakesh Kapur
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. R. Amalorpavanathan	Mr. R. Amalorpavanathan
4	Mr. B. Venugopal	Mr. Sanjeev Rohilla
5	Mr. Manikumar S.	Mr. Arun Raste
6	Mr. Arun Raste	-

*re-constituted with effect from February 09, 2024

12. Capital Raising Committee*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Mr. Ashish Bahuguna	Mr. Rakesh Kapur
2	Mr. Venkat Nageswar Chalasani	Mr. Sanjeev Rohilla
3	Mr. B. Venugopal	Mr. Ashish Bahuguna
4	Mr. Manikumar S.	Mr. Arun Raste
5	Mr. Rakesh Kapur	-
6	Mr. Arun Raste	-

*re-constituted with effect from February 09, 2024

13. Farmer Engagement Group*

Sr. No.	Members as on March 31, 2023	Members as on March 31, 2024
1	Mr. Manikumar S.	Mr. Sanjeev Rohilla
2	Mr. R. Amalorpavanathan	Mr. R. Amalorpavanathan
3	Dr. Purvi Mehta	Mr. Rakesh Kapur
4	Mr. Rakesh Kapur	Mr. Rohtash Mal
5	Mr. Rohtash Mal	Mr. Srinivas Rao
6	Mr. Srinivas Rao	Mr. Arun Raste
7	Mr. Arun Raste	-

*re-constituted with effect from February 09, 2024

RULE 17 (1)(d) ADMISSIONS, RE-ADMISSIONS, DEATHS OR RESIGNATIONS OF MEMBERS

Details for FY 2023-24 are given below:

	Total	Trading cum Clearing Member (TCM)	Trading Member (TM)	Strategic Trading cum Clearing Member (STCM)
Members as on March 31, 2023	309	121	182	6
Surrendered/ Suspend/Ceased during the year	60	13	47	0
New members added	1	1	0	0
Members as on March 31, 2024	250	103*	141*	6

*3 members converted from TM to TCM and 9 members converted from TCM to TM

ANNEXURE 4 (Contd.)

RULE 17 (1)(e) DETAILS OF DISCIPLINARY ACTION TAKEN AGAINST MEMBERS

The Exchange has imposed penalties and issued advisory and warnings to members as per the extant guidelines / circulars for the violation/ non-compliance observed and no other disciplinary actions (i.e expulsion and defaulter declaration) was taken in the given Financial year.

RULE 17 (1)(f) ARBITRATION OF DISPUTES (NATURE AND NUMBER) BETWEEN MEMBERS AND NON-MEMBERS

I) Status of Arbitration of cases for the year 2023-24:

1	**Type of cases – Arbitration**	
	1) Non-payment of dues by clients	
	2) Non refund of money by Member	
	3) Service Related	
	4) Unauthorized Trades related	
2	Number of cases referred in Arbitration	0
3	Number of Cases of non-payment of dues by clients	0
4	Number of Cases of non-refund of money by Member	0
5	Number of Service related disputes referred to Arbitration	0
6	Number of unauthorized trades related disputes referred to Arbitration	0
7	Number of Cases in which Award is passed in Arbitration	0
8	Number of Cases in which case is withdrawn before Award	0
9	Number of Cases in progress on March 31, 2024 in Arbitration	0

II) Status of Appellate Arbitration of cases for the year 2023-24:

1	**Type of cases – Appellate Arbitration**	
	1) Grievance in relation to Award passed in Arbitration	
2	Number of cases referred for Appellate arbitration	0
3	Number of Cases of Non-payment of dues by clients	0
4	Number of Cases of Non refund of money by Members	0
3	Number of Cases in which Award is passed	0
4	Number of Cases in which case is withdrawn before Award	0
5	Number of Cases in progress on March 31, 2024 in Appellate Arbitration	0

RULE 17 (1)(g) DEFAULTS COMMITTED BY MEMBERS

Physical Delivery Default:

Following are the instances of default in physical delivery obligation during the FY 2023-24:

Expiry Month	Symbol	Shortages	Unit
May-23	TMCFGRNZM	700	MT
Jul-23	GROUNDNUT	10	MT
Aug-23	DHANYA	10	MT
Sep-23	GUARSEED10	20	MT
Sep-23	COCUDAKL	1490	MT
Nov-23	JEERAUNJHA	3	MT
Feb-24	CASTOR	2355	MT
Mar-24	JEERAUNJHA	3	MT

MTM Settlement Default:

None of the members had defaulted in meeting their MTM settlements during the FY 2023-24.

ANNEXURE 4 (Contd.)

RULE 17 (1)(h) ACTION TAKEN TO COMBAT ANY EMERGENCY IN TRADE

There was no incident of any emergency in trade during the FY 2023-24.

RULE 17 (1)(i) SECURITIES LISTED AND DE-LISTED

Not Applicable

RULE 17 (1)(j) SECURITIES BROUGHT ON OR REMOVED FROM THE FORWARD LIST

As per the Indian Gazette notification no. CG-DL-E-01032024-252552 dated March 01, 2024, following commodities have been added for derivatives segment in the list of Securities Contract (Regulation) Act, 1956:

Sr. No.	Commodity	Sr. No.	Commodity
1.	Apple	10.	Cement
2.	Cashew	11.	Freight including Trucks, Railways, Waterways, Airways
3.	Garlic	12.	Palladium (including variants such as Coins, Bars, etc.)
4.	Skimmed Milk Powder	13.	Manganese
5.	White Butter	14.	Aluminium and Aluminium Alloys
6.	Weather	15.	Copper and Copper Alloys
7.	Processed Products of Timber	16.	Lead and Lead Alloys
8.	Processed Products of Bamboo	17.	Nickel and Nickel Alloys
9.	Bitumen	18.	Zinc and Zinc Alloys

ANNEXURE 5

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amount in Lakhs)

Name of the subsidiary	NCDEX e Markets Limited (Consolidated)	National Commodity Clearing Limited	National E-Repository Limited	NCDEX Institute of Commodity Markets and Research
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.	N.A.	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	N.A.
Share capital	3,560	12,275	8,100	207
Other Equity	2,768	13,839	(3,075)	(174)
Total Liabilities	10,468	16,217	1,155	21
Total Assets	16,796	42,331	6,180	55
Investments (including Fixed deposits)	11,612	39,618	3,264	-
Turnover (Revenue from operations)	4,508	1,063	858	84
Profit before taxation	405	136	(673)	(6)
Provision for taxation	156	92	(172)	-
Profit after taxation	249	44	(501)	(6)
Other Comprehensive Income	(16)	(12)	(9)	-
Total Comprehensive Income	233	33	(511)	(6)
Proposed Dividend	-	-	-	-
% of shareholding	91.02%	100%	67.22%	100%

Notes:

The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated or sold during the year: None

ANNEXURE 5 (Contd.)

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014, related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Power Exchange India Limited
1. Latest audited Balance Sheet date	March 31, 2024
2. Shares of Associate/Joint Ventures held by the Company on the year end	
No.	Equity shares - 1,93,39,872 Preference shares – NIL
Amount of Investment in Associates/Joint Venture	Equity shares – ₹193,398,720 Preference shares – NIL
Extent of Holding %	Equity shareholding - 33.08% Preference shareholding – NIL
3. Description of how there is significant influence	Significant influence is due to equity shareholding which is more than 20% of the total paid up share capital.
4. Reason why the associate/joint venture is not Consolidated	Not applicable - Consolidation as per Equity method as prescribed under Ind AS 28
5. Networth attributable to Shareholding as per latest audited Balance Sheet (Exchange Share of Net Worth)	₹ 3,040 Lakhs (Audited figure as on March 31, 2024)
6. Profit / Loss for the year	Audited figure as on March 31, 2024 Profit/Loss for the year after Tax is ₹ 2,210 Lakhs (Exchange's share of profit after tax is ₹ 756 Lakhs)
i. Considered in Consolidation	₹ 756 Lakhs (Exchange share of profit)
ii. Not Considered in Consolidation	NIL

1. Names of associates or joint ventures which are yet to commence operations: None
2. Names of associates or joint ventures which have been liquidated or sold during the year: None

By order of the Board of Directors

Arun Raste
Managing Director & Chief Executive Officer
DIN: 08561128

Ashish Bahuguna
Chairman
DIN: 02224776

Place: Mumbai
Date: August 08, 2024

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

India's Economy Thrives in 2023-24

India's GDP showed robust growth in 2023-24 based on recent data from the Ministry of Statistics and Programme Implementation (MoSPI). Real GDP, reflecting the actual volume of goods and services produced, grew by an estimated 8.2% compared to 7.0% the prior year. Nominal GDP, which factors in inflation, grew at an even faster pace of 9.6%. This suggests that while the economy continues to expand, inflationary pressures may be easing somewhat. Despite challenges from uneven monsoon patterns, the agriculture sector managed to contribute positively with a growth rate of 1.4% during the year.

This expansion in the economy's productive capacity was marked by significant contributions from the services sector, particularly IT, financial services, and tourism, which rebounded strongly post-pandemic. The manufacturing sector also showed resilience, supported by government initiatives and a surge in domestic demand. However, the agriculture sector faced challenges due to uneven monsoon patterns, slightly tempering its overall contribution.

Despite global economic uncertainties and inflationary pressures, India's export performance remained robust, driven by a diversified export base and strong trade partnerships. The Reserve Bank of India's prudent monetary policies helped navigate inflation, maintaining economic stability and fostering growth. Overall, the FY 2023-24 GDP performance highlights India's economic resilience and adaptability in a fluctuating global environment.

Union Budget 2024-25

The Union Budget for FY 2024-25 has prioritized revitalizing the agriculture sector with a comprehensive set of initiatives aimed at transforming farming practices and boosting rural incomes. Significant funds have been allocated to enhance irrigation infrastructure, promote sustainable farming methods, and improve access to credit and technology for farmers. New schemes targeting market linkages and supply chain strengthening are set to enhance agricultural productivity and income. Additionally, the budget emphasizes research and development in agriculture to address climate challenges and foster long-term growth. Efforts include expanding Nano-DAP application across all agro-climatic zones and strategic plans under the Atmanirbhar Oilseeds Abhiyaan for self-sufficiency in oilseeds production.

The Budget also focuses on developing the dairy sector and intensifying initiatives like the Pradhan Mantri Matsya Sampada Yojana for aquaculture productivity and exports. Increased allocations for the Blue Revolution and the PM Formalization of Micro Food Processing Enterprises scheme further underscore the government's commitment to agricultural growth. Additionally, direct financial assistance through PM-KISAN and extended crop insurance coverage under PM Fasal Bima Yojana aim to benefit Millions of farmers, while integrating mandis under eNAM supports efficient trading volumes.

Agricultural production declined marginally

After a record foodgrain production of 330 Million tonnes in FY 2022-23, this year saw a slight decline of 0.3%, with the country's production estimated at 328.8 Million tonnes for the FY 2023-24 crop year, according to the third advance estimates released by the agriculture ministry.

Among cereals, wheat production was estimated at 112.9 Million tonnes, up from last year's 110.5 Million tonnes, while Rice output is pegged at 136.7 Million tonnes, also slightly higher than the previous year's 135.7 Million tonnes. Pulses saw Tur production remain steady at 3.38 Million tonnes, matching last year's output. However, Chana production estimates were lowered to 11.57 Million tonnes from 12.26 Million tonnes last year. In the oilseeds sector, Soybean production was estimated at 13 Million tonnes, down from 14.9 Million tonnes last year, while Rapeseed and Mustard production was estimated to be 13.1 Million tonnes, higher than last year's 12.6 Million tonnes.

Conversely, cash crops such as Cotton and Sugarcane saw a lower production, with Cotton at 32.5 Million bales (1 bale = 170 kg) compared to last year's 33.6 Million bales and Sugarcane at 442.5 Million tonnes, down from 490.5 Million tonnes in FY 2022-23. According to the second estimates, the horticulture crop production for FY 2023-24 also declined to 35.2 Million tonnes this year from 2022-23's 35.5 Million tonnes, primarily due to a drop in vegetable production, especially Potatoes and Onions.

India's G20 Summit 2023: A Boost for Agricultural Innovation and Trade

The 18th G20 Summit of 2023 was hosted by India in New Delhi, on the theme, "Vasudhaiva Kutumbakam" or "One Earth, One Family, One Future." This historic event promised significant potential to benefit Indian agriculture in multiple ways. The summit's focus on climate change, with the declaration stressing the urgency of mobilizing substantial financial resources for clean energy technologies, underscored the importance of sustainable farming practices. This international emphasis on sustainability is expected to drive the adoption of innovative agricultural technologies in India, enhancing productivity and resilience in the sector.

Moreover, the India – Middle East – Europe Economic Corridor (IMEC), formalized through a Memorandum of Understanding (MoU) during the summit, aims to establish a network of transportation routes encompassing railways and sea lanes. This corridor is anticipated to improve the logistics and supply chain infrastructure for Indian agricultural exports, making it easier and more cost-effective to reach new markets in the Middle East and Europe.

The G20's endorsement of a goal to triple global renewable energy capacity and the emphasis on peaking emissions before 2025 align with India's renewable energy initiatives. This alignment is expected to promote the integration of renewable energy sources into agricultural practices, reducing dependency on fossil fuels and lowering production costs.

Additionally, the launch of the Global Biofuel Alliance (GBA) during the summit is set to promote the development and adoption of sustainable biofuels. This initiative will benefit Indian agriculture by providing farmers with alternative revenue streams through the production of biofuel crops, fostering a more diversified and sustainable agricultural sector.

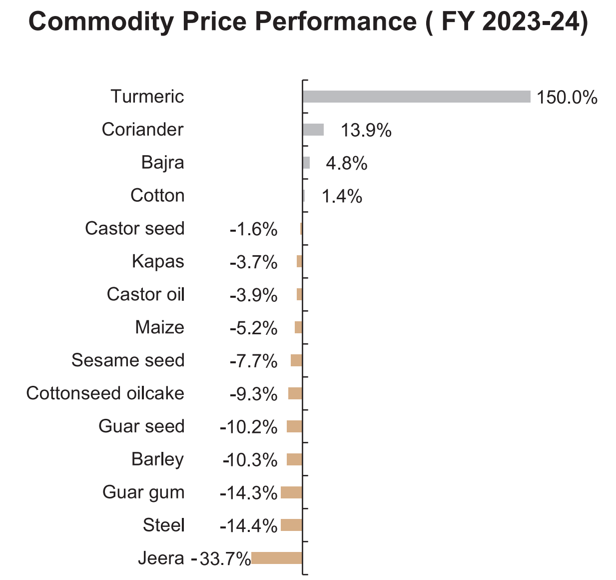
Overall, the G20 Summit of 2023 in New Delhi bolstered Indian agriculture by promoting sustainable practices, enhancing infrastructure, and opening new market opportunities, thereby fostering long-term growth and resilience in the industry.

SEGEMENT-WISE, PRODUCT-WISE PERFORMANCE

The heightened geopolitical tensions exerted upward pressure on prices of major commodities. An escalation of the conflict in the Middle East particularly supported the prices of industrial commodities. The accelerating investment in green technologies globally has bolstered the prices of key metals critical for the global clean-energy transition. Uncertainty in the markets, combined with a search for a store of value, led central banks to boost their Gold holdings, pushing the price to all-time highs.

Continuing the momentum from the previous year, global prices of grains moved lower amidst the ample supply of Corn, Soybeans, and Wheat. The domestic market also witnessed a majority of exchange-traded agricultural commodities ending at levels lower than the previous year's prices. A major exception was Turmeric, which experienced robust demand and significant price gains. Other commodities with positive performances included Coriander and Bajra.

A commodity wise performance (based on the Futures prices) of major commodities during FY 2023-24 is given in the chart below:



Source: NCDEX

On NCDEX, the Guar complex showed robust performance, contributing 49% to the total turnover of the Exchange during FY 2023-24. Individually, guar seed and guar gum contributed 26% and 23%, respectively, to the total turnover.

The share of spices in Exchange turnover increased during the year, and with a 31% share in turnover, the spices complex remained the second-largest contributor to the Exchange turnover. The turnover of Coriander and Jeera rose sharply by 44% and 52%, respectively, compared to the previous year. Individually, Jeera futures contributed around 16% to the Exchange turnover.

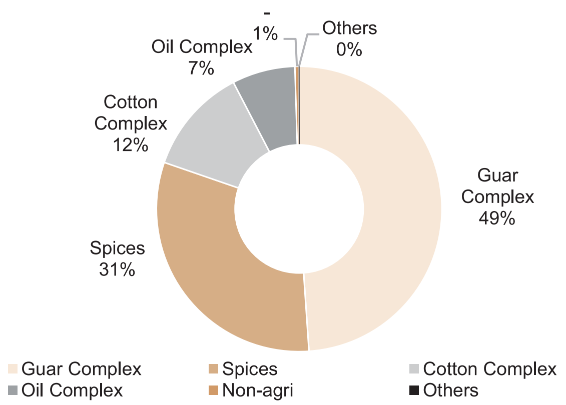
Cotton seed oilcake, a processed commodity from cotton, is widely used as feed and fertilizer in India. Cotton seed oilcake futures have consistently been among the most liquid contracts at the Exchange. This year, Cotton seed oilcake futures, contributing 11% to the total turnover, remained the third-largest contributor on the Exchange.

The Exchange further diversified its basket of commodities with the launch of futures contracts in Groundnut and Sunflower oil, offering valuable tools to facilitate improved price stability and enable hedging opportunities for all

MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

stakeholders involved, including farmers, processors, traders, and end-users.

Per cent share of commodity groups in turnover during FY 2023-24



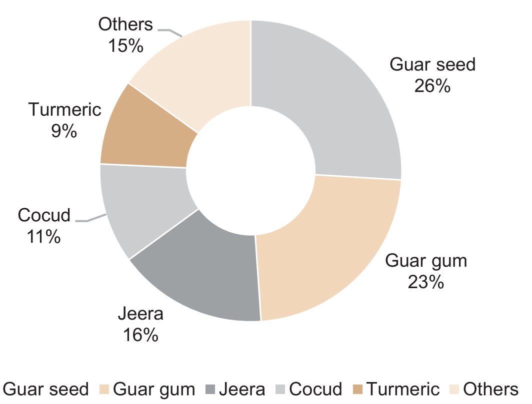
Source: NCDEX

Turnover of top five commodities during FY 2023-24

The Exchange witnessed an average daily turnover of around ₹ 845 Crores in FY 2023-24, slightly up from around ₹ 834 Crores during FY 2022-23.

With 49% share, the Guar complex held the largest share in total turnover during the Fiscal. Spices and Cotton complex contributed around 31% and 12%, respectively. Among Individual commodities, Guar seed held the highest share of 26%, followed by Guar gum (23%), Jeera (16%), Cotton seed oilcake (11%), and Turmeric (9%). The segment-wise performance of commodities traded at the Exchange remained as follows:

Turnover of top 5 commodities during FY 2023-24



Source: NCDEX

OUTLOOK

According to a Morgan Stanley report, the outlook for FY 2024-25 suggests a mixed but generally positive global economic environment, with a notable reduction in inflation expected across many countries. However, growth will be uneven, with different regions experiencing varying economic conditions. Monetary policies will also vary, with the European Central Bank anticipated to cut interest rates, while China is likely to maintain low rates to manage deflationary pressures. Emerging markets are expected to show higher growth levels compared to the eurozone, driven by stronger economic fundamentals and increasing industrial activity.

Global food insecurity could remain a significant concern, driven by armed conflicts, economic shocks, and extreme weather events. The recent escalation of conflict in the Middle East has exacerbated food insecurity, particularly in affected regions. Heightened geopolitical tensions are putting upward pressure on key commodities, such as oil and gold. Despite subdued global GDP growth, commodity prices remain high relative to pre-pandemic levels due to several factors, including geopolitical tensions, clean-energy transition investments, and China's industrial and infrastructure investments.

While global economic conditions will be mixed, with various regions facing distinct challenges and opportunities, India's outlook for FY 2024-25 is optimistic. The country's strong growth prospects, driven by key structural trends and supportive policy measures, suggest a positive trajectory for both the economy and the agricultural sector. India is poised for strong growth in FY 2024-25, underpinned by three megatrends: global offshoring, digitalization, and energy transition. These factors are expected to drive both consumer and business spending, making growth more broad-based. Additionally, there is potential for a faster-than-expected recovery in capital expenditures, fueled by a more robust business environment and ongoing policy reforms. This favorable outlook positions us to capitalize on global economic shifts and enhance its economic resilience and growth trajectory.

OPPORTUNITIES AND THREATS

The year 2023-24 was a challenging year which was amplified with extreme volatility but had certain green shoots which gave the Exchange new avenues to grow. On a global level climate change, disturbed supply chains on account of geopolitical tensions and consequent inflation putting the commodity markets under a lot of stress. These global challenges were both an opportunity and threat for the ecosystem. Commodity derivatives serve as essential tools for the market participants to counter volatility, however with inflation levels not expected to cool off any sooner in the last financial year, policy makers were likely to continue with their decision regarding suspension of certain commodity derivative contracts. As an Exchange we knew we operated within the confines of having limited set of contracts for the last 2 years and expected the scenario to be no different in the last financial year. The resilience of this segment has been put to test, within the constraints of losing contracts that contributed 70 percent of the Exchange's volumes, the Exchange strengthened its reach on the remaining contracts. Our vitals as an exchange have grown on a year on year basis with the ADTV (Average daily traded volume) increasing by 3 percent along with an increase in ADOI (Average daily traded open interest) by 10 percent as compared to the last financial year (2022-23). Feeder mandis and peripheral locations where the existing ETCDs (Exchange traded Commodity Derivatives) had strong presence in the physical market were repeatedly tapped in the last financial year. An early sign of success through this activity was an increase in average daily traded clients by 3 percent inspite of a drop in average daily traded members by 7 percent when compared with the last financial year. Widening our demographic presence has given us an opportunity to cater to the needs of a larger participant base and also deepen the potential of all our existing contracts.

Resilience and market support were two string pillars on which we placed our want to revoke all suspended contracts. Due to our constant research backed nudges to the policy makers, we were permitted to launch a contract in the edible oil basket, namely Crude Sunfloweroil. This launch was significant because it changed the narrative that the policy makers were averse to launch of any contract in the edible oil and oilseeds segment. It was an opportunity for the Exchange to re-establish connect with the edible oil industry this time with a product to utilize as a benchmark to hedge for their positions in the physical market. Crude Sunfloweroil industry is a USD 20.5 Billion industry in 2023 and expected to grow at CAGR of 5.8 percent propelled on account of supply glitches because of the Russia Ukraine war.

Options as a derivative tool to trade has garnered extreme popularity amongst market participants in the recent few years. Options on commodities have also gathered some pace amongst the market participants. To cater to the preferences of the market participants extensive ground preparatory activities were undertaken to grow options on goods in Guarseed. Elevating the awareness regarding the role of commodity derivatives, an innovative industry wide campaign was developed after tying up with prominent weather experts. This campaign enabled the business and product teams to promote options on Guarseed effectively. This helped us broaden and deepen our reach with the entire value chain of the commodity.

The agricultural sector is vulnerable to climate change impacting production and marketing activities in the sector. This has an impact on commodity prices increasing the overall price volatility and its adverse impact on the profitability of the commodity value chain. In such a scenario, agri derivatives Exchange in general, and NCDEX with 97 percent market share in particular, does provide a special opportunity to the value chain participants (VCPs) to hedge their price risk and protect their margins.

Owing to the success of our efforts to promote put options amongst FPOs in 2020 with the support from SEBI, the Exchange embarked on a journey to garner Institutional support for this campaign to be launched afresh. Under the previous campaign "Put options Familiarization" NCDEX under the guidance of regulator SEBI (Securities and Exchange Board of India) has already showed the way with taking 41 FPOs on board. But due to the suspension of mustard, Chana and Soybean derivatives contract, this highly successful experiment couldn't be extended to subsequent years. Hence the Exchange looked at the opportunity of developing this for new products that could be included under this campaign like Spices and Maize. Efforts to convince large institutions in the agri space like NABARD, FCI etc. to channelize funds towards subsidizing the put options premium for FPOs. These efforts will lead to creating a system which will add fuel to the policy deliberations of having a complementary price management mechanism by using market driven tools like put options.

To widen the physical market touch points the Exchange has in-sourced spot price polling function from April-2021 onwards. Over the years, Exchange polled spot prices for different commodities from various centers have become benchmark prices and are referred to widely by market participants.

In FY 2023-24, more than 20 new commodity-center combinations were added in the overall basket for which the Exchange polls spot prices. As of March 31, 2024, spot prices are being polled for over 65 different commodities across 40 different centers. In terms of number of commodity-center combinations, prices are polled for more than 130 such combinations. This includes various commodity baskets such as Cereals, Fibres, Oils and Oilseeds, Pulses, Sweeteners, Polymers, Precious Metals, Base Metals, etc.

Around 1,300 physical market participants are now associated with the Exchange spot price polling process, which includes traders, brokers/commission agents, processors/millers, farmers' producer organizations, importers/exporters.

As the Exchange step into the next financial year, the Exchange is charged to focus on its products which are in pipeline like Options on Futures, Yellow peas and Cotton wash oil. Aligning our efforts with the government in the Carbon Credit space, the Exchange has set up the spot polling activity and a product advisory committee on the subject. This serves as a great opportunity for the exchange to transcend sector barriers and offer the industry a tool to support the sustainability norms. Further, with addition of new commodities after amendment in SCRA Act, the Exchange will be able to work on many new commodities & segments which were out of reach so far. The Exchange is actively exploring offering contracts in some of these newly added commodities such as milk products, weather derivatives, freight derivatives etc.

As the Exchange tread into the next financial year, the Exchange move ahead with the confidence of introducing market savvy products by widening our product basket and growing our reach. The policy makers after more than 3 years of suspending few contracts might consider a policy review regarding suspending commodity derivatives. In the meanwhile, the Exchange look forward to an opportunity to reconstruct the market entering new product lines and enhancing our reach in existing markets.

RISK AND CONCERNS

The Exchange business is largely dependent on fundamentals in the economy particularly in the Agri-sector. Adverse economic conditions including market trends and other factors beyond our control could have an adverse impact on the business, financial condition and results of operations. The Risk Management Framework recognizes this as a business / strategic risk and the management is working on strategic business plans under the overall guidance of the Board of Directors and the Business Strategy Committee. The Exchange operations are almost entirely technology-driven and our systems require continuous upgrading and technology costs form a significant portion of total costs for the Exchange. The Exchange operates in a highly regulated environment and increase in compliance and regulatory costs are the norm. Further, as the Exchange operates predominantly in the agri space, the Exchange is vulnerable to changes in Government policies. The Exchange has seen several regulatory interventions this year as well, by prolonging the suspension of important contracts that make up a significant amount of the value of the Exchange. Nonetheless, the Exchange is actively collaborating with government organizations to promote the growth of commodities markets in general, which would favorably affect the operations of the Exchange.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Exchange has an Internal Control Framework commensurate with the size and nature of operations. Its internal control procedures and processes are designed to comply with industry best practices and to ensure compliance with applicable statutory and legal requirements. The Audit Committee of the Exchange, which is a sub-committee of the Board of Directors, has oversight on the Internal Control Framework. The Exchange has appointed an independent third party firm of chartered accountants as its internal auditors to review the effectiveness of the internal control systems and submit its observations, if any, to the Audit Committee of the Board. The scope of the internal audit function includes not only compliance with applicable regulatory and statutory framework, but also comments/ suggestions to improve process efficiencies. As such, the internal auditors review the operational processes in various departments of the Exchange and carry out the internal audit of the financial reporting function. The Audit Committee periodically reviews the reports of the internal auditors along with the management responses on observations / suggestions made by the auditors. The Audit Committee also periodically meets the internal auditors and statutory auditors to review the adequacy of the internal controls in the Exchange.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED

The human resources strategy of the Exchange is deployed through its various policies and processes, which are reviewed periodically in alignment with overall business goals, employee feedback and other external inputs.

Leadership Communications

The leadership team communicates with employees to keep them abreast of progress on various matters through multiple channels such as informal connect sessions, focus group, Town Halls, emails etc.

Workforce Demographics

The Exchange is an equal opportunity employer and hires talent, through diverse sourcing channels, with domain and industry knowledge. The Exchange workforce comprised of 205 regular employees as on March 31, 2024.

Majority of the employees (46%) belong to the age group of 31 to 40 years with a healthy female diversity of 37% across the organization. The Exchange maintained a skilled workforce with 46% of Post Graduates and focuses on hiring qualified candidates.

Gender Diversity

Fig. 3a: Gender Diversity

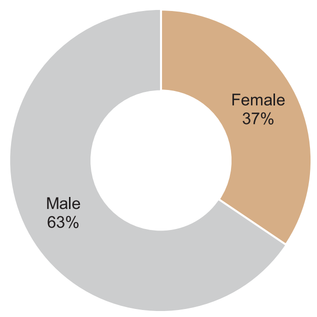


Fig. 3b: Education Diversity

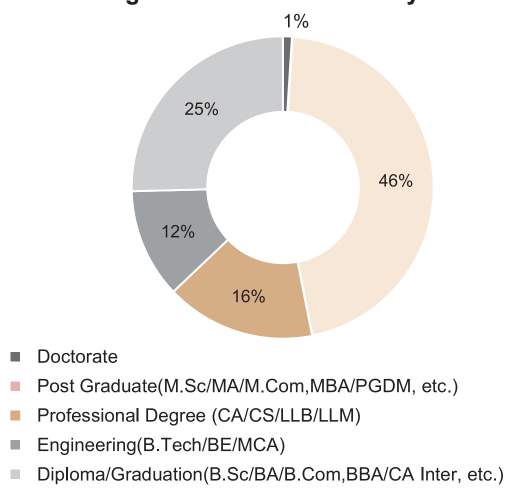
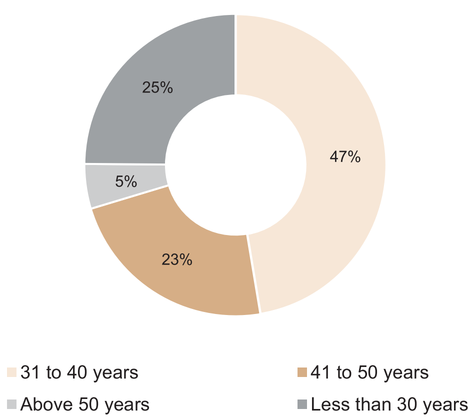


Fig. 3c: Generational Diversity



Talent Acquisition

The Exchange employs people, keeping in focus, the skill needs of the organization. These skill requirements include high technology orientation, diverse product domain expertise in agriculture and operational knowledge in similar sectors or various financial sector segments, with requisite or analogous work background.

The Exchange has a process driven approach towards recruitment and on-boarding. The Exchange encourage referral programs and internal job postings to fulfil our talent needs. Alumni's hiring stands at 14% which indicates strong home coming culture in the organization. Online assessments are conducted as part of recruitment process for certain levels/job roles as a supplement to personal interviews thereby enhancing quality of talent intake.

The senior management hiring process is guided by the 'Recruitment Policy and Procedures' approved by the Nomination and Remuneration Committee of the Exchange. All new joiners undergo a week-long induction program to assimilate better with the organization's culture and understanding of the business.

The number of employees, as on March 31, 2024 was 205. The breakup of employees in the Exchange is, as under.

Group/ Department	Number of Employees as on March 31, 2023	*Group/ Department	Number of Employees as on March 31, 2024
Business Group	37	Business & Products	30
Quants & Market Structure	5		4
Farmer Producer Organization	10		9
Customer Service Group	10	Trading Operations & Customer Services	10
Polling Operations	2		2
Market Watch	12		13
Enterprise Risk & Information Security	4	Regulatory Group II- Ent. Risk , Surveillance & Investigation	5
Surveillance & Investigation	24		25
Compliance Group	33	Regulatory Group I	32

Group/ Department	Number of Employees as on March 31, 2023	*Group/ Department	Number of Employees as on March 31, 2024
Corporate Office	2	Corporate Office	2
Corporate Services	26	Corporate Services	25
Human Resources	6	Human Resources	6
Technology	34	Technology	39
NICR	4	Assigned to NICR	3
Total	209		205

*The Exchange did an organizational segregation with effect from August 28, 2023

HR Policies and Framework

The Exchange has clearly defined guidelines, processes and policies such as Code of Conduct for Employees, Whistle-blower Policy, Policy on Regulatory and Statutory Trainings, Succession Plan Policy, Prevention of Sexual Harassment at Workplace and such others. These policies are made available to employees through online access to HRIS and are also part of Induction Program for new joiners. Awareness and Refresher trainings of these corporate policies are held round the year.

Health, Safety & Well-Being

Employee Health & Wellbeing: Our commitment to 'create a healthy workplace' and 'engage' employees was demonstrated by adopting following strategies

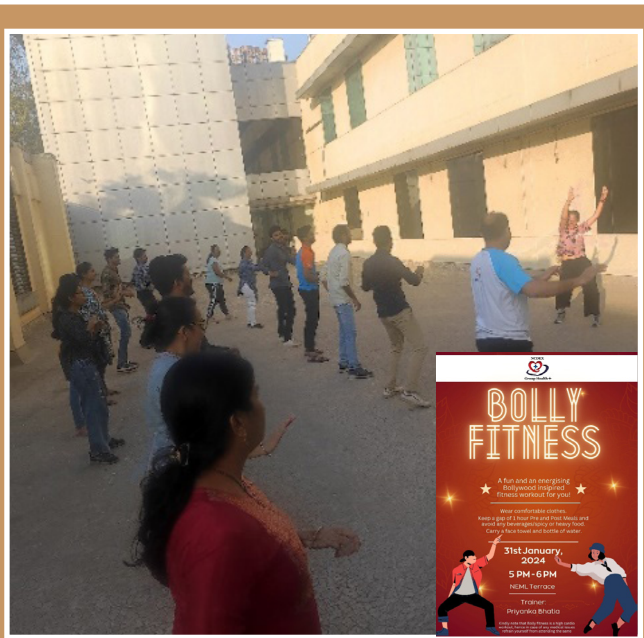
During the FY 2023-24, Exchange broadened the horizon of health & wellbeing with involvement of subsidiaries thereby covering larger number of employees across the Group. The Exchange took several approaches on health and wellness and conducted various health & lifestyle programs were organized this year including Healthy Snacking, Mindfulness – Declutter your Mind, Holistic Women's Health, Bollyfitness, Health diet session by nutritionist etc.

A comprehensive survey was also conducted to explore the dietary preferences and eating habits of our employees. In line with our commitment to promoting overall well-being, we undertook several steps to provide healthier and nutritious cafeteria menu options to our employees. A health screening camp was organized, encompassing tests such as BMI, Random Sugar and Total Cholesterol, as well as eye and dental checkups.

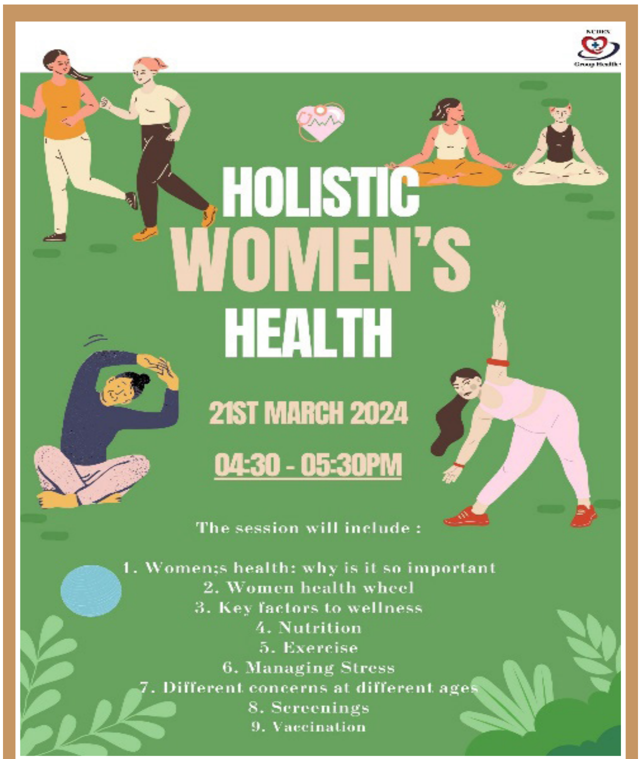
The Exchange has an annual health checkup program for its employees as a part of employee benefits and 58% of eligible employees have availed the benefit of Preventive Health checkup in FY 2023-24.

NCDEX has been certified as a "Health Workplace" organization in 'Bronze' category by Arogya World, a global health non-profit organization.

Health Screening in Mumbai Office



Bollyfitness session



Internal Communications on Health & Wellness

Talent Management

A. Performance Management

The Exchange has a structured process of performance evaluation, which is driven through the system named as "NConnect". The performance management process (PMS) is automated and captures goals, targets, achievements and development needs. The Exchange follows a top down approach for goal setting. Once Exchange goals are approved by Board, it cascades to departmental goals and then to individual goals.

B. Career Management

As an outcome of the fair performance assessment process, career growth of employees is addressed through promotions and transfers.

Promotions at the senior level are determined by feedback collected from a cross-functional leadership panel during career development interviews with eligible nominees.

C. Talent Development

NCDEX Group Academy enabled by digital learning, blended learning, leadership development, project experiences and classroom learning

- To upskill the employees, a Learning campaign named "ASPIRE" was organized to keep the employees enthusiastic towards learning and development. This included 'Skill Benchmarking' campaign on our digital learning platform

  A quarterly training calendar covers both functional and behavioral competency based learning programs and for FY 2023-24, 94% of the employees were covered in some form of learning.

- Our sustained learning efforts resulted in a total of 5,838 learning hours which is a 29% improvement over the last financial year.

- Awareness sessions on various compliances, such as Information Security and Cyber Security, Whistleblower Policy and Prevention of Sexual Harassment (POSH) have been conducted periodically.

MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

Internal Communications on ASPIRE Campaign

Award Ceremony for ASPIRE Campaign

Award Ceremony for ASPIRE Campaign

A leadership development programs aimed at building leadership resilience was curated for Senior Leaders of NCDEX. The objective was to learn and spend time in a reflective space by using an experiential and evocative methodology The module also gently encouraged leaders to adopt a coach like behavior.

Building Leadership Resilience

As part of gender diversity initiative, women leaders were nominated for the '1000 Women Leaders' program, which was a 4-month development program hosted by JOMBAY specifically designed for rising women professionals who aspire to take on managerial and leadership roles.

Employee Engagement: The Exchange rolled out the "Engagement Survey" in partnership with Lissen.io in February 2024. The participation from employees stood at 95% in this survey (+2% higher than year 2022) thereby clearly demonstrating that employees feel empowered to voice their opinions.

Other Transformational Initiatives

With the objective of adopting digital advancement, the Exchange achieved an internal milestone by introducing a new HRIS – NConnect, which is an unified platform for all HR services with an aim to bring efficiency to the HR processes and enhance employee experience.

Industry Recognition & Accolades:

In FY 2023-24, the Exchange was recognized by the industry in various forums through multiple awards in various categories during the year. Some of them are listed below –

- **India's Preferred Workplaces FY 2023-24** by Team Marksmen
- **People First HR Excellence Awards 2023:** Awards won in 'Best HR Team' and 'HR Risk Management' categories.
- **Business World People HR Excellence Award 2023:** Gold Category under 'Excellence of Learning & Development'
- **Arogya World Healthy Workplace Awardee 2023**: Bronze by Arogya World.

MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

Key Highlights of FY 2023-24 ~ Celebrations/ Engagement Programs/ New Initiatives, etc.

Diwali Celebration

People's Choice Award

TATA Mumbai Marathon

Annual Day Celebration

MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

Women's Day

Independence Day Celebration

PRIDE Month Celebration

NCDEX Group Premier League

MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Exchange has recorded an ADTV of ₹ 848 Crores for FY 2023–24. The top five performing commodities in the Financial Year 2023–24 were Guar Seed, Guar Gum, Jeera, Cotton Cake and Turmeric.

The Exchange has ended FY 2023-24 with profit/ (loss) after tax of ₹ (365) Lakhs. The total income for FY 2023-24 was ₹ 5,283 Lakhs as compared to ₹ 4,884 Lakhs in FY 2022–23. The total expenditure was ₹ 10,191 Lakhs in FY 2023-24 as compared to ₹ 10,302 Lakhs in FY 2022–23.

Income

The income from transaction charges for FY 2023-24 was ₹ 2,390 Lakhs as compared to ₹ 2,373 Lakhs in FY 2022- 23. Based on ADTV of ₹ 848 Crores in FY 2023-24 and ₹ 834 Crores in FY 2022-23.

The income from investments for FY 2023-24 was ₹791 Lakhs (includes ₹ 353 Lakhs dividend received from subsidiary) as compared to ₹ 533 Lakhs in FY 2022–23.

The other income for FY 2023–24 was ₹ 2,102 Lakhs (includes ₹ 235 Lakhs interest on income tax refund) as compared to ₹ 1,977 Lakhs (includes ₹ 332 Lakhs interest on income tax refund) in FY 2022–23.

Expenditure

The total personnel expense for FY 2023-24 was ₹ 4,171 Lakhs as compared to ₹ 4,002 Lakhs in FY 2022–23, an increase of 4.2%.

Other operating expenses for FY 2023-24 were ₹ 4,570 Lakhs as compared to ₹ 4,764 Lakhs in FY 2022–23.

Disclosure on Accounting Treatment

The Exchange has followed Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 to the extent applicable, in the preparation of Financial statements for the FY 2023-24. There is no deviation from Ind AS.

Details of significant changes in Key Financial Ratios

Key Financial Ratios	Standalone	
	FY 2023-24	FY 2022-23
Debtors Turnover	8.8	6.4
Current ratio	1.6	1.5
Net Profit Margin ratio	(12%)	(148%)
Return on Net worth	(1%)	(12%)

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE – EXCHANGE'S PHILOSOPHY

Introduction

The Exchange is a professionally managed company and owned by national level financial institutions, exchange, banks, private sector companies and private equity funds.

Exchange philosophy on Corporate Governance

The Exchange's corporate governance philosophy is based on transparency and disclosures, integrity and accountability. The Corporate Governance structure of the Exchange is based on an effective independent Board, separation of the Board's supervisory role from that of executive management and constitution of Board Committees. The Exchange has constituted various Board committees namely Audit Committee, Nomination and Remuneration Committee, Regulatory Oversight Committee, Member and Core Settlement Guarantee Fund Committee, Risk Management Committee, Standing Committee on Technology, Public Interest Directors' Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Advisory Committee, Business Strategy Committee, Capital Raising Committee and Farmer Engagement Group.

As per Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for a listed company are mutatis mutandis applicable to the Exchange. The Exchange is also committed to adopting best and transparent practices in letter and spirit. Towards this end, the information given in this section constitutes the report on Corporate Governance for the Financial Year 2023-24.

The details of composition and attendance of the Members of the Board/Board Committees are as given below.

BOARD OF DIRECTORS

Composition

The Board comprises of nine directors, of whom five are Public Interest Directors and Four Non-Independent Directors including Managing Director & Chief Executive Officer. The profiles of the Directors can be viewed on https://www.ncdex.com/board_of_directors.

Board Meetings held during the Financial Year 2023-24 and attendance record

During the Financial Year 2023-24, six meetings of the Board were held on May 26, 2023, July 26, 2023, August 11, 2023, November 10, 2023, January 23, 2024 and February 09, 2024. Apart from these meetings, the Board of Directors also considered and approved certain matters by way of circular resolutions. The following table gives the composition of the Board, the category of the Directors and the meetings attended by them.

Name of Director	Number of Board Meetings held during the FY	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships in Board Committees of the Exchange including Voluntary Committees	Number of Directorships in other Indian public Companies as on March 31, 2024	Number of shares held in the Exchange as on March 31, 2024	Number of Committee positions held in other Public Companies**	
							Chairman	Member
Non-executive, Public Interest Directors								
Mr. Ashish Bahuguna	6	6	Yes	9	Nil	Nil	Nil	Nil
Mr. Hemant Adarkar	6	6	No	6	2	Nil	Nil	2
Mr. Prem Kumar Malhotra	6	6	Yes	8	1	Nil	Nil	Nil
Dr. Purvi Mehta[1]	6	4	No	6	Nil	Nil	Nil	Nil
Mr. R. Amalorpavanathan	6	6	Yes	5	1	Nil	Nil	Nil
Mr. Venkat Nageswar Chalasani[2]	6	4	Yes	6	2	Nil	Nil	1
Dr. Mukulita Vijayawargiya[3]	6	1	NA	1	Nil	Nil	Nil	Nil
Non-executive, Non Independent Directors								
Mr. B. Venugopal[4]	6	4	No	3	2[8]	Nil	1	1[8]
Mr. Manikumar S[5]	6	3	No	5	1	Nil	Nil	Nil

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of Director	Number of Board Meetings held during the FY	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships in Board Committees of the Exchange including Voluntary Committees	Number of Directorships in other Indian public Companies as on March 31, 2024	Number of shares held in the Exchange as on March 31, 2024	Number of Committee positions held in other Public Companies**	
							Chairman	Member
Mr. Rakesh Kapur	6	6	No	5	8[9]	Nil	Nil	3
Mr. Sanjeev Rohilla[6]	6	2	NA	4	Nil	Nil	Nil	Nil
Mr. R. Doraiswamy[7]	6	-	NA	Nil	2[10]	Nil	Nil	2[10]
Executive Director, Managing Director & CEO								
Mr. Arun Raste	6	6	Yes	6	3	Nil	Nil	2

***Membership/Chairpersonship of only Audit Committee and Stakeholders' Relationship Committee of all Public Companies have been considered.*

Note 1:

1. Dr. Purvi Mehta ceased to be a Public Interest Director with effect from January 11, 2024 on completion of her term.
2. Mr. Venkat Nageswar Chalasani ceased to be a Public Interest Director with effect from November 14, 2023 on account of his resignation.
3. Dr. Mukulita Vijayawargiya was appointed as a Public Interest Director with effect from February 09, 2024
4. Mr. B. Venugopal ceased to be a Non-Independent Director with effect from January 11, 2024 on account of his resignation.
5. Mr. Manikumar S. retired as a Non-Independent Director with effect from September 26, 2023.
6. Mr. Sanjeev Rohilla was appointed as a Non-Independent Director with effect from January 04, 2024.
7. Mr. R. Doraiswamy was appointed as a Non-Independent Director with effect from March 21, 2024.
8. Includes directorship in State Bank of India (SBI) (not considered as a public company pursuant to provisions of the Companies Act, 2013). Includes Committee membership in SBI.
9. Includes directorship in Indian Farmers Fertiliser Cooperative Limited (not considered as a public company pursuant to provisions of the Companies Act, 2013).
10. Includes directorship in Life Insurance Corporation of India (LIC) (not considered as a public company pursuant to provisions of the Companies Act, 2013). Includes Committee membership in LIC.

Directorship of Directors in Listed Entities other than the Exchange as on March 31, 2024

Name of Director	Directors in Listed Entities other than the Exchange	Category of Directorship held in listed entities other than the Exchange
Mr. R. Doraiswamy	Life Insurance Corporation of India	Managing Director

Other disclosures

- There is no relationship between the Directors of the Exchange inter-se.
- Web link for details of Familiarization programs imparted to Independent Directors: https://ncdex.com/about/disclosures
- D&O Insurance in line with the requirements of Regulation 25(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management and other employees for such quantum and for such risks as determined by the Board.

Skills/ expertise/ competence of the Board of Directors

The list of core skills/ expertise/ competencies/ identified by the Board of Directors of the Exchange essential for effective functioning of the Exchange, is as under:

Name of Director	Primary	Secondary	Other Skills/ expertise/ competence
Mr. Ashish Bahuguna	Law and Regulatory	Finance & Accountancy	Administration, Agriculture Markets, Economics, Market Infrastructure, Risk Management, Co-operatives
Mr. Hemant Adarkar	Technology	Others	System development, Architecture, Technology Consulting, Outsourcing & Off-shoring primarily in banking and financial services and Digital Transformation
Mr. Prem Kumar Malhotra	Law & Regulatory	Administration	Management
Dr. Purvi Mehta	Technology	Others	Economics, Market Infra, Cooperatives, International Development, Post-Harvest Technologies and other relevant experience
Mr. R. Amalorpavanathan	Capital/ Securities Market	Finance & Accountancy	Management and Administration, Economics, Agriculture Marketing, Risk Management, Banking, Treasury Management, Project finance & Management, Cooperatives and Agri & Rural Infrastructure designing
Mr.Venkat Nageswar Chalasani	Finance & Accountancy	Risk Management	Banking, Treasury Operations, Financial Markets, Retail Operations, Credit Operations, Economics, Management & Administration
Dr. Mukulita Vijayawaragiya	Law & Regulatory	Administration	Management
Mr. Sanjeev Rohilla	Technology	Management	Fund raising, HR, Credit operations, Credit planning and Corporate communications
Mr. R Doraiswamy	Technology	Administration	Operations, Marketing and Academics
Mr. B. Venugopal	Finance & Accountancy	Administration	Economics, Management, Risk Management, Financial Market and Information Technology
Mr. Manikumar S.	Finance & Accountancy	Administration	Management, Co-operatives, HR & Organizational Development and Agriculture Markets
Mr. Rakesh Kapur	Finance & Accountancy	Administration	Economics, Management, Risk Management, Financial Markets, Agriculture Markets and Cooperatives
Mr. Arun Raste	Capital Markets	Administration	Finance & Accountancy,Agriculture, Economics, Management, CSR, Corporate Communication and Marketing

Please refer to Note 1 above for date of joining and cessation of Directors.

Confirmation by Public Interest Directors on Independence

The Board of the Exchange confirms that all the Public Interest Directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and are independent of the Management.

Resignation of Independent Director

During the Financial Year 2023-24, Mr. Venkat Nageswar Chalasani resigned as the Public Interest Director with effect from the close of business hours of November 13, 2023 due to other pre-occupation. He further confirmed that there were no other material reasons for his resignation.

COMMITTEES OF THE BOARD

The Board Committees focus on specific areas as per their terms of reference and take informed decisions. Each Committee functions within the terms of reference, scope and powers as per the delegation of powers by the Board of Directors, applicable provisions of the Companies Act, 2013, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and SEBI (Listing

REPORT ON CORPORATE GOVERNANCE (Contd.)

Obligations and Disclosure Requirements) Regulations, 2015 from time to time. The information with respect to Committees is as follows:

I. Audit Committee

The Committee consists of three Directors which include two Public Interest Directors and one Non-Independent Director. The Statutory Auditors and Internal Auditors are invited to attend the meetings of the Committee from time to time and the Company Secretary acts as the Secretary to the Audit Committee. The terms of reference of the Audit Committee, inter alia, are as under:

- Recommendation for appointment, remuneration and terms of appointment of auditors (both Internal & Statutory Auditors) of the company
- Review and monitor the auditors' independence and performance, and effectiveness of audit process
- Examination of the financial statements and Auditors' Report thereon
- Approval or any subsequent modification of transactions of the company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers (if any) and related matters
- Matters required to be included in the Director's 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
- Oversight of the entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) changes, if any, in accounting policies and practices and reasons for the same;
  - (b) major accounting entries involving estimates based on the exercise of judgment by management;
  - (c) significant adjustments made in the financial statements arising out of audit findings;
  - (d) compliance with listing and other legal requirements relating to financial statements;
  - (e) disclosure of any related party transactions;
  - (f) modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, 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
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors

- To review the functioning of the whistle blower mechanism
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
- Carrying out any other function as is mentioned in the terms of reference of the audit committee
- The audit committee shall mandatorily review the following information:
  - management discussion and analysis of financial condition and results of operations;
  - management letters / letters of internal control weaknesses issued by the statutory auditors;
  - internal audit reports relating to internal control weaknesses; and
  - the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
- statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable,
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice
- To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders.
- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority.

During the Financial Year 2023-24, five meetings of the Committee were held on May 25, 2023, July 26, 2023, August 10, 2023, November 09, 2023 and February 08, 2024. The composition and attendance of the Members is given below:

Name of the Committee Member	Number of meetings held during the relevant period	Number of meetings attended
Mr. Venkat Nageswar Chalasani, Chairman of the Committee[1]	5	4
Mr. Ashish Bahuguna, Chairman of the Committee[2]	5	5
Mr. Rakesh Kapur	5	5
Mr. R. Aamalorpavanathan[3]	5	1

[1]Mr. Venkat Nageswar Chalasani ceased to be the Chairman and Member of the Committee on account of his resignation as the Public Interest Director with effect from November 14, 2023.

[2] Mr. Ashish Bahauguna was elected as the Chairman of the Committee with effect from January 12, 2024.

[3] Mr. R. Aamalorpavanathan was inducted as a member of the Committee with effect from January 12, 2024.

II. Nomination and Remuneration Committee

The Committee consists of four Public Interest Directors. During the Financial Year 2023-24, four meetings of the Committee were held on April 18, 2023, May 25, 2023, November 09, 2023 and February 08, 2024. The terms of reference of the Nomination & Remuneration Committee, inter alia, are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of performance of independent directors and the board of directors
- Devising a policy on diversity of board of directors
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors

- To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- To lay down policy for compensation of KMP under SECC Regulations, 2018 in terms of the compensation norms prescribed by SEBI.
- To determine the tenure of KMP to be posted to a regulatory department
- Framing the guidelines and management of the employee stock option scheme to the staff and whole-time Directors of the Company
- Develop and approve key policies in respect of human resources, organizational matters etc;
- Identifying a Key management personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018.
- Laying down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI.
- Determining the compensation of KMPs in terms of the compensation policy
- Selecting the Managing Director
- Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director.
- Recommending whether to extend the term of appointment of the Public Interest Director.
- Recommending to the Board, all remuneration, in whatever form, payable to senior management.
- For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  a. use the services of an external agencies, if required;
  b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  c. consider the time commitments of the candidates.
- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority

The composition and attendance of the Members is given below:

Name of the Committee Member	Number of meetings held during the relevant period	Number of meetings attended
Mr. R. Amalorpavanathan - Chairman of the Committee	4	4
Mr. Ashish Bahuguna	4	4
Mr. Prem Kumar Malhotra	4	4
Dr. Purvi Mehta[1]	4	3

[1]Dr. Purvi Mehta ceased to be the member of the Committee with effect from January 11, 2024, due to completion of her tenure as the Public Interest Director.

III. Risk Management Committee

The Committee consists of Mr. Prem Kumar Malhotra, Mr. Hemant Adarkar and Mr. Sanjeev Shukla. During the Financial Year 2023-24, four meetings of the Committee were held on May 24, 2023, August 09, 2023, November 08, 2023 and February 07, 2024. During the Financial Year 2023-24, Mr. Venkat Chalasani ceased to be a Member of the Committee with effect from November 11, 2023 due to his resignation. Dr. Purvi Mehta ceased to be the Chairperson & Member of the Committee with effect from January 11, 2024, due to completion of her tenure as the Public Interest Director.

The attendance of the Members is given below:

Name of the Committee Member	Number of meetings held during the relevant period	Number of meetings attended
Dr. Purvi Mehta - Chairperson of the Committee[1]	4	3
Mr. Hemant Adarkar	4	4
Mr. Prem Kumar Malhotra	4	4

Name of the Committee Member	Number of meetings held during the relevant period	Number of meetings attended
Mr. Venkat Nageswar Chalasani[2]	4	3
Mr. Sanjeev Shukla	4	4

[1]Dr. Purvi Mehta ceased to be the Chairman and member of the Committee with effect from January 11, 2024, due to completion of her tenure as the Public Interest Director.

[2] Mr. Venkat Nageswar Chalasani ceased to be the Member of the Committee on account of his resignation as the Public Interest Director with effect from November 14, 2023.

The terms of reference of the Risk Management Committee, inter-alia, are as under:

- To formulate a detailed risk management policy which shall be approved by the Board of the Exchange
- To review the Risk Management Framework & risk mitigation measures from time to time
- To Monitor and review enterprise-wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimization procedures
- The head of the risk management department shall report to the risk management committee and to the Managing Director of the Exchange
- The risk management committee shall monitor implementation of the risk management policy and keep SEBI and the Board of the Exchange informed about its implementation and deviation, if any
- Such other functions as may be specified by SEBI or any other Statutory or Regulatory Authority

IV. Corporate Social Responsibility (CSR) Committee

The CSR Committee consists of Mr. Hemant Adarkar, Mr. Sanjeev Rohilla and Mr. Arun Raste. During the Financial Year 2023-24, Mr. Manikumar S. retired as a Non Independent Director and hence ceased to be the member of the Committee with effect from September 26, 2023. Mr. Sanjeev Rohilla was inducted as the member of the Committee with effect from February 09, 2024. The terms of reference of the CSR Committee, inter-alia, are as under:

The CSR Committee, inter alia, formulates and recommends to the Board, a Corporate Social Responsibility Policy (CSR Policy), the amount of expenditure to be incurred on CSR activities and monitors the implementation of CSR Policy of the company from time to time.

V. Stakeholders Relationship Committee

The Stakeholders Relationship Committee consists of Mr. Prem Kumar Malhotra, Chairman of the Committee, Mr. Hemant Adarkar and Mr. Rakesh Kapur. During the Financial Year 2023-24, Mr. Manikumar S. retired as Non-Independent Director and hence ceased to be the member of the Committee with effect from September 26, 2023. Mr. Rakesh Kapur was inducted as the member of the Committee with effect from December 11, 2023.One meeting of the Committee was held on December 21, 2023. The terms of reference of the Stakeholders Relationship Committee, inter-alia, are as under:

- To approve transfer, transmission, dematerialization, rematerialisation, splitting and/or consolidation of share certificates, issue of duplicates etc. of shares and debentures in accordance with the Articles of Association of the Exchange
- To consider and resolve 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.
- To consider, decide and take appropriate action in any matter which may arise between the Exchange and the shareholders as a result of any agreement or otherwise
- To review the measures taken for effective exercise of voting rights by shareholders
- To review the adherence to the service standards adopted by the entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- To review of the various measures and initiatives taken by the entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company

- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority

The attendance of the Members is given below:

Name of the Committee Member	Number of meetings held during the relevant period	Number of meetings attended
Mr. Prem Kumar Malhotra – Chairman of the Committee	1	1
Mr. Hemant Adarkar	1	1
Mr. Manikumar S.[1]	1	0
Mr. Rakesh Kapur[2]	1	1

[1]Mr. Manikumar S. retired as Non-Independent Director and hence ceased to be the member of the Committee with effect from September 26, 2023.

[2] Mr. Rakesh Kapur was inducted as the member of the Committee with effect from December 11, 2023

VI. Member and Core Settlement Guarantee Fund Committee

The Member and Core Settlement Guarantee Fund Committee consists of Mr. Prem Kumar Malhotra, Chairman of the Committee, Mr. Ashish Bahuguna and Mr. Arun Raste. During the Financial Year 2023-24, Mr. Venkat Nageswar Chalasani resigned as Public Interest Director and hence ceased to be the member of the Committee with effect from November 14, 2023. The terms of reference of the Member and Core Settlement Guarantee Fund Committee, inter-alia, are as under:

- To scrutinize, evaluate, accept or reject applications for admission of members and transfer of membership and approve voluntary withdrawal of membership
- Formulate the policy for regulatory actions including warning, monetary fine, suspension, withdrawal of trading, declaring a member as defaulter, expulsion, to be taken for various violations by the members of the exchange
- Based on the laid down policy, consider the cases of violations observed during inspection, etc. and impose appropriate regulatory measures on the members of the exchange
- While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice'
- Realize all the assets / deposits of the defaulter/ expelled member and appropriate the same amongst various dues and claims against the defaulter/ expelled member in accordance with the Rules, Byelaws and Regulations of the Exchange
- In the event both the clearing member and the constituent trading member are declared defaulter, then the membership selection committee of the stock exchange and that of the clearing corporation shall work together to realize the assets of both the clearing member and the trading member
- Admission or rejection of claims of client/trading members/clearing members over the assets of the defaulter/expelled member
- Recommendation in respect of the claims to the Trustees of the IPF on whether the claim is to be paid out of IPF or otherwise
- To review claim(s) of the client(s) of defaulter Trading Member(s) (first review), in case an application for first review has been received from the client who is not satisfied with processing of claim(s).
- To oversee contribution towards Core Settlement Guarantee Fund (SGF) of the Clearing Corporation
- Such other functions as may be specified by SEBI or any other Statutory or Regulatory Authority

VII. Advisory Committee

The Advisory Committee consists of Mr. Ashish Bahuguna, Chairman of the Committee, Mr. Pritam Kumar Patnaik, Mr. Suresh Arora, Mr. Amarsingh Deo, Mr. Sanil Kumar and Mr. Kalpesh Rathi. During the Financial Year 2023-24, Dr. Purvi Mehta and Mr. B. Venugopal ceased to be members of the Committee with effect from January 11, 2024. Additionally, Mr. Kapil Mittal and Mr. Nitin Shahi ceased to be members of the Committee with effect from February 10, 2024, while Mr. Amarsingh Deo and Mr. Sanil Kumar were inducted as members of the Committee with effect from February 10, 2024. The terms of reference of the Advisory Committee, inter-alia, are as under:

- Advise the governing board on non-regulatory and operational matters including product design, technology, charges and levies
- Such other functions as may be specified by SEBI or any other Statutory or Regulatory Authority

VIII. Standing Committee on Technology

The Standing Committee on Technology consists of Mr. Hemant Adarkar, Chairman of the Committee, Mr. Ashish Bahuguna, Mr. Prem Kumar Malhotra, Ms. Mayurakshi Ray, Mr. Anand Iyer and Mr. Dhananjaya Tambe. During the Financial Year 2023-24, Ms. Mayurakshi Ray was inducted as the Member of the Committee with effect from May 26, 2023. Additionally, Mr. Venkat Nageswar Chalasani resigned as Public Interest Director and hence ceased to be the member of the Committee with effect from November 14, 2023 and Mr. Prem Kumar Malhotra was inducted as the member with effect from January 12, 2024. The terms of reference of the Committee, inter-alia, are as under:

- Monitor whether the technology used remains up to date and meets the growing demands of the markets
- Monitor the adequacy of systems capacity and efficiency
- To look into the changes being suggested by the Exchange to the existing software/hardware
- Investigate into problems of computerized trading system, such as hanging/ slowdown/ breakdown
- Ensure that transparency is maintained in disseminating information regarding slowdown/ breakdown in Online Trading System
- Submit a report to the Board of Directors of the Exchange who shall deliberate on the report and take suitable action/ remedial measure
- Explain any stoppage beyond five minutes and report to SEBI. The Exchange shall issue a press release specifying the reasons for the breakdown
- Review the implementation of Board approved Cyber Security and Resilience policy and its framework
- Such other matters as may be referred by the Board of the Exchange and/or SEBI or any other Statutory or Regulatory Authority

IX. Public Interest Directors' Committee

The Public Interest Directors' Committee consists of Mr. Ashish Bahuguna, Chairman of the Committee, Mr. Hemant Adarkar, Mr. Prem Kumar Malhotra, Mr. R. Amalorpavanathan and Dr. Mukulita Vijayawargiya. During the Financial Year 2023-24, Mr. Venkat Nageswar Chalasani ceased to be a Public Interest Director with effect from November 14, 2023 and Dr. Purvi Mehta ceased to be the Public Interest Director with effect from January 11, 2024. Hence, they ceased to be the members of the Committee. Dr. Mukulita Vijayawaragiya was appointed as a Public Interest Director with effect from February 09, 2024. The terms of reference of the Public Interest Directors' Committee, inter-alia are as under:

- To review and exchange views on critical issues
- To identify important issues which may involve conflict of interest for the Exchange, or may have significant impact on the functioning of the Exchange, or may not be in the interest of securities market. The same shall be reported to the SEBI
- Review Status of compliance with SEBI Letters/ circulars
- Review the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions
- The Public Interest Directors shall prepare a report on the working of the Committees of which they are Members and circulate the same to other Public Interest Directors
- A consolidated report shall then be submitted to the Board of Directors of the Exchange
- To review actions to be taken to implement suggestions/observations in SEBI's inspection report
- All the independent directors shall necessarily attend every meeting of the committee
- To review the performance of non-independent directors and the Board as a whole
- To review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors
- To assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties
- To review claim(s) of the client(s) of defaulter Trading Member(s) (second review), in case an application for second review has been received from the client who is not satisfied with the review of the claim by the Member and Core Settlement

Guarantee Fund Committee of the Exchange (first review)

- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority

X. Regulatory Oversight Committee

The Regulatory Oversight Committee consists of Mr. Prem Kumar Malhotra, Chairman of the Committee, Mr. Hemant Adarkar and Mr. Jayant Nalawade. During the Financial Year 2023-24, Dr. Purvi Mehta ceased to be the Member of the Committee with effect from January 11, 2024. The terms of reference of the Regulatory Oversight Committee, inter-alia, are as under:

- Oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc.
- Oversee SEBI inspection observations on membership related issues
- Estimate the adequacy of resources dedicated to member regulation
- Oversee matters related to listing of securities such as admission of securities for trading, suspension/ revocation, etc.
- Oversee SEBI inspection observations on listing related issues
- Estimate the adequacy of resources dedicated to listing related function
- Oversee trading and surveillance related functions such as monitoring of market through order and trade level alerts, security level alerts, processing of alerts, price band changes, rumour verifications, shifting of securities to trade for trade segment, action against listed companies as a part of Surveillance Action, detailed investigations undertaken, disciplinary actions, etc., as may be applicable to the relevant segments of the Exchange
- Oversee SEBI inspection observations on surveillance related issues and also decisions taken in the periodic surveillance meeting at SEBI
- Estimate the adequacy of resources dedicated to trading and surveillance function
- Oversee matters related to product design and review the design of the already approved and running contracts
- Oversee SEBI inspection observation on Product Design related issues
- Estimate the adequacy of resources dedicated to Product design related function
- Review the actions taken to implement the suggestions of SEBI's Inspection Reports, place the same before the Board of the Exchange
- To follow up, ensure compliance/implementation of the inspection observations
- Supervising the functioning of Investors Services Cell of the Exchange, which includes review of complaint resolution process, review of complaints remaining unresolved over long period of time, estimate the adequacy of resources dedicated to investor services, etc.
- Supervise Investor Service Fund, including its utilization
- Annual review of arbitrators and arbitration awards (both quantum and quality of the awards)
- Lay down procedures for the implementation of the Ethics Code
- Prescribe reporting formats for the disclosures required under the Ethics Code
- Oversee the implementation of the code of ethics
- Periodically monitor the dealings in securities of the Key Management Personnel
- Periodically monitor the trading conducted by firms/corporate entities in which the directors hold twenty percent or more beneficial interest or hold a controlling interest
- Monitor implementation of SECC Regulations and other applicable rules and regulations along-with SEBI Circulars and other directions issued thereunder
- Review the fees and charges levied by the Exchange
- The head(s) of department(s) handling above matters shall report directly to the committee and also to the Managing Director. Any action against the head(s) of dept. shall be subject to an appeal to the committee, within such period as may be determined by the Board of the Exchange
- Such other functions as may be specified by SEBI or any other Statutory or Regulatory Authority

PERFORMANCE EVALUATION CRITERIA OF THE BOARD

The performance evaluation of the Board is governed by the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations 2018 read with various circulars issued in this regard. The performance evaluation includes performance evaluation of:

(i) Board as a whole

(ii) Assessment of quality, quantity and timeliness of the flow of information to the Board

(iii) Various Committees of the Board

(iv) Chairperson of the Board

(v) Individual Directors (viz., Non-Independent Directors, Public Interest Directors and Managing Director & Chief Executive Officer)

The criteria for evaluation of each of the above is as under:

(i) Performance Evaluation of Board as a whole

The criteria for performance evaluation of Board of Directors inter-alia includes:

- Board Composition - Adequate representation of Independent Directors, optimum combination of knowledge, competencies, experience and skill
- Board Meetings - The Board meetings are regularly held and the Board meets frequently, the Board receive agenda of the meeting on time and the agenda has all relevant information to take decision on the matter, outstanding items of the previous meetings are followed up and taken up in subsequent agenda, able to finish discussion and decision on all agenda items in the meetings, every issue is discussed comprehensively and depending on the importance of the subject discussions generally add value to the decision making, all members actively participate in discussions, functions constructively as a team, the minutes of the meeting are recorded properly and circulated on time and dissenting views are recorded in the minutes, all the information pertaining to the meeting are disseminated to the members timely, frequently, accurately and regularly
- Function of the Board and Board's participation - The Board understands the business well enough to guide the short and long term performance, reviews and knows the vision, strategy and business plan, devotes significant time on the management of current and potential strategic issues, overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance objectives, monitors implementation and corporate performance, and oversees major capital expenditures, acquisitions and divestments, investment proposals, related party transactions, internal financial controls, reviews key appointments, monitors and manages potential conflict of interest of management and directors, constructively challenges the Management with respect to strategy and performance, the atmosphere (of the Boardroom) encourages critical thinking, the discussions reach closure, Board ensures that the Management has put in place a proper risk management process, ensures its Committees are functioning properly, ensures that there is an effective investor relations policy which provides for investor grievance mechanism and CSR policy in place, overall ensures high standards in compliance and Corporate Governance, works towards creation of stakeholders value, ensures mechanism of communication with various stakeholders, acts on a fully informed basis and in good faith with diligence in the best interest of the company
- Board and management - The Board dialogue is of high quality and the Board has sufficient and adequate dialogue with the management, the Directors share their knowledge and experience to help the MD & CEO and the Company, the Board evaluates and monitors management, especially the MD & CEO regularly and fairly and provides constructive feedback and strategic guidance, reviews the level of independence of management from the Board to ensure that the level of independence is adequate, the Board and the management are able to actively access each other and exchange information, the Board ensure that an appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board, there is a good focus of the Board with the Management on the few high impact subjects, the Board is receiving information particularly on new laws, regulations, etc from time to time

REPORT ON CORPORATE GOVERNANCE (Contd.)

- Professional development - Whether adequate induction and professional development programs are made available to new and old directors, whether continuing directors training is provided to ensure that the members of the Board of directors are kept upto date, the Board is receiving information particularly on new laws, regulations, etc from time to time

(ii) Assessment of quality, quantity and timeliness of the flow of information to the Board

The criteria inter-alia includes vision and strategy, people development, safety, health and environment, Risk Management, financial performance and Financial results reporting, Investments, Internal audit, Board and Committee meetings, Annual report and flow of information to the Board, Committees thereof.

(iii) Performance evaluation of various Committees of the Board

The criteria for performance evaluation of various Committees inter- alia includes Committees effectiveness in carrying out its mandate and confronting important, meaningful issues, whether Composition of the Committee is in compliance with the provisions of applicable laws and the Committee meets regularly as per its terms of reference and requirements of law, whether Committee has fulfilled its functions as assigned by the Board and laws as may be applicable, whether members of the Committee receives complete and timely agenda and provide an independent opinion on agenda items while respecting the assent or dissent of other members, whether minutes of the Committee meetings are effectively prepared, whether Committee encourages two way communication between the Committee and Management of the Exchange, whether adequate independence of the Committee is ensured from the Board and whether significant recommendations of the Committee are communicated to the Board.

(iv) Performance evaluation of Chairperson of the Board

The performance evaluation of Chairperson of the Board inter-alia includes Qualifications and experience, Knowledge and Competency, Fulfilment of functions, Ability to function as a team, Initiative, Availability and attendance, Commitment, Contribution, Integrity, Independence, Independent views and judgment, Effectiveness of leadership and ability to steer the meetings and ability to keep shareholders' interest in mind

(v) Individual Directors (viz., Non-Independent Directors, Public Interest Directors and Managing Director & Chief Executive Officer)

Public Interest Directors

The performance evaluation of Public Interest Directors is governed by the Policy of Performance Review by Public Interest Directors. The performance evaluation criteria for Public Interest Directors inter-alia includes qualifications and experience, knowledge and competency, fulfilment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence, independent view and judgement.

Non-Independent Directors

The performance evaluation criteria for Non-Independent Directors inter-alia includes engagement, leadership, analytical skills, quality of decision-making, interaction, governance and ethic and stakeholders' responsibility.

Managing Director & Chief Executive Officer

The performance evaluation criteria for Managing Director & Chief Executive Officer inter-alia includes leadership, performance and execution, financial planning, governance and relationship with the Board, people development, stakeholders' responsibility and analytical thinking and competitive edge.

PARTICULARS OF SENIOR MANAGEMENT

Name of Senior Management Personnel	Category
Mr. Arun Raste	Managing Director & Chief Executive Officer
Mr. Atul Roongta	Chief Financial Officer
Ms. Seema Nayak	Chief Compliance Officer
Mr. Hitesh Savla	Chief Trading Operations and Customer Services
Mr. Avinash Mohan	Chief - Enterprise Risk, Surveillance & Investigation
Mr. Viral Davda	Chief Technology Officer
Mr. Kapil Dev*	Chief Business Officer
Ms. Aditi Mukherjee	Chief People Officer
Mr. Aleen Mukherjee#	Executive Vice President & Head - Farmer Producer Organisation
Mr. Sanjay Jain	Senior Vice President & Chief Information Security Officer
Mr. Hoshi Bhagwagar	Senior Vice President and Company Secretary

* Mr. Kapil Dev, Chief Business Officer has ceased to be the Key Management Personnel (KMP) of the Exchange pursuant to his resignation with effect from close of business hours on April 15, 2024.

Mr. Aleen Mukherjee, Executive Vice President & Head - Farmer Producer Organisation (FPO) has ceased to be the KMP of the Exchange pursuant to his resignation with effect from close of business hours on August 28, 2023.

REMUNERATION OF DIRECTORS

The non-executive Directors are paid sitting fees of ₹ 60,000 for attending each meeting of the Board and Audit Committee and ₹ 40,000 for attending each meeting of the Committee other than Audit Committee. Non-Executive Directors are also reimbursed expenses incurred by them for attending meetings of the Board and its Committees at actuals.

The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and Committees during the Financial Year 2023-24 is as follows:

Name of the Director	Sitting Fees (Amount in ₹)		
	Board Meetings	**Committee Meetings**	**Total**
Mr. Ashish Bahuguna	3,60,000	10,20,000	13,80,000
Mr. Hemant Adarkar	3,60,000	6,00,000	9,60,000
Mr. Prem Kumar Malhotra	3,60,000	8,40,000	12,00,000
Dr. Purvi Mehta	2,40,000	5,20,000	7,60,000
Mr. R. Amalorpavanathan	3,60,000	3,00,000	6,60,000
Mr. Venkat Nageswar Chalasani	2,40,000	6,80,000	9,20,000
Dr. Mukulita Vijayawargiya	60,000	-	60,000
Mr. B. Venugopal	2,40,000	40,000	2,80,000
Mr. Manikumar S.	60,000	-	60,000
Mr. Rakesh Kapur	3,60,000	3,40,000	7,00,000
Mr. Sanjeev Rohilla	1,20,000	-	1,20,000
Mr. R. Doraiswamy	-	-	-

Please refer to Note 1 above for date of joining and cessation of Directors.

The details of remuneration paid to Managing Director & CEO during the Financial Year 2023-24 is given below:

Sl. no.	Particulars of Remuneration	Name of Managing Director & Chief Executive Officer
		Mr. Arun Raste (April 01, 2023 to March 31, 2024)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(a) ₹ 1,58,33,560/-
	(b) NPS contribution, Motor Car Expense Reimbursement and Value of perquisites u/s 17(2) Income-tax Act, 1961	(b) ₹ 24,44,002/-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	(c) Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	Nil
	- as % of profit	Nil
	- others, specify...	
5.	Others, please specify	Nil
	Total (A)	₹ 1,82,77,562/-
	Ceiling as per the Act	The Exchange has obtained approval from the shareholders for the payment of above remuneration.

Note: The above mentioned remuneration excludes payment made towards Employer's Provident Fund contribution.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Other Disclosures

- None of the Non-Executive Directors of the Exchange are paid any performance linked incentive.
- The salary structure of Managing Director & CEO includes performance based variable pay.
- The Exchange has not issued any stock options.
- None of the Non-Executive Directors have any pecuniary relationship or transactions with the Exchange.
- None of the Non-Executive Directors have entered into any service contract with the Exchange.

Stakeholders' Grievance Committee:

The Exchange has a Stakeholders Relationship Committee which considers and resolves the grievances of the stakeholders' grievances.

a) Name of Non-Executive Director heading the Committee: Mr. Prem Kumar Malhotra, Chairman of the Committee

b) Name and designation of Compliance Officer: Mr. Hoshi D. Bhagwagar

c) Number of shareholders' complaints received so far: Nil

d) Number not solved to the satisfaction of shareholders: Nil

e) Number of pending complaints: Nil

DETAILS OF GENERAL MEETINGS

The particulars of last 3 Annual General Meetings of the Exchange are as follows –

Financial Year	Date of AGMs	Time	Venue	Special resolutions adopted
2020-21	September 27, 2021	11:00 a.m.	Video Conferencing/ Other Audio Visual Means (Deemed venue: First Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Marg, Kanjurmarg (West), Mumbai 400078)	No
2021-22	September 26, 2022	11.00 a.m.	Video Conferencing/ Other Audio Visual Means (Deemed venue: First Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Marg, Kanjurmarg (West), Mumbai 400078)	No
2022-23	September 26, 2023	11.00 a.m.	Video Conferencing/ Other Audio Visual Means (Deemed venue: First Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Marg, Kanjurmarg (West), Mumbai 400078)	No

- The provisions relating to postal ballot are not applicable to the Exchange.

MEANS OF COMMUNICATION

The Financial Statements are displayed on the website of the Exchange – www.ncdex.com and Extract of Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2024 were published in the newspapers. Other disclosures and announcements are also displayed on the website of the Exchange.

GENERAL INFORMATION FOR SHAREHOLDERS

(i) Annual General Meeting

The Twenty First Annual General Meeting will be held on Friday, September 27, 2024 at 11:00 a.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

(ii) Financial Year: April 01, 2023 to March 31, 2024.

(iii) Dividend Payment Date: The Board has not recommended any dividend for the FY 2023-24.

(iv) The equity shares of the Exchange are not listed on any stock exchange.

(v) Registrar to an issue and share transfer agents:
Link Intime India Private Limited
C-101, 247 park, L.B.S. Marg, Vikhroli (West),
Mumbai 400083

Share transfer system: The transfer of equity shares of the Exchange is as per the provisions of the Companies Act, 2013 and the provisions of the Articles of Association of the Exchange and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations 2018 (SECC 2018). The equity shares of the Exchange are traded in dematerialized form. In accordance with the SECC 2018, in case the holding of the acquirer reaches two or more percent of the paid up capital, the transfer proposal needs to be sent to the Exchange for determining among other things, that the buyer is a fit and proper person. Shareholders and Investors are advised to send their transfer proposal if the shareholding post acquisition or holding of shares would be two or more percent of the paid up capital. Such transfer requests would be placed for the consideration of the Stakeholders Relationship Committee/Board. Post that, the acquirer would be informed and the transfer could then be effected.

(vi) Distribution of shareholding:

Categories	Shareholding	Percentage
Individuals	3,632,459	7.17
Corporates	1,72,61,006	34.06
Financial Institutions	5,625,000	11.10
Banks	67,49,965	13.32
Insurance Companies	5,625,000	11.10
Venture Capital	6,714,570	13.25
Any Other (specify) - (Co-Operative Society)	50,68,000	10.00
Total	**50,676,000**	**100.00**

(vii) Dematerialization of shares and liquidity: All the shares of the Exchange are in demat form.

(viii) Outstanding global depository receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

(ix) Commodity price risk or foreign exchange risk and hedging activities: Not Applicable

(x) Plant locations: Nil

(xi) Address for correspondence: First Floor, Akruti Corporate Park, Near G. E. Garden, L.B.S. Road, Kanjurmarg (West), Mumbai 400 078

(xii) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant Financial Year, for all debt instruments of such entity or any fixed deposit program or any scheme or proposal of the entity involving mobilization of funds, whether in India or abroad: Not Applicable

DISCLOSURES

(i) There were no significant related party transactions of material nature that may have potential conflict with the interest of the Exchange.

(ii) Details of non-compliance, penalties, strictures imposed by SEBI or any statutory authority, on any matter related to capital markets, during the last three years: Not Applicable.

(iii) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee: The Exchange promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Exchange has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to the top management which in turn is notified to the workgroups. The identity of the persons reporting violations is protected. It is affirmed that no personnel of the Exchange has been denied access to the Audit Committee. Weblink where policy on Whistle Blower Policy is disclosed: https://ncdex.com/about/disclosures

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: The Exchange has complied with all the applicable mandatory requirements. Further, the Exchange has adopted non-mandatory requirements with respect to unmodified audit opinion, separate posts of chairperson and chief executive officer and reporting of internal auditor.

(v) Web link where policy for determining 'material' subsidiaries is disclosed: https://ncdex.com/about/disclosures

(vi) Web link where policy on dealing with related party transactions: https://ncdex.com/about/disclosures

(vii) Disclosure of commodity price risks and commodity hedging activities: Not Applicable

(viii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable

(ix) Certificate from a Company Secretary in practice that none of the Directors on the Board of the Exchange have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority: Certificate from Company Secretary in practice is attached as **Annexure 1.**

(x) Disclosure where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant Financial Year, with reasons thereof: None

REPORT ON CORPORATE GOVERNANCE (Contd.)

(xi) Total fees for all services paid by the Exchange and its Subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/ network entity of which Statutory auditor is part is provided herein below:

(₹ in Lakhs)

As Auditors (including limited review)	44
For tax audit	9
For tax matters	-
For other services	2
For reimbursement of expenses	1
Total	**57**

(xii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

No. of Complaints filed during the Financial Year	No. of Complaints disposed off during the Financial Year	No. of Complaints pending as on end of the Financial Year	Action taken by the Employer
Nil	Nil	Nil	Nil

(xiii) Non-compliance of any requirement of corporate governance report: The Exchange has complied with the applicable provisions relating to Corporate Governance Report.

(xiv) The Exchange is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

(xv) Code of Conduct: The Exchange has framed and adopted a Code of Conduct Policy, which is approved by the Board. Affirmation of compliance with the Code of Conduct is attached to this report as **Annexure 2**.

(xvi) Compliance certificate from practicing company secretary is attached as **Annexure 3**.

(xvii) Disclosure with respect to demat suspense account/ unclaimed suspense account: Nil

(xviii) There were no “Loans and advances” in the nature of Loans to firms/companies in which directors are interested by the Exchange and its subsidiaries.

(xix) Details of Material Subsidiaries of Exchange are as follows-

1. **National Commodity Clearing Limited**
   Date of incorporation - August 04, 2006
   Place of Incorporation - Mumbai
   Name of Statutory Auditor - Khandelwal Jain & Co., Chartered Accountants
   Date of Appointment of Statutory Auditor - August 08, 2023 (For Five years)

2. **National E-Repository Limited**
   Date of Incorporation - February 10, 2017
   Place of Incorporation - Mumbai
   Name of Statutory Auditor - Khandelwal Jain & Co., Chartered Accountants
   Date of Appointment of the Statutory Auditor - December 28, 2018 (For Five years)

3. **NCDEX e Markets Limited**
   Date of Incorporation - October 18, 2006
   Place of Incorporation - Mumbai
   Name of Statutory Auditor - K. S. Aiyar & Co
   Date of Appointment of the Statutory Auditor - July 31, 2020 (For Five years)

(xx) Disclosure of certain types of agreements binding Company: No agreement as specified under Regulation 30A was subsisting as on June 14, 2023 (date of notification) or has been entered into by any Shareholders, promoters, promoter group entities, related parties, directors, KMPs and employees of NCDEX, its subsidiaries and associate company of NCDEX during FY 2023-24

ANNEXURE 1

To,
The Members of
National Commodity & Derivatives Exchange Limited
1st Floor, Akruti Corporate Park, Near G. E. Garden,
L. B. S. Road, Kanjurmarg (West), Mumbai 400078

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **National Commodity & Derivatives Exchange Limited having CIN U51909MH2003PLC140116** and having registered office at 1st Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Road, Kanjurmarg (West), Mumbai 400078 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from to time). In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of Company for the Financial Year ended March 31, 2024, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	Designation	DIN	Date of Appointment
1.	Mr. Ashish Bahuguna	Chairman & Public Interest Director	02224776	15-06-2020
2.	Mr. Hemant Adarkar	Public Interest Director	03127893	13-04-2021
3.	Dr. Mukulita Vijayawargiya	Public Interest Director	10497989	09-02-2024
4.	Dr. Purvi Mehta[1]	Public Interest Director	01596457	11-01-2018
5.	Mr. Prem Kumar Malhotra	Public Interest Director	07731762	09-08-2018
6.	Mr. R. Amalorpavanathan	Public Interest Director	06941432	03-01-2022
7.	Mr. Venkat Nageswar Chalasani[2]	Public Interest Director	07234179	01-05-2021
8.	Mr. Rakesh Kapur	Non-Independent Director	00007230	26-04-2008
9.	Mr. R. Doraiswamy	Non-Independent Director	10358884	21-03-2024
10.	Mr. Sanjeev Rohilla	Non-Independent Director	08640408	04-01-2024
11.	Mr. Sivaramakrishnan Manikumar[3]	Shareholder Director	08956660	21-12-2020
12.	Mr. Venugopal Nayar Bhaskaran[4]	Shareholder Director	02638597	11-01-2018
13.	Mr. Arun Raste	Managing Director & CEO	08561128	07-06-2021

[1]ceased to be a Public Interest Director with effect from January 11, 2024 on completion of her term.
[2]ceased to be a Public Interest Director with effect from November 14, 2023 on account of his resignation.
[3]retired as a Non-Independent Director with effect from September 26, 2023.
[4]ceased to be a Non-Independent Director with effect from January 11, 2024 on account of his resignation.

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

For **U. HEGDE & ASSOCIATES**
Company Secretaries

Umashankar K. Hegde
Proprietor
C.P. No- 11161 # M.No- ACS 22133
ICSI UDIN: A022133F000700712
ICSI Unique Code: S2012MH18 8100
Peer Review Certificate No: 1263/2021

Place: Mumbai
Date: July 09, 2024

ANNEXURE 2

COMPLIANCE WITH THE CODE OF CONDUCT BY THE DIRECTORS & MEMBERS OF THE SENIOR MANAGEMENT OF THE EXCHANGE FOR THE FINANCIAL YEAR 2023-24

I hereby confirm that for the year under review, all Directors and Members of the Senior Management have affirmed compliance with the Code of Conduct of the Exchange

Arun Raste
Managing Director & Chief Executive Officer

Place: Mumbai
Date: August 08, 2024

ANNEXURE 3

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
National Commodity & Derivatives Exchange Limited
First Floor, Ackruti Corporate Park,
L. B. S. Marg, Kanjurmarg West, Mumbai - 400078

We have examined all relevant records of **National Commodity & Derivatives Exchange Limited** ('the Company') for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended March 31, 2024. In terms of Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to the Company as it is a recognized Exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

We state that the compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate 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.

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 applicable disclosure requirements and corporate governance norms as specified for listed companies.

For **RAGINI CHOKSHI & CO**
Company Secretaries

Umashankar Hegde
(Partner)
M.No: A22133 #CP No: 11161
UDIN:- A022133F000997514
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No: 659/2020

Place: Mumbai
Date: August 08, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of National Commodity & Derivatives Exchange Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **National Commodity & Derivatives Exchange Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

1) We draw attention to note 33 to the standalone financial statements regarding matters relating to the future contracts of pepper, the Company had paid in earlier years total amount including taxes towards cleaning of the pepper stock in warehouses and other related costs of Rs. 1,696 lakhs (net of recovery of Rs. 9 lakhs till March 31, 2024) and these payments are considered as receivable and shown under "other financial assets". The Order of Hon'ble High Court of Kerala dated August 28, 2014, has allowed the Company to clean the pepper stock in warehouses with a right to recover the aforesaid estimated pepper-cleaning costs and applicable taxes, associated with the same. However, the Hon'ble High Court of Kerala in a Writ Petition filed by the holders, passed an interim order dated April 13, 2018, restricting the Exchange from taking any coercive actions against the holder and the said Order is currently in force.

   In terms of the legal opinion obtained, the management is of the view that it has a fair chance of recovery of the costs incurred by it since the same is backed by Orders of the Court which provides a constructive lien on the goods lying with the Exchange approved warehouses. The Management has considered the receivables, as good and recoverable, and is of the opinion that there is no requirement to make a further provision with respect to these costs in Exchange's account apart from a provision of Rs. 260 lakhs which was made in earlier years towards such pepper-cleaning costs.

   Our opinion on the standalone financial statements is not modified in respect of the above matter.

2) We draw attention to Note 45 of the Standalone Financial Statements regarding sale of 8.71% (31,00,000 equity shares) of Company's stake in its subsidiary, NCDEX e-Markets Limited (NeML), to its wholly owned subsidiary, National Commodity Clearing Limited (NCCL), for a consideration of Rs. 3,000.80 lakhs and the profit earned on the said stake sale of Rs. 2,690 lakhs has been credited to the statement of profit and loss and shown as an exceptional item.

   Our opinion on the standalone financial statements is not modified in respect of the above matter.

3) We draw attention to Note 15(b) of the Standalone Financial Statements regarding company continues to recognize and carries net deferred tax assets of Rs. 4,786 lakhs as at March 31, 2024 on account of business losses and unabsorbed depreciation on a reasonable certainty based on future taxable profits and the management expects that business losses and unabsorbed depreciation will be adjusted against the future taxable profits based on the approved business plan and projections by the Company.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Our opinion on the standalone financial statements is not modified in respect of the above matter.

4) We draw attention to Note 46 of the Standalone Financial Statements regarding suspension on launch of new contracts and no fresh positions of major commodities for the period from August 17, 2021 to December 20, 2024, resultant losses, reduction in the net worth and negative operating cash flows of the Company. However, the fact that net worth of the company as at March 31, 2024 is maintained as per the regulatory guidelines, the company is capable of meeting its current financial liabilities existing at the balance sheet date as and when they fall due within a period of one year and other reasons mentioned in Note 46 to the standalone financial statements, the management is of the view that there is no impact on the carrying value of its assets & no adjustments are made in the financial statements for the year ended March 31, 2024 and no material uncertainty exists and the financial statements have been prepared based on the going concern assumption.

   Our opinion on the standalone financial statements is not modified in respect of the above matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Litigation, Claims and Contingent Liabilities **(Refer Notes 31(a), 32 & 33 to be read along with Emphasis of Matter in Independent Auditor's Report of the standalone financial statements)** As of March 31, 2024, the Company has various ongoing litigations on legal and proceedings with tax authorities involving uncertain direct and indirect tax positions. There are various direct and indirect tax cases against the Company, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc. The Company has assessed the above pending matters related to litigations and has disclosed the contingent liabilities, wherever applicable, and certain legal matters, in its standalone financial statements. This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the standalone financial statements.	Our audit procedures related to legal and uncertain tax positions included– ● Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters; ● Obtaining details of litigations on legal and uncertain direct and indirect tax positions. ● Reviewing orders and management responses thereto. ● Inspecting the supporting documents to evaluate management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the standalone financial statements; and ● Reviewing expert's legal advice/opinion obtained by the Company's management for evaluating certain legal and tax matters; Based on the above procedure, we noted that the Company has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, and certain legal matters, in its standalone financial statements. (Refer Notes 31(a), 32 & 33 to the standalone financial statements)

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, but does not include the Standalone financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive loss, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are 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 standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 'B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its standalone financial statements – Refer Note 31(a), 32 & 33 to the standalone financial statements.

ii. The Company did not have any long-term contracts including derivatives contracts as at March 31, 2024 for which there were any material foreseeable losses - Refer Note 51 to the standalone financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024 - Refer Note 52 to the standalone financial statements.

iv. a) The Management has represented that, to the best of its knowledge and belief, 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; - Refer Note 37(x) to the standalone financial statements.

b) The Management has represented, that, to the best of its knowledge and belief, 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; - Refer Note 37(x) to the standalone financial statements; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the 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 neither declared nor paid any dividend during the year.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2024 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number:105049W

Narendra Jain
Partner
Membership Number: 048725
UDIN: 24048725BKEZDA4615

Place: Mumbai
Date: May 24, 2024

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **National Commodity and Derivative Exchange Limited** of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a programme of physical verification of Property, Plant and Equipment and right-of-use assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, no physical verification was conducted during the year. In our opinion frequency of such verification is reasonable having regards to size and nature of the business.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property and accordingly the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The Company is a commodity exchange and does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, 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. Therefore, the provisions of clause 3(iii)(a), (c) to (f) of Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

Based on the information and explanations and in our opinion, the investments made, during the year are, prima facie, not prejudicial to the Company's interest.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are considered to be deemed deposits during the year, hence directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder are not applicable to the Company. According to information and explanations provided to us, no order has been passed by Company Law Board of National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the order is not applicable to the Company.

vii (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, goods and

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT (Contd.)

service tax (GST), duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities. According to the records of the Company, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service-tax, GST, duty of custom, duty of excise, value added tax, cess and other statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, except the following:

Amount (Rs. in Lakhs)

Name of the Statute (Nature of the Dues)	Period to which the amount relates	Forum where dispute is pending	Amount Disputed	Amount Paid/ Adjusted	Amount Unpaid
Income Tax Act, 1961 (Tax / Interest)	FY 2006-07	High Court	171	-	171
Income Tax Act, 1961 (Tax / Interest)	FY 2007-08		113	-	113
Income Tax Act, 1961 (Tax / Interest)	FY 2010-11		123	-	123
Income Tax Act, 1961 (Tax / Interest)	FY 2008-09	Commissioner of Income Tax (Appeals) - Mumbai	11	11	-
Income Tax Act, 1961 (Tax / Interest)	FY 2010-11		13	13	-
Income Tax Act, 1961 (Tax / Interest)	FY 2011-12		456	456	-
Income Tax Act, 1961 (Tax / Interest)	FY 2015-16		580	580	-
Income Tax Act, 1961 (Tax / Interest)	FY 2020-21		17	17	-
Income Tax Act, 1961 (Tax / Interest)	FY 2012-13	Income Tax Appellate Tribunal	0.5	0.5	-
Income Tax Act, 1961 (Tax / Interest)	FY 2013-14		5	5	-
Income Tax Act, 1961 (Tax / Interest)	FY 2016-17		15	15	-
Income Tax Act, 1961 (Tax / Interest)	FY 2017-18		69	69	-
Finance Act, 1994 (Service Tax) *	Nov 2013 – July 2016	Customs, Excise & Service Tax Appellate Tribunal	814	61	753
Finance Act, 1994 (Service Tax) *	Oct 2014 – June 2017		1464	110	1354

* excluding interest & penalty

viii. According to the information and explanation given to us, 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 defaulted in repayment of loan or in the payment of interest thereon to banks.

(b) According to the information and explanation given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and hence, reporting on clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT (Contd.)

during the year on the pledge of securities held in its subsidiary and hence, reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) We hereby confirm that to the best of our knowledge and belief, there are no fraud by the Company and no material fraud 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 in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaint received by the Company during the year, while determining the nature, timing and extent of our audit procedures.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

(b) The Company is not a Non-Banking Finance Company or a Housing Company. Accordingly, provision of clause 3(xvi)(b) of the Order is not applicable.

(c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India

(d) As per information and explanation given to us, the company is not part of any group and therefore reporting on number of CICs in the group under clause 3 (xvi)(d) of the order is not applicable.

xvii. In our opinion, the Company has incurred cash losses of Rs. 186 lakhs in the current financial year and of Rs. 4,826 lakhs in 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 realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report 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, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT (Contd.)

xx. As per information and explanation given to us and in our opinion, the provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx)(a) & (b) of the Order is not applicable to the Company.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number:105049W

Narendra Jain
Partner
Membership Number: 048725
UDIN: 24048725BKEZDA4615

Place: Mumbai
Date: May 24, 2024

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **National Commodity and Derivative Exchange Limited** "the Company" of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls over financial reporting of **National Commodity and Derivative Exchange Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

AUDITOR'S RESPONSIBILITY

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.

4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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

6. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. 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

8. 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, 2024, 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 Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number:105049W

Narendra Jain
Partner
Membership Number: 048725
UDIN: 24048725BKEZDA4615

Place: Mumbai
Date: May 24, 2024

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2024

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	420	590
Right of use assets	41	1,034	951
Intangible assets	3	2,107	2,635
Intangible assets under development	3	75	62
Investment in subsidiaries, associates and joint ventures	4	21,443	21,753
Financial assets			
- Other financial assets			
- Bank balances	5(a)	127	689
- Others	5(b)	213	192
Deferred tax assets (net)	15	4,786	4,141
Income tax assets (net)	6	1,453	1,717
Other non-current assets	7	11	19
Total non-current assets		**31,669**	**32,749**
Current Assets			
Financial assets			
- Investments	8	2,812	2,627
- Trade receivables	9	334	382
- Cash and cash equivalents	10	1,225	43
- Bank balances other than cash and cash equivalents	11	2,799	3,563
- Others	5(b)	1,750	2,240
Income tax assets (net)	6	574	-
Other current assets	7	1,209	895
Total current assets		**10,703**	**9,750**
Investments held for sale- in subsidiary and associate	4(a)	1,786	1,852
TOTAL ASSETS		**44,158**	**44,351**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	5,068	5,068
Other equity	13	30,329	30,725
Total Equity		**35,397**	**35,793**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Deposits	16	894	769
- Lease Liabilities	18	759	736
Provisions	14	478	345
Total non-current liabilities		**2,131**	**1,850**
Current liabilities			
Financial liabilities			
- Deposits	16	3,120	3,438
- Trade payables			
Total Outstanding dues of micro enterprises and small enterprises	17	37	42
Total Outstanding dues of other than micro enterprises and small enterprises	17	556	543
- Lease Liabilities	18	365	283
- Others	18	946	770
Other current liabilities	19	828	829
Provisions	14	778	803
Total current liabilities		**6,630**	**6,708**
TOTAL LIABILITIES		**8,761**	**8,558**
TOTAL EQUITY AND LIABILITIES		**44,158**	**44,351**
Summary of material & other accounting policies	1		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Khandelwal Jain & Co.**
Chartered Accountants
ICAI Firm Registration No : 105049W

Narendra Jain
Partner
Membership No. 048725

Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board of Directors
National Commodity & Derivatives Exchange Limited

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME			
Revenue from operations	20	3,157	3,001
Other Income	21	2,126	1,883
Total income		**5,283**	**4,884**
EXPENSE			
Employee benefits expense	22	4,171	4,002
Finance cost	23	92	88
Depreciation & amortization expense	24	1,357	1,448
Technology Expenses	25 (a)	3,285	2,999
Other expenses	25 (b)	1,286	1,765
Total expenses		**10,191**	**10,302**
Profit / (loss) before exceptional items and income tax		**(4,908)**	**(5,418)**
Exceptional item	26	3,913	(487)
Profit / (Loss) before tax		**(995)**	**(5,905)**
TAX EXPENSE			
Current tax	27	-	-
Income Tax / (refund) for earlier years	27	9	-
Deferred tax expense/ (credit)	27	(639)	(1,460)
Total Tax expense		**(630)**	**(1,460)**
Profit / (Loss) for the year (A)		**(365)**	**(4,445)**
Other Comprehensive Income:			
Items that will not be reclassified to the Statement of profit and loss;			
Remeasurement of post-employment benefit obligations		(12)	(77)
Income tax impact on above		3	20
Item that will be reclassified to the Statement of profit and loss;			
Debt instruments through Other Comprehensive Income		(24)	(86)
Income tax impact on above		3	9
Other comprehensive income for the year, net of taxes (B)		**(30)**	**(134)**
Total comprehensive income for the year (A+B)		**(395)**	**(4,579)**
Earnings per share (Face Value of ₹ 10 each)	28		
(1) Basic (₹)		(0.72)	(8.77)
(2) Diluted (₹)		(0.72)	(8.77)
Summary of material & other accounting policies	1		

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Khandelwal Jain & Co.**
Chartered Accountants
ICAI Firm Registration No : 105049W

Narendra Jain
Partner
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Place : Mumbai
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Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before tax		(995)	(5,905)
Adjustments for:			
Depreciation & amortization		1,357	1,448
(Profit) / Loss on sale of fixed asset		(2)	(1)
(Profit) / Loss on sale of investments		(94)	(30)
Ind AS Fair value impact of mutual fund		(12)	(11)
Interest income		(344)	(503)
Dividend Income		(353)	-
Profit on stake sale in subsidiary		(2,690)	-
Profit on stake sale in associate		(618)	-
Bad Debts		4	-
Interest expenses on lease liability		92	88
Operating profit before working capital changes		**(3,655)**	**(4,914)**
Movements in working capital:			
Decrease / (Increase) in trade receivables		44	177
Decrease / (Increase) in other current assets		(314)	(429)
Decrease / (Increase) in other non current assets		8	8
Decrease / (Increase) in other financial assets		302	384
Increase / (Decrease) in trade payables		7	(12)
Increase / (Decrease) in financial liabilities		156	244
Increase / (Decrease) in deposits		(193)	(253)
Increase / (Decrease) in provisions		97	69
Increase / (Decrease) in other current liabilities		(0.4)	(128)
Cash generated / (used) from operations		**(3,549)**	**(4,853)**
Direct taxes (paid) / refund (net)		(319)	205
Net cash generated / (used) in operating activities	**(A)**	**(3,868)**	**(4,648)**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets, including intangible assets, CWIP and capital advances		(295)	(544)
Proceeds from sale / disposal of fixed assets		3	22
Proceeds from stake sale in subsidiary and associate company		3,684	-
Investment in shares of NCCL (subsidiary)		-	(150)
Purchase of current investments		(11,057)	(9,606)
Proceeds from sale of current investments		10,953	9,373
Dividend received from associate		353	-
Interest received		490	608
Investment in fixed deposits (original maturity of more than three months)		(8,640)	(4,438)
Redemption / Maturity of fixed deposits (original maturity of more than three months)		9,965	9,965
Net cash generated / (used) in investing activities	**(B)**	**5,456**	**5,230**

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(228)
Payment of lease Liabilities (Net off lease rent concession)	(407)	(347)
Interest paid	-	(0.4)
Net cash generated / (used) from financing activities (C)	**(407)**	**(575)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**1,182**	**8**
Cash and cash equivalents at the beginning of the year	**43**	**36**
Cash and cash equivalents at the end of the year	**1,225**	**43**
Components of cash and cash equivalents		
Cash and cheques on hand	0.07	0.06
With Banks		
- on current accounts	19	41
- on fixed deposits (Original maturity being three months or less)	1,206	2
Total	**1,225**	**43**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

Previous year figures have been regrouped / reclassified wherever necessary to conform to current year presentation

Summary of material & other accounting policies - Note 1

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Khandelwal Jain & Co.**
Chartered Accountants
ICAI Firm Registration No : 105049W

Narendra Jain
Partner
Membership No. 048725

Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board of Directors
National Commodity & Derivatives Exchange Limited

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2024

(A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Amount
Balance as at April 01, 2022	**5,068**
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	5,068
Changes in equity share capital during the year	-
Balance as at April 01, 2023	**5,068**
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2024	**5,068**

(B) OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General reserve	Retained Earnings	FVTOCI Debt instrument	
Balance as at April 01, 2022	**13,956**	**1,110**	**20,374**	**118**	**35,558**
Loss for the year	-	-	(4,445)	-	(4,445)
Items of Other Comprehensive Income for the year, net of tax	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	(57)	-	(57)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	(77)	(77)
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	(253)	-	(253)
Balance as at March 31, 2023	**13,956**	**1,110**	**15,618**	**41**	**30,725**
Loss for the year	-	-	(365)	-	(365)
Items of Other Comprehensive Income for the period, net of tax	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	(9)	-	(9)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	(22)	(22)
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-
Balance as at March 31, 2024	**13,956**	**1,110**	**15,244**	**19**	**30,329**

Summary of material & other accounting policies - Note 1

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For **Khandelwal Jain & Co.**
Chartered Accountants
ICAI Firm Registration No : 105049W

Narendra Jain
Partner
Membership No. 048725

Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board of Directors
National Commodity & Derivatives Exchange Limited

Arun Raste
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Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Background

National Commodity & Derivatives Exchange Limited ("the Company" or "the Exchange" or "NCDEX") is a national level, technology driven de-mutualized on-line commodity exchange. The Company is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at First Floor, Akruti Corporate Park, Near G. E. Garden, L.B.S. Road, Kanjurmarg West, Mumbai 400 078. The Company was incorporated on April 23, 2003, under the provisions of the Companies Act, 1956. NCDEX is regulated by Securities and Exchange Board of India.

1A. MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to year presented, unless otherwise stated.

a Statement of Compliance

The financial statements as at and for the year ended March 31, 2024 and March 31, 2023 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provision of the act to the extent applicable.

The financial statements are approved for issue by the Company's Board of Directors on May 24, 2024.

b Historical Cost Convention

The Standalone Financial Statements have been prepared on the historical cost basis except for the following:

i. certain financial assets and liabilities and contingent consideration that is measured at fair value;

ii. assets held for sale measured at lower of cost or fair value less cost to sell;

iii. defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Standalone Financial Statements are presented in Indian Rupees in Lakhs and all values are rounded to the nearest Lakhs except where otherwise stated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c Revenue Recognition

Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes, Goods and Service Tax (GST) and amounts collected on behalf of third parties.

Transaction charges

Transaction charges are recognized as income on trade date basis.

Annual subscription charges

Annual subscription charges are recognized as income on a time proportion basis beginning from the month in which member is enabled.

Admission fees

Admission fees are recognized as income at the time an applicant is converted as member or provisional member.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Dividend income is recognized when the Exchange's right to receive payment is established by the reporting date.

d Impairment of non-financial assets

The Exchange assesses, on annual basis, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Exchange estimates the asset's recoverable amount. An asset's recoverable

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the Statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

e Investments and other financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Exchange commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories based on the Exchange's business model :

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Exchange recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Investment in subsidiaries, joint ventures and associates

Investment in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses, if any in the standalone financial statements.

Equity investments

All equity investments are measured at fair value. For equity instruments, the Exchange may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Exchange makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Exchange decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to the

Statement of profit and loss, even on sale of investment. However, the Exchange may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Trade receivables

Trade Receivables are recognized initially at fair value, plus in the case of trade receivables not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the trade receivable. However, trade receivables that do not contain a significant financing component are measured at transaction price.

De-recognition

A financial asset is de-recognized only when :

i. The Exchange has transferred the rights to receive cash flows from the financial asset or

ii. 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 Exchange has transferred an asset, it 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 Exchange 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 Exchange has not retained control of the financial asset. Where the Exchange retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Exchange applies expected credit loss (ECL) model for measurement and recognition of Impairment loss on the following financial assets and credit risk exposure:

i. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

ii. Financial assets that are debt instruments and are measured as at FVTOCI.

iii. Lease receivables under Ind AS 17

iv. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

v. Loan commitments which are not measured as at FVTPL

vi. Financial guarantee contracts which are not measured as at FVTPL

The Exchange follows 'simplified approach' for recognition of impairment loss allowance on:

i. Trade receivables or contract revenue receivables; and

ii. All lease receivables resulting from transactions within the scope of Ind AS 17.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of profit and loss.

f Property, Plant and Equipment (PPE)

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working condition for its intended use (net of CENVAT / GST) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. It includes professional fees and borrowing costs for qualifying assets.

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 Exchange and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance costs are recognized in the Statement of profit and loss as incurred.

Depreciation of these PPE commences when the assets are ready for their intended use. Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation is provided on straight line method over the useful life of the assets.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Fixed assets having an original cost less than or equal to ₹ 5,000 individually and Tickers are fully depreciated in the year of purchase or installation.

Leasehold improvement is amortized over the lease term i.e. the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

The residual value of all assets is taken to be "NIL".

The useful life of property, plant and equipment are as follows :

Asset Class	Useful Life
Improvement to Lease hold Property	Over the period of lease
Furniture & Fixtures	10 years
Electrical Installations	10 years
Computer Hardware	3 – 6 years
Office Equipment's	5 years
Motor Car	8 years

The estimated useful life and residual values are re-viewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Assets held under finance leases are depreciated over their expected useful life on the same basis as owned assets or over the shorter of the assets useful life and the lease term if there is an uncertainty that the Company will obtain ownership at the end of the lease term.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of profit and loss.

g Intangible Asset

i. Intangible assets

Recognition of intangible assets

a. Computer software

Purchase of computer software used for the purpose of operations is capitalized. However, any expenses on software support, maintenance, upgrade etc. payable periodically is charged to the Statement of profit & loss.

Costs capitalized are amortized on a straight line basis over its expected useful life based on management's estimate.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Exchange 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 & has ability to complete the software and use or sell it
- software will be able to generate probable future economic benefits
- the expenditure attributable to the software during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use. The estimated useful life (5-10 years) of subsequent development of already capitalized intangible assets is evaluated independent of the estimated life of the original assets.

The carrying value of computer software costs is reviewed for impairment annually when the asset is not in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of profit and loss when the asset is derecognized.

Intangible assets under development

All costs incurred in development, are initially capitalized as Intangible assets under development - till the time these are either transferred to Intangible Assets on completion or expensed as Software Development cost (including allocated depreciation) as and when determined of no further use.

h Provisions, Contingent liabilities and Contingent assets

Provisions for legal claims are recognized when the Exchange has a present legal or constructive obligation as a result of past events and 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using current pre tax rate that reflects, when appropriate, the risk specific to the liability.

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 Exchange 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.

Contingent liabilities are not recognized but disclosed in the Financial Statements, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not recognized but disclosed in the Financial Statements when an inflow of economic benefits is probable.

i Lease

As a lessee

Leases of property, plant and equipment that substantially transfers all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

(a) Operating Leases

Effective April 01, 2019, the Exchange adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 01, 2019.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Exchange assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

(1) the contract involves the use of an identified asset

(2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and

(3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Exchange recognizes a right to use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Exchange recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right to use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right to use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right to use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right to use asset reflects that the Exchange expects to exercise a purchase option, the related right to use asset is depreciated over the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right to use asset if the group changes its assessment if whether it will exercise an extension or a termination option. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability and Right to use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Lease income from operating leases where the Exchange is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Statement of Assets and Liabilities based on their nature.

Transition

Effective April 01, 2019, the Exchange adopted Ind AS 116 “Leases” and applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Exchange recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right to use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee’s incremental borrowing rate at the date of initial application.

j Current and Non-current classification

The Exchange presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i. Expected to be realized or intended to be sold or consumed in normal operating cycle i.e. twelve months

ii. Held primarily for the purpose of trading, or

iii. Expected to be realized within twelve months after the reporting period other than for (i) above, or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

v. Current assets also includes current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle i.e. twelve months

ii. It is held primarily for the purpose of trading

iii. It is due to be settled within twelve months after the reporting period other than for (i) above, or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

k Use of estimates and judgment

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the accounting policies. Changes in the estimates are accounted for in the year when actual figures are known and not as a restatement to the comparable figures. Application of accounting policy that require critical accounting estimates and assumptions having the most significant effect on the amounts recognized in the financial statements are:

Estimated useful life of property, plant and equipment and intangible assets

Useful life of property, plant and equipment, intangible assets and investment property are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers’ warranties and maintenance support.

Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Recognition of deferred tax assets

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Exchange makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Exchange considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Exchange's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

l Non- current asset held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

As mandated by Ind AS 105, assets and liabilities would not be reclassified or re-presented for prior period.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

m Settlement Guarantee Fund (SGF)

Effective from September 27, 2018, Clearing & Settlement function is carried out by National Commodity Clearing Limited (NCCL). Further, as per SEBI requirement Core SGF is set up by NCCL. Contribution by the Exchange to Core SGF maintained by NCCL is debited to statement of Profit & Loss.

n 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, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone Financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

As per para 34 of Ind AS 12, a deferred tax asset shall be recognized for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amount will be available to utilise those temporary differences and losses. At each reporting date the Exchange reassesses unrecognized deferred tax assets and recognizes the same to the extent it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Exchange recognizes MAT credit available as an asset only to the extent it is probable that the Exchange will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Exchange recognizes MAT credit as an asset on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of profit and loss and shown as "MAT Credit Entitlement". The Exchange reviews the " MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is not probable that the Exchange will pay normal tax during the specified period.

o Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any.

When the Exchange issues financial guarantees on behalf of subsidiaries, initially it measures the financial guarantees at their fair value and subsequently measures at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

The Exchange records the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as deferred revenue. Such deemed investment is added to the carrying amount of investment in subsidiaries.

Deferred revenue is recognized in the Statement of profit and loss over the remaining period of financial guarantee issued.

p Fair Value Measurement

The Exchange measures financial instruments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Exchange uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Exchange categorizes assets and liabilities measured at fair value into one of three levels as follows:

- **Level 1 — Quoted (unadjusted)**

  This hierarchy includes financial instruments measured using quoted prices.

- **Level 2**

  Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

  Level 2 inputs include the following:

  a) quoted prices for similar assets or liabilities in active markets.

  b) quoted prices for identical or similar assets or liabilities in markets that are not active.

  c) inputs other than quoted prices that are observable for the asset or liability.

  d) Market – corroborated inputs.

- **Level 3**

  They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Exchange's assumptions about pricing by market participants.

  Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

q Impairment of non-financial assets

The Exchange assesses, on annual basis, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Exchange estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the Statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

r Employee Benefit

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognized in Statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the Standalone Balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of profit and loss.

The obligations are presented as current liabilities in the Standalone Statement of Assets and Liabilities since the Exchange does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Exchange operates the following post-employment schemes:

a. defined benefit plans such as gratuity, and

b. defined contribution plans such as provident fund.

Defined benefit Plan

- **Gratuity obligations**

  The Exchange 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 Standalone Statement of Assets and Liabilities 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 yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

  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.

  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.

  Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of profit and loss as past service cost.

Defined Contribution Plan

- **Provident fund**

  Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.

  Leave Encashment

  Leave encashment is measured on the basis of actuarial report.

s **Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no standards of accounting or any addendum thereto, prescribed by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013, which are issued and not effective as at March 31,2024.

1B. OTHER ACCOUNTING POLICIES

a Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, other short-term, highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

b Cash flow statement

The Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

c Foreign Currencies

Items included in the Financial Information of the Exchange are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The Financial Information is presented in Indian currency (₹), which is the Exchange’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the Statement of profit and loss as income or expense.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or Statement of profit and loss are also recognized in OCI or Statement of profit and loss, respectively).

d Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Exchange will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the Statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of profit and loss over the period in which depreciation of the related assets will be charged to the statement of profit and loss.

e Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

f Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Exchange are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognized when the Exchange 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 or loss.

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 loss are measured at fair value with all changes in fair value recognized in the Statement of profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Trade and other payables

These amounts represent liabilities for goods and services provided to the Exchange prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the Statement of profit and loss when the liabilities are derecognized. Interest expenses on these financial liabilities is included in finance cost using EIR method.

Financial guarantee contracts

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

g Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

h Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

2. PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Computer Hardware	Improvement to Lease hold Property	Telecom-munication Equipment's	Office Equipment's	Electrical Installations	Furniture and Fixtures	Total
Cost or Deemed Cost							
Opening as at April 01, 2022	2,004	143	1,120	48	117	87	3,520
Additions	190	3	98	6	-	-	297
Disposals / Adjustments	584	-	76	-	38	3	701
Closing gross carrying amount	**1,610**	**146**	**1,142**	**54**	**79**	**84**	**3,115**
Accumulated depreciation and impairment							
Opening as at April 01, 2022	1,575	139	963	38	54	46	2,815
Depreciation for the year	266	3	100	6	8	7	390
Disposals / Adjustments	565	-	75	-	38	2	680
Closing accumulated depreciation	**1,276**	**142**	**988**	**44**	**24**	**51**	**2,525**
Net carrying amount as at March 31, 2023	**334**	**4**	**154**	**10**	**55**	**33**	**590**
Cost or Deemed Cost							
Opening as at April 01, 2023	1,610	146	1,142	54	79	84	3,115
Additions	64	8	7	5	-	1	85
Disposals	10	-	21	5	2	7	45
Adjustments	1	(0.3)	6	1	(0.5)	(2)	5
Closing gross carrying amount	**1,665**	**153**	**1,134**	**55**	**77**	**76**	**3,160**
Accumulated depreciation and impairment							
Opening as at April 01, 2023	1,276	142	988	44	24	51	2,525
Depreciation for the year	167	2	66	6	11	7	259
Disposals	10	-	21	5	2	6	44
Closing accumulated depreciation	**1,433**	**144**	**1,033**	**45**	**33**	**52**	**2,740**
Net carrying amount as at March 31, 2024	**232**	**9**	**101**	**10**	**44**	**24**	**420**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

3. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software	Total	Intangible assets under development	Total
Cost or Deemed Cost				
Opening as at April 01, 2022	7,033	7,033	24	24
Additions	263	263	304	304
Disposals / Adjustments	-	-	3	3
Capitalized during the year	-	-	263	263
Closing gross carrying amount	**7,296**	**7,296**	**62**	**62**
Accumulated amortization and impairment losses				
Opening as at April 01, 2022	3,912	3,912	-	-
Amortization for the year	749	749	-	-
Disposals / Adjustments	-	-	-	-
Closing accumulated amortization	**4,661**	**4,661**	**-**	**-**
Net carrying amount as at March 31, 2023	**2,635**	**2,635**	**62**	**62**
Cost or Deemed Cost				
Opening as at April 01, 2023	7,296	7,296	62	62
Additions	224	224	240	240
Adjustments	(5)	(5)	3	3
Capitalized during the year	-	-	224	224
Closing gross carrying amount	**7,515**	**7,515**	**75**	**75**
Accumulated amortization and impairment losses				
Opening as at April 01, 2023	4,661	4,661	-	-
Amortization for the year	745	745	-	-
Adjustments	2	2	-	-
Closing accumulated amortization	**5,408**	**5,408**	**-**	**-**
Net carrying amount as at March 31, 2024	**2,107**	**2,107**	**75**	**75**

3. INTANGIBLE ASSETS UNDER DEVELOPMENT

a Intangible Assets under development ageing

Ageing for Intangible Assets under development as on 31st March 2024 is as follows:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	72	3	-	-	75
Projects temporarily suspended	-	-	-	-	-
Total	**72**	**3**	**-**	**-**	**75**

Any of the project's completion is not overdue and neither any cost is exceeded as compared to original plans.

Ageing for Intangible Assets under development as on 31st March 2023 is as follows:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	62	-	-	-	62
Projects temporarily suspended	-	-	-	-	-
Total	**62**	**-**	**-**	**-**	**62**

Any of the project's completion is not overdue and neither any cost is exceeded as compared to original plans.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

4. NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Quantity	Amount	Quantity	Amount
Investment in subsidiaries, associates and joint ventures				
I Investment in unquoted equity shares (At cost)				
(i) In Subsidiary Companies				
Equity shares of ₹10/- each fully paid up in NCDEX e Markets Limited	3,23,99,400	3,240	3,54,99,400	3,550
Equity Shares of ₹10/- each fully paid up in NCDEX Institute of Commodity Markets & Research	20,75,000	207	20,75,000	207
Aggregate provision for diminution in value of unquoted investments		(207)		(207)
Equity shares of ₹10/- each fully paid up in National Commodity Clearing Limited	12,27,50,000	12,610	12,27,50,000	12,610
Equity shares of ₹10/- each fully paid up in National E-Repository Limited *	4,13,12,124	4,131	4,13,12,124	4,131
(ii) In Associates				
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited **	1,46,15,609	1,462	1,46,15,609	1,462
Total		**21,443**		**21,753**
Aggregate amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate amount of unquoted investments		**21,443**		**21,753**

4(a) Investments Held for Sale - in subsidiary and associate

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Quantity	Amount	Quantity	Amount
Investments Held for Sale				
Equity shares of ₹10/- each fully paid up in National E-Repository Limited *	1,31,38,876	1,314	1,31,38,876	1,314
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited **	47,24,263	472	53,84,391	538
Total		**1,786**		**1,852**

*The Exchange was permitted to hold up to 74% of the paid up share capital of NERL and to reduce it to 51% or below by December 21, 2018 as per letter 16/5-15/A&F-1959 dated December 08, 2016 and letter of intent dated December 23, 2016 of Warehousing Development and Regulatory Authority (WDRA). Since the shareholding of the Exchange (67.22%) was not in line with the above guidelines, the Exchange has sought and recieved permission from WDRA to continue to hold 67.22% in NERL. As per latest WDRA letter no. D-24015/2/2018-O/o US (A and F)/2728 dated February 01, 2024, WDRA has granted an extension of time to the Exchange for a period of six months from December 22, 2023 to reduce its shareholding in NERL to 51% or below. During the year ended March 31, 2023, the Board had accorded its in-principle approval for sale of investment in subsidiary namely NERL, to the extent of regulatory requirement and the same was classified as 'Asset held for sale'. As at March 31, 2024, the management continues to classify the investments held in NERL as 'Asset held for sale', to the extent of regulatory requirement.

**As per shareholding pattern norms prescribed under Regulations 19(1) of the Central Electricity Regulatory Commission (CERC) (Power Market) Regulations, 2010, dated January 10, 2010, applicable to Power Exchange of India Ltd (PXIL), the shareholder (except for the member of Power Exchanges) can hold maximum upto 25% of paid up share capital.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

The power exchange was granted 3 years time from the date of notification to comply with the said norms. Since the shareholding of the Exchange (34.21%) was not in line with the above regulations, PXIL has sought and recieved permission from CERC to allow the Exchange to continue to hold 34.21% in PXIL. CERC vide its order dated November 20, 2023 has granted an extension of time upto September 30, 2024.

During the year ended March 31 2023, the Board had accorded its in-principle approval for sale of investment in associate namely PXIL, to the extent of 9.21% (53,84,391 equity shares) to comply with regulatory requirement and the same was classified as 'Asset held for sale'. During the year ended March 31, 2024, the Company has entered into an agreement to sell its stake to the extent of 2.58% (15,08,864 equity shares) in PXIL for a consideration of ₹ 1,600 Lakhs and an option to the buyer to acquire a further 0.65% stake (3,77,216 equity shares) for a consideration of ₹ 400 Lakhs, aggregating to 3.23% (18,86,080 equity shares) for ₹ 2,000 Lakhs. Out of this, the Company has sold the first tranche of 1.13% (6,60,128 equity shares) to the buyer for a consideration of ₹ 700 Lakhs, before March 31, 2024. The net profit of ₹ 618 Lakhs earned (net of expenses of ₹ 16 Lakhs) on the said stake sale of ₹ 700 Lakhs has been credited to the statement of profit and loss and shown as an exceptional item. As at March 31, 2024, the management continues to classify the balance 8.08% (47,24,263 equity shares) stake held in PXIL as 'Asset held for sale', being the excess holding over regulatory requirement.

5. OTHER FINANCIAL ASSET

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(a) Non-current bank balances				
Deposits with bank - original maturity more than 12 months	127	689	-	-
Total (a)	**127**	**689**	**-**	**-**
(b) Others				
Considered Good- Unsecured				
Recoverable from subsidiaries	-	-	21	366
Interest accrued on fixed deposits	7	7	33	178
Security Deposit	206	185	-	-
Other assets (Refer Note 33)	-	-	1,696	1,696
Receivables - credit impaired				
Others receivables - credit impaired	32	32	-	-
Less: Allowance for expected credit loss	(32)	(32)	-	-
Total (b)	**213**	**192**	**1,750**	**2,240**

6. INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Advance income tax paid including tax deducted at source receivable (net of provision)	1,453	1,717	574	-
Total	**1,453**	**1,717**	**574**	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

7. OTHER ASSETS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured, Considered Good				
Prepaid Expenses	11	19	327	269
Balances with Government authorities*	-	-	869	610
Other Receivables	-	-	13	16
Total	**11**	**19**	**1,209**	**895**

* Includes ₹ 171 Lakhs (PY ₹ 171 Lakhs) paid under protest towards service tax demand.

8. CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
A)	**Investment in bonds (At FVTOCI)**				
	Bonds (Quoted)				
	7.35% NHAI Tax-free bonds 2015 Maturity dated January 11, 2031	57,140	638	57,140	672
	7.35% NABARD Tax-free bonds Maturity dated March 23, 2031	67,475	760	67,475	763
	8.48% NTPC Tax-free bonds Maturity dated December 16, 2028	44,799	538	44,799	526
	Total Bonds (a)		**1,936**		**1,961**
B)	**Investment in mutual funds (At FVTPL)**				
	Mutual Funds (Unquoted)				
	Aditya Birla Sunlife Liquid fund- growth -Direct Plan *	8,359	33	8,359	30
	Axis Liquid Fund Direct Growth **	2,602	70	1,402	35
	HDFC- Overnight Fund -Direct Plan -Growth	-	-	4,507	150
	HDFC- Liquid Fund -Direct Plan -Growth	3,799	180	-	-
	HDFC- Liquid Fund -Direct Plan -Growth Option *	213	10	700	31
	ICICI Prudential Overnight Fund - Direct Plan Growth Option	17,838	230	17,672	214
	Kotak Overnight Fund- Direct Plan-Growth Option ***	1,818	23	3,409	41
	Kotak Liquid Scheme- Direct Plan-Growth Option ***	616	30	-	-
	SBI Overnight Fund - Direct Growth	-	-	4,531	165
	SBI Liquid Fund - Direct Growth	7,951	300	-	-
	Total - Current Investments (b)		**876**		**666**
	Aggregate amount of total investments (a+b)		**2,812**		**2,627**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
Aggregate provision for diminution in value of unquoted investments		-		-
* Represents investment earmarked for Investor Service Fund				
** Represents Investment earmarked for Regulatory fee forgone by SEBI				
*** Represents investment earmarked for Base Minimum Capital				
Aggregate amount of quoted investments		1,936		1,961
Aggregate market value of quoted investments		1,936		1,961
Aggregate amount of unquoted investments		876		666

9. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
a) Trade Receivables considered good - Secured* - billed	212	241
b) Trade Receivables considered good - Unsecured - billed	122	141
c) Trade Receivables which have significant increase in Credit Risk	-	-
d) Trade Receivables - credit impaired	-	-
	334	**382**
Less: Expected credit loss allowance	-	-
Total	**334**	**382**

* Secured by deposits received from members

Trade Receivables Ageing as at March 31, 2024

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	306	3	2	0	22	334
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Sub Total	306	3	2	0	22	334
Less : Expected credit loss allowance	-	-	-	-	-	-
Total	**306**	**3**	**2**	**0**	**22**	**334**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Trade Receivables Ageing as at March 31, 2023

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	345	2	4	-	30	382
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables –credit impaired	-	-	-	-	-	-
Sub Total	345	2	4	-	30	382
Less : Expected credit loss allowance	-	-	-	-	-	-
Total	**345**	**2**	**4**	**-**	**30**	**382**

10. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash in hand	0.07	0.06
Balances with bank		
In current accounts	19	41
Deposits with original maturity of three months or less	1,206	2
Total	**1,225**	**43**

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
Unpaid Dividends	101	104
Earmarked Flexi deposit balances*	72	72
Earmarked bank balances**	11	2
Earmarked fixed deposits	13	-
Deposits with original maturity for more than 3 months but less than 12 months***	845	1,729
Deposits with maturity of less than 12 months at the balance sheet date	1,757	1,656
Total	**2,799**	**3,563**

* Earmarked Flexi deposit balances
- Includes ₹ 19 Lakhs (March 31, 2023 ₹ 19 Lakhs) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ 53 Lakhs (March 31, 2023 ₹ 53 Lakhs) represents earmarked for Base Minimum Capital.

** Earmarked bank balances
- Includes ₹ 0.70 Lakhs (March 31, 2023 : ₹ 0.90 Lakhs) for Investor Service Fund.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

- Includes ₹ 4.99 Lakhs (March 31, 2023 ₹ 0.35 Lakhs) for Base Minimum Capital.
- Includes ₹ 0.72 Lakhs (March 31, 2023 ₹ 0.53 Lakhs) for SEBI Regulatory fees
- Includes ₹ 0.22 Lakhs (March 31, 2023 ₹ 0.22 Lakhs) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ 1 Lakhs (March 31, 2023 ₹ NIL Lakhs) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ 3 Lakhs (March 31, 2023 ₹ NIL Lakhs) represents earmarked for Base Minimum Capital.

*** Includes Fixed Deposits of ₹ 180 Lakhs (March 31, 2023 : ₹ 315 Lakhs) lien marked for Overdraft facility

12. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized		
70,000,000 Equity shares of ₹ 10/- each (Previous Years : 70,000,000 Equity shares of ₹ 10/- each)	7,000	7,000
Issued, subscribed and fully paid up shares		
50,676,000 Equity shares of ₹ 10/- each fully paid up (Previous Years: 50,676,000 equity shares of ₹ 10/- each fully paid up)	5,068	5,068
Total	**5,068**	**5,068**

a. Reconciliation of the authorized equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares of ₹ 10 each fully paid				
At the beginning of the year	7,00,00,000	7,000	7,00,00,000	7,000
Addition during the year	-	-	-	-
Outstanding at the end of the year	7,00,00,000	7,000	7,00,00,000	7,000

b. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares of ₹ 10 each fully paid				
At the beginning of the year	5,06,76,000	5,068	5,06,76,000	5,068
Issued during the year	-	-	-	-
Outstanding at the end of the year	5,06,76,000	5,068	5,06,76,000	5,068

c. Terms / Rights attached to equity share

The Exchange has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Exchange declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Exchange, the holder of the equity shares will be entitled to receive remaining assets of the Exchange, after distribution of all the preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholder.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

d. Details of shareholders holding more than 5% share in the Exchange

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 10 each fully paid				
National Stock Exchange of India Limited	76,01,377	15.00%	76,01,377	15.00%
Life Insurance Corporation of India	56,25,000	11.10%	56,25,000	11.10%
National Bank for Agriculture and Rural Development	56,25,000	11.10%	56,25,000	11.10%
Indian Farmers Fertiliser Cooperative Limited (IFFCO) *	50,68,000	10.00%	50,68,000	10.00%
Oman India Joint Investment Fund (OIJIF) *	50,67,600	10.00%	50,67,600	10.00%
Punjab National Bank	36,94,446	7.29%	36,94,446	7.29%
Canara Bank	30,55,519	6.03%	30,55,519	6.03%
Build India Capital Advisors LLP	25,33,799	5.00%	25,33,799	5.00%
Investcorp Private Equity Fund - I (previously known as IDFC Private Equity Fund III)	16,46,970	3.25%	25,33,800	5.00%
Shree Renuka Sugars Limited	25,33,700	5.00%	25,33,700	5.00%

As per records of the Exchange, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

*SEBI vide letters dated May 23, 2019 and February 05, 2020 and thereafter vide e-mail dated June 09, 2020 had directed the Exchange to freeze voting rights and restrict entitlement to any corporate benefits, including dividend over and above 5% of the paid up capital of the Exchange, of two shareholders, namely, Indian Farmers Fertiliser Cooperative Limited (IFFCO) and Oman India Joint Investment Fund (OIJIF), till Initial Public Offering of the Exchange takes place or in case the two shareholders are not able to offload their shareholding through Offer for Sale in IPO, an additional time of three months' had been accorded by SEBI to the two shareholders for complying with the SECC Regulations, 2018, with the condition that the other directions issued shall remain in force till compliance of SECC Regulations, 2018. Thereafter, SEBI vide e-mails dated April 19, 2021, December 14, 2021, February 10, 2022 and January 31, 2023, February 14, 2024, further extended the timelines to comply with shareholding requirement as per SECC Regulations, 2018, by the said shareholders till December 31, 2024.

e. Shareholding of promoter

Shares held by promoters at March 31, 2024

	No. of Shares	% of total shares	% change during the year
Promoter	NIL		
Promoter Group	NIL		

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

13. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General reserve	Retained Earnings	FVTOCI Debt instrument	
Balance as at April 01, 2022	**13,956**	**1,110**	**20,374**	**118**	**35,558**
Loss for the year	-	-	(4,445)	-	(4,445)
Items of Other Comprehensive Income for the year, net of tax					
Remeasurement benefit of defined benefit plans	-	-	(57)	-	(57)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	(77)	(77)
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	(253)	-	(253)
Balance as at March 31, 2023	**13,956**	**1,110**	**15,618**	**41**	**30,725**
Loss for the year	-	-	(365)	-	(365)
Items of Other Comprehensive Income for the period, net of tax	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	(9)	-	(9)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	(22)	(22)
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-
Balance as at March 31, 2024	**13,956**	**1,110**	**15,244**	**19**	**30,329**

1. The company has neither declared nor paid dividend for the year ended March 31, 2024 and March 31, 2023.
2. The Board of Directors in the meeting held on May 20, 2022, proposed a final dividend of ₹ 0.50 per equity share which has been approved by the shareholders at the Annual General Meeting held on September 26, 2022. The total dividend debited to other equity during the year ended March 31, 2023 amounts to ₹ 253 Lakh.

Description of nature and purpose of reserve

Securities Premium Reserve

Securities premium is used to record the premium on issue of shares i.e. the amount received in excess of the par value of shares. The reserve is utilized in accordance with the provisions of section 52 of the Companies Act, 2013.

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Retained Earnings

The amount that can be distributed by the Exchange as dividends to its equity shareholders is determined based on the standalone financial statements of the Exchange and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Reserve for debt instruments fair value through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or impairment losses on such instruments.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

14. PROVISIONS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Employee benefits obligation				
a) Provision for gratuity	201	176	120	115
b) Provision for leave encashment	48	48	25	22
c) Provision for performance based Incentive	229	121	373	406
Other Provisions (Refer Note 33)	-	-	260	260
Total	**478**	**345**	**778**	**803**

15. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets components		
Employee benefits	99	94
Unabsorbed loss including unabsorbed depreciation	4,861	4,122
Deferred tax assets on SEBI Regulatory Fees	29	20
Deferred tax assets on ISF liabilities	10	11
MAT Credit Entitlement (Refer note 15(a) below)	-	206
Gross deferred tax asset	**4,999**	**4,453**
Deferred tax liabilities components		
Depreciation and amortization	185	287
Financial assets at fair value through P&L	3	2
Financial assets at fair value through OCI	2	5
Rent Expenses IND AS 116	23	18
Gross deferred tax liabilities	**213**	**312**
Net deferred tax asset/ (liability) (Refer note 15(b) below)	**4,786**	**4,141**

(a) Considering the unabsorbed business losses and unabsorbed depreciation and future taxable profits, the Company expects that it will opt for lower tax rate under section 115BAA and hence MAT credit will not be available for setoff. Accordingly, during the year, the Company has derecognized MAT credit of ₹ 206 Lakhs.

(b) As at March 31, 2024, the Company continues to recognize and carries net deferred tax assets of ₹ 4,786 Lakhs on account of business losses and unabsorbed depreciation on a reasonable certainty based on future taxable profits. Management expects that business losses and unabsorbed depreciation will be adjusted against the future taxable profits based on the approved business plan and projections by the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

16. DEPOSITS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Base Minimum Capital *	894	769	689	884
Deposit from members	-	-	2,391	2,554
	894	**769**	**3,080**	**3,438**
Other Deposits - related parties	-	-	40	-
Total	**894**	**769**	**3,120**	**3,438**

* Non current portion of Base minimum capital of ₹ 894 Lakhs (PY ₹ 769 Lakhs) is carried at undiscounted value as the date of refund cannot be estimated

17. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Total outstanding due of micro and small enterprises	36	42
b) Total outstanding dues of creditors other than micro and small enterprises	527	543
c) Trade payable to related party - Micro and small enterprises	1	-
c) Trade payable to related party - other than Micro and small enterprises	29	-
Total	**593**	**585**

Trade Payable Ageing as at March 31, 2024

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	37	-	-	-	-	37
Others	554	-	-	-	2	556
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - others	-	-	-	-	-	-
	591	**-**	**-**	**-**	**2**	**593**

Trade Payable Ageing as at March 31, 2023

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	101	-	-	-	-	101
Others	482	1	0.03	2	0.3	485
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - others	-	-	-	-	-	-
	582	**1**	**0.03**	**2**	**0.3**	**585**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
a) Payable towards capital expenditure - others	-	-	113	92
b) Payable towards capital expenditure - MSME	-	-	7	-
c) Dues to members	-	-	444	415
d) Other payable	-	-	13	14
e) Payable to member/ customer	-	-	369	249
	-	**-**	**946**	**770**
f) Lease Liabilities	759	736	365	283
Total	**759**	**736**	**1,311**	**1,053**

19. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Revenue received in advance #	351	345
b) SEBI turnover and regulatory fees	116	77
c) Investor protection fund*	33	36
d) Investor Service fund	40	42
e) Statutory dues payable	172	210
f) Dividend withheld	101	104
g) Deposit from applicants	15	15
Total	**828**	**829**

Includes ₹ 38 Lakhs (PY ₹ 41 Lakhs) from related parties

* Includes ₹ 19 Lakhs (March 31, 2023 : ₹ 19 Lakhs) payable to Investor Protection Fund Trust, in view of the freeze order on the security deposit of the member Bhavishya Advisory and Comtrade (India) Pvt. Ltd. However, Forward Market Commission(FMC) has directed that NCDEX shall get the freeze order lifted by the police authorities and reimburse the amount to the Trust towards settlement of award and arbitration cost which the Trust has paid.

20. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of services		
Transaction charges	2,390	2,373
Annual subscription fees	81	93
Admission fees	5	20
Warehouse charges	6	11
Data, Analytics and Technology Sales	581	409
Other Operating Revenues		
Computer to computer link charges	40	33
Port charges	54	62
Total	**3,157**	**3,001**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue recognized		
Point in time	2,410	2,407
Over the period of time	748	594
Total	**3,157**	**3,001**

21. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Bank deposits	215	373
Interest on Bonds	130	130
Interest on financial asset measured at amortized cost	12	11
Dividend Income	353	-
Profit on sale / Fair Value of Mutual funds	94	30
Interest on Income Tax Refund	235	332
Exchange charges	67	23
Recovery of charges from subsidiaries	753	705
Profit on sale/scrap of PPE (net)	2	1
Leaseline charges income	261	258
Sundry balances written back (net)	-	20
Others (miscellaneous income)	4	-
Total	**2,126**	**1,883**

22. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, bonus and allowances	3,683	3,557
Contribution to Provident and other funds	328	302
Staff welfare expenses *	160	143
Total	**4,171**	**4,002**

* Training application subscription fees of ₹ 20 Lakhs pertaining to previous year is re-grouped to staff welfare expenses from technology expenses.

23. FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on lease liability	92	88
Interest on bank overdraft	-	0.4
Total	**92**	**88**

24. DEPRECIATION & AMORTIZATION EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation	259	391
Amortization	745	749
Amortization of right of use assets	353	308
Total	**1,357**	**1,448**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

25. (A) TECHNOLOGY EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Repairs & Maintenance computer and software *	2,506	2,188
Annual Maintenance charges	205	207
Networking Expenses	206	206
Data Centre Expenses	176	201
Other Technology Expenses	192	196
Total	**3,285**	**2,999**

* Training application subscription fees of ₹ 20 Lakhs pertaining to previous year is re-grouped from technology expenses to staff welfare expenses

25. (B) OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Legal and Professional Charges	227	293
Electricity Charges	112	119
Polling Expenses	20	25
Research Expenses	62	149
Rent	22	47
Repairs and Maintenance	92	98
Directors Sitting Fees	72	84
Committee Sitting Fees	12	12
Board and Committee meeting expenses	12	15
Travelling and Conveyance expenses	76	93
Liquidity Enhancement Scheme expenses	151	397
Insurance Expenses	65	69
SEBI Regulatory Fees	2	2
Contribution towards SEBI Regulatory Fund	55	52
Contribution to Investor Protection Fund	24	23
Contribution to Investor Service Fund	27	28
Security Charges	40	37
Advertisement and Publicity	48	47
Printing and stationery	10	16
Communication Expenses	21	22
Recruitment Expenses	11	12
Books Periodicals & Subscription	13	12
Payment to Auditors		
- For Audit (including limited review)*	19	20
- For tax audit	4	4
- For tax matters	-	9
- For other services	1	-
- For reimbursement of expenses	1	0.4
Bad Debts	4	-
Sundry balances / assets written off (net)	2	-
Rates & Taxes	2	1
Other Expenses	79	80
Total	**1,286**	**1,765**

*Includes ₹ 9 Lakhs (March 31, 2023 : ₹ 7 Lakhs) for Limited review fees.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

26. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Exceptional Items		
Capital raising expenses written off (Refer Note 43)	-	487
Refund of excess contribution from core SGF - NCCL (Refer Note 44)	605	-
Profit on stake sale in subsidiary (net) (Refer Note 45)	2,690	-
Profit on stake sale in associate (net) (Refer Note 4(a))	618	-
Total	**3,913**	**487**

27. CURRENT AND DEFERRED TAX

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	-	-
Income Tax / (refund) for earlier years	9	-
Reversal of MAT credit (Refer note 15 (a))	206	-
Deferred Tax	(845)	(1,460)
Total	**(630)**	**(1460)**

28. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net Profit / (Loss) after tax as per Statement of Profit and Loss	(365)	(4,445)
Less: Preference dividend and tax thereon	-	-
Net Profit for calculation of EPS **(A)**	(365)	(4,445)
Weighted average no. of equity shares for calculating EPS **(B)**	5,06,76,000	5,06,76,000
Basic earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	(0.72)	(8.77)
Diluted earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	(0.72)	(8.77)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Weighted average number of equity shares for calculating EPS	5,06,76,000	5,06,76,000

29. During the year, Exchange has recognized the following amounts in the financial statements as per Ind AS 19 “Employees Benefits” :

a) Defined Contribution Plan

Contribution to Provident Fund and Employee State Insurance Scheme

Contribution to Defined Contribution Plan are recognized and charged off for the year as under :

The Exchange makes contribution, determined as percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Exchange has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer’s Contribution to Provident Fund	167	155

b) Defined Benefit Plan

The Exchange has a defined benefit gratuity plan. Every employee who has completed five years or more and less than or equal to nine years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Every employee who has completed more than ten years of service gets a gratuity on departure at 26 days salary (last drawn salary) for each completed year of service.

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

(₹ in Lakhs)

Actuarial assumptions	Gratuity (funded)	
	As at March 31, 2024	As at March 31, 2023
Expected Rate of Return on plan assets	7.16%	7.29%
Discount rate (per annum)	7.16%	7.29%
Rate of increase in Compensation levels	8.00% p.a. for the next 1 year, 6.00% p.a. for the next 5 years, starting from the 2nd year 5.00% p.a. thereafter, starting from the 7th year	8.00% p.a. for the next 2 years, 6.00% p.a. for the next 5 years, starting from the 3rd year 5.00% p.a. thereafter, starting from the 8th year
Rate of Employee turnover	25.00%	25.00%
Mortality Rate during Employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)
Mortality Rate after Employment	N.A.	N.A.

Table showing changes in present value of obligations :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the beginning of the year	556	454
(Liability Transferred In / Acquisitions)	-	-
(Liability Transferred Out / Divestments)	-	-
Interest Cost	40	26
Current Service Cost	52	49
Benefits paid	(93)	(39)
Actuarial (gain) / loss on obligations	21	66
Present value of obligation as at the end of the end	**576**	**556**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Table showing changes in the fair value of plan assets :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at beginning of the year	265	246
(Liability Transferred In / Acquisitions)	-	-
(Assets Transferred Out / Divestments)	-	-
Interest income	18	14
Employer contribution	56	55
Benefits paid	(93)	(39)
Return on Plan Assets, Excluding Interest Income	8	(11)
Fair value of plan assets at year end	**255**	**265**

The amounts to be recognized in Balance Sheet :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the end of the year	(576)	(556)
Fair value of plan assets as at the end of the year	255	265
Funded Status (Surplus / (Deficit))	(321)	(291)
Unrecognized actuarial (gains) / losses	-	-
Net asset / (liability) recognized in Balance Sheet	**(321)**	**(291)**

Expenses recognized in Statement of Profit and Loss :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	52	49
Past service cost (Vested Benefit)	-	-
Net Interest Income	21	12
Expected return on plan assets	-	-
Curtailment and settlement cost / (credit)	-	-
Expenses recognized in the Statement of Profit and Loss	**73**	**60**

Expenses recognized in Other Comprehensive Income :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial (Gains) / Losses on Obligation for the year	21	66
Return on Plan Assets, excluding Interest Income	(8)	11
Change in Asset Ceiling	-	-
Net (Income) / Expense For the year Recognized in Other Comprehensive Income	**12**	**77**

Maturity profile of defined benefit obligation :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Projected benefits payable in future years from the date of reporting		
1st Following year	146	144
2nd Following year	113	108
3rd Following year	102	91
4th Following year	84	79
5th Following year	63	64
Sum of Years 6 to 10	167	162
Sum of Years 11 and above	56	52

Investment Details :

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Investments with insurance fund	100%	100%

Sensitivity :

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Gratuity	Change in Assumption	For the year ended March 31, 2024		For the year ended March 31, 2023	
		Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1% / -1%	(15)	16	(14)	15
Salary Escalation Rate	+1% / -1%	16	(15)	15	(14)
Employee Turnover	+1% / -1%	(1)	0	(1)	0

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the defined 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 above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note-1: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Note-2: The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

30. Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows :

(₹ in Lakhs)

	Particulars	As at March 31, 2024	As at March 31, 2023
a.	Principal amount remaining unpaid to any supplier as at the year end	44	42
	Interest due thereon :	-	-
b.	Amount of interest paid during the year	-	-
c.	Amount of payments made to the supplier beyond the appointed day during the accounting year.	-	-
d.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the (year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006.	-	-
e.	Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
f.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006.	-	-

Note: The above information and that given in Note. 17 ‘ Trade Payables’ regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Exchange and has been relied upon by the auditors.

31. COMMITMENTS AND CONTINGENCIES

(a) Contingent Liabilities not provided for :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) On account of Income taxes (Refer Note 1 below)	1,574	2,273
(ii) On account of Legal claim (Refer Note 2 below)	185	185
(iii) On account of payment of Bonus for the F.Y. 2014-15 (Refer Note 3 below)	11	11
(iv) On account of Service tax (Refer Note 4 below)	2,278	2,278

Note 1

Particulars	Assessment Year	As at March 31, 2024	As at March 31, 2023	Forum before which case is pending
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 07-08	171	171	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 08-09	113	113	High Court
Short TDS credit granted by AO, adjusted against FBT	AY 09-10	11	11	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 11-12	123	123	High Court
Short TDS credit granted by AO	AY 11-12	13	13	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 12-13	456	456	CIT

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Particulars	Assessment Year	As at March 31, 2024	As at March 31, 2023	Forum before which case is pending
Disallowance u/s 14A and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 13-14	-	201	CIT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 13-14	0.5	-	ITAT
Disallowance u/s 14A and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 14-15	-	236	CIT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 14-15	5	-	ITAT
Disallowance u/s 14A, Other disallowances and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 16-17	580	580	CIT
Disallowance u/s 14A, Other disallowances and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 17-18	-	321	CIT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 17-18	15	-	ITAT
Disallowance u/s 14A and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 18-19	-	28	CIT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 18-19	69	-	ITAT
Interest on Income Tax Refund	AY 18-19	-	2	AO
Addition u/s 41	AY-21-22	17	17	CIT
Total		**1,574**	**2,273**	

Note 2

A legal suit was been filed jointly against the Exchange and National Collateral Management Services Limited by a party claiming a sum of ₹ 185 Lakhs for loss on sale of goods, loss of profit, interest etc.

The management believes that the outcome of any pending litigations will not have a material adverse effect on the Exchange's financials position and the results of operations.

Note 3

Due to the retrospective amendment in "The Payment of Bonus Act,1965" which is deemed to have come into force from April 01, 2014. Kerala and Karnataka High Courts have passed stay on it's implementation and the matter is pending in Court of Law for hearing. Considering that books of FY 2014-15 have been closed, return of bonus filed for said period and the matter is under litigation, the same is considered as contingent.

Note 4

The Exchange had received an adverse order on the issue of non-payment of service tax on liquidated damages amounting to ₹ 814 Lakhs along with interest u/s 75 & Penalty u/s 78, as per Finance Act, 1994. The Exchange had filed an appeal with CESTAT against the same. The Exchange had also pre deposited 7.5% of the tax amount i.e. ₹ 61 Lakhs at the time of filing appeal with CESTAT. Outcome of the appeal is pending.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

The Exchange had received an adverse order on the issue of Inadmissible Cenvat credit as per rule 6(3)(i) of the Cenvat Credit Rule, 2004 amounting to ₹ 1464 Lakhs along with interest u/s 75 & Penalty u/s 78, as per Finance Act, 1994. In FY 2022-23, the Exchange had filed an appeal with CESTAT against the same and the Exchange had pre deposited 7.5% of the tax amount i.e. ₹ 110 Lakhs at the time of filing appeal with CESTAT. Outcome of the appeal is pending.

(b) Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	53	-

(c) Other Commitments

i SEBI vide its circular dated April 10, 2019, has prescribed Risk based method to determine the net worth required for Clearing Corporation. In this regard, the Exchange, vide its letter dated September 05, 2018, has given an undertaking to National Commodity Clearing Limited (NCCL) for infusion of capital to the extent required to enable compliance with SEBI directives on net worth of NCCL.

ii The Exchange has invested ₹ 207 Lakhs (₹ 207 Lakhs March 31, 2023) in NCDEX Institute of Commodity Markets and Research (NICR), incorporated under section 25 of the Companies Act, 1956 (now section 8 of Companies Act, 2013) on September 18, 2007. The main object of the Institute is to operate as a charitable statistical research institute to promote knowledge and research relating to commodity markets, associated derivatives and disseminate information for the benefit of the participants in markets for products, goods, commodities, currency bonds, fixed income, intangibles, indices etc.

NICR has made a loss of ₹ 6 Lakhs for the year ended March 31, 2024 (₹ 40 Lakhs for the year ended March 31, 2023) and accumulated losses as on March 31, 2024 is ₹ 174 Lakhs (₹ 167 Lakhs for the year ended March 31, 2023). The financial statements of NICR have been prepared on the assumption of a going concern in view of the ability to continue its operations for the foreseeable future with the continued support by the Exchange.

32. A legal suit was filed against the Exchange and two Warehouse Service Providers (WSP) jointly by three parties claiming liquidated damages, penalties, interest cost, re-processing and re-testing charges and other incidental costs etc. As per the legal opinion received, the management believes that possibility of any outflow is remote and the outcome of the said pending litigation will not have a material adverse effect on the Exchange’s financials position and the results of operations.

33. Based on complaints of presence of “Mineral Oil”’ in some of the stocks, warehouses having pepper stock of approximately 6853 MT were sealed by Food Safety and Standard Authority of India, Kerala (FSSAI) and deliveries were stopped from the warehouses, till further notice. In the meantime, the Commissioner of Food Safety, Kerala passed Orders for release of pepper stocks free of mineral oil of approximately 463 MT. The presence of mineral oil was not a part of the National Commodity & Derivatives Exchange Limited (“Exchange”) specifications and therefore any liability arising on account of the same cannot be under the settlement process of the Exchange. However, in order to retain market integrity, the Exchange had offered to facilitate improvement of pepper stock, subject to recovering the costs of improvement and accordingly prayed before the Hon’ble High Court of Kerala to allow the same. Based on this, the Hon’ble High Court of Kerala vide its order dated August 28, 2014, allowed the Exchange to clean the pepper stock lying in the warehouse with a right to recover the costs associated with the same. Subsequently, some of the holders of the stocks had requested Food Safety Authorities, Kerala to permit the reference of a second sample to the referral laboratory viz. The Central Food Laboratory, Kolkata. Further, Hon’ble High Court of Kerala, vide its order dated May 12, 2015 had directed the release of such quantity of pepper which is found free from impurities and contamination. Based on this, approximately 4,376 MT of pepper stock which was found free of mineral oil on testing by Central Food Laboratory, Kolkata, has been released to the holders & approximately 1,015 MT was further released after cleaning. In the earlier years, the Exchange had paid the total amount including taxes towards cleaning and other related costs of ₹ 1,696 Lakhs (Net of recovery of

₹ 9 Lakhs till March 31, 2024). These payments are considered as receivable and shown under “other financial assets”. As on March 31, 2024 the balance stock of Pepper pending at various stages of release under the custody of Food Safety Authority, Kerala is approximately 998 MT. Further the Hon’ble High Court of Kerala, in a Writ Petition filed by the holders, passed an interim order dated 13th April, 2018, restricting the Exchange from taking any coercive actions against the holder and the said order is currently in force. In terms of the legal opinion obtained, the management is of the view that it has a fair chance of recovery of the costs incurred by it, since the same is backed by orders of the Hon’ble Court which provide a constructive lien on the goods lying with the Exchange approved warehouses. Accordingly, the Exchange has considered, the said receivable as good and recoverable and is of the opinion that there is no requirement to make further provision with respect to these cost in Exchange’s account apart from a provision of ₹ 260 Lakhs which was made in earlier years towards the cleaning of pepper stocks. The said provision is shown under the head “current provisions”.

34. AS REQUIRED BY IND AS - 24 “RELATED PARTY DISCLOSURES”

(i) Name and description of related parties

Relationship	Name of related party
(a) Subsidiaries	NCDEX e Markets Limited (NeML)
	National E-Repository Limited (NERL)
	National Commodity Clearing Limited (NCCL)
	NCDEX Institute of Commodity Markets and Research (NICR)
(b) Associates	Power Exchange India Limited (PXIL)
(c) Joint Venture	Rashtriya e Market Services Private Limited (Joint venture with subsidiary NeML)
	Meta Materials Circular Markets Private Limited (Joint venture with subsidiary NeML)
(d) List of Key Management Personnel	Mr. Arun Raste (Managing Director and Chief Executive Officer) (w.e.f. June 07,2021)
	Mr. Ashish Bahuguna (Chairman and Public Interest Director) (w.e.f. June 15, 2023)
	Dr. Purvi Mehta (Public Interest Director) (upto January 11, 2024)
	Mr. Bhaskaran Nayar Venugopal (Shareholder Director) (upto January 11, 2024)
	Mr. Rakesh Kapur (Non-Independent Director)
	Mr. Srinath Srinivasan (Shareholder Director) (upto March 02, 2023)
	Mr. Manikumar S. (Non-Independent Director upto September 26, 2023)
	Mr. Prem Kumar Malhotra (Public Interest Director) (w.e.f August 09, 2021)
	Mr. Venkat Nageswar Chalasani (Public Interest Director) (upto November 14, 2023)
	Mr. Vijay Kumar V. (Managing Director & Chief Executive Officer) (upto April 18, 2021)
	Mr. Hemant Adarkar (Public Interest Director) (w.e.f. April 13, 2021)
	Mr. R. Amalorpavanathan (Public Interest Director) (w.e.f. January 03, 2022)
	Mr. R. Doraiswamy (Non-Independent Director) (w.e.f. March 21, 2024)
	Mr. Sanjeev Rohilla (Non-Independent Director) w.e.f. January 04, 2024)
	Dr. Mukulita Vijayawargiya (Public Interest Director w.e.f. February 09, 2024)

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(ii). Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at March 31, 2024 are as under:

(₹ in Lakhs)

Particulars	Subsidiaries								Associate		Key Management Personnel					
	NeML		NICR		NERL		NCCL		PXIL		Vijay Kumar V.		Arun Raste		Directors	
	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23
Remuneration*	-	-	-	-	-	-	-	-	-	-	14	13	200	200	-	-
Recovery of expenses	89	55	75	133	84	74	505	443	-	-	-	-	-	-	-	-
Expenses paid (including rent)	10	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Research and training expenses paid to subsidiaries	-	-	62	147	-	-	-	-	-	-	-	-	-	-	-	-
Investment in equity shares	-	-	-	-	-	-	-	150	-	-	-	-	-	-	-	-
Advance billing to subsidiaries	28	-	-	-	31	-	226	-	-	-	-	-	-	-	-	-
Exchange contribution from core SGF - NCCL	-	-	-	-	-	-	605	-	-	-	-	-	-	-	-	-
Security Deposit collected	17		-	-	20	-	2	-	-	-	-	-	-	-	-	-
Stake sale in subsidiary (NeML)	-	-	-	-	-	-	3,001		-	-	-	-	-	-	-	-
Income collected by subsidiaries on NCDEX behalf	-	-	-	-	-	-	7	-	-	-	-	-	-	-	-	-
Sitting fees paid to directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71	84
Dividend Income	-	-	-	-	-	-	-	-	353	-	-	-	-	-	-	-
Recovery of NCDEX dues from Members deposit with subsidiaries	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-

Note: *As the liabilities for defined benefit plan viz. gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

Particulars	Subsidiaries								Associate		Key Management Personnel					
	NeML		NICR		NERL		NCCL		PXIL		Vijay Kumar V.		Arun Raste		Directors	
	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23
Investments in equity shares	3,240	3,550	207	207	5,445	5,445	12,610	12,610	1,934	2,000	-	-	-	-	-	-
Provision for diminution in the value of investment	-	-	207	207	-	-	-	-	-	-	-	-	-	-	-	-
Revenue received in advance	20	23	-	-	2	2	15	16	-	-	-	-	-	-	-	-
Security Deposit collected	17	-	-	-	20	-	2	-	-	-	-	-	-	-	-	-
Other receivables	2	1	18	83	2	12	-	270	-	-	-	-	-	-	-	-
Trade payables / Other payable	1	7	13	51	-	-	16	-	-	-	16	31	94	75	-	-

* During the year ended March 31, 2024, the Company has sold 1.13% (6,60,128 equity shares) of its stake in PXIL to a buyer for a consideration of ₹ 700 Lakhs

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

35. SEGMENT REPORTING :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Exchange. The Exchange operates only in one Business Segment i.e. facilitating trading in commodities and the activities incidental thereto within India, hence does not have any reportable segments as per Indian Accounting Standard 108 "Operating Segments".

36. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

Sr. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Amount required to be spent by the company during the year	-	-
2	Amount of expenditure incurred during the year	-	-
3	Excess of previous year adjusted	-	-
4	(Excess) / Shortfall at the end of the year	-	-
5	Total of previous years shortfall / (Excess)	-	-
6	Reason for shortfall	-	-
7	Nature of CSR activities	N.A.	N.A.
8	Details of related party transactions	N.A.	N.A.
9	Provision made in current financial period due to any contractual obligation	N.A.	N.A.

37. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

i Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iii Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iv Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

v Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vi Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

vii Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

viii Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

ix Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

x Utilization of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

xi Core Investment Company (CIC)

There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

xii Loans or advances to specified persons

The Company has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are:

(a) repayable on demand or

(b) without specifying any terms or period for repayment.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

38. DISCLOSURE OF FINANCIAL RATIOS

Sr No.	Particulars	March 31, 2024	March 31, 2023	Variance	Explanation for Variance above 25%
1	Current Ratio (In times)	1.6	1.5	(0.1)	
2	Debt-Equity Ratio (In times)	NA	NA	NA	Not applicable
3	Debt Service Coverage Ratio (In times)	2.7	(8.4)	1.3	Current year loss is lower due to increase in revenue and exceptional income received by the company during the year.
4	Return on Equity Ratio (in %)	(1.0%)	(11.6%)	91.2%	Current year loss is lower due to increase in revenue and exceptional income received by the company during the year.
5	Inventory Turnover ratio	NA	NA	NA	Not applicable
6	Trade receivables turnover ratio (in times)	8.8	6.4	0.4	Reduction in receivables has resulted in improvement in ratio
7	Trade payables turnover ratio (in times)	7.8	8.1	0.0	
8	Net Capital turnover ratio (in times)	0.8	1.0	0.2	
9	Net profit ratio (in %)	(11.6%)	(148.1%)	92.2%	Current year loss is lower due to increase in revenue and exceptional income received by the company during the year.
10	Return on capital employed (in %)	(2.5%)	(15.8%)	84.4%	Current year loss is lower due to increase in revenue and exceptional income received by the company during the year.
11(a)	Return of FD Investment (%)	7.0%	5.6%	24.5%	Increase in Interest rate
11(b)	Return on Liquid Mutual Fund (%)	7.0%	5.3%	31.9%	Increase in Interest rate
11(c)	Return on Bond Investments (%)	7.0%	7.0%	(0.6%)	

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Exchange's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Exchange's senior management has the overall responsibility for the establishment and oversight of the Exchange's risk management framework. The Exchange has constituted a Risk Management Committee, which is responsible for developing and monitoring the Exchange's risk management policies.

Management of Liquidity Risk

Liquidity risk is the risk that the Exchange will face in meeting its obligations associated with its financial liabilities. The Exchange's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when they become due without incurring unacceptable losses.

The Exchange's finance department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any surplus cash available, over and above the amount required for management and other operational requirements, is retained as cash and cash equivalents (to the extent required), highly marketable debt investments, and interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Exchange's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

(₹ in Lakhs)

Particulars	Note Nos.	Carrying amount	Payable on demand	Less than 12 months	More than 12 months	Total
As at March 31, 2024						
Deposits	16	4,014	3,120	-	894	4,014
Trade payables	17	593	-	593	-	593
Lease Liabilities	41	1,124	-	440	1026	1,466
Other financial liabilities	18	946	-	946	-	946
		6,677	**3,120**	**1,979**	**1,920**	**7,019**
As at March 31, 2023						
Deposits	16	4,207	3,438	-	769	4,207
Trade payables	17	585	-	585	-	585
Lease Liabilities	41	1,019	-	425	989	1,414
Other financial liabilities	18	770	-	770	-	770
		6,581	**3,438**	**1,781**	**1,758**	**6,977**

Management of Credit Risk

Credit risk is the risk of financial loss to the Exchange if a customer or counter-party fails to meet its contractual obligations.

Trade Receivables :

Concentrations of credit risk with respect to trade receivables are limited, due to the Exchange's customer base being large and diverse and also on account of member's deposits kept by the Exchange as collaterals which can be utilized in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

Out of the total trade receivable of ₹ 334 Lakhs (March 31, 2023 ₹ 382 Lakhs), the receivable amounting to ₹ 27 Lakhs (March 31, 2023 ₹ 37 Lakhs) are outstanding for more than 180 days.

None of the customers accounted for receivables and revenue more than 10% for the year ended March 31, 2024 (one customer accounted 11% of receivables and none of the customer accounted for revenue of more than 10% for the year ended March 31, 2023).

Other financial assets :

The Exchange maintains exposure in cash and cash equivalents, term deposits with banks, investments in debt mutual funds and bonds. The Exchange limits its exposure to credit risk by making investment as per the investment policy. The Exchange addresses credit risk in its investments by mandating a minimum rating of the security / institution where the amounts are invested and is further strengthened by mandating additional requirements like Net Worth Criteria and Capital Adequacy Ratio (CAR) for term deposits with banks and Minimum Average Assets Under Management (AAUM) of the Asset Management Companies (AMCs) and Assets Under Management (AUM) of the schemes for investments in debt mutual funds. Further the Investment Committee of the Exchange reviews the investment portfolio on a periodic basis and recommends or provides suggestions to the management. The Exchange does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Management of Market Risk

The Exchange's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of commodities traded, the number of contracts and liquidity and similar factors.

In addition to the above risk, Market risk also includes the risk of loss of future earnings, fair values of future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Exchange's control. Changes in the general level of interest rates can affect the profitability by affecting the spread between, amongst other things, income the Exchange receives on investments in debt securities, the value of interest-earning investments, it's ability to realise gains from the sale of investments.

Foreign currency risk

The Exchange periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the Exchange has not entered into foreign exchange forward exchange contracts.

Capital management

The Exchange's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Exchange monitors the return on capital as well as the level of dividends on its equity shares. The Exchange's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Exchange is predominantly equity financed which is evident from the capital structure. Further, the Exchange has always been a net cash company with cash and bank balances along with investment which is predominantly invested in liquid mutual funds and fixed deposits with scheduled banks, being far in excess of financial liabilities.

Regulatory Net worth

Regulation 14 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, prescribes the net worth requirements for Stock Exchanges. In terms of this regulation, the Exchanges shall have a minimum networth rupees one hundred crore at all times. The Company is in compliance with said SEBI directives.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

40. FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Exchange uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Exchange uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1**

  This hierarchy includes financial instruments measured using quoted prices.

- **Level 2**

  Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

  Level 2 inputs include the following:

  a) quoted prices for similar assets or liabilities in active markets.

  b) quoted prices for identical or similar assets or liabilities in markets that are not active.

  c) inputs other than quoted prices that are observable for the asset or liability.

  d) Market – corroborated inputs.

- **Level 3**

  They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Exchange's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(₹ in Lakhs)

Particulars	Levels	As at March 31, 2024	As at March 31, 2023
1) Financial Assets			
Financial assets measured at fair value through profit or loss			
A) Investment in Mutual Funds	Level 1	876	666
Financial assets measured at fair value through other comprehensive income			
A) Investment in Bonds	Level 1	1,936	1,961
Financial assets measured at Amortized Cost			
A) Bank deposits		2,927	4,251
B) Trade receivables		334	382
C) Cash and Cash equivalents		1,225	43
D) Other Financial Asset		1,963	2,432
Total financial assets		**9,260**	**9,735**

(₹ in Lakhs)

Particulars	Levels	As at March 31, 2024	As at March 31, 2023
2) Financial liabilities			
Financial liabilities measured at Amortized Cost			
A) Deposits		4,014	4,207
B) Trade payables		593	585
C) Lease Liabilities		1,124	1,019
D) Other Financial liabilities		946	770
Total Financial liabilities		**6,677**	**6,581**

The carrying amounts of trade receivables, bank deposit, other financial assets, trade payables, Deposit, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

41. LEASES

1 The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Profit & Loss Account under the heading “Finance costs” and “Depreciation and Amortization Expense” respectively under Note 23 and 24.

2 The weighted average incremental borrowing rate applied to lease liabilities is 8.38%.

3 Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024.

(₹ in Lakhs)

Particulars	Category of Right of use Assets	Total
	Office Space	
Balance as of April 01, 2022	1,201	1,201
Additions	58	58
Deletions/ Modification	-	-
Depreciation	308	308
Balance as of March 31, 2023	**951**	**951**
Balance as of April 01, 2023	951	951
Additions	494	494
Deletions/ Modification	58	58
Depreciation	353	353
Balance as of March 31, 2024	**1,034**	**1,034**

4 The following is the break-up of current and non-current lease liabilities as of March 31, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Lease liabilities	365	283
Non-current lease liabilities	759	736
Total	**1,124**	**1,019**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

5 The following is the movement in lease liabilities during the year ended March 31, 2024 :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	1,019	1,222
Additions	479	55
Deletions/ Modification	58	-
Finance cost accrued during the year	92	88
Payment of lease liabilities	407	347
Balance as at end of the year	**1,125**	**1,019**

6 The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2024 on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	440	425
One to five years	1,026	989
More than 5 years	-	-
Total	**1,466**	**1,414**

The Company does not face a significant liquidity risk with regard to its lease liability as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expenses recorded for short-term leases was ₹ 22 Lakh for the year ended 31 March, 2024 (₹ 47 Lakh for the year ended 31 March, 2023).

42. TAX RECONCILIATION

a A reconciliation of Income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit / (Loss) before income taxes	(995)	(5,905)
Enacted tax rates in India (%)	26.00	26.00
Computed expected tax expense	(259)	(1,535)
Tax impact due to non-deductible expenses for tax purposes	0.6	127
Tax impact on exempt income	(709)	(34)
Capital gain taxed at different rate & Other Income (Net of business losses)	(22)	(13)
MAT reversal (Refer note 15(a) & 27)	206	-
Income tax for earlier years	9	-
Impact of tax rate change	158	-
Others	(15)	(5)
Income tax expense	**(630)**	**(1,460)**

b The following table provides the details of income tax assets and income tax liabilities as of March 31, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax assets	2,027	1,717
Income tax liabilities	-	-
Net Non current income tax assets / (liability) at the end	**2,027**	**1,717**

c The gross movement in the current income tax asset / (liability) for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Net current income tax asset/ (liability) at the beginning	1,717	1,922
Add:- Income tax paid	514	518
Less:-Income tax refund received	(195)	(724)
Less:- Income tax expense	(9)	-
Net current income tax asset/ (liability) at the end	**2,027**	**1,717**

d Deferred tax (liabilities) / assets (net)

Movements in deferred tax assets

(₹ in Lakhs)

Particulars	Employee benefit	Financial Assets at Fair Value through OCI	MAT Credit Entitlement	Lease	Unabsorbed loss including unabsorbed depreciation	ISF liabilities & SEBI Regulatory fee	Total
As at March 31, 2022	**71**	**-**	**206**	**2**	**2,764**	**34**	**3,077**
Charged/(credited)							
- to profit or loss	43	-	-	(2)	1,358	(4)	1,397
- to other comprehensive income	(20)	-	-	-	-	-	(20)
- Retained Earning	-	-	-	-	-	-	-
As at March 31, 2023	**94**	**-**	**206**	**-**	**4,122**	**31**	**4,453**
Charged/(credited)							
- to profit or loss	2	-	(206)	-	739	8	544
- to other comprehensive income	3	-	-	-	-	-	3
- Retained Earning	-	-	-		-	-	-
As at March 31, 2024	**99**	**-**	**-**	**-**	**4,861**	**39**	**4,999**

Movements in deferred tax liabilities

(₹ in Lakhs)

Particulars	Depreciation	Financial Assets at Fair Value through profit or loss	Financial Assets at Fair Value through OCI	Lease	Total
As at March 31, 2022	**395**	**2**	**14**	**15**	**426**
Charged/(credited)					
- to profit or loss	(108)	1	0	3	(104)
- to other comprehensive income	-	-	(9)	-	(9)
As at March 31, 2023	**287**	**2**	**5**	**18**	**312**
Charged/(credited)					
- to profit or loss	(102)	1	-	5	(96)
- to other comprehensive income	-	-	(3)	-	(3)
As at March 31, 2024	**185**	**3**	**2**	**23**	**213**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

43. The Exchange had filed a draft red herring prospectus (DRHP) on February 11, 2020 with the Securities and Exchange Board of India (SEBI) and stock exchanges for the proposed initial public offering (IPO) of its equity shares, comprising of fresh issue and Offer for Sale of Equity Shares by the Selling Shareholders. On April 09, 2020 SEBI issued its final observations on the DRHP. The Exchange has not launched its IPO, hence 25% of the IPO related expenses were debited to statement of profit and loss account under other expenses during the FY 2020-21 and remaining amount (75%) amounting to ₹318 Lakhs was considered as recoverable from selling shareholders and shown under other current financial assets. Subsequently the Exchange has spent ₹ 106 Lakhs towards corporate restructuring, which was also shown as recoverable. During the year ended March 31, 2023, the Exchange had written off the said recoverable amount of ₹ 424 Lakhs along with GST recoverable thereon of ₹ 63 Lakhs aggregating to ₹ 487 Lakhs and debited it to the statement of profit & loss account and shown as exceptional item.

44. As per SEBI circular SEBI/HO/MRD/MRD-POD-1/P/CIR /2023/78 dated May 23, 2023 relating to revision in computation of Core Settlement Guarantee Fund in Commodity Derivatives Segment, Clearing Corporations in Commodity Derivatives Segment may now align their core SGF in terms of SEBI circulars dated August 27, 2014 as well as July 11, 2018 and excess contribution, if any, may be returned to the contributing stakeholders on a pro-rata basis, after taking due approval from SEBI. Accordingly, subsidiary company, National Commodity Clearing Limited (NCCL) vide its letters dated June 01, 2023 and June 14, 2023, had requested for permission to withdraw excess contribution from Core SGF. In response to the said letters, SEBI has approved withdrawal of excess SGF contribution of ₹ 6,185 Lakhs and ₹ 842 Lakhs by NCCL & NCDEX respectively, from core SGF vide its letter SEBI/HO/MRD/RAC-1/P/OW/2023/28875/1 dated July 18, 2023. Based on the said approval, the Exchange has received excess contribution from core SGF (post tax liability of Core SGF) of ₹ 605 Lakhs for the year ended March 31, 2024 and the same is credited to the statement of profit and loss and shown as an Exceptional item.

45. During the year ended March 31,2024, the company has sold 8.71% (31 Lakhs equity share) of its stake in its subsidiary, NCDEX e-Markets Limited (NeML), to its wholly owned subsidiary, National Commodity Clearing Limited (NCCL), for a consideration of ₹ 3,000.80 Lakhs, based on independent valuation report. The said stake sale has been approved by its Board on August 11, 2023. Further, the said stake sale is carried by the Company after obtaining SEBI's approval vide its letter dated December 06, 2023 under regulation 38 (2) of SECC Regulations, 2018. The profit earned on the said stake sale of ₹ 2,690 Lakhs has been credited to the statement of profit and loss and shown as an exceptional item.

46. As per SEBI directives, the Exchange has issued circulars informing the market participants that no fresh positions and launch of new contracts are allowed in Chana and Rapeseed-Mustard with effect from August 17, 2021 and October 08, 2021 respectively. In addition to this, the Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-124/2021 dated December 20, 2021 wherein no fresh positions and launch of new contracts are allowed for a period of one year in respect of certain commodities prescribed in the said circular including major commodities like Soyabean and Refined Soy Oil as well as earlier suspended commodities viz. Chana and Rapeseed-Mustard. The suspension of these commodities was extended for a period of one year i.e. till December 20, 2023. Subsequently, the suspension was further extended for a period of one more year i.e. till December 20, 2024. The Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-160/2023 dated October 27, 2023 to that effect. Accordingly, the revenue of the Exchange from transaction charges of these commodities has been impacted. The management, based on its assessment, is of the view that there is no impact on the carrying value of its assets. Therefore, no adjustments are made in the financial statements for the year ended March 31, 2024.

Despite the suspension of commodities, resultant losses, reduction in the net worth and negative operating cash flows of the Company, the net worth of the Company is maintained as per the regulatory guidelines and the Company is capable of meeting its current financial liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date out of its current financial assets. Also, the Exchange is putting efforts to grow its business in the existing commodities and diversify its business by exploring new products. Further, the company has initiated the process of raising funds through preferential issue of equity shares to identified institutional shareholders (refer note 49) and diluting its excess holdings (as per regulatory requirements) in NERL (subsidiary company) and PXIL (associate company). In view of the above and the business plan of the Company, the management believes that no material uncertainty exists and the financial statements have been prepared based on the going concern assumption.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

47. Other Income includes Interest on Income Tax refund of ₹ 235 Lakhs for the year ended March 31, 2024 (₹ 332 Lakhs for the year ended March 31, 2023).

48. Other Income includes ₹ 353 Lakhs received from Power Exchange India Limited (PXIL) for the year ended March 31, 2024 as dividend for the Financial Year 2012-13 to FY 2019-20 on erstwhile 10% Optionally Convertible Cumulative Preference shares (later converted to Equity shares in FY 2019-20).

49. During the year ended March 31, 2024, the Board has accorded its in principle approval to offer such number of equity shares to identified institutional shareholders so as to increase their current shareholdings upto the maximum shareholding permissible as per the SEBI/RBI regulations at a price to be determined as per the valuation by a registered valuer and subject to such approvals as may be required. Subsequent to the balance sheet date, the Board has approved the offer of 1,89,76,358 equity shares of the Exchange having face value of ₹ 10/- (Rupees Ten only) each at a price of ₹ 160.60 per equity share on a preferential basis/private placement for cash to identified institutional shareholders of the Exchange, subject to the approval of the shareholders of the Exchange and other regulatory/ statutory approvals, as may be required.

50. The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on September 28, 2020 and the said Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Exchange will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

51. In accordance with the relevant provisions of the Companies Act, 2013, the Exchange does not have long term contracts as of March 31, 2024 and March 31, 2023 for which there were no material forseeble losses. The Exchange did not have any derivative contracts as at March 31, 2024 and March 31, 2023.

52. For the year ended March 31, 2024 and March 31, 2023, the Exchange is not required to transfer any amount into the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.

53. Previous year figures have been regrouped / reclassified wherever necessary to conform to current year presentation.

As per our report of even date

For **Khandelwal Jain & Co.**
Chartered Accountants
ICAI Firm Registration No : 105049W

Narendra Jain
Partner
Membership No. 048725

Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board of Directors
National Commodity & Derivatives Exchange Limited

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS of National Commodity & Derivatives Exchange Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **National Commodity & Derivatives Exchange Limited** ("the Parent" or "the Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as "the Group"), its associate company and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information prepared based on the relevant records, (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entities as at March 31, 2024, and its consolidated loss, its consolidated total comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1) We draw attention to note 32 to the consolidated financial statements regarding the matters relating to the future contracts of pepper, the Holding Company had paid in earlier years total amount including taxes towards cleaning of the pepper stock in warehouses and other related costs of Rs. 1,696 lakhs (net of recovery of Rs. 9 lakhs till March 31, 2024) and these payments are considered as receivable and shown under "other financial assets". The order of Hon'ble High Court of Kerala dated August 28, 2014, has allowed the Holding Company to clean the pepper stock in warehouses with a right to recover the aforesaid estimated pepper-cleaning costs and applicable taxes, associated with the same however the Hon'ble High Court of Kerala in a Writ Petition filed by the holders, passed an interim order dated April 13, 2018, restricting the Exchange from taking any coercive actions against the holder and the said order is currently in force.

   In terms of the legal opinion obtained, the management is of the view that it has a fair chance of recovery of the costs incurred by it since the same is backed by orders of court which provides a constructive lien on the goods lying with the Holding Company's approved warehouses. The Management has considered the receivable as good and recoverable, and is of the opinion that no requirement to make a further provision with respect to these costs in Exchange's account apart from a provision of Rs. 260 lakhs which was made in earlier years towards such pepper-cleaning costs.

   Our opinion on the consolidated financial statements is not modified in respect of the above matter.

2) We draw attention to Note 15(b) of the Consolidated Financial Statements regarding Group continues to recognize and carries net deferred tax assets of Rs. 5,186 lakhs as at March 31, 2024 on account of business losses and unabsorbed depreciation on a reasonable certainty based on future taxable profits and the management expects that business losses and unabsorbed depreciation will be adjusted against the future taxable profits based on the approved business plan and projections by the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

3) We draw attention to Note 54 of the Consolidated Financial Statements regarding suspension on launch of new contracts and no fresh positions of major commodities for the period from August 17, 2021 to December 20, 2024, resultant losses, reduction in the net worth and negative operating cash flows of the Holding Company. However, the fact that net worth of the holding company as at March 31, 2024 is maintained as per the regulatory guidelines, the holding company is capable of meeting its current financial liabilities existing at the balance sheet date as and when they fall due within a period of one year and other reasons mentioned in Note 54 to the consolidated financial statements, the management is of the view that there is no impact on the carrying value of its assets & no adjustments are made in the financial statements for the year ended March 31, 2024 and no material uncertainty exists and the financial statements have been prepared based on the going concern assumption.

   Our opinion on the consolidated financial statements is not modified in respect of the above matter.

4) The following Emphasis of Matter paragraph has been included in the Independent Auditor's Report on the consolidated financial statements of NCDEX e Markets Limited (NEML), a Subsidiary of the Holding Company, issued by an independent firm of chartered accountants vide their report dated May 16, 2024, and is reproduced by us as under:

   "We draw attention to note 33(b)* to the consolidated financial statements regarding the order received by the Company from Director General of GST Investigation (DGGSTI) Delhi North for alleged non-payment /short payment of Tax Collected at Source (TCS) on Goods and Service tax (GST) liability to be collected by the Company as an e-commerce operator. Based on legal assessment, the management is confident of favourable outcome of the aforesaid matter and accordingly no adjustments have been made to the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter."

   * This note is included in Note 31(a)(viii) to the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Litigation, Claims and Contingent Liabilities (Refer Notes 31(a), 32 & 46, to be read along with Emphasis of Matter in Independent Auditor's Report of the consolidated financial statements) As of March 31, 2024, the Holding Company has various ongoing litigations on legal and proceedings with tax authorities involving uncertain direct and indirect tax positions. There are various direct and indirect tax cases against the Holding Company, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc. The Holding Company has assessed the above pending matters related to litigations and has disclosed the contingent liabilities, wherever applicable, and certain legal matters, in its consolidated financial statements. This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of	Our audit procedures related to legal and uncertain tax positions included– ● Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters; ● Obtaining details of litigations on legal and uncertain direct and indirect tax positions; ● Reviewing orders and management responses thereto; ● Inspecting the supporting documents to evaluate management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the consolidated financial statements; and ● Reviewing expert's legal advice/opinion obtained by the Holding Company's management for evaluating certain legal and tax matters;

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Matter	How our audit addressed the key audit matter
relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the consolidated financial statements.	Based on the above procedure, we noted that the Holding Company has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, and certain legal matters, in its consolidated financial statements. (Refer Notes 31(a), 32 & 46 to the consolidated financial statements)

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon. The Board's Report including Annexures is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information and the report of the other auditors as furnished to us [refer 'Other Matters' paragraph below], if we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(i) We did not audit the consolidated financial statements of a subsidiary included in the consolidated financial statements, whose consolidated financial statements, before consolidation adjustments, reflect total assets of Rs. 16,796 lakhs and net assets of Rs. 6,328 lakhs as at March 31, 2024 and total revenues Rs. 5,464 lakhs for the year ended March 31, 2024, net profit of Rs. 249 lakhs for the year ended March 31, 2024, total comprehensive income of Rs. 233 lakhs for the year ended March 31, 2024 and net cash outflows of Rs. 166 lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements.

These consolidated financial statements of the subsidiary company have been audited by other auditors whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid subsidiary are based solely on the report of the other auditors.

The above consolidated financial statements include the share of profit (including other comprehensive income) of Rs. 105 lakhs for the year ended March 31, 2024 of Rashtriya e-Market Services Private Limited (ReMS), a jointly controlled entity of the above subsidiary company. The financial statements / financial information of this jointly controlled entity are unaudited and have been furnished to us by the subsidiary company's management and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this jointly controlled entity and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial information. According to the information and explanations given to us by the Management, the unaudited financial information is not material to the consolidated financial statements of the Group.

(ii) We did not audit the financial statements of a subsidiary included in the consolidated financial statements, whose financial statements, before consolidation adjustments, reflect total assets of Rs. 55 lakhs and net assets of Rs. 34 lakhs as at March 31, 2024 and total revenues of Rs. 85 lakhs for the year ended March 31, 2024, net loss of Rs. 6 lakhs for the year ended March 31, 2024, total comprehensive loss of Rs. 6 lakhs for the year ended March 31, 2024 and net cash inflows of Rs. 4 lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements. These financial statements of the subsidiary company have been audited by other auditors whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid subsidiary are based solely on the report of the other auditors.

(iii) The consolidated financial statements also include the Group's share of net profit after tax of Rs. 766 lakhs for the year ended March 31, 2024 and total comprehensive income of Rs. 762 lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of an associate company. This financial statements of an associate company have been audited by other auditors whose report have been furnished to us by the management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid associate company are based solely on the report of the other auditors.

(iv) In respect of Rashtriya e-Market Services Private Limited (ReMS), one jointly controlled entity, in the opinion of the ReMS, goods and services tax ('GST') is not applicable on the transaction charges billed by ReMS. Hence, the provision for GST has not been made in the ReMS books of accounts for the same. The financial impact, if any, due to applicability of GST on profit for the year ended March 31, 2024, of jointly controlled entity is Rs. 53 lakhs. Therefore, the financial impact on the consolidated financial statements for the year ended March 31, 2024, is Rs. 26 lakhs (50% of 53 lakhs) exclusive of interest and other imposition, if any. The cumulative financial impact as on March 31, 2024, if any, due to applicability of GST on the consolidated financial statements is Rs. 959 lakhs (50% of Rs 1,917 lakhs) exclusive of interest and other impositions, if any.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, an associate company and a jointly controlled entity incorporated in India, none of the directors of the Group company incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure 'A'**.

    (g) The Group and its associate, wherever applicable, have paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate/consolidated financial statements of the subsidiary companies, an associate company (Power Exchange India Limited) and a jointly controlled entity incorporated in India (Meta Materials Circular Markets Private Limited), as noted in the Other Matter paragraph:

    (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, an associate company and a jointly controlled entity – refer Note 31(a), 32 & 46 to the consolidated financial statements.

    (ii) The Group, an associate company and a jointly controlled entity did not have any long-term contracts including derivatives contracts as at March 31, 2024 for which there were any material foreseeable losses - refer Note 60 to the consolidated financial statements

    (iii) During the year ended March 31, 2024, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, an associate company and a jointly controlled entity incorporated in India - refer Note 61 to the consolidated financial statements

    (iv) (a) The respective managements of the Holding Company and its subsidiaries, an associate company and a jointly controlled entity which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, an associate company and a jointly controlled entity respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, an associate and a jointly controlled entity to or in any other person or entity, including foreign entities ("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 respective Holding Company, or any of such subsidiaries, an associate company and a jointly controlled entity ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; Refer Note 62(ix) to the consolidated financial statements

(b) The respective managements of the Holding Company and its subsidiaries, an associate company and a jointly controlled entity which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such its subsidiaries, an associate company and a jointly controlled entity respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such its subsidiaries, an associate company and a jointly controlled entity from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such its subsidiaries, an associate company and a jointly controlled entity 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; Refer Note 62(ix) to the consolidated financial statements and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the its subsidiaries, an associate company and a jointly controlled entity which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors 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 Holding Company, its subsidiaries and a jointly controlled entity incorporated in India, have neither declared nor paid any dividend during the year. The dividend declared and paid during the year by the associate company is in compliance with Section 123 of the Act.

(vi) Based on our examination which included test checks, performed by us on the Company and two subsidiaries and that performed by the auditors of two subsidiaries, an associate company and a jointly controlled entity incorporated in India, except for the instance mentioned below, have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we and respective auditors have not come across any instance of the audit trail feature being tampered with.

The financial statements of Rashtriya e-Market Services Private Limited (ReMS), a jointly controlled entity, are unaudited and the report of the Statutory Auditors of this entity is not available. Therefore, we are unable to comment on the reporting requirement under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 in respect of the said jointly controlled entity.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the

Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for Holding Company and its two subsidiary companies and based on respective CARO reports issued by other auditors in respect of two subsidiary companies, an associate company and a jointly controlled entity included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports. Further, since the financial statements of a jointly controlled entity (Rashtriya E Market Services Private Limited) is unaudited, we are unable to report on the same.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number:105049W

Narendra Jain
Partner
Membership Number: 048725
UDIN: 24048725BKEZDB5665

Place: Mumbai
Date: May 24, 2024

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report on consolidated financial statements to the Members of **National Commodity & Derivatives Exchange Limited** of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

In conjunction with our audit of the consolidated financial statements of **National Commodity & Derivatives Exchange Limited** (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), an associate company and joint controlled entities, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company, its subsidiary companies, an associate company and jointly controlled entities to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing 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 ICAI. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company, its subsidiary companies and an associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding 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.

OTHER MATTER

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies and one associate company, which are company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Further, since the financial statements of a jointly controlled entity (Rashtriya E Market Services Private Limited) is unaudited, our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements does not include the reporting of said jointly controlled entity whose audit report is not available.

Further, in respect of Meta Materials Circular Markets Private Limited, a jointly controlled entity, with respect to the adequacy of the internal financial controls over financial reporting of the said entity and the operating effectiveness of such controls, the same is not applicable to the said entity vide notification issued by Ministry of Corporate Affairs dated June 13, 2017, read with General Circular No. 08/2017 dated July 25, 2017.

Our opinion is not modified in respect of this matter.

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration Number:105049W

Narendra Jain
Partner
Membership Number: 048725
UDIN: 24048725BKEZDB5665

Place: Mumbai
Date: May 24, 2024

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2024

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	574	826
Right to use assets	50	1,371	1,544
Intangible assets	3	3,733	4,186
Intangible assets under development	3	446	501
Financial assets			
- Investment in Associate and Joint ventures	4 (a)	5,502	4,404
Other financial assets			
- Investments	4 (b)	-	255
- Bank balances	5(a)	2,079	8,242
- Others	5(b)	311	317
Deferred tax assets (net)	15	5,363	4,654
Income tax assets (net)	6	1,784	2,302
Other non-current assets	7	36	46
Total non-current assets		**21,199**	**27,276**
Current Assets			
Financial assets			
- Investments	8	5,751	4,092
- Trade receivables	9	2,292	3,174
- Cash and cash equivalents	10	9,781	6,366
- Bank balances other than cash and cash equivalents	11	38,150	39,383
- Others	5(b)	4,108	5,154
Income tax assets (net)	6	630	412
Other current assets	7	1,434	1,101
Total current assets		**62,146**	**59,682**
Investments held for sale in associate	4(a)	742	641
TOTAL ASSETS		**84,087**	**87,599**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	5,068	5,068
Other equity	12	40,871	42,412
Equity attributable to Owners		**45,939**	**47,480**
Non Controlling Interest	12	1,658	1,824
Total Equity		**47,597**	**49,304**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Deposits	13	894	769
- Lease Liabilities	13 & 50	966	1,196
Provisions	14	948	789
Total non-current liabilities		**2,808**	**2,754**
Current Liabilities			
Financial liabilities			
- Deposits	16	14,059	14,688
- Trade payable			
Total Outstanding dues of micro enterprises and small enterprises	17	83	140
Total Outstanding dues of other than micro enterprises and small enterprises	17	848	763
- Lease Liabilities	18 & 50	547	479
- Other Financial liabilities	18	14,026	15,743
Other current liabilities	19	2,305	2,129
Provisions	14	1,421	1,385
Current Tax Liabilities (Net)	14	393	215
Total current liabilities		**33,682**	**35,541**
TOTAL LIABILITIES		**36,490**	**38,295**
TOTAL EQUITY AND LIABILITIES		**84,087**	**87,599**
Summary of material accounting policies	1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Khandelwal Jain & Co.**
Chartered Accountants
ICAI Firm Registration No : 105049W

For and on behalf of the Board of Directors
National Commodity & Derivatives Exchange Limited

Narendra Jain
Partner
Membership No. 048725

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

Place : Mumbai
Date : May 24, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
INCOME			
Revenue from operations	20	9,573	10,393
Other Income	21	4,027	3,164
Total Income		**13,600**	**13,557**
EXPENSE			
Purchase under Corporate Buying Arrangement		-	1,101
Employee benefits expense	22	9,100	8,817
Finance cost	23	136	151
Depreciation & amortization expense	24	2,462	2,512
Technology expenses	25(a)	4,380	3,927
Other expenses	25(b)	2,638	3,116
Total expenses		**18,716**	**19,624**
Profit / (loss) before share of Net profit of Joint ventures, associate, exceptional items and income tax		**(5,116)**	**(6,067)**
Less : Exceptional items	26	989	(533)
Profit / (Loss) before share of Net profit of Joint ventures, associate and income tax		**(4,127)**	**(6,600)**
Share of net profit from Joint ventures and associates accounted for using equity method		807	799
Profit / (Loss) before tax		**(3,320)**	**(5,801)**
TAX EXPENSE			
Current tax	27	133	11
Current tax for earlier years	27	9	(5)
Deferred tax (credit)	27	(692)	(1,570)
Total Tax expense		**(550)**	**(1,564)**
Profit / (Loss) for the year (A)		**(2,770)**	**(4,237)**
Other comprehensive Income (OCI) :			
Items that will not be reclassified to the Statement of profit and loss;			
(i) Changes in revaluation surplus;			
Remeasurement of post-employment benefit obligations		(58)	(101)
Income tax impact on above		14	27
Share of OCI from Joint venture accounted for using equity method		(4)	2
Item that will be reclassified to the Statement of profit and loss;			
(i) Exchange differnces in translating to financial statements of a foreign operation;			
Debt instruments through Other Comprehensive Income		(24)	(86)
Income tax impact on above		3	9
Other comprehensive income for the year net of tax (B)		**(69)**	**(149)**
Total comprehensive income for the year (A+B)		**(2,839)**	**(4,386)**
Profit attributable to:			
Owners of the Parent Company		(2,606)	(4,057)
Non-controlling interests		(164)	(180)
Total Profit after Tax		**(2,770)**	**(4,237)**
Other comprehensive income attributable to:			
Owners of the Parent Company		(66)	(147)
Non-controlling interests		(3)	(2)
Total other comprehensive income		**(69)**	**(149)**
Total comprehensive income attributable to:			
Owners of the Parent Company		(2,672)	(4,204)
Non-controlling interests		(167)	(182)
Total comprehensive income		**(2,839)**	**(4,386)**
Earnings per share attributable to the equity holders of the Parent Company			
Earnings per share (Face value of ₹ 10 each)			
(1) Basic (₹)	28	(5.14)	(8.01)
(2) Diluted (₹)	28	(5.14)	(8.01)
Summary of material accounting policies	1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Khandelwal Jain & Co.**
Chartered Accountants
ICAI Firm Registration No : 105049W

Narendra Jain
Partner
Membership No. 048725

Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board of Directors
National Commodity & Derivatives Exchange Limited

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Lakhs)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		(3,320)	(5,801)
Adjustments for:			
Depreciation & amortization		2,462	2,512
(Profit) / Loss on sale / scrap of fixed assets (net)		(46)	(1)
(Profit) / Loss on sale of investments		(446)	(312)
Dividend Received from Associate entity		(353)	-
Interest income		(2,241)	(1,963)
Share of profit from Joint venture and associate		(807)	(799)
Profit on stake sale in associate		(579)	-
Interest on lease liabilities		136	150
Interest on bank overdraft		-	0.4
Net gain on sale of investments measured at Fair Value through Profit or Loss		(30)	(19)
Remeasurement of Lease Liabilities		(26)	-
Provision for doubtful debts / ECL		18	1
Provision for Impairment on Fixed Asset (Software)		-	7
Sundry balances written off/ (written back)		2	(24)
Bad debts		4	-
Operating profit before working capital changes		**(5,226)**	**(6,249)**
Movements in working capital:			
Decrease / (Increase) in trade receivables		860	(284)
Decrease / (Increase) in other current assets		(335)	(479)
Decrease / (Increase) in other non current assets		14	4
Decrease / (Increase) other financial assets		973	(603)
Increase / (Decrease) in trade payables		28	10
Increase / (Decrease) in provisions		138	(39)
Increase / (Decrease) in financial liabilities		(1,746)	(1,515)
Increase / (Decrease) in other current liabilities		176	(15)
Decrease / (Increase) in Deposits		(504)	(557)
Cash generated / (used) from operations		**(5,623)**	**(9,727)**
Contribution to Core SGF by Exchange and Settlement Penalties (net of funding from SGF)		1,848	122
Direct taxes (paid) / refund (net)		(1,767)	(84)
Net cash generated / (used) in operating activities	**(A)**	**(5,541)**	**(9,689)**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets, including intangible assets, CWIP and capital advances		(1,236)	(1,394)
Proceeds from sale / disposal of fixed assets		146	24
Stake sale in associate (PXIL)		683	-
Purchase of current investments		(2,14,645)	(1,01,185)
Proceeds from sale of current investments		2,13,692	1,01,082
Investment in Joint Venture		(500)	-
Dividend Received from Associate		353	-
Interest received		3,709	3,401
Investment in fixed deposits (original maturity of more than three months)		(3,55,191)	(2,11,144)
Redemption/Maturity of fixed deposits (original maturity of more than three months)		3,62,586	2,18,930
Net cash generated / (used) in investing activities	**(B)**	**9,597**	**9,714**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Lakhs)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares to non-controlling interest		-	5
Finance Cost Paid		-	(0.4)
Dividend paid		-	(228)
Repayment of lease Liabilities		(641)	(618)
Net cash generated / (used) from financing activities	**(C)**	**(641)**	**(841)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**3,415**	**(816)**
Cash and cash equivalents at the beginning of the year		6,366	7,183
Cash and cash equivalents at the end of the year		**9,781**	**6,366**
Components of cash and cash equivalents			
Cash and cheques on hand		0.2	0.14
With Banks			
- on current accounts		1,485	1,458
- on fixed deposits (Original maturity being three months or less)		6,133	2,144
- Investments in mutual funds (Highly Liquid Funds)		2,163	2,764
Total		**9,781**	**6,366**

1. The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
2. Previous year figures have been regrouped / reclassified wherever necessary to conform to current year presentation.

Summary of material accounting policies 1

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For **Khandelwal Jain & Co.**
Chartered Accountants
ICAI Firm Registration No : 105049W

Narendra Jain
Partner
Membership No. 048725

Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board of Directors
National Commodity & Derivatives Exchange Limited

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

(A) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Amount
Balance as at April 01, 2022	**5,068**
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2023	**5,068**
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2024	**5,068**

(B) OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share Application Money	Share option Reserve	Risk Management Fund	General reserve	Core Settlement Guarantee Fund (Refer note - 38)	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the Parent Company	Attributable to Non-Controlling interest	Total
Balance at the April 01, 2022	**13,983**	**31**	**20**	**20**	**1,110**	**22,525**	**1**	**7,730**	**115**	**45,536**	**2,001**	**47,537**
Non controlling interest on account of reduction of of share in subsidiary	-	-	-	-	-	-	-	-	-	-	5	**5**
Addition in current year	33	-	7	-	-	1,329	-	(4,057)	3	(2,685)	(182)	**(2,867)**
Utilized / Converted during the year	-	(31)	(8)	-	-	-	-	-	-	(39)	-	**(39)**
Items of Other Comprehensive Income for the year, net of tax												
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-	(69)	-	(69)	-	**(69)**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	(77)	(77)	-	**(77)**
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(253)	-	(253)	-	**(253)**
Balance as at March 31, 2023	**14,016**	**-**	**19**	**20**	**1,110**	**23,855**	**1**	**3,351**	**41**	**42,412**	**1,824**	**44,237**
Add : Addition in Current year	-		2	-	-	322	-	(2,606)	-	(2,283)	(164)	**(2,446)**
Add : Replenishment of SGF (Refer note 38)	-	-	-	-	-	1,201		-	-	1,201	-	**1,201**
Add : Interest on above replenished amount	-	-	-	-	-	326		-	-	326	-	**326**
Add : Interest on income tax refund (net)	-	-	-	-	-	6		-	-	6	-	**6**

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share Application Money	Share option Reserve	Risk Management Fund	General reserve	Core Settlement Guarantee Fund (Refer note - 38)	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the Parent Company	Attributable to Non-Controlling interest	Total
Add : Income on investment of SGF	-	-	-	-	-	1,381	-	-	-	1,381	-	**1,381**
Less : Contribution returned to contributing stakeholders	-	-	-	-	-	(5,046)	-	5,046	-	-	-	**-**
Less : Income tax expense	-	-	-	-	-	(2,044)	-	-	-	(2,044)	-	**(2,044)**
Less : Provision for Tax	-	-	-	-	-	(59)	-	-	-	(59)	-	**(59)**
Utilized / Converted during the year	-	-	21	-	-	-	-	19	-	(2)	-	**(2)**
Items of Other Comprehensive Income for the year, net of tax												
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-	(45)	-	(45)	(3)	**(48)**
Net fair value gain on investment in equity instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	**-**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	(22)	(22)	-	**(22)**
Balance as at March 31, 2024	**14,016**	**-**	**0.1**	**20**	**1,110**	**19,941**	**1**	**5,766**	**19**	**40,871**	**1,658**	**42,529**

The accompanying notes are an integral part of the consolidated financial statements.

1. The above Core SGF amounting to ₹ 19,941 Lakhs has been considered by the management as a part of equity and is included under "Other Equity".

As per our report of even date

For **Khandelwal Jain & Co.**
Chartered Accountants
ICAI Firm Registration No : 105049W

Narendra Jain
Partner
Membership No. 048725

Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board of Directors
National Commodity & Derivatives Exchange Limited

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024

BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Background

National Commodity & Derivatives Exchange Limited ("the Parent Company" or "NCDEX" or "the Exchange") is a national-level, technology driven de-mutualized on-line commodity exchange. The Parent Company is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at First Floor, Ackruti Corporate Park, Near G. E. Garden, L.B.S. Road, Kanjurmarg West, Mumbai 400 078. The Parent Company was incorporated on April 23, 2003, under the provisions of the Companies Act, 1956. NCDEX is regulated by Securities and Exchange Board of India.

The consolidated financial statements relates to the Parent Company, its subsidiary companies, jointly controlled entities and associates (collectively referred to as "the Group").

1A. MATERIAL ACCOUNTING POLICIES

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to year presented, unless otherwise stated.

a Statement of Compliance

The financial statements as at and for the year ended March 31, 2024 and year ended March 31, 2023 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provision of the act to the extent applicable.

The financial statements are approved for issue by the Exchange's Board of Directors on May 24, 2024.

Basis of preparation

b Historical Cost Convention

The Consolidated Financial Statements have been prepared on the historical cost basis except for the following:

i. certain financial assets and liabilities and contingent consideration that is measured at fair value;

ii. assets held for sale measured at lower of cost or fair value less cost to sell

iii. defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Consolidated Financial Statements are presented in Indian Rupees in Lakhs and all values are rounded to the nearest Lakhs except where otherwise stated.

iv. equity settled share-based payments measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

c Principle of consolidation and equity accounting

i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

iii) Joint Arrangements

Under IND AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated balance sheet.

iv) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognise the group's share of the post - acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment. When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

d Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Parent Company. When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

e Revenue Recognition

Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, incentives, service taxes, Goods and Service Tax (GST) and amounts collected on behalf of third parties.

Transaction charges

Transaction charges are recognized as income on trade date basis.

Annual subscription charges

Annual subscription charges are recognized as income on a time proportion basis beginning from the month in which member is enabled.

Admission fees

Admission fees are recognized as income at the time an applicant is converted as member or provisional member.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Delivery Charges

Delivery charges are recognized as income at the point when the service is rendered i.e. Delivery of commodities.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Dividend income is recognized when the Company's right to receive payment is established by the reporting date.

Risk Management Fees

Risk Management Fees is recognized at the point when open interest is increased as compared to previous day.

Comtrack / Repository charges

Comtrack charges are recognized when a transaction for Fresh deposit, Ownership transfer, Client negotiated Trade (Off market transaction), Pledge creation / closure / invocation is entered by client .

Warehouse Charges

Warehouse charges are recognized when a new location is accredited by a warehouse service provider (WSP) and when WSP information is processed.

Software service charges

Software rental charges are recognized as income on the basis of agreement with parties and in respect of agreements with the joint controlled, claims are accounted on actual receipts.

Registration Fees

Registration fee is recognized fully as one time income for the financial year.

Reactivation Fees

Reactivation fees is charged when client agrees to reactivate the account and pays the same and It is recognized on receipt basis.

Interest Income on trade financing

Interest income on Trade Finance is recognized on accrual basis taking into account the amount outstanding and the interest rate applicable as per agreement.

Corporate Buying arrangements

Revenue from sale of goods is recognized at point in time as control passes as and when goods are sold to customer. Interest income on Corporate buying is recognized on accrual basis taking into account the amount outstanding and the interest rate applicable as per agreement. The purchase of agricultural commodities (GST exempted commodities) made by the company under the corporate buying arrangement is on the basis of the purchase order/ specifications placed by the client. The Company does not hold commodities for self-consumption nor for trading purpose. The Company pays full amount of consideration to suppliers for purchase of commodities and receives 25% amount as advance from client. The commodities purchased are in title of the company to protect the client failure to pay until the outstanding dues is received from client. The price risk is not with the company as it monitors price movement on daily basis and makes mark to market calls if there is a fall in price and consequent margin beyond amount threshold limits. Further it receives monthly fixed consideration in form of Interest from Corporate Buying Arrangement (CBA) on outstanding dues and reimbursement of expenses incurred (warehouse charges, insurance charges etc) till commodities is transferred to client. In the event of default by client, the Company has the right to sell the commodity and recover it's outstanding dues along with pending dues such as interest from CBA/ expense reimbursement if any and transfer the balance consideration if any to client.

Annual Membership Fees/Lot creation charges/ Penalty/E-Pledge Fees/Ticker Board Charges/Other charges

Annual subscription charges are recognized as income when there is reasonable certainty of ultimate realization.

Business Support Services

Income from business support services are recognized on the basis of agreement with parties.

The billing schedules agreed with customers include periodic performance-based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as "unearned revenues").

All other revenue is recognized in the period in which the performance obligation is satisfied over a period of time or point in time.

f Impairment of non-financial assets

The Group assesses, on annual basis, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the Statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

g Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, financial assets that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Exchange commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories based on the Company's business model :

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date

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at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity investments

All equity investments are measured at fair value. For equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to the Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Trade receivables

Trade Receivables are recognized initially at fair value, plus in the case of trade receivables not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the trade receivable. However, trade receivables that do not contain a significant financing component are measured at transaction price.

De-recognition

A financial asset is de-recognized only when :

- The Group has transferred the rights to receive cash flows from the financial asset or
- 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 Group has transferred an asset, it 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 Group 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 Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of Impairment loss on the following financial assets and credit risk exposure:

i. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

ii. Financial assets that are debt instruments and are measured as at FVTOCI.

iii. Lease receivables under Ind AS 116.

iv. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

v. Loan commitments which are not measured as at FVTPL.

vi. Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of profit and loss.

h Property, Plant and Equipment (PPE)

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of CENVAT/ GST) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and borrowing costs for qualifying assets.

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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance cost are charged to statement of profit and loss during the reporting period in which they are incurred.

Depreciation of these PPE commences when the assets are ready for their intended use. Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation is provided on straight line method over the useful life of the assets.

Fixed assets having an original cost less than or equal to ₹ 5,000 individually and Tickers are fully depreciated in the year of purchase or installation.

Leasehold improvement is amortized over the lease term i.e. the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

The residual value of all assets is taken to be "NIL".

The useful life of property, plant and equipment are as follows :

Asset Class	Useful Life
Improvement to Lease hold Property	Over the period of lease
Furniture & Fixtures	10 years
Electrical Installations	10 years
Computer Hardware	3 – 6 years
Office Equipment's	5 years
Motor Car	8 years
Tele Communication Equipment's	6 years

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or over the shorter of the assets useful life and the lease term if there is an uncertainty that the Group will obtain ownership at the end of the lease term.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of profit and loss.

i Intangible Asset

Recognition of intangible assets

a. Computer software

Purchase of computer software used for the purpose of operations is capitalized. However, any expenses on software support, maintenance, upgrade etc. payable periodically is charged to the Statement of profit and loss.

Costs capitalized are amortized on a straight line basis over its expected useful life based on management's estimate.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group 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 & has ability to complete the software and use or sell it
- software will be able to generate probable future economic benefits
- the expenditure attributable to the software during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use. The estimated useful life (4-10 years) of subsequent development of already capitalized intangible

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assets is evaluated independent of the estimated life of the original assets.

The carrying value of computer software costs is reviewed for impairment annually when the asset is not in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of profit and loss when the asset is derecognized.

Intangible assets under development

All costs incurred in development, are initially capitalized as Intangible assets under development - till the time these are either transferred to Intangible Assets on completion or expensed as Software Development cost (including allocated depreciation) as and when determined of no further use.

j Provisions, Contingent liabilities and Contingent assets

Provisions for legal claims are recognized when the Group 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using current pre tax rate that reflects, when appropriate, the risk specific to the liability.

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 Group 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.

Contingent liabilities are not accounted but disclosed in the Consolidated Financial Statements, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not accounted but disclosed in the Consolidated Financial Statements when an inflow of economic benefits is probable.

k Lease

As a lessee

Leases of property, plant and equipment that substantially transfers all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

(a) Finance leases

Finance leases when acquired, are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) Operating Leases

Effective April 01, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

(1) the contract involves the use of an identified asset

(2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and

(3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Statement of Assets and Liabilities based on their nature.

I Current and Non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i. Expected to be realized or intended to be sold or consumed in normal operating cycle i.e. twelve months

ii. Held primarily for the purpose of trading, or

iii. Expected to be realized within twelve months after the reporting period other than for (i) above, or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

v. Current assets also includes current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle i.e. twelve months

ii. It is held primarily for the purpose of trading

iii. It is due to be settled within twelve months after the reporting period other than for (i) above, or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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m Use of estimates and judgment

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the accounting policies. Changes in the estimates are accounted for in the year when actual figures are known and not as a restatement to the comparable figures. Application of accounting policy that require critical accounting estimates and assumptions having the most significant effect on the amounts recognized in the financial statements are:

- **Estimated useful lives of property, plant and equipment and intangible assets**

  Useful lives of property, plant and equipment, intangible assets and investment property are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Contingent liabilities**

  In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

- **Share Based Payments**

  The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

- **Leases**

  Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

n Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active program to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

As mandated by Ind AS 105, assets and liabilities would not be reclassified or re-presented for prior period.

Property, Plant and Equipment (PPE) and intangible assets, are not depreciated or amortized once classified as held for sale.

o Core Settlement Guarantee Fund (Core SGF)

From September 27, 2018, Clearing & Settlement function is carried out by National Commodity Clearing Limited (NCCL). Accordingly, as per SEBI requirement Core SGF is set up and maintained by NCCL. Contribution to Core SGF by the Exchange is debited to statement of Profit and Loss and contribution by NCCL to Core SGF is by way of appropriation from retained earnings in the respective standalone financial statements. As the Core SGF is maintained within the group, in consolidated financial statements, contribution by the Exchange and NCCL is appropriated out of retained earnings.

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014 every recognized clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognized Commodity exchange. The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognized Commodity Exchange to guarantee the settlement of trades executed in the respective segment of the Commodity Exchange. In the event of a clearing member (member) failing to honor settlement commitments, the Core SGF shall be used to fulfill the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Exchange and National Commodity Clearing Limited (NCCL) 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). Settlement related penalties are transferred to Core SGF.

p 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, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions

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where appropriate on the basis of amounts expected to be paid to the tax authorities.

As per para 34 of Ind AS 12, a deferred tax asset shall be recognized for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amount will be available to utilise those temporary differences and losses. At each reporting date the Group reassesses unrecognized deferred tax assets and recognizes the same to the extent it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as “MAT Credit Entitlement”. The Group reviews the “ MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is not probable that the Group will pay normal tax during the specified period.

q Fair Value Measurement

The Group measures financial instruments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Group categorizes assets and liabilities measured at fair value into one of three levels as follows:

- **Level 1 — Quoted (unadjusted)**

  This hierarchy includes financial instruments measured using quoted prices.

- **Level 2**

  Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

  Level 2 inputs include the following:

  a) Quoted prices for similar assets or liabilities in active markets.

  b) Quoted prices for identical or similar assets or liabilities in markets that are not active.

  c) Inputs other than quoted prices that are observable for the asset or liability.

  d) Market – corroborated inputs.

- **Level 3**

  They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

r Employee Benefit

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognized in Statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet since the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

a. defined benefit plans such as gratuity, and

b. defined contribution plans such as provident fund.

Defined benefit Plan

- **Gratuity obligations**

  The Group 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 yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

  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.

  Remeasurement 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.

  Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of profit and loss as past service cost.

Defined Contribution Plan

- **Provident fund**

  Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.

  Leave Encashment

  Leave encashment is measured on the basis of actuarial report.

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s Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There are no standards of accounting or any addendum thereto, prescribed by Ministry of Corporate Affairs under section 133 of the Companies Act 2013, which are issued and not effective as at March 31, 2024.

1B. OTHER ACCOUNTING POLICIES

a Foreign currency translation and transactions

1 Functional and presentation currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian currency (₹), which is the Group's functional and presentation currency.

2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the statement of profit and loss account as income or expense.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or Statement of profit and loss are also recognized in OCI or Statement of profit and loss, respectively).

b Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the Statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of profit and loss over the period in which depreciation of the related assets will be charged to the Statement of profit and loss.

c Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in consolidated statement of profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 'Income Taxes' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Group determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to consolidated statement of profit or loss where such treatment would be appropriate if that interest were disposed off.

Common control

Business combinations involving entities that are ultimately controlled by the same parties before and after the business combination are considered as Common control entities. Common control transactions are accounted using pooling of interest method. The financial statements in respect of prior periods have been restated from the period that the Transferor Company became a subsidiary of the Transferee company where the assets and liabilities of the transferee are recorded at their existing carrying values, the identity of reserves of the transferee company is preserved.

d Financial Instruments

Cash and Cash equivalents

Cash and Cash equivalents includes cash on hand, other short-term highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognized when the Group 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 or loss.

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 loss are measured at fair value with all changes in fair value recognized in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized. Interest expenses on these Financial liabilities are included in Finance cost using EIR method.

Financial guarantee contracts

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

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 realise 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.

Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

e Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

f Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

g Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

h Cash flow statement

The Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

i Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company’s Board of Directors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

2. PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Computer Hardware	Improvement to Lease hold Property	Tele Communication Equipments	Office Equipments	Electrical Installations	Furniture and Fixtures	Motor Car	Total	Capital work in progress
Cost or Deemed cost									
Opening as at April 01, 2022	2,720	304	1,150	158	139	140	10	4,622	-
Additions	224	3	98	10	-	1	-	336	-
Disposals / Adjustments	663	-	78	2	38	3	-	784	-
Closing gross carrying amount	**2,281**	**307**	**1,170**	**166**	**101**	**138**	**10**	**4,174**	**-**
Accumulated depreciation and impairment									
Accumulated depreciation as at April 01, 2022	2,148	249	978	105	60	64	2	3,606	-
Depreciation for the year	329	17	105	28	11	13	1	503	-
Disposals / Adjustments	643	-	77	2	38	2	-	761	-
Closing accumulated depreciation	**1,834**	**266**	**1,006**	**131**	**33**	**75**	**3**	**3,348**	**-**
Net carrying amount as at March 31, 2023	**447**	**41**	**164**	**35**	**68**	**63**	**7**	**826**	**-**
Cost or Deemed cost									
Opening as at April 01, 2023	2,281	307	1,170	166	101	138	10	4,174	-
Additions	93	8	7	12	-	10	-	130	-
Disposals / Adjustments	131	7	15	7	3	9	-	172	-
Closing gross carrying amount	**2,243**	**308**	**1,162**	**172**	**99**	**139**	**10**	**4,132**	**-**
Accumulated depreciation and impairment									
Opening as at April 01, 2023	1,834	266	1,006	131	33	75	3	3,348	-
Depreciation for the year	249	15	70	19	14	14	1	383	-
Disposals / Adjustments	132	5	21	7	2	6	(1)	173	-
Closing accumulated depreciation	**1,951**	**276**	**1,055**	**143**	**45**	**83**	**5**	**3,558**	**-**
Net carrying amount as at March 31, 2024	**292**	**32**	**106**	**30**	**54**	**56**	**4**	**574**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

3. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software	Total	Intangible assets under development	Total
Cost or Deemed cost				
Opening as at April 01, 2022	11,070	11,070	624	624
Additions	1,219	1,219	694	694
Disposals/ Capitalized during the year	-	-	781	781
Impairment	**-**	**-**	**36**	**36**
Closing gross carrying amount	12,289	12,289	501	501
Accumulated amortization and impairment losses				
Accumulated amortization as at April 01, 2022	6,604	6,604	-	-
Amortization for the year	1,466	1,466	-	-
Disposals / Adjustments	**33**	**33**	**-**	**-**
Closing accumulated amortization	**8,103**	**8,103**	**-**	**-**
Net carrying amount as at March 31, 2023	4,186	4,186	501	501
Cost or Deemed cost				
Opening as at April 01, 2023	12,289	12,289	501	501
Additions	1,183	1,183	567	567
Disposals/ Capitalized during the year	121	121	622	622
Closing gross carrying amount	**13,351**	**13,351**	**446**	**446**
Accumulated amortization and impairment losses				
Opening as at April 01, 2023	8,103	8,103	-	-
Amortization for the year	1,535	1,535	-	-
Disposals / Adjustments	20	20	-	-
Closing accumulated amortization	**9,618**	**9,618**	**-**	**-**
Net carrying amount as at March 31, 2024	**3,733**	**3,733**	**446**	**446**

Intangible assets under development categories ageing as at March 31, 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	233	115	37	61	446
Projects temporarily suspended	-	-	-	-	-
Total	**233**	**115**	**37**	**61**	**446**

Any of the project's completion is not overdue & neither any cost is exceeded as compared to original plans.

Intangible assets under development categories ageing as at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	212	72	185	32	501
Projects temporarily suspended	-	-	-	-	-
Total	**212**	**72**	**185**	**32**	**501**

Any of the project's completion is not overdue & neither any cost is exceeded as compared to original plans.

4. NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Quantity	Amount	Quantity	Amount
a) Investment in associates / joint ventures accounted for using the equity method				
Investments in Unquoted equity Shares				
(i) In Associates				
Equity Shares of ₹ 10/- each fully paid up in Power Exchange India Limited	1,46,15,609	1,462	1,46,15,609	1,462
Add/(less): Cumulative share of Profit		836		279
		2,298		**1,740**
(ii) In Joint Venture				
(a) Rashtraya e Market Services Private Limited	50,00,000	500	50,00,000	500
Add: Share of Profit		2,268		2,163
		2,768		**2,663**
(b) Meta Material Circular Markets Private Limited	50,00,000	500	-	-
Add: Share of Profit / (Loss)		(64)		-
		436		**-**
Total		**5,502**		**4,404**
b) Other non current investments				
Investments in Unquoted equity Shares				
Equity share of ₹ 10/- each fully paid up in National Warehousing Corporation Pvt. Ltd	98,900	-	98,900	-
Investments in Bond (unquoted)				
9.25% Power Finance Corporation Ltd 2024	-	-	6	64
9.64% Power Grid Corporation of India Ltd 2024	-	-	14	191
Total		**-**		**255**
		5,502		**4,658**
Aggregate amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate amount of unquoted investments		5,502		4,658

4(a) Investment held for sale in associate

(₹ in Lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Quantity	Amount	Quantity	Amount
Investments Held for Sale				
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited *	47,24,263	472	53,84,391	538
Add/(less): Cumulative Share of Profit		270		103
		742		641
Total		**742**		**641**

*As per shareholding pattern norms prescribed under Regulations 19(1) of the Central Electricity Regulatory Commission (CERC) (Power Market) Regulations, 2010, dated January 10, 2010, applicable to Power Exchange India Ltd (PXIL), the shareholder (except for the member of Power Exchanges) can hold maximum upto 25% of paid up share capital. The power exchange was granted 3 years time from the date of notification to comply with the said norms. Since the shareholding of the Exchange (34.21%) was not in line with the above regulations, PXIL has sought and recieved permission from CERC

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

to allow the Exchange to continue to hold 34.21% in PXIL. CERC vide its order dated November 20, 2023 has granted an extension of time upto September 30, 2024.

During the year ended March 31, 2023, the Board had accorded its in-principle approval for sale of investment in associate namely PXIL, to the extent of 9.21% (53,84,391 equity shares) to comply with regulatory requirement and the same was classified as 'Asset held for sale'. During the year ended March 31, 2024, the Exchange has entered into an agreement to sell its stake to the extent of 2.58% (15,08,864 equity shares) in PXIL for a consideration of ₹ 1,600 Lakhs and an option to the buyer to acquire a further 0.65% stake (3,77,216 equity shares) for a consideration of ₹ 400 Lakhs, aggregating to 3.23% (18,86,080 equity shares) for ₹ 2,000 Lakhs. Out of this, the Exchange has sold the first tranche of 1.13% (6,60,128 equity shares) to the buyer for a consideration of ₹ 700 Lakhs, before March 31, 2024. The net profit of ₹ 579 Lakhs (net of expenses of ₹ 16 Lakhs) earned on the said stake sale of ₹ 700 Lakhs has been credited to the statement of profit and loss and shown as an exceptional item. As at March 31, 2024, the management continues to classify the balance 8.08% (47,24,263 equity shares) stake held in PXIL as 'Asset held for sale', being the excess holding over regulatory requirement.

5. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars		Non Current		Current	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(a)	**Non-current bank balances**				
	Deposits with bank - original maturity more than 12 months*	1,553	7,716	-	-
	Earmarked Deposits with bank - original maturity more than 12 months #	526	526	-	-
	Total (a)	**2,079**	**8,242**	-	-
(b)	**Others**				
	Secured, Considered Good				
	Interest accrued on fixed deposits **	22	47	1,107	1,178
	Interest accrued on earmarked fixed deposits	47	17	-	-
	Interest accrued on bonds	-	14	-	-
	Security Deposits	242	239	104	78
	Unbilled revenue	-	-	723	800
	Receivable against sale of Mutual Funds	-	-	300	300
	Trade Money receivable from members	-	-	32	13
	Trade Financing	-	-	100	1,037
	Earnest Money deposit	-	-	34	-
	Other assets	-	-	1,698	1,748
	Others receivables considered doubtful	32	32	-	-
	Less: Allowance for expected credit loss	(32)	(32)	-	-
		-	-	-	-
	Total (b)	**311**	**317**	**4,108**	**5,154**

* Fixed Deposit for Core Settlement Guarantee Fund (Core SGF) ₹ 340 Lakhs (March 31, 2023 : ₹ 6530 Lakhs).

** Includes interest on Core SGF - Non Current ₹ 1 Lakhs (March 31, 2023 : ₹ 32 Lakhs) and Current ₹ 776 Lakhs (March 31,2023 : ₹ 472 Lakhs)

Earmarked deposits are restricted. Deposits of ₹ 511 Lakh are earmarked against performance guarantee of ₹ 500 Lakh given to WDRA as per their guidelines and deposits ₹ 15 Lakh are earmarked for Corporate Credit Card limit of ₹ 9 Lakhs issued by ICICI Bank Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

6. INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Advance income tax paid including tax deducted at source receivable (net of provision) *	1,784	2,302	630	412
Total	**1,784**	**2,302**	**630**	**412**

* Includes TDS on Core SGF ₹ 76 Lakhs (March 31, 2023 : ₹ 218 Lakhs)

7. OTHER ASSETS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Capital Advances	8	-	-	-
Prepaid Expenses	25	39	524	429
Deferred Rent	3	7	3	3
Balances with government authorities*	-	-	892	641
Other receivables	-	-	15	28
Advance to employee	-	-	0.8	0.2
Total	**36**	**46**	**1,434**	**1,101**

* Includes ₹ 171 Lakhs (PY ₹ 171 Lakhs) paid under protest towards service tax demand

8. CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024 Units	As at March 31, 2024 Amount	As at March 31, 2023 Units	As at March 31, 2023 Amount
A) Investment in bonds				
Bond (Quoted)				
8.82% Rural Electrification Corporation Ltd Bonds 2023 $ $	-	-	11	115
7.35% NHAI Tax-free bonds 2015 Maturity dated January 11, 2031 $	57,140	638	57,140	672
7.35% NABARD Tax-free bonds Maturity dated March 23 2031 $	67,475	760	67,475	763
8.48% NTPC Tax-free bonds Maturity dated December 16, 2028 $	44,799	538	44,799	526
9.64%Power Grid Corporation of India Ltd 2024 $ $	14	177	-	-
9.25%Power Finance Corporation Ltd 2024 $ $	6	62	-	-
Total Bonds (a) - Refer note 1 below		**2,175**		**2,076**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2024 Units	As at March 31, 2024 Amount	As at March 31, 2023 Units	As at March 31, 2023 Amount
B) Investment in mutual funds - (at FVTPL)				
Mutual Funds (Unquoted)				
Aditya Birla Sunlife Cash Plus Growth Direct Plan *	8,359	33	8,359	30
ABSL Liquid Fund -Direct Plan-Growth	77,109	300	-	-
Axis Liquid Fund Direct Growth	11,197	300	-	-
Axis Liquid Fund Direct Growth **	2,602	70	1,402	35
Axis Overnight Fund -Direct Plan-Growth	-	0	25,308	300
HDFC- Overnight Fund -Direct Plan -Growth	-	0	4,507	150
HDFC- Liquid Fund -Direct Plan -Growth	3,799	180	-	-
HDFC- Liquid Fund -Direct Plan -Growth *	213	10	700	31
HSBC Liquid Fund-Direct Plan-Growth	20,861	502	-	-
HSBC Overnight Fund-Direct Plan-Growth	-	0	38,369	450
ICICI Prudential Overnight Fund - Direct Plan Growth Option	17,838	230	17,672	214
Kotak Overnight Fund Direct-Growth Option ***	1,818	23	3,409	41
Kotak Liquid Scheme- Direct Plan-Growth Option ***	616	30	-	-
Kotak Overnight Fund -Direct Plan-Growth	-	0	50,193	600
Nippon India Liquid Fund - Direct Plan - Growth	10,204	603	-	-
SBI Saving Fund - Direct Plan Growth Option	7,961	301	-	-
SBI Liquid Fund - Direct Growth	7,951	300	-	-
SBI Overnight Fund - Direct Growth	-	0	4,531	165
Tata Liquid Fund-Direct Plan-Growth#	18,223	694	-	-
Total - Current Investments (b) Refer note1 below		**3,576**		**2,016**
Aggregate amount of investments (a+b)		**5,751**		**4,092**
Aggregate provision for diminution in value of unquoted investments		-		-

* Represents investment earmarked for Investor Service Fund

** Represents Investment earmarked for Regulatory fee forgone by SEBI

*** Represents investment earmarked for Base Minimum Capital

$ Valued at fair value through FVTOCI

$ $ Held to maturity and valued at amortized cost

Includes mutual fund earmarked for Core Settlement Guarantee Fund ₹ 326 Lakhs (March 31, 2023 : NIL).

Note 1				
Aggregate amount of quoted investments		2,175		2,076
Aggregate market value of quoted investments		2,175		2,076
Aggregate amount of unquoted investments		3,576		2,016

9. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
a) Trade receivables considered good - Secured*	399	291
b) Trade receivables considered good - Unsecured	2,507	1,105
Unsecured, considered doubtful		
c) Trade Receivables which have significant increase in Credit Risk **	577	1,778
d) Trade Receivables - credit impaired	852	824
	4,335	**3,998**
Less : Insurance claim received # (Refer Note 38)	(1,191)	-
Less : Expected credit loss allowance	(852)	(824)
Total	**2,292**	**3,174**

* Secured by Cash margins / Bank guarantees / Fixed deposit receipts and hypothecation of movables such as commodities, securities etc. from members.

**no provision is made since there is corresponding liability as “Payable to Core SGF” as referred in Note-18

represents amount received pending settlement of recovery from defaulting members

Trade Receivables Ageing as at March 31, 2024

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	1,254	347	54	7	53	1,715
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	0.8	0.8	2
Disputed Trade Receivables – considered good	-	-	-	-	1,191	1,191
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	577	577
Disputed Trade Receivables –credit impaired	17	-	-	41	792	850
Sub Total	**1,271**	**347**	**54**	**49**	**2,613**	**4,335**
Less : Allowance for bad and doubtful debts	(17)	(0)	-	(41)	(793)	(852)
Less : Insurance claim received # (Refer Note 38)	-	-	-	-	(1,191)	(1,191)
Total	**1,254**	**347**	**54**	**7**	**629**	**2,292**

Trade Receivables Ageing as at March 31, 2023

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	949	322	64	2	59	1,396
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	0.1	-	-	0.1
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	1,778	1,778
Disputed Trade Receivables –credit impaired	-	-	41	48	735	824
Sub Total	**949**	**322**	**104**	**50**	**2,572**	**3,998**
Less : Allowance for bad and doubtful debts	-	-	(41)	(48)	(735)	(824)
Total	**949**	**322**	**62**	**2**	**1,837**	**3,174**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

10. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current			
	No of Units	As at March 31, 2024	No of Units	As at March 31, 2023
Cash and cash equivalents				
Cash in hand		0.2		0.14
Balances with bank				
On current accounts		1,485		1,458
Deposits with original maturity of three months or less		6,133		2,144
Others				
Investments in mutual funds (Highly Liquid Funds)				
ICICI Prudential Money Market Fund-Direct Plan-Growth Option	12,053	43	-	-
ICICI Prudential Overnight Fund - Direct Plan Growth Option	1,473	19	-	-
ICICI Prudential Liquid Plan - Direct Plan Growth Option	56,184	201	-	-
Nippon Liquid Fund - Direct Growth - Option	3,399	201	-	-
Nippon Overnight Fund - Growth	-	-	11,23,416	1,352
Aditya Birla Liquid Fund - Direct Growth - Option	1,33,974	522	-	-
Axis Overnight Fund - Growth	-	-	85,298	1,012
Axis Liquid Fund-Direct Plan-Growth Option	11,711	314	-	-
Aditya Birla Overnight Fund - Direct Growth option	-	-	33,068	400
Tata Liquid Fund-Direct Plan-Growth	22,658	863	-	-
Total		**9,781**		**6,366**

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
Unpaid Dividends	101	104
Earmarked Flexi deposit balances*	72	72
Earmarked bank balances**	16	2
Earmarked fixed deposits	13	-
Deposits with original maturity for more than 3 months but less than 12 months ***	5,358	6,797
Deposits with original maturity of less than 12 months at the balance sheet date	14,113	15,805
Fixed Deposits - Core Settlement Guarantee Fund		
Deposits with original maturity for more than 3 months but less than 12 months	301	1,140
Deposits with original maturity of less than 12 months at the balance sheet date	18,175	15,463
Total	**38,150**	**39,383**

* Earmarked Flexi deposit balances

- Includes ₹ 19 Lakhs (March 31, 2023 ₹ 19 Lakhs) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ 53 Lakhs (March 31, 2023 ₹ 53 Lakhs) represents earmarked for Base Minimum Capital.

** Earmarked bank balances

- Includes ₹ 0.70 Lakhs (March 31, 2023 : ₹ 0.90 Lakhs) for Investor Service Fund.
- Includes ₹ 4.99 Lakhs (March 31, 2023 ₹ 0.35 Lakhs) for Base Minimum Capital.
- Includes ₹ 0.72 Lakhs (March 31, 2023 ₹ 0.53 Lakhs) for SEBI Regulatory fees
- Includes ₹ 0.22 Lakhs (March 31, 2023 ₹ 0.22 Lakhs) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ 5.19 Lakhs (March 31, 2023 ₹ 0.31 Lakhs) for Core Settlement Guarantee Fund
- Includes ₹ 1 Lakhs (March 31, 2023 ₹ NIL Lakhs) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ 3 Lakhs (March 31, 2023 ₹ NIL Lakhs) represents earmarked for Base Minimum Capital.

*** Includes Fixed Deposits of ₹ 905 Lakhs (March 31, 2023 : ₹ 880 Lakhs) lien marked for Overdraft facility Includes margin money for bank gurantee of ₹ 404 Lakhs (March 31, 2023 : ₹ 608 Lakhs)

12. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorized		
70,000,000 Equity shares of ₹ 10/- each (Previous Years : 70,000,000 Equity shares of ₹ 10/- each)	7,000	7,000
Issued, subscribed and fully paid up shares		
50,676,000 Equity shares of ₹ 10/- each fully paid up (Previous Years: 50,676,000 equity shares of ₹ 10/- each fully paid up)	5,068	5,068
Total	**5,068**	**5,068**

a. Reconciliation of the authorized equity shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares of ₹ 10 each fully paid				
At the beginning of the year	7,00,00,000	7,000	7,00,00,000	7,000
Conversion of Preference share into equity share capital	-	-	-	-
Outstanding at the end of the year	7,00,00,000	7,000	7,00,00,000	7,000

b. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Equity Shares of ₹ 10 each fully paid				
At the beginning of the year	5,06,76,000	5,068	5,06,76,000	5,068
Addition during the period/year	-	-	-	-
Outstanding at the end of the year	5,06,76,000	5,068	5,06,76,000	5,068

c. Terms/Rights attached to equity share

The Exchange has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Exchange declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Exchange, the holder of the equity shares will be entitled to receive remaining assets of the Exchange, after distribution of all the preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholder.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

d. Details of shareholders holding more than 5% share in the Parent Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 10 each fully paid				
National Stock Exchange of India Limited	76,01,377	15.00%	76,01,377	15.00%
Life Insurance Corporation of India	56,25,000	11.10%	56,25,000	11.10%
National Bank for Agriculture and Rural Development	56,25,000	11.10%	56,25,000	11.10%
Indian Farmers Fertiliser Cooperative Limited (IFFCO) *	50,68,000	10.00%	50,68,000	10.00%
Oman India Joint Investment Fund (OIJIF) *	50,67,600	10.00%	50,67,600	10.00%
Punjab National Bank	36,94,446	7.29%	36,94,446	7.29%
Build India Capital Advisors LLP	25,33,799	5.00%	25,33,799	5.00%
Canara Bank	30,55,519	6.03%	30,55,519	6.03%
Investcorp Private Equity Fund - I (previously known as IDFC Private Equity Fund III)	16,46,970	3.25%	25,33,800	5.00%
Shree Renuka Sugars Limited	25,33,700	5.00%	25,33,700	5.00%

As per records of the Exchange, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

*SEBI vide letters dated May 23, 2019 and February 05, 2020 and thereafter vide e-mail dated June 09, 2020 had directed the Exchange to freeze voting rights and restrict entitlement to any corporate benefits, including dividend over and above 5% of the paid up capital of the Exchange, of two shareholders, namely, Indian Farmers Fertiliser Cooperative Limited (IFFCO) and Oman India Joint Investment Fund (OIJIF), till Initial Public Offering of the Exchange takes place or in case the two shareholders are not able to offload their shareholding through Offer for Sale in IPO, an additional time of three months' had been accorded by SEBI to the two shareholders for complying with the SECC Regulations, 2018, with the condition that the other directions issued shall remain in force till compliance of SECC Regulations, 2018. Thereafter, SEBI vide e-mails dated April 19, 2021, December 14, 2021, February 10, 2022 and January 31, 2023, February 14, 2024, further extended the timelines to comply with shareholding requirement as per SECC Regulations, 2018, by the said shareholders till December 31, 2024.

e. Shares reserved for issue under options

For details of shares issued under the employee stock option (ESOP) plan of the Company, please refer note 42

f The company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceeding the reporting date

g. Shareholding of promoter

Shares held by promoters at March 31, 2024

	No. of Shares	% of total shares	% change during the year
Promoter	NIL		
Promoter Group	NIL		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

12. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share Application Money	Share option Reserve	Risk Management Fund	General reserve	Core Settlement Guarantee Fund	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the Parent Company	Attributable to Non-Controlling interest	Total
Balance at the April 01, 2022	**13,983**	**31**	**20**	**20**	**1,110**	**22,525**	**1**	**7,730**	**115**	**45,536**	**2,001**	**47,537**
Non controlling interest on account of reduction of share in subsidiary	-	-	-	-	-	-	-	-	-	-	5	**5**
Addition in current year	33	-	7	-	-	1,330	-	(4,057)	3	(2,685)	(182)	**(2,867)**
Utilized / Converted during the year	-	(31)	(8)	-	-	-	-	-	-	(39)	-	**(39)**
Items of Other Comprehensive Income for the year, net of tax												
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-	(69)	-	(69)	-	**(69)**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	(77)	(77)	-	**(77)**
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(253)	-	(253)	-	**(253)**
Balance as at March 31, 2023	**14,016**	**-**	**19**	**20**	**1,110**	**23,855**	**1**	**3,351**	**41**	**42,412**	**1,824**	**44,237**
Add : Addition in Current year	-	-	2	-	-	322	-	(2,606)	-	(2,283)	(164)	(2,447)
Add : Replenishment of SGF (Refer note 38)	-	-	-	-	-	1,201	-	-	-	1,201	-	1,201
Add : Interest on above replenished amount	-	-	-	-	-	326	-	-	-	326	-	326
Add : Interest on income tax refund (net)	-	-	-	-	-	6	-	-	-	6	-	6
Add : Income on investment of SGF	-	-	-	-	-	1,381	-	-	-	1,381	-	1,381
Less : Contribution returned to contributing stakeholders	-	-	-	-	-	(5,046)		5,046	-	-		-
Less : Income tax expense	-	-	-	-	-	(2,044)	-	-	-	(2,044)	-	(2,044)
Less : Provision for Tax	-	-	-	-	-	(59)	-	-	-	(59)	-	(59)
Utilized / Converted during the year	-	-	(21)	-	-	-	-	19	-	(2)	-	(2)
Items of Other Comprehensive Income for the year, net of tax										-		-
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-	(45)	-	(45)	(3)	(48)
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	(22)	(22)	-	(22)
Balance as at March 31,2024	**14,016**	**-**	**0.1**	**20**	**1,110**	**19,941**	**1**	**5,766**	**19**	**40,871**	**1,658**	**42,529**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

1. The company has neither declared nor paid dividend for the year ended March 31, 2024.
2. The Board of Directors in the meeting held on May 20, 2022, proposed a final dividend of ₹ 0.50 per equity share which has been approved by the shareholders at the Annual General Meeting held on September 26, 2022. The total dividend debited to other equity during the year ended March 31, 2023 amounts to ₹ 253 Lakh.
3. The above Core SGF amounting to ₹ 19,941 Lakhs (March 31,2023 ₹ 23,855 Lakhs) has been considered by the management as a part of equity and is included under "Other Equity".
4. NCCL, vide its letter dated September 05, 2018, had given an undertaking to SEBI for increasing the Core Settlement Guarantee Fund (Core SGF) to ₹ 250 Crores by way of equitable additions every 6 months over the period of 3 years i.e. by September 30, 2021. Accordingly, the NCCL was required to have the Core SGF of ₹ 250 Crores as on September 30, 2021. NCCL, has been making applications to SEBI for extension of timelines. The last extension was granted till June 30, 2023 by SEBI vide its letter dated December 15, 2022.

   Subsequently, as per SEBI circular SEBI/HO/MRD/MRD-POD-1/P/CIR /2023/78 dated May 23, 2023 relating to revision in computation of Core Settlement Guarantee Fund in Commodity Derivatives Segment, Clearing Corporations in Commodity Derivatives Segment may align their core SGF in terms of SEBI circulars dated August 27, 2014 as well as July 11, 2018 and excess contribution, if any, may be returned to the contributing stakeholders on a pro-rata basis, after taking due approval from SEBI. Accordingly, NCCL has received approval from SEBI vide letter dated SEBI/HO/MRD/RAC-1/P/OW/2023/28875/1 dated July 18, 2023 for withdrawal of excess contribution of ₹ 6,185 Lakhs and ₹ 842 Lakhs by the NCCL and National Commodity & Derivatives Exchange Limited (NCDEX) respectively from Core SGF. Based on this approval, the NCCL has withdrawn ₹ 4,442 Lakhs (net of tax of ₹ 1,734 Lakhs) up to March 31, 2024 from the own contribution made by NCCL. Further, NCCL has returned to the Exchange ₹ 605 Lakhs (net of tax of ₹ 236 Lakhs) up to March 31, 2024 from the contribution made by NCDEX to Core SGF. The above withdrawals by the Exchange and NCCL (net of tax) has been credited to Retained Earnings.

Description of nature and purpose of reserve

1. **Securities Premium Reserve**

   Securities premium is used to record the premium on issue of shares i.e. the amount received in excess of the par value of shares. The reserve is utilized in accordance with the provisions of section 52 of the Companies Act, 2013.

2. **General Reserve**

   The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

3. **Settlement Guarantee Fund**

   Settlement Guarantee Fund (SGF) - SGF was constituted by the Company as per the regulatory requirement. The amount was earmarked for completion of the settlement, in case of a default by a member.

4. **Retained Earnings**

   The amount that can be distributed by the Exchange as dividends to its equity shareholders is determined based on the standalone financial statements of the Exchange and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

5. **Reserve for debt instruments through other comprehensive income**

   This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognized in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or impairment losses on such instruments.

6. **Employees Stock Option Outstanding Account (Refer Note 42)**

7. **Risk Management Fund**

   Risk Management Fund (RMF) as constituted by the subsidiary company (NeML) is the amount earmarked for completion of the settlement, in case of a default by a member. Company has not utilized any amount in FY 2023-2024 and in previous year from the fund. As considered by the Management of the Company the Contribution made is appropriate and sufficient to cover member defaults, if any.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

13. NON-CURRENT DEPOSITS AND OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current deposits		
Base Minimum Capital *	894	769
	894	**769**
Lease Liabilities	966	1,196
Total	**1,860**	**1,965**

* Non current portion of Base minimum capital of ₹ 894 Lakhs (PY ₹ 769 Lakhs) is carried at undiscounted value as the date of refund cannot be estimated

14. PROVISIONS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
i) Employee benefits obligation				
a) Provision for gratuity	379	377	258	173
b) Provision for leave encashment	250	205	90	60
c) Provision for Performance based incentives	319	207	813	891
ii) Other Provisions (Refer Note 32)	-	-	260	260
	948	**789**	**1,421**	**1,385**
iii) Current Tax liabilities*	-	-	393	215
Total	**948**	**789**	**1814**	**1600**

*Includes Core Settlement Guarantee Fund income tax liability of ₹ 59 Lakhs (March 31, 2023 : NIL)

15. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets components		
Employee benefits	264	260
Provision For Expected Credit Loss	213	227
Unabsorbed losses / depreciation	5,186	4,249
MAT Credit Entitlement (Refer Note 15(a))	-	206
Deferred tax assets on ISF liabilities and SEBI Regulatory Fees	39	31
Ind AS 116- ROU and Lease Liability	15	20
Other items	-	5
Gross deferred tax asset	**5,717**	**4,998**
Deferred tax liabilities components		
Depreciation and amortization	45	217
Financial Assets at Fair Value through P&L	6	2
Financial Assets at Fair Value through OCI	2	5
Ind AS 116- ROU and Lease Liability	23	18
Share of unditributed profits of Associate	278	102

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Gross deferred tax liabilities	**354**	**344**
Net deferred tax asset / (liability) (Refer Note 15 (b))	**5,363**	**4,654**
Deferred tax assets	**5,717**	**4,998**
Deferred tax liabilities	**354**	**344**

(a) Considering the unabsorbed business losses and unabsorbed depreciation and future taxable profits, the Exchange expects that it will opt for lower tax rate under section 115BAA and hence MAT credit will not be available for setoff. Accordingly, during the year, the Exchange has derecognized MAT credit of ₹ 206 Lakhs.

(b) As at March 31, 2024, the group continues to recognize and carries net deferred tax assets of ₹ 5,186 Lakhs on account of business losses and unabsorbed depreciation on a reasonable certainty based on future taxable profits. Management expects that business losses and unabsorbed depreciation will be adjusted against the future taxable profits based on the approved business plan and projections by the group

16. DEPOSITS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Base Minimum Capital	689	884
	689	**884**
Deposit from members	7,426	7,773
Deposit from applicants	10	80
Deposits from clearing banks	4,700	4,700
Deposits from repository participants	860	879
Deposits from warehouse service providers	374	372
Total	**14,059**	**14,688**

17. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Total outstanding due of Micro and Small Enterprises	83	140
b) Total outstanding dues of creditors other than Micro and Small Enterprises	848	763
Total	**931**	**903**

Trade Payable Ageing as at March 31, 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	83	-	-	-	**83**
Others	823	0	-	25	**848**
Disputed dues - MSME	-	-	-	-	**-**
Disputed dues - others	-	-	-	-	**-**
	906	**0**	**-**	**25**	**931**

Trade Payable Ageing as at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	140	-	-	-	**140**
Others	718	0	2	43	**763**
Disputed dues - MSME	-	-	-	-	**-**
Disputed dues - others	-	-	-	-	**-**
	859	**0**	**2**	**43**	**903**

18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Creditors for Capital Expenditure	133	118
b) Creditors for Capital Expenditure Micro and Small Enterprises	22	7
c) Interest Payable	0.2	0.1
d) Dues to members	444	415
e) Payable - Members/Customers	369	249
f) Payable to Core SGF	577	1,778
g) Other payable	68	50
h) Margin money from members	12,412	13,126
	14,026	**15,743**
Lease Liabilities	547	479
Total	**14,573**	**16,222**

19. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Revenue received in advance	322	317
b) Investor protection fund *	33	36
c) Investor Service fund	40	42
d) Unpaid dividend	101	104
e) SEBI turnover and regulatory fees	116	77
f) Statutory dues payable	1,650	1,507
g) Others	43	46
Total	**2,305**	**2,129**

* Includes ₹ 19 Lakhs (March 31, 2023 : ₹ 19 Lakhs) payable to Investor Protection Fund Trust, in view of the freeze order on the security deposit of the member Bhavishya Advisory and Comtrade (India) Pvt. Ltd. However, Forward Market Commission(FMC) has directed that NCDEX shall get the freeze order lifted by the police authorities and reimburse the amount to the Trust towards settlement of award and arbitration cost which the Trust has paid.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

20. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products		
Sale of services		
Transaction charges	5,347	5,689
Annual subscription fees	227	199
Admission fees	78	70
Risk Management Fees	450	434
Delivery Charges	466	512
E-Repository services	823	707
Warehouse charges	102	108
Data, Analytics and Technology Sales	581	409
Sales under Corporate Buying Arrangement	-	1,101
Interest Income under Corporate Buying Arrangement	-	51
Other Operating Revenues		
Software Services	1,303	848
Computer to computer link charges	40	33
Corporate Buying Processing fees and warehousing Income	-	49
Port charges	54	62
Others	102	121
Total	**9,573**	**10,393**

21. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Bank deposits	2,089	1,801
Interest on Bonds	152	162
Interest income on trade financing	260	75
Profit on sale / Fair Value of MF Units	446	312
Net gain/(loss) on financial assets measured at Fair Value through Profit or Loss	30	19
Lease Line charges	261	258
Interest on Income Tax Refund	249	352
Exchange charges	67	8
Reversal of Lease Liability(net)	26	-
Profit on sale/scrap of fixed assets (net)	47	2
Dividend Income	353	-
Sundry balances written back	0.4	91
Others	47	84
Total	**4,027**	**3,164**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

22. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, bonus and allowances	7,993	7,739
Contribution to Provident and other funds	673	640
Staff welfare expenses*	434	431
Share based payments to Employees	-	7
Total	**9,100**	**8,817**

*Training application subscription fees of ₹ 20 Lakhs pertaining to previous year is re-grouped to staff welfare expenses from technology expenses

23. FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Finance Costs:		
Interest on lease liability	136	150
Other Interest	0.4	0.3
Interest on bank overdraft	-	0.4
Total	**136**	**151**

24. DEPRECIATION & AMORTIZATION

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation	383	503
Amortization	1,534	1,466
Amortization of right to use assets	545	543
Total	**2,462**	**2,512**

25. (A) TECHNOLOGY EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Repairs & Maintenance - Hardware and Software*	3,196	2,806
Annual Maintenance charges	233	451
Networking Expenses	240	288
Data Centre Expenses	231	319
Other Technology Expenses	480	63
Total	**4,380**	**3,927**

* Training application subscription fees of ₹ 20 Lakhs pertaining to previous year is re-grouped from technology expenses to staff welfare expenses

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

25. (B) OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Legal and Professional Charges	677	777
Polling Expenses	20	25
Rent	93	78
Electricity Charges	161	164
Travelling and Conveyance Expenses	280	302
Repairs and Maintenance	108	112
Directors Sitting Fees #	183	173
Committee Member Sitting Fees	20	22
Board and Committee Meeting Expenses	15	16
LES Incentive	151	397
Security Charges	88	80
Insurance Expenses	70	68
Regulatory Fees**	12	12
Contribution towards SEBI Regulatory Fees	55	52
Advertisement and Publicity	60	74
Corporate Social Responsibility Expenses	0	21
Communication Expenses	74	66
Contribution to Investor Service Fund	27	28
Contribution to Investor Protection Fund	24	23
Payment to Auditors		
- For audit (including limited review) *	44	44
- For tax audit	9	8
- For tax matters	-	14
- For other services	2	1
- For reimbursement of expenses	1	1
License Fees	56	51
Printing and Stationery	22	31
Books Periodicals & Subscription	29	31
Recruitment Expenses	35	43
Rates and Taxes	8	8
Research Expenses	7	11
Loss on Sale/Scrap of Fixed Assets (net)	2	1
Provision for Doubtful Debts	6	1
Expected Credit Loss	11	-
Sundry balances w/off	2	67
Bad debts	4	-
Assaying and Warehousing Charges-Corporate Buying	-	42
Provision for Impairment of Fixed Asset (Software)	-	7
Other Expenses	283	266
Total	**2,638**	**3,116**

*Includes ₹ 17 Lakhs (March 31, 2023 : ₹ 14 Lakhs) for Limited review fees.

** Regulatory Fees includes ₹ 10 Lakhs (March 31, 2023 ₹ 10 Lakhs) paid to WDRA

Including fees paid by the subsidiary companies

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

26. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Exceptional Items		
Profit on stake sale in associate (net) (Refer Note No 4(a))	579	-
Interest on Insurance claim received (net) (Refer Note No 38)	365	-
Capital raising expenses written off (Refer Note 52(a))	-	(487)
Recovery of pre-incorporation expense of JV (Refer Note No 52(b))	44	-
Provision for Pre-incorporation expense of JV and other expense (Refer Note 52(b))	-	(46)
Total	**989**	**(533)**

27. CURRENT AND DEFERRED TAX

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	133	11
Reversal of MAT Credit Entitlement (Refer Note 15(a))	206	-
Income Tax / (refund) for earlier years	9	(5)
Deferred Tax	(898)	(1,570)
Total	**(550)**	**(1,564)**

28. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net Profit / (Loss) after tax as per Statement of Profit and Loss	(2,606)	(4,057)
Less: Preference dividend and tax thereon	-	-
Net Profit for calculation of EPS **(A)**	(2,606)	(4,057)
Weighted average no. of equity shares for calculating EPS **(B)**	5,06,76,000	5,06,76,000
Basic earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	(5.14)	(8.01)
Diluted earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	(5.14)	(8.01)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Weighted average number of equity shares for calculating EPS	5,06,76,000	5,06,76,000
Weighted average number of equity shares in calculation diluted EPS	5,06,76,000	5,06,76,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

29. During the year, Group has recognized the following amounts in the financial statements as per Ind AS 19 "Employees Benefits" :

a) Defined Contribution Plan

Contribution to Provident Fund, Superannuation Fund, and Employee State Insurance Scheme

Contribution to Defined Contribution Plan, recognized are charged off for the period as under :

The Group makes contribution, determined as percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Group has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's Contribution to Provident Fund	413	379

b) Defined Benefit Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more and less than or equal to nine years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Every employee who has completed more than ten years of service gets a gratuity on departure at 26 days salary (last drawn salary) for each completed year of service.

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

(₹ in Lakhs)

Actuarial assumptions	Gratuity (funded)	
	As at March 31, 2024	As at March 31, 2023
Expected Rate of Return on plan assets	7.16% to 7.18%	7.29% to 7.31%
Discount rate (per annum)	7.16% to 7.18%	7.29% to 7.31%
Rate of increase in Compensation levels	8% to 10% for the first 1 year 6% to 7% for the next 5 years starting from the 3rd year 5% p.a. thereafter, starting from the 8th year (8% in case of NeML)	8% to 10% for the first 2 years 6% to 7% for the next 5 years starting from the 3rd year 5% p.a. thereafter, starting from the 8th year (8% in case of NeML)
Rate of Employee turnover	15% to 25%	15% to 25%
Mortality Rate during Employment	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured lives mortality (2012-14) ultimate
Mortality Rate after Employment	N.A.	N.A.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Table showing changes in present value of obligations :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the beginning of the year	1,157	953
Liability Transferred In / Acquisitions	-	-
(Liability Transferred Out / Divestments)	(23)	-
Interest Cost	84	60
Past service cost (Vested Benefit)	-	-
Current Service Cost	143	152
Benefits paid	(137)	(93)
Actuarial (gain) / loss on obligations	67	85
Present value of obligation as at the end of the period	**1,290**	**1,157**

Table showing changes in the fair value of plan assets :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets at beginning of the year	606	465
Assets Transferred In / Acquisitions	-	-
(Assets Transferred Out / Divestments)	-	-
Interest Income	42	30
Expected return of plan assets	9	1
Employer contribution	155	219
Benefits paid	(137)	(93)
Actuarial gain / (loss) on plan assets	-	(16)
Fair value of plan assets at year end	**675**	**606**

The amounts to be recognized in Balance Sheet :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of obligation as at the end of the period	(1,290)	(1,157)
Fair value of plan assets as at the end of the period	675	606
Funded Status (Surplus / (Deficit))	**(615)**	**(550)**
Unrecognized actuarial (gains) / losses	-	-
Liability transferred out	(22)	-
Net asset / (liability) recognized in Balance Sheet	**(637)**	**(550)**

Expenses recognized in Statement of Profit and Loss :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	143	151
Past service cost (Vested Benefit)	-	-
Interest Cost	40	31
Expected return on plan assets	-	-
Expenses recognized in the Statement of Profit and Loss	**183**	**182**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Expenses recognized in Other Comprehensive Income :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial (Gains) / Losses on Obligation For the Period	67	85
Return on Plan Assets, Excluding Interest Income	(9)	16
Change in Asset Ceiling	-	-
Net (Income) / Expense For the Period Recognized in OCI	**58**	**101**

Maturity profile of defined benefit obligation :

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Projected benefits payable in future years from the date of reporting		
1st Following year	265	232
2nd Following year	226	193
3rd Following year	199	187
4th Following year	172	157
5th Following year	141	136
Sum of Years 6 to 10	455	405
Sum of Years 11 & above	298	268

Investment Details :

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity	
	As at March 31, 2024	As at March 31, 2023
Investments with insurance fund	100%	100%

Sensitivity :

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Gratuity	Change in Assumption	For the year ended March 31, 2024		For the year ended March 31, 2023	
		Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1%/-1%	(43)	47	(39)	41
Salary Escalation Rate	+1%/-1%	47	(43)	41	(39)
Employee Turnover	+1%/-1%	(4)	4	(3)	4

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above 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 above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Note-1: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Note-2: The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

30. Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows :

(₹ in Lakhs)

	Particulars	As at March 31, 2024	As at March 31, 2023
a.	Principal amount remaining unpaid to any supplier as at the year end	105	147
	Interest due thereon :		
b.	Amount of interest paid during the year	-	-
c.	Amount of payments made to the supplier beyond the appointed day during the accounting year.	-	-
d.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the (year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006.	0.2	0.1
e.	Amount of interest accrued and remaining unpaid at the end of the accounting year.	0.2	0.1
f.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006.	-	-

Note: The above information and that given in Note No. 17 and 18 regarding Micro and Small Enterprises has been determined on the basis of information available with the Group and has been relied upon by the auditors.

31. COMMITMENTS AND CONTINGENCIES

(a) Contingent Liabilities not provided for in respect of :

(₹ in Lakhs)

	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	On account of Income taxes (Refer Note - 1 below) (Exchange)	1,574	2,234
(ii)	On account of Legal claim (Refer Note - 2 below) (Exchange)	185	185
(iii)	On account of payment of Bonus for the F.Y. 2014-15 (Refer Note - 3 below) (Exchange)	11	11
(iv)	On account of Service tax (Refer Note 4 below) (Exchange)	2,278	2,278
(v)	National E-Repository Limited (NERL) - On account of Bank Guarantee and Corporate Credit card (Refer Note - 5 below)	509	509
(vi)	NCDEX Institute of Commodity Markets & Research - On account of Income taxes (Refer Note - 6 below)	0.08	0.08
(vii)	NCDEX e Markets Ltd (NeML) - On account of Service tax (Refer Note - 7 below)	390	390
(viii)	NCDEX e Markets Ltd (NeML) - On account of TCS on GST* (Refer Note - 8 below)	41,300	-
(ix)	Power Exchange India Ltd (PXIL) - On account of Income Tax and Service Tax (Refer Note-9 below)	17	18

* Plus applicable interest

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

Note 1

Particulars	**Assessment Year**	**As at March 31, 2024**	**As at March 31, 2023**	**Forum before which case is pending**
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 07-08	171	171	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 08-09	113	113	High Court
Short TDS credit granted by AO	AY 09-10	11	11	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 11-12	123	123	High Court
Short TDS credit granted by AO	AY 11-12	13	13	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 12-13	456	456	CIT
Disallowance u/s 14A and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 13-14	-	201	CIT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 13-14	0.5	-	ITAT
Disallowance u/s 14A and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 14-15	-	236	CIT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 14-15	5	-	ITAT
Disallowance u/s 14A, Other disallowances and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 16-17	580	580	CIT
Disallowance u/s 14A, Other disallowances and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 17-18	-	321	CIT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 17-18	15	-	ITAT
Disallowance u/s 14A and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 18-19	-	28	CIT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 18-19	69	-	ITAT
Interest on Income Tax Refund	AY 18-19	-	2	AO
Addition u/s 41	AY-21-22	17	17	CIT
Total		**1,574**	**2,273**	

Note 2

A legal suit was been filed jointly against the Exchange and National Collateral Management Services Limited by a party claiming a sum of ₹ 185 Lakhs for loss on sale of goods, loss of profit, interest etc.

The management believes that the outcome of any pending litigations will not have a material adverse effect on the Exchange's financials position and the results of operations.

Note 3

Due to the retrospective amendment in “The Payment of Bonus Act,1965” which is deemed to have come into force from April 01, 2014. Kerala and Karnataka High Courts have passed stay on it’s implementation and the matter is pending in Court of Law for hearing. Considering that books of FY 2014-15 have been closed, return of bonus filed for said period and the matter is under litigation, the same is considered as contingent.

Note 4

The Exchange had received an adverse order on the issue of non-payment of service tax on liquidated damages amounting to ₹ 814 Lakhs along with interest u/s 75 & Penalty u/s 78, as per Finance Act, 1994. The Exchange had filed an appeal with CESTAT against the same. The Exchange had also pre deposited 7.5% of the tax amount i.e. ₹ 61 Lakhs at the time of filing appeal with CESTAT. Outcome of the appeal is pending. The Exchange had received an adverse order on the issue of Inadmissible Cenvat credit as per rule 6(3)(i) of the Cenvat Credit Rule, 2004 amounting to ₹ 1464 Lakhs along with interest u/s 75 & Penalty u/s 78, as per Finance Act, 1994. In FY 2022-23, the Exchange had filed an appeal with CESTAT against the same and the Exchange had pre deposited 7.5% of the tax amount i.e. ₹ 110 Lakhs at the time of filing appeal with CESTAT. Outcome of the appeal is pending.

Note 5

In case of subsidiary National E-Repository Limited (NERL) , NERL had given bank guarantee to the Warehousing Development and Regulatory Authority (WDRA) for ₹ 500 Lakhs (March 31, 2023 ₹ 500 Lakhs) and deposits are earmarked towards Corporate Credit Card limit of ₹ 9 Lakhs (March 31, 2023 ₹ 9 Lakhs) issued by ICICI Bank Limited.

Note 6

In case of subsidiary NCDEX Institute of Commodity Markets & Research (NICR), for Financial year 2013-14 relevant to Assessment year 2014-15, the Assessing Officer had disallowed the computation of total income as per Section 11 and 12 of the Income tax Act and raised a demand of ₹ 0.08 Lakhs (March 31, 2023 ₹ 0.08 Lakhs). The Company had filed an appeal before Commissioner of Income tax (Appeals) and is hopeful of getting a favourabe decision in view of the ITAT decision in Company’s own case for Asst Year 2009-10, restoring the registration under Section 12 of the Act and allowing the taxation as applicable to public charitable trusts.

Other than stated above, the NICR has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statement. The NICR does not expect the outcome of these proceedings to have a material impact on its financial statements.

Note 7

As at March 31, 2024 claims against the Jointly Controlled company not acknowledged as debts in respect of Service Tax Matters amounted to ₹780 Lakhs (As at 31st March 2023 ₹ 780 Lakhs). These matters were pending before the appellate authorities. On conclusion of the personal hearing, the Adjudicating authority revised the demand amount from ₹ 1,314 Lakhs to ₹780 Lakhs. The department has contested the revision of the demand before the Appellate Tribunal. On receipt of the orders of the Adjudicating authority, the Jointly Controlled Company filed an appeal before the Customs Excise and Service Tax Appellate Tribunal (CESTAT) against the Orders, by depositing a sum of ₹59 Lakhs being 7.5% of the tax demanded. The Management of the entity expects that ultimate resolution on appeal will be in favour of the entity and will not have a material adverse effect on the Group’s financial position and results of operations. NeML share will be 50% in case liability is crystallised.

Note 8

NeML, subsidiary company had received an Adjudication Order dated April 30, 2024 from Director General of GST Investigation (DGGSTI) CGST Delhi North in respect of the SCN issued for the alleged TCS on GST liability to be collected by NeML as an e-commerce operator on taxable and exempt agricultural commodities thereby confirming the demand of ₹ 37,633 Lakh plus penalty @ 10% i.e. approximately 3,700 Lakh aggregating to a total demand of ₹41,300 Lakhs and interest under section 50 read with section 52 of the CGST Act, is also payable on ₹ 37,633 Lakh for the period October 2018 to March 2022 under the above order. In response to the same, subsidiary company NeML has filed Writ Petition

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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with Bombay High court against the preliminary order dated March 04, 2024 passed by the Adjudicating Authority and is contemplating to file another Writ Petition with Bombay High Court against the Adjudication Order dated 30-04-2024. Without prejudice, NeML, based on legal assessment is of the view that all the above notice and the tax demand are arbitrary in nature and contrary to the provisions of law. NeML will pursue all the legal remedies available to them to challenge such tax demand and the related proceedings. The NeML's management is confident of a favourable outcome in the aforesaid matter.

Note 9

In case of Associate Power Exchange India Limited (PXIL), there is a disputed demand of income tax amounting to ₹ 36 Lakhs (March 31, 2023 : ₹ 36 Lakhs) and disputed service tax demand of ₹ 16 Lakhs for the peiod October 01, 2016 till June 30, 2017 (March 31, 2023 - ₹ 16 Lakhs). The Group share is 33.08% i.e. ₹ 17 Lakhs (previous year ₹ 18 Lakhs group share 34.21%) in case of liability is crystallized.

(b) Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	61	76

(c) Other Commitments

i. SEBI vide its circular dated April 10, 2019, has prescribed Risk based method to determine the net worth required for Clearing Corporation. In this regard, the Exchange, vide its letter dated September 5, 2018, has given an undertaking to National Commodity Clearing Limited (NCCL) for infusion of capital to the extent required to enable compliance with SEBI directives on net worth of NCCL.

ii. In case of subsidiary NeML, Other Commitments of ₹ 500 Lakhs based on shareholder agreement entered for investment in Joint Venture Meta Materials Circular Markets Private (MMCMPL) Limited (As at March 31, 2023- ₹ 1,000 Lakhs).

iii. In case of subsidiary NCCL, other commitments of ₹ 25 Lakhs (Previous year : NIL)

iv. In case of NICR , the profit for the year ended March 31, 2024 is ₹(6) Lakhs (year ended March 31, 2023 ₹ 40 Lakhs) and accumulated losses as on March 31,2024 is ₹ 174 Lakhs (₹ 167 Lakhs as on March 31, 2023).In view of the continued support from the NCDEX the Holding company, NICR would be able to continue and expand its operations and hence the financial statements of NICR have been prepared on the assumption of going concern.

32. Based on complaints of presence of "Mineral Oil"' in some of the stocks, warehouses having pepper stock of approximately 6853 MT were sealed by Food Safety and Standard Authority of India, Kerala (FSSAI) and deliveries were stopped from the warehouses, till further notice. In the meantime, the Commissioner of Food Safety, Kerala passed Orders for release of pepper stocks free of mineral oil of approximately 463 MT. The presence of mineral oil was not a part of the National Commodity & Derivatives Exchange Limited ("Exchange") specifications and therefore any liability arising on account of the same cannot be under the settlement process of the Exchange. However, in order to retain market integrity, the Exchange had offered to facilitate improvement of pepper stock, subject to recovering the costs of improvement and accordingly prayed before the Hon'ble High Court of Kerala to allow the same. Based on this, the Hon'ble High Court of Kerala vide its order dated August 28, 2014, allowed the Exchange to clean the pepper stock lying in the warehouse with a right to recover the costs associated with the same. Subsequently, some of the holders of the stocks had requested Food Safety Authorities, Kerala to permit the reference of a second sample to the referral laboratory viz. The Central Food Laboratory, Kolkata. Further, Hon'ble High Court of Kerala, vide its order dated May 12, 2015 had directed the release of such quantity of pepper which is found free from impurities and contamination. Based on this, approximately 4,376 MT of pepper stock which was found free of mineral oil on testing by Central Food Laboratory, Kolkata, has been released to the holders & approximately 1,015 MT was further released after cleaning. In the earlier years, the Exchange had paid the total amount including taxes towards cleaning and other related costs of ₹ 1,696 Lakhs (Net of recovery of ₹ 9 Lakhs till March 31, 2024). These payments are considered as receivable and shown under “other financial assets”. As on March 31, 2024 the balance stock of Pepper pending at various stages of release under the custody of Food Safety Authority, Kerala is approximately 998 MT. Further the Hon’ble High Court of Kerala, in a Writ Petition filed by the holders, passed an interim order dated 13th April, 2018, restricting the Exchange from taking any coercive actions against the holder and the said order is currently in force. In terms of the legal opinion obtained, the management is of the view that it has a fair chance of recovery of the costs incurred by it, since the same is backed by orders of the Hon’ble Court which provide a constructive lien on the goods lying with the Exchange approved warehouses. Accordingly, the Exchange has considered, the said receivable as good and recoverable and is of the opinion that there is no requirement to make further provision with respect to these cost in Exchange’s account apart from a provision of ₹ 260 Lakhs which was made in earlier years towards the cleaning of pepper stocks. The said provision is shown under the head “current provisions”.

33. Subsidiary company NeML, is required to maintain an amount of ₹ 1 Lakhs in Settlement Guarantee Fund (SGF) as the NeML holds registration under State Agricultural Produce Market Committee (APMC) Regulations to mitigate market risks. Under the Regulatory framework (APMC regulations) NeML is required to maintain Settlement Guarantee Fund (SGF) to mitigate the risks attached with defaults in a trade. NeML holds APMC registrations in the states of Karnataka, Maharashtra, Telangana and Himachal Pradesh. The APMC license for the state of Andhra Pradesh is currently under renewal.

34. AS REQUIRED BY IND AS - 24 “RELATED PARTY DISCLOSURES”

(i) Name and description of related parties

Relationship	Name of related party
(a) Associates	Power Exchange India Limited (PXIL)
(b) Joint venture	Rashtriya e Market Services Private Limited (ReMS)
	Meta Materials Circular Markets Private Limited (MMCMPL) (Joint venture with subsidiary NeML) w.e.f. July 08, 2022
(c) List of Key Management Personnel	Mr. Arun Raste (Managing Director and Chief Executive Officer) (w.e.f. June 07,2021)
	Mr. Ashish Bahuguna (Chairman and Public Interest Director) (w.e.f. June 15, 2023)
	Dr. Purvi Mehta (Public Interest Director) (upto January 11, 2024)
	Mr. Bhaskaran Nayar Venugopal (Shareholder Director) (upto January 11, 2024)
	Mr. Rakesh Kapur (Non-Independent Director)
	Mr. Srinath Srinivasan (Shareholder Director) (upto March 02, 2023)
	Mr. Manikumar S. (Non-Independent Director upto September 26, 2023)
	Mr. Prem Kumar Malhotra (Public Interest Director) (w.e.f August 09, 2021)
	Mr. Venkat Nageswar Chalasani (Public Interest Director) (upto November 14, 2023)
	Mr. Vijay Kumar V. (Managing Director & Chief Executive Officer) (upto April 18, 2021)
	Mr. Hemant Adarkar (Public Interest Director) (w.e.f. April 13, 2021)
	Mr. R. Amalorpavanathan (Public Interest Director) (w.e.f. January 03, 2022)
	Mr. R. Doraiswamy (Non-Independent Director) (w.e.f. March 21, 2024)
	Mr. Sanjeev Rohilla (Non-Independent Director) w.e.f. January 04, 2024)
	Dr. Mukulita Vijayawargiya (Public Interest Director w.e.f. February 09, 2024)

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(ii). Nature of transactions - The transactions entered into with the related parties during the period along with related balances as at March 31, 2024 are as under:

(₹ in Lakhs)

Particulars	Associates		Joint venture				Key Management Personnel					
	PXIL		ReMS		MMCMPL		Vijay Kumar V.		Arun Raste		Directors	
	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23
Remuneration*	-	-	-	-	-	-	14	13	200	200	-	-
UMP Software Maintaence charges	-	-	85	85	-	-	-	-	-	-	-	-
Dividend Received	353	-	-	-	-	-	-	-	-	-	-	-
Sitting Fees Paid to Directors*	-	-	-	-	-	-	-	-	-	-	79	90
Sale of PPE/Intangible Asset	-	-	-	-	153	-	-	-	-	-	-	-
Re-imbursement of Expense	-	-	-	-	44	(46)	-	-	-	-	-	-
Services Rendered	-	-	-	-	53	-	-	-	-	-	-	-

Note : As the liabilities for defined benefit plan viz. gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

* Fees paid to the holding company directors

Particulars	Associates		Joint venture				Key Management Personnel					
	PXIL		ReMS		MMCMPL #		Vijay Kumar V.		Arun Raste		Directors	
	Mar-24*	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23	Mar-24	Mar-23
Balance outstanding at the year end												
Investments in Joint Venture	-	-	500	500	500	-	-	-	-	-	-	-
Investments in Associate (Equity shares)	1,934	2,000	-	-	-	-	-	-	-	-	-	-
Trade Receivables	-	-	-	-	26	-	-	-	-	-	-	-
Trade Payables / Other Payable	-	-	-	-	-	-	16	31	94	75	-	-

* During the year ended March 31, 2024, the Exchange has sold 1.13% (6,60,128 equity shares) of its stake in PXIL to a buyer for a consideration of ₹ 700 Lakhs (Refer Note 4(a)).

NCDEX e Markets Limited (NeML) and another Joint Venturer outside the group (parent, subsidiary and associate of NCDEX) have incorporated a Joint Venture Company Meta Materials Circular Markets Private Limited (MMCMPL) during FY 2022-2023 and both Joint Venturers have 50% share. The approval from regulatory authorities for Joint venture is received on July 20, 2023. The capital infusion has been made in the JV Company by JV partners on July 27, 2023.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

35. The MD & CEO of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources. The disclosure in respect of Segment information as per INDAS 108 - "Operating Segments" for the year ended March 31, 2024 is given as follows:

(₹ in Lakhs)

Particulars	Year ended							
	March 31, 2024				March 31, 2023			
	Total Income	Inter-segment Income	External Income	Segment Result	Total Income	Inter-segment Income	External Income	Segment Result
Commodity Exchange Services	5,282	(753)	4,529	(5,498)	4,884	(705)	4,178	(5,433)
Commodity Clearing Services	2,547	-	2,547	330	2,072	-	2,072	(442)
Repository Services	1,085	(35)	1,050	(240)	958	(35)	923	(731)
Research and Education Services	85	(62)	23	7	215	(147)	68	40
E-Market Service	3,303	(12)	3,291	(31)	3,674	(21)	3,653	324
Software Service	1,373	-	1,373	317	888	-	888	(37)
Corporate Buying/Trade Finance	260	-	260	130	1,276	-	1,276	(48)
Unallocable	527	-	527	-	498	-	498	-
Total	**14,462**	**(862)**	**13,600**	**(4,984)**	**14,465**	**(908)**	**13,557**	**(6,326)**
Unallocable (net off expenses)				5				(78)
Less: Finance Charge				136				151
Add / (Less): Share of profit (net) of associate(s)				807				799
Profit before exceptional items				**(4,309)**				**(5,756)**
Less: Exceptional items				989				46
Profit before tax				**(3,320)**				**(5,801)**
Tax Expenses				(550)				(1,564)
Profit after tax and before minority interest and share of profit of associate				**(2,770)**				**(4,237)**
Add / (Less): Non-controlling interests				(164)				(180)
Profit after tax (owners')				**(2,606)**				**(4,057)**

(₹ in Lakhs)

Particulars	Year ended			
	March 31, 2024		March 31, 2023	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Commodity Exchange Services	22,867	8,666	23,016	8,460
Commodity Clearing Services	39,299	16,198	42,123	16,309
Repository Services	5,123	1,153	3,915	1,121
Research and Education Services	40	8	103	31
e-Market Platform Services	4,173	8,065	6,392	10,471
Software Service	1,328	10	825	119
Corporate Buying/Trade Finance	104	0	1,047	61
Unallocable	11,153	2,391	10,178	1,723
Total	**84,087**	**36,490**	**87,599**	**38,295**

In case of subsidiary NEML, the company has identified and disclosed "E-market service" ,"Software Services and "Corporate Buying/ Trade Finance" as reportable segments. The operating segment has been identified and reported taking into account

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

its internal financial reporting and performance evaluation of its operations. Operating Segment is reported in the manner evaluated by Board under Ind AS 108 “Operating Segment”.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Revenues and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. The revenues and expenses, relating to the enterprise as a whole and not allocable to a particular segment on reasonable basis have been disclosed as “Unallocable”.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as “Unallocable”. Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

36. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

Gross amount required to be spent by the Group as per section 135 of the Companies Act 2013 on Corporate Social Responsibility activities is ₹ NIL (March 31, 2023 ₹ 20 Lakhs) and actual spend during the year ended March 31, 2024 is NIL Lakhs (March 31, 2023 ₹ 21 Lakhs).

Details of amount spent during the year are as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount required to be spent by the company during the year	-	20
Amount of expenditure incurred	-	21
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Name of the Fund	-	Indian Development Foundation,Healing Himalaya foundation, Prateeksha Charitable Society, The institute of Entrepreneurship Development etc
Nature of CSR activities	-	Promoting education to the underpriveleged children, Environment sustainability and promoting gender equality
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	-	NA

37. CORE SETTLEMENT GUARANTEE FUND

Securities and Exchange Board of India (SEBI) vide letter no. SEBI/HO/CDMRD/DEA/OW/P/2018/025765/1 dated September 12, 2018 granted recognition to the Subsidiary Company NCCL as a 'Clearing Corporation' under Regulation 4 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 for one year. Subsequently, NCCL has made application for grant of renewal of recognisation as a clearing corporation and SEBI vide letter no. SEBI/HO/CDMRD/DRMP/OW/P/2019/22794/1 dated September 05, 2019 granted renewal of recognisation to the NCCL as a "Clearing Corporation" for a period of three years commencing from September 10, 2019. Further, NCCL has made an application for grant of renewal of recognition as a clearing corporation and SEBI vide letter no. SEBI/HO/MRD/RAC-1/P/OW/2022/47300/1 dated September 09, 2022 granted renewal of recognition to NCCL as a "Clearing Corporation" for a period of three years commencing from September 10, 2022.

SEBI, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, has issued norms related to the computation and Minimum Required Contribution (MRC) to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%) from its own fund, Stock Exchange (minimum 25%) and members (maximum 25%). Based on this the NCCL has created the Core Settlement Guarantee Fund.

The details of Core Settlement Guarantee Fund as on March 31, 2024 is as given below:

Particulars	Settlement Penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
Balance as at April 01, 2022	**4,248**	**14,569**	**3,709**	**-**	**22,525**
Contribution to Core Settlement Guarantee Fund					
Initial contribution to Core SGF	-	-	-	-	**-**
Add : Additional Contribution	122	-	-	-	**122**
Add : Interest on income tax refund	1	4	1	-	**7**
Add : Income on investment of SGF	234	768	198	-	**1,200**
Balance as at March 31, 2023	**4,605**	**15,342**	**3,908**	**-**	**23,855**
Balance as at April 01, 2023	**4,605**	**15,342**	**3,908**	**-**	**23,855**
Add : Additional Contribution *	322	-	-	-	**322**
Add : Replenishment of SGF (Refer Note No 38)	1,201	-	-	-	**1,201**
Add : Interest on above replenished amount	326	-	-	-	**326**
Add : Interest on income tax refund	1	4	1	-	**6**
Add : Income on investment of SGF	352	800	229	-	**1,381**
Less : Contribution returned to contributing stakeholders	-	(4,442)	(605)	-	**(5,046)**
Less : Income tax provision/paid**	(131)	(1,735)	(237)	-	**(2,103)**
Balance as at March 31, 2024	**6,675**	**9,968**	**3,297**	**-**	**19,941**

* Includes penalties amounting to ₹ 0.15 Lakhs collected but yet to transferred to Core SGF as on 31st March, 2024.

** Includes income tax paid ₹ 2,044 Lakhs & provision for income tax ₹ 59 Lakhs.

The above Core SGF amounting to ₹19,941 Lakhs (March 31, 2023 : ₹ 23,855 Lakhs) has been considered by the management as a part of equity and is included under "Other Equity".

As per SEBI circular SEBI/HO/MRD/MRD-POD-1/P/CIR /2023/78 dated May 23, 2023 relating to revision in computation of Core Settlement Guarantee Fund in Commodity Derivatives Segment, Clearing Corporations in Commodity Derivatives Segment may align their core SGF in terms of SEBI circulars dated August 27, 2014 as well as July 11, 2018 and excess contribution, if any, may be returned to the contributing stakeholders on a pro-rata basis, after taking due approval from SEBI. Accordingly, NCCL has received approval from SEBI vide letter dated SEBI/HO/MRD/RAC-1/P/OW/2023/28875/1 dated July 18, 2023 for withdrawal of excess contribution of ₹ 6,185 lakh and ₹ 842 lakh by the NCCL and NCDEX respectively from Core

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SGF. Based on this approval, NCCL has withdrawn ₹ 4,442 lakh (net of tax of ₹ 1,736 lakh) up to December 31, 2023 from the NCCL's own contribution and NCCL has returned to the Company ₹ 605 lakh (net of tax of ₹ 236 lakh) up to March 31, 2024 from the company's own contributions. The above withdrawals by the company and NCCL (net of income tax) has been credited to Retained Earnings.

Details of earmarking of funds towards Core SGF as on March 31, 2024 are as under:

Particulars	Settlement Penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
Fixed deposits included under 'Cash and cash equivalent'	-	-	-	-	**-**
Fixed deposits included under 'Bank balances other than cash and cash equivalents'	6,129	9,222	3,126	-	**18,477**
Fixed deposits included under 'Non-current bank balances'	88	196	56	-	**340**
Accrued Interest on Fixed Deposits	219	475	82	-	**777**
TDS on Interest/Income	14	45	17	-	**76**
Balance with Bank	5	0	-	-	**5**
Earmarked against Mutual Fund **	326	-	-	-	**326**
Sub-total	**6,781**	**9,937**	**3,281**	**-**	**20,000**
Less : Provision for Tax	(106)	31	16	-	**(59)**
Total	**6,675**	**9,968**	**3,297**	**-**	**19,941**

** Subsequently received from NCCL on April 10, 2024.

Details of earmarking of funds towards Core SGF as on March 31, 2023 are as under:

Particulars	Settlement Penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
Fixed deposits included under 'Cash and cash equivalent'	-	-	-	-	**-**
Fixed deposits included under 'Bank balances other than cash and cash equivalents'	3,590	9,963	3,050	-	**16,602**
Fixed deposits included under 'Non-current bank balances'	878	4,907	745	-	**6,530**
Accrued Interest on Fixed Deposits	106	333	65	-	**504**
TDS on Interest/Income	31	139	48	-	**218**
Current Account	0	0	-	-	**0**
Total	**4,605**	**15,342**	**3,908**	**-**	**23,855**

NCCL's own contribution to Core SGF for the year ended March 31, 2024 and March 31, 2023 is ₹ NIL and ₹ NIL respectively.

38. In case of subsidiary NCCL, the amounts recoverable from members as on March 31, 2024 include amounts recoverable from two members who have failed to honor their pay-in obligations in September 2019 and the amounts continue to be due from them as on date. The Company has declared these two members as defaulters. The amount recoverable from them after adjustment of their collaterals and margin money is ₹ 2,504 Lakhs (Previous Year ₹ 2,504 Lakhs) (including ₹ 681 Lakhs towards penalties and GST thereon). As the penalties will be transferred to Core SGF only on collection from members, NCCL has funded an amount of ₹ 1,823 Lakhs for pay-out to counter parties, as follows.

Particulars	March 31, 2024	March 31, 2023	Remarks
Clearing Corporation's own resources	622	622	5% of MRC of SGF ₹ 12,437 Lakhs (maximum as per SEBI provisions)
Core SGF	1,201	1,201	Net amount funded from Core SGF
Total	**1,823**	**1,823**	

During FY 2019-20, a provision had been made for ₹ 622 Lakhs for amount funded from NCCL's own resources as per conservative accounting principle and a provision of ₹ 8 Lakhs was made towards Clearing Corporation dues from these members. In addition to the above, during the FY 2020-21 a provision of ₹ 104 Lakhs was made with respect to GST on penalties recoverable from two defaulting members.

In the financial year 2019-20, NCCL had filed summary suits against the defaulting members for recovery of dues, which are pending before Hon. High Court, Bombay. NCCL had also filed an insurance claim for the loss on account of non-recovery of these dues. During the year, NCCL has received insurance claim proceeds of ₹ 1,889 Lakhs (including interest of ₹ 698 Lakhs) in settlement of the claim filed. Out of the insurance proceeds received, NCCL has replenished ₹ 1,201 Lakhs (includes ₹ 10 Lakhs replenished from the aforesaid interest) for the amount earlier funded to Core Settlement Guarantee Fund (Core SGF). Out of the balance insurance proceeds, NCCL has transferred ₹ 322 Lakhs to Core SGF and has retained the net balance of ₹ 365 Lakhs based on SEBI letter SEBI/HO/MRD/RAC-1/P/OW/2024/13296/1 dated April 04, 2024, and the same has been treated as Exceptional item in the financials.

39. In case of subsidiary NCDEX e Markets Ltd (NeML), Risk Management Fund (RMF) as constituted by the NeML is the amount earmarked for completion of the settlement, in case of a default by a member. NeML has not utilized any amount in FY 2023-2024 and in previous year from the fund. As considered by the Management of the NeML the Contribution made is appropriate and sufficient to cover member defaults, if any

40. (A) INVESTMENT IN JOINT VENTURE OF SUBSIDIARY NCDEX E MARKETS LIMITED

NCDEX e Markets Limited (NeML) has a 50% interest in Rashtriya e Market Services Private Limited (ReMS) and Meta Materials Circular Markets Private Limited (MMCMPL) the joint ventures. ReMS is involved in establishing, operating, managing, specialized electronic trading platform (Unified Market Platform-UMP) for auctioning of farmer's produce to bring efficiency and transparency in the agricultural regulated markets in the state of Karnataka.

Meta Materials Circular Markets Private Limited ("the Company) is incorporated to carry out the business of creating, providing, and operating online marketplaces, tech-enabled solutions & services for the sale, purchase, trade or otherwise disposal of used, end-of-life and new automobiles & auto components, e-waste, any valuable & recyclable waste, sustainable, environment friendly and circular economy (CE) products and other allied products including creation & dissemination of digital assets such as ELV-certificate of deposits (COD), EPR (Extended Producers Responsibility) certificates, various waste collection, carbon, environment, and recycling credits. The capital infusion has been made in the JV Company by JV partners on July 27, 2023.

The Group's interest in ReMS and MMCMPL are accounted for using the equity method in the consolidated financial statements. Summarized financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

i A. Rashtriya e Market Services Private Limited (ReMS)

Summarized Balance Sheet as at March 31, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Assets	5,756	5,471
Non-current Assets	115	108
Current Liabilities	(320)	(231)
Non-current liabilities	(16)	(22)
Equity	**5,536**	**5,326**
Proportion of groups ownership	50%	50%
Carrying Amount of investment	**2,768**	**2,663**

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Summarized Statement of profit and loss for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Revenue from Operations	294	190
Other Income	334	277
Employee benefit expenses	(123)	(118)
Operating Expenses	(100)	(100)
Administration & general expenses	(72)	(76)
Depreciation and amortization expenses	(9)	(12)
Other Expenses	(42)	(33)
Profit Before Tax	**282**	**128**
Tax Expense	72	31
Profit for the period	**210**	**97**
Other Comprehensive Income	-	1
Dividend Distribution Tax	-	-
Total comprehensive income for the period	210	98
Groups Share of profit for the year	**105**	**49**

The above figures of ReMS for F.Y 2023-24 are management certified.

ii Meta Materials Circular Markets Private Limited (MMCMPL)

Summarized Balance Sheet as at March 31, 2024

(₹ in Lakhs)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Current Assets	619	-
Non-current Assets	370	-
Current Liabilities	(20)	-
Non-current liabilities	(97)	-
Equity	**872**	**-**
Proportion of groups ownership	50%	**-**
Carrying Amount of investment	**436**	**-**

Summarized Statement of profit and loss for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Revenue from Operations	19	-
Other Income	29	-
Employee benefit expenses	(75)	-
Operating Expenses	-	-
Administration & general expenses	-	-
Depreciation and amortization expenses	(20)	-
Other Expenses	(124)	-
Profit / (Loss) Before Tax	**(171)**	**-**
Tax Expense	(43)	-
Profit for the period	**(128)**	**-**
Other Comprehensive Income	-	-
Dividend Distribution Tax	-	-
Total comprehensive income / (Loss) for the period	**(128)**	-
Groups Share of profit for the year	**(64)**	**-**

i B. **Investment in associate Power Exchange India Limited (PXIL)**

The Exchange, jointly with National Stock Exchange of India Limited (NSE), promoted Power Exchange India Limited (PXIL) in 2008, in order to provide an electronic platform for facilitation of trading of electricity at national level. Summarized financial information of the joint venture are set out below:

Summarized Balance Sheet as at :

(₹ in Lakhs)

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Current Assets	31,093	15,457
Non-current Assets	4,243	1,941
Current Liabilities	(25,705)	(10,211)
Non-current liabilities	(441)	(196)
Equity	**9,189**	**6,991**
Proportion of groups ownership	33.08%	34.21%
Carrying Amount of investment before intercompany elimination	**3,040**	**2,392**
Intercompany elimination	0	10
Carrying Amount of investment	**3,040**	**2,381**

Summarized Statement of profit and loss for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Revenue from Operations	5,422	4,816
Other Income	900	734
Employee benefit expenses	(1,093)	(841)
Finance Cost	(48)	(47)
Depreciation and amortization expenses	(338)	(309)
Other Expenses	(1,886)	(1,440)
Exceptional item - Dividend distribution tax written back	-	-
Profit Before Tax	**2,958**	**2,914**
Tax Expense	(748)	(753)
Profit for the period	**2,210**	**2,161**
Other Comprehensive Income	(12)	5
Dividend Distribution Tax	-	-
Total comprehensive income for the period	**2,198**	**2,166**
Groups Share of profit for the year before intercompany elimination	**756**	**742**
Intercompany elimination	10	10
Groups Share of profit for the year	**766**	**752**

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41. INTERESTS IN JOINT VENTURES AND ASSOCIATE

Name of the Entity	Place of business / country of incorporation	Relationship	Proportion of Interest (%)		Accounting Method	Carrying Value		Share of Profit / (Losses)	
			March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Rashtriya e Market Services Private Limited	Bangalore	Joint Venture	50%	50%	Equity	2,768	2,663	105	49
Meta Materials Circular Markets Private Limited	Mumbai	Joint Venture	50%	-	Equity	436	-	(64)	-
Power Exchange India Ltd.	Mumbai	Associate	33.08%	34.21%	Equity	3,040	2,381	766	752

42. EMPLOYEE STOCK OPTION PLAN / EMPLOYEE STOCK OPTION SCHEME OF SUBSIDIARY NCDEX E MARKETS LIMITED

a Subsidiary NCDEX e Markets Limited, has created an Employee Stock Option - "ESOP 2020" for the benefits of employees

The table given below summarizes the ESOP granted and vesting details.

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
No of ESOPs outstanding at the beginning of the year	93,913	93,913
Vested during the year	-	24,652
Lapsed during the year	93,913	3,522
Exercised during the year	-	-
Outstanding at the end of the year	Nil	65,738
Exercisable at the end of the year	Nil	24,652

Valuation Date	13-May-21
Grant Date	13-May-21

Vesting (%)	**30% vesting(13.05.2023)**	**30% vesting(13.05.2024)**	**40% vesting (13.05.2025)**
Number of Options vested	28,174	28,174	37,565

Weighted Average Call Price	**26.19**

The exercise price of ESOP vested ₹ 106.01 as per FMV report by an independent valuer.

The Black Scholes Valuation method is applied for valuation of ESOP by an independent valuer.

43. The Exchange was permitted to hold up to 74% of the paid up share capital of NERL and to reduce it to 51% or below by December 21, 2018 as per letter 16/5-15/A&F-1959 dated December 08, 2016 and letter of intent dated December 23, 2016 of Warehousing Development and Regulatory Authority (WDRA). Since the shareholding of the Exchange (67.22%) was not in line with the above guidelines, the Exchange has sought and recieved permission from WDRA to continue to hold 67.22% in NERL. As per latest WDRA letter no. D-24015/2/2018-O/o US (A and F)/2728 dated February 01, 2024, WDRA has granted an extension of time to the Exchange for a period of six months from December 22, 2023 to reduce its shareholding in NERL to 51% or below.

44. In case of subsidiary NERL, WDRA vide its letter no. D-24015/2/2018-O/o US (A and F)-Part I/3533 dated March 31, 2023, advised expediting the process and completion of the appointment of MD & CEO of NERL, as WDRA Corporate Governance guideline no 7(2)(iv) stipulates that the process of appointment of new Managing Director to be completed within a period of 60 days of the occurrence of a vacancy. During the year, on January 05, 2023, NERL has constituted a three-member committee of Directors to discharge the functions of the MD as an interim arrangement and the said committee is reporting to the Board of Directors. WDRA further advised via the aforementioned letter that till such time as the process is completed, all correspondence with WDRA should be carried out only by a nominated member of the Committee constituted by NERL to oversee the functions of the MD & CEO of NERL until the process is completed and the new interim MD is appointed in order to follow WDRA guidelines on the appointment of an interim Managing Director. Further, the Company has sent a letter to WDRA vide letter no. NERL/WDRA/2023-2024/002 dated April 18, 2023, recommending two names, as required, for approval of the Authority along with the report of the Nomination and Remuneration Committee, Minutes of the meeting of the Board, where these two names were recommended and requesting WDRA to accord approval for the appointment of new MD&CEO of NERL. Further, WDRA vide letter No. T-25011(21)/2/2022-Technical/695 dated June 30, 2023 has approved the appointment of MD & CEO and condoned the delay that occurred beyond the expected time frame on June 21, 2023. Subsequently, the process of appointing the approved candidate for the post of MD & CEO has been completed and the MD & CEO has been appointed w.e.f. November 01, 2023.

45. Regulation 14 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, prescribes the net worth requirements for Stock Exchanges. In terms of this regulation, the Exchanges shall have a minimum networth rupees one hundred Crores at all times. The Exchange is in compliance with said SEBI directives.

In subsidiary company NERL ,in terms of clause 12 (1) of the Guidelines on Repositories and Creation and Management of Electronic Negotiable Warehouse Receipts dated October 20, 2016 issued by Warehousing Development and Regulatory Authority, the Company is required to maintain a net worth of not less than Rupees twenty five Crores, at all times. At present the Company complies with this guidelines.

In subsidiary company NCCL, SEBI vide its circular dated April 10, 2019, has prescribed Risk based method to determine the net worth required for Clearing Corporation. In terms of this circular, the Company shall quarterly review their net worth requirement and ensure that the net worth does not fall below the prescribed threshold, applicable from first quarter of financial year 2019-20. The Company is in compliance with said SEBI directives.

46. LEGAL MATTERS

In case of holding company, a legal suit was filed against the Exchange and two Warehouse Service Providers (WSP) jointly by three parties claiming liquidated damages, penalties, interest cost, re-processing and re-testing charges and other incidental costs etc. As per the legal opinion received, the management believes that possibility of any outflow is remote and the outcome of the said pending litigation will not have a material adverse effect on the Exchange’s financials position and the results of operations.

In respect of subsidiary NCCL, the subsidiary company has filed a case against two defaulting members seeking an order from the Hon’ble Court, directing the defendant to pay the amount against default. The arguments in the matter are concluded and the orders were pronounced on January 29, 2024. However, official copy of the order is yet to be received by NCCL. Further, writ petitions by two members have been filled against the Exchange and the subsidiary company NCCL in High Courts, the outcome of which are pending.

The Group’s pending litigations comprise claims against the Group and proceedings pending with Tax / Statutory/ Government Authorities and legal proceedings and claims, which have arisen in the ordinary course of business After review of all its pending litigations and proceedings, the Group has made / updated adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities (Refer Note 31 and 32).

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47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for the establishment and oversight of the Group's risk management framework.

Management of Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Group's finance department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any surplus cash available, over and above the amount required for management and other operational requirements, is retained as cash and cash equivalents (to the extent required), highly marketable debt investments, and interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

(₹ in Lakhs)

Particulars	Note Nos.	Carrying amount	Less than 12 months	Payable on demand	More than 12 months	Total
As at March 31, 2024						
Deposits	13 &16	14,953	8,640	5,419	894	14,953
Trade payables	17	931	931	-	-	931
Lease Liabilities	14 & 18	1,513	622	-	1,233	1,855
Other financial liabilities	18	14,026	14,026	-	-	14,026
As at March 31, 2023						
Deposits	13 &16	15,457	8,938	5,750	769	15,457
Trade payables	17	903	903	-	-	903
Lease Liabilities	14 & 18	1,675	621	-	1,449	2,070
Other financial liabilities	18	15,743	15,743	-	-	15,743

Management of Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Trade Receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse and also on account of member's deposits kept by the Group as collaterals which can be utilized in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

None of the customers accounted for more than 10% of the consolidated receivables and revenue for the year ended March 31, 2024 (March 31, 2023 : ₹ NIL) .

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in debt mutual funds and Bonds. The Group limits its exposure to credit risk by making investment as per the investment policy. The Group addresses credit risk in its investments by mandating a minimum rating against the security / institution where the amounts are invested and is further strengthened by mandating additional requirement like Capital Adequacy Ratio (CAR), for term deposits with banks and Minimum Average Assets Under Management (AAUM) of the Asset Management Companies (AMCs) and Assets Under Management (AUM) of the schemes for investments in debt mutual funds.Further the respective Investment Committee of the parent company and the subsidiaries reviews the investment portfolio on a periodic basis and recommend or provide suggestion to its management. The Group does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Management of Market Risk

The Group's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of commodities traded, the number of contracts and liquidity and similar factors.

In addition to the above risk, Market risk also includes the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Group's control. Changes in the general level of interest rates can affect the profitability by affecting the spread between, amongst other things, income the Group receives on investments in debt securities, the value of interest-earning investments, it's ability to realise gains from the sale of investments.

Foreign currency risk

The Group periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the Group has not entered in foreign exchange forward exchange contracts.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Group. The clearing and settlement operations are conducted through a wholly owned subsidiary National Commodity Clearing Limited (NCCL). NCCL guarantees the settlement of trade executed on Group's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

Regulatory Risk

The Group requires a number of regulatory approvals, licenses, registrations and permissions to operate our business. For example, the group have licenses from SEBI in relation to, among others, introducing contracts on various commodities The group operations are subject to continued review and the governing derivatives regulations changes. The group regulatory team constantly monitors the compliance with these rules and regulations. There have been several changes to the form and manner in which deemed recognized stock exchanges must make contributions to a Core Settlement Guarantee Fund. Should SEBI in the future vary the required contribution amounts to the Core Settlement Guarantee Fund, the group may have to contribute more of funds to the Core Settlement Guarantee Fund which could materially and adversely affect the group financial ability. The group regulatory team keeps a track regarding the amendments in SEBI circulars / regulations pertaining to such core settlement guarantee fund.

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Group is predominantly equity financed which is evident from the capital structure. Further, the Group has always been a net cash Group with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of financial liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

48. FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(₹ in Lakhs)

Particulars	Levels	As at March 31, 2024	As at March 31, 2023
1) Financial Assets			
Financial assets measured at fair value through profit & loss			
A) Investment in Mutual Funds	Level 1	5,740	4,780
B) Investments in Unquoted equity Shares **	Level 3	-	-
Financial assets measured at fair value through other comprehensive income			
A) Investment in Bonds	Level 1	2,175	2,331
Financial assets measured at Amortized Cost			
A) Bank deposits		40,229	47,624
B) Trade receivables		2,292	3,174
C) Cash and Cash equivalents		7,617	3,602
D) Investment in Bonds		-	-
E) Other Financial Asset		4,418	5,472
Financial assets measured as per equity method			
A) Investment in associates / joint ventures accounted for using the equity method		6,244	5,045
Total financial assets		**68,716**	**72,028**
2) Financial liabilities			
Financial liabilities measured at Amortized Cost			
A) Deposits		14,953	15,457
B) Trade payables		931	903
C) Lease Liabilities		1,513	1,675
D) Other Financial liabilities		14,026	15,744
Total Financial liabilities		**31,423**	**33,778**

** Fair value of these instruments is determined using market approaches.

49. TAX RECONCILIATION

a. A reconciliation of Income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before income taxes	(3,320)	(5,801)
Enacted tax rates in India	26%	26%
Computed expected tax expense	(863)	(1,830)
Tax impact on depreciation	-	(2)
Adjustments in respect of current income tax of previous years	9	6
Tax impact due to Non-deductible expenses for tax purposes	49	151
Tax impact on Exempt Income	(36)	(24)
Long term capital gain taxed at different rate	(22)	(13)
Tax impact on INDAS adjustments	2	(36)
MAT reversal (Refer note 15(a) & 27)	206	-
MAT expenses	21	
Share of unditributed profits of Associate	(23)	105
Changes in Tax rates	188	-
Tax on Elimination of depreciation/ unreralized profit	(76)	57
Others	(6)	21
Income tax expense	**(550)**	**(1,564)**

b. The following table provides the details of income tax assets and income tax liabilities as of March 31, 2024

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax assets	2,414	2,715
Income tax liabilities	393	215
Net Non current income tax assets/ (liability) at the end of financial year	**2,021**	**2,500**

c. The gross movement in the current income tax asset/ (liability) for the period ended March 31 2024

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net current income tax asset / (liability) at the beginning	2,500	2,422
Add : Income tax paid	2,490	803
Provision for tax of earlier years	9	(6)
Refund Received	(723)	(719)
Less : Provision for income tax	(2,256)	0
Net current income tax asset/ (liability) at the end	**2,021**	**2,500**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

d. Deferred tax assets

Movements in deferred tax assets

(₹ in Lakhs)

Particulars	Employee benefit	Provision For Expected Credit Loss	Financial Assets at Fair Value through OCI	Unabsorbed losses / depreciation	MAT Credit Entitlement	Lease Ind As 116	Other Items	Total
As at March 31, 2022	209	229	-	2,719	206	17	40	3,420
Charged / (credited)								
- to profit or loss/ other comprehensive income	51	(2)	-	1,530	-	4	(4)	1,577
- to Retained earning	-	-	-	-	-	-	-	-
As at March 31, 2023	**260**	**227**	**-**	**4,249**	**206**	**20**	**36**	**4,998**
Charged / (credited)								
- to profit or loss/ other comprehensive income	4	(14)	-	938	(206)	(5)	4	720
- to Retained earning	-	-	-	-	-	-	-	-
As at March 31, 2024	**264**	**213**	**-**	**5,186**	**-**	**15**	**39**	**5,717**

Movements in deferred tax liabilities

(₹ in Lakhs)

Particulars	Depreciation and amortization *	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	IND AS116 - ROU and Lease liability	Share of unditributed profits of Associate	Total
As at March 31, 2022	341	2	14	15	-	372
Charged / (credited)						
- to profit or loss	(124)	1	-	-	102	(22)
- to other comprehensive income	-	-	(9)	3	-	(6)
As at March 31, 2023	**217**	**2**	**5**	**18**	**102**	**344**
Charged / (credited)						
- to profit or loss	(172)	4	-	-	176	8
- to other comprehensive income	-	-	(3)	5	-	2
As at March 31, 2024	**45**	**6**	**2**	**23**	**278**	**354**

In case of subsidiary NCCL, it recognizes MAT credit available as an asset only to the extent there is reasonable certainty that the company will pay normal income tax during the specified period. Accordingly, MAT credit entitlement not recognized in books of accounts till March 31, 2024 is ₹ 386 Lakhs (March 31, 2023 : ₹ 365 Lakhs), which will be carried forward. Further, as and when the MAT credit will be recognized the same will be directly credited to retained earnings and not the statement to profit & loss account as the same is arising out of contribution to Core SGF, forming part of other equity. Deferred tax asset on loss on account of contribution to Core SGF till March 31, 2024 amounting to ₹ 1,885 Lakhs (March 31, 2023 : ₹ 3,319 Lakhs) will be recognized and credited directly to retained earnings when there is reasonable certainty.

The Group has not recognized deferred tax liability associated with respect to undistributed earnings of its subsidiaries as it can control the timing of the reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

50. LEASES

a. The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Profit & Loss Account under the heading "Finance costs" and "Depreciation and Amortization Expense" respectively under Note No 23 and 24

b. The weighted average incremental borrowing rate applied to lease liabilities is 8.38%.

c. Following are the changes in the carrying value of right of use assets for the year ended March 31, 2024.

(₹ in Lakhs)

Particulars	Category of ROU		Total
	Office Space	Guest House	
Balance as of April 01, 2022	**2,030**	**-**	**2,030**
Reclassified on account of adoption of Ind AS 116	-		-
Additions	58	-	58
Deletions	543	-	543
Depreciation	-	-	-
Balance as of March 31, 2023	**1,544**	**-**	**1,544**
Balance as of April 01, 2023	1,544	-	1,544
Additions	494	-	494
Depreciation	545	-	545
Deletions	123	-	123
Balance as of March 31, 2024	**1,371**	**-**	**1,371**

d. The following is the break-up of current and non-current lease liabilities as of March 31, 2024

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Lease liabilities	547	479
Non-current lease liabilities	966	1,196
Total	**1,513**	**1,675**

e. The following is the movement in lease liabilities during the year ended March 31, 2024

(₹ in Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Balance as at beginning	1,675	2,087
Additions	479	55
Additions through business combinations	-	-
Deletions	(133)	-
Finance cost accrued during the year	136	150
Payment of lease liabilities	(628)	(618)
Re-measurement of lease liability	(16)	-
Balance as of Closing	**1,514**	**1,675**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

f. The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2024 on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	647	667
One to five years	1,241	1,489
More than 5 years	-	-
Total	**1,888**	**2,156**

g. The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

h. Rental expense recorded for short-term leases is ₹ 93 Lakhs (March 31, 2023 ₹ 78 lakhs).

51. ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total net assets	As at March 31, 2024	As % of Total net assets	As at March 31, 2023
Net assets (total assets minus total liabilities)					
National Commodity & Derivatives Exchange Limited (NCDEX)	Parent Company	23%	11,160	25%	12,165
NCDEX e Markets Ltd. (NeML)	Subsidiary	13%	6,293	12%	6,068
National E-Repository Limited (NERL)	Subsidiary	8%	3,970	6%	2,794
National Commodity Clearing Limited (NCCL)	Subsidiary	49%	23,101	52%	25,814
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	32	0%	72
Power Exchange India Limited	Associates	6%	3,040	5%	2,392
Total		**100%**	**47,597**	**100%**	**49,304**

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total Profit or loss	For the year ended March 31, 2024	As % of Total Profit or loss	For the year ended March 31, 2023
Share in profit or (loss)					
National Commodity & Derivatives Exchange Limited (NCDEX)	Parent Company	114%	(3,145)	97%	(4,119)
NCDEX e Markets Ltd. (NeML)	Subsidiary	(9%)	249	(2%)	97
National E-Repository Limited (NERL)	Subsidiary	18%	(501)	13%	(550)
National Commodity Clearing Limited (NCCL)	Subsidiary	(2%)	44	8%	(353)
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	(6)	(1%)	40
Power Exchange India Limited	Associates	(21%)	590	(15%)	648
Total		**100%**	**(2,770)**	**100%**	**(4,237)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total OCI	For the year ended March 31, 2024	As % of Total OCI	For the year ended March 31, 2023
Share in other comprehensive income					
National Commodity & Derivatives Exchange Limited (NCDEX)	Parent Company	41%	(28)	91%	(134)
NCDEX e Markets Ltd. (NeML)	Subsidiary	23%	(16)	(14%)	20
National E-Repository Limited (NERL)	Subsidiary	14%	(9)	5%	(7)
National Commodity Clearing Limited (NCCL)	Subsidiary	16%	(11)	19%	(29)
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	-	0%	-
Power Exchange India Limited	Associates	6%	(4)	(1%)	2
Total		**100%**	**(69)**	**100%**	**(149)**

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total comprehensive income	For the year ended March 31, 2024	As % of consolidated net assets	For the year ended March 31, 2023
Share in total comprehensive income					
National Commodity & Derivatives Exchange Limited (NCDEX)	Parent Company	112%	(3,174)	97%	(4,254)
NCDEX e Markets Ltd. (NeML)	Subsidiary	(8%)	233	(3%)	117
National E-Repository Limited (NERL)	Subsidiary	18%	(511)	13%	(558)
National Commodity Clearing Limited (NCCL)	Subsidiary	(1%)	33	9%	(381)
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	(6)	(1%)	40
Power Exchange India Limited	Associates	(21%)	586	(15%)	650
Total		**100%**	**(2,839)**	**100%**	**(4,386)**

52. NOTE ON EXCEPTIONAL ITEM

(a) The Exchange had filed a draft red herring prospectus (DRHP) on February 11, 2020 with the Securities and Exchange Board of India (SEBI) and stock exchanges for the proposed initial public offering (IPO) of its equity shares, comprising of fresh issue and Offer for Sale of Equity Shares by the Selling Shareholders. On April 09, 2020 SEBI issued its final observations on the DRHP. The Exchange has not launched its IPO, hence 25% of the IPO related expenses were debited to statement of profit and loss account under other expenses during the FY 2020-21 and remaining amount (75%) amounting to ₹ 318 Lakhs was considered as recoverable from selling shareholders and shown under other current financial assets. Subsequently the Exchange has spent ₹ 106 Lakhs towards corporate restructuring, which was also shown as recoverable. During the year ended March 31, 2023, the Exchange had written off the said recoverable amount of ₹ 424 Lakhs along with GST recoverable thereon of ₹ 63 Lakhs aggregating to ₹ 487 Lakhs and debited it to the statement of profit & loss account and shown as exceptional item.

(b) In case of subsidiary NCDEX e Markets Ltd (NeML), NeML and another Joint Venturer outside the group (parent, subsidiary and associate of NCDEX) have incorporated a Joint Venture Company Meta Materials Circular Markets Private Limited (MMCMPL) during FY 2022-2023 and both Joint Venturers have 50% share. The total expenses incurred for the JV Company by NeML of ₹ 46 Lakhs has been shown as an exceptional item for FY 2022-23. NeML has a right

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

to reimbursement from the JV Company as and when relevant approvals are received. The approval from regulatory authorities for Joint venture is received on July 20, 2023. The capital infusion has been made in the JV Company by JV partners on July 27, 2023. ₹ 44 Lakhs Exceptional Income is on account of income booked for recovery of Preincorporation and other expenses incurred on behalf of MMCMPL prior to receipt of approval from Regulatory authorities.

53. The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on September 28, 2020 and the said Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

54. As per SEBI directives, the Exchange has issued circulars informing the market participants that no fresh positions and launch of new contracts are allowed in Chana and Rapeseed-Mustard with effect from August 17, 2021 and October 08, 2021 respectively. In addition to this, the Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-124/2021 dated December 20, 2021 wherein no fresh positions and launch of new contracts are allowed for a period of one year in respect of certain commodities prescribed in the said circular including major commodities like Soyabean and Refined Soy Oil as well as earlier suspended commodities viz. Chana and Rapeseed-Mustard. The suspension of these commodities was extended for a period of one year i.e. till December 20, 2023. Subsequently, the suspension was further extended for a period of one more year i.e. till December 20, 2024. The Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-160/2023 dated October 27, 2023 to that effect. Accordingly, the revenue of the Exchange from transaction charges of these commodities has been impacted. The management, based on its assessment, is of the view that there is no impact on the carrying value of its assets. Therefore, no adjustments are made in the financial statements for the year ended March 31, 2024.

Despite the suspension of commodities, resultant losses, reduction in the net worth and negative operating cash flows of the Company, the net worth of the Company is maintained as per the regulatory guidelines and the Company is capable of meeting its current financial liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date out of its current financial assets. Also, the Exchange is putting efforts to grow its business in the existing commodities and diversify its business by exploring new products. Further, the company has initiated the process of raising funds through preferential issue of equity shares to identified institutional shareholders (refer note 55) and diluting its excess holdings (as per regulatory requirements) in NERL (subsidiary company) and PXIL (associate company). In view of the above and the business plan of the Company, the management believes that no material uncertainty exists and the financial statements have been prepared based on the going concern assumption.

55. During the year ended March 31, 2024, the Board of NCDEX has accorded its in principle approval to offer such number of equity shares to identified institutional shareholders so as to increase their current shareholdings upto the maximum shareholding permissible as per the SEBI/RBI regulations at a price to be determined as per the valuation by a registered valuer and subject to such approvals as may be required. Subsequent to the balance sheet date, the Board has approved the offer of 1,89,76,358 equity shares of the Exchange having face value of ₹ 10/- (Rupees Ten only) each at a price of ₹ 160.60 per equity share on a preferential basis/private placement for cash to identified institutional shareholders of the Exchange, subject to the approval of the shareholders of the Exchange and other regulatory/ statutory approvals, as may be required.

56. Other Income includes interest on Income Tax refund for the year ended March 31,2024 ₹ 249 Lakhs received/recognized. (₹ 353 Lakhs for the previous year ended March 31, 2023).

57. Other Income includes ₹ 353 Lakhs received from Power Exchange India Limited (PXIL) for the year ended March 31, 2024 as dividend for the Financial Year 2012-13 to FY 2019-20 on erstwhile 10% Optionally Convertible Cumulative Preference shares (later converted to Equity shares in FY 2019-20).

58. In case of subsidiary NCDEX E-Markets Ltd. (NeML), the purchase of agricultural commodities made under the corporate buying arrangement is on the basis of the purchase order/ specifications placed by the client. NeML does not hold commodities for self-consumption nor for trading purpose.

NeML pays full amount of consideration to suppliers for purchase of commodities and receives 25% amount as advance from client. The commodities purchased are in title of NeML to protect the client failure to pay until the outstanding dues is received from client. The price risk is not with NeML as it monitors price movement on daily basis and makes mark to market calls if there is a fall in price and available margin reduces below threshold limits. Further NeML receives monthly fixed consideration in form of Interest from Corporate Buying Arrangement (CBA) on outstanding dues and reimbursement of expenses incurred (warehouse charges, insurance charges etc) till commodities is transferred to client. In the event of default by client, NeML has the right to sell the commodity and recover its outstandings along with pending dues such as interest from CBA/ expense reimbursement if any and transfer the balance consideration if any to client.

59. In case of subsidiary NEML, Members holding membership (Trading & Clearing Membership) for more than three years can terminate their membership and withdraw deposit. These deposits are payable on demand therefore membership deposit of such members is classified as current liability.

60. In accordance with the relevant provisions of the Companies Act, 2013, the Group and its associate does not have long term contracts as of March 31, 2024 and March 31, 2023 for which there were no material forseeble losses. The Group and its associates did not have any derivative contracts as at March 31, 2024 and March 31, 2023.

61. For the year ended March 31, 2024 and March 31, 2023, the Group and its associates is not required to transfer any amount into the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.

62. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

i. Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii. Wilful defaulter

The group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iii. Relationship with struck off companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iv. Compliance with number of layers of companies

The group has complied with the number of layers prescribed under the Companies Act, 2013.

v. Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vi. Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

vii. Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

viii. Valuation of PP&E, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2024 (Contd.)

ix. Utilization of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The group has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

x. Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period of the group.

xi. Core Investment Company (CIC)

There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

xii. Loans or advances to specified persons

The Group has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are:

(a) repayable on demand or

(b) without specifying any terms or period for repayment

63. Previous year figures have been regrouped / reclassified wherever necessary to correspond to current year presentation.

As per our report of even date

For **Khandelwal Jain & Co.**
Chartered Accountants
ICAI Firm Registration No : 105049W

Narendra Jain
Partner
Membership No. 048725

Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board of Directors
National Commodity & Derivatives Exchange Limited

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

NCDEX

Pragati ka Solid Exchange

National Commodity & Derivatives Exchange Limited

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