NCDEX

Pragati ka Solid Exchange

connecting farmers to markets

Annual Report 2017-18

NCDEX

Pragati ka Solid Exchange

JOINING THE DOTS

The Financial Year 2017-18 was a momentous year for the nation. This momentum was also reflected at NCDEX, marked by the launch of the first Agri Commodity Options, bringing an important evolution in the agriculture commodities market. Our belief that the sum of the parts reflects the whole was brought to life with our efforts focused on farmer welfare helping the sector move in the direction of doubling farmers' income through optimum price realisation for agri produce.

Across business and CSR, the Exchange continues to touch the lives of sections of society, contributing to a better eco-system for agri-stakeholders, and reaching out to the farmer community with know-how on risk management and post-harvest quality upgradation.

The vision of connecting each farmer in India to the Exchange lights the path forward as NCDEX works closely with farmer producer companies (FPCs) to train them on the benefits of the Futures Market. In the new financial year, we continue our commitment to innovate across the agri commodities sector, driving and defining sustainable value for stakeholders, using our acumen to create a positive impact on the nation's oldest industry.

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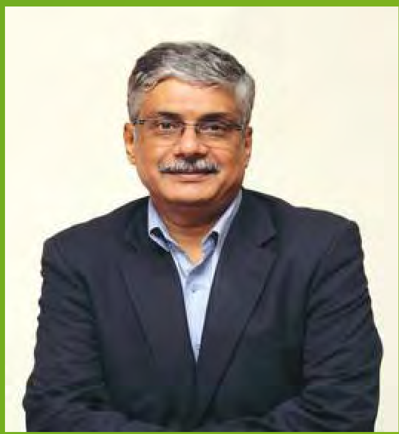


MD AND CEO'S MESSAGE

My dear stakeholders,

I am pleased to share our annual report for the financial year 2017-18 - another year in which we continued to maintain our position as the leading Exchange for Agricultural commodities with a share of 85% in this segment.

I would like to acknowledge the support of our partners in sustaining our leadership - Members and Banks, Warehouse Service Providers and Assayers, Technology Vendors, Trade and Industry Associations. They have actively supported the Exchanges' efforts to make the futures markets more accessible to the entire agricultural value chain.

The year 2017-18 shall be remembered as the year when Options were launched in the commodity derivatives markets. This has been a long awaited reform - from the time Futures trading was introduced on National level exchanges in 2003. The use of Options will provide the equivalent of price insurance for farmers, well before the crop is harvested. While the pilot launch contract was for Options on Guar seed futures, we expect to launch options on other commodity futures in the coming year.

Your Company continued its efforts to further develop the commodities markets ecosystem, with the launch of National E Repository Limited (NERL). NERL, regulated by the Warehousing Development and Regulatory Authority (WDRA), is helping create a robust institutional framework for negotiable warehouse receipts that establish legal title of goods. It will also facilitate establishment of liens against inventory based financing to meet the needs of farmers, traders, aggregators and processors.

NERL has already received an encouraging response and has been able to generate 115 eNWRs totaling over 1100 MT of commodities from 8 registered warehouses and 66 Repository Participants during FY 2017-18.

Your Company is actively working with Farmer Producer Organisations to develop aggregation and grading capability amongst farmers that in turn will give them access to national regulated markets and better prices. Farmer Producers Organizations representing more than 74,000 farmers from 12 states, traded on our platform to hedge their price risk in 16 commodities with a volume of 24,185 MT.

Under the corporate social responsibility program, the Exchange demonstrated its commitment to empower small holder farmers through skill development. In 2017-18, 96 skill-building programs were conducted for over 1000 farmers in Rajasthan, Madhya Pradesh, Maharashtra, Karnataka, Andhra Pradesh and Telangana.

NCDEX also established two assaying labs in the Erode district of Tamil Nadu for testing curcumin content in Turmeric. Farmers and traders in the region will now be able to market their produce based on curcumin content and seek price premiums for higher quality. Assaying kits were also distributed to a dozen Farmer Producer Organisations to enable them analyse the quality of produce at their own warehouses.

NCDEX will continue to design and launch new products, and strongly advocate the use of risk management by farmers, consumers, wholesalers and processers. With the continuing support of the shareholders, I am confident that your Company will strengthen its leadership in agricultural commodity derivatives markets and generate growth and profitability in the year ahead.

Signing off here,

Mr. Vijay Kumar
MD & CEO, NCDEX

THE YEAR AT A GLANCE

Commodities offered for trading
FY 2017: 25
FY 2018: 25

Members
FY 2017: 486
FY 2018: 453

Client Base
FY 2017: 2.50 Million
FY 2018: 2.65 Million

Terminals
FY 2017: 24,129
FY 2018: 16,245

Warehouses
FY 2017: 315
FY 2018: 308

FPO that traded
FY 2017: 29
FY 2018: 69

Storage Capacity
FY 2017: 1.4 Million Tonnes
FY 2018: 1.02 Million Tonnes

FPO Registered
FY 2017: 64
FY 2018: 135

Pledges
FY 2017: 31
FY 2018: 32

SALIENT HIGHLIGHTS

Highest turnover achieved in a day, during the financial year 2017-18 was **INR 4,956.14 crore.**

Contributing **22%** to the total annual turnover of the Exchange, was **Guar Seed.**

The Average Daily Traded Value (ADTV) for FY 2017-18 stood at **INR 2,377 crore**, vis-à-vis INR 2,296 crore for FY 2016-17.

Chana was relaunched in July, 2017, recording an ADTV of **INR 227 crore** for FY 2017-18.

COLLECTIVIZATION OF FARMERS

NCDEX FPO ACTIVITIES

Collectivization of farmers into FPOs has emerged as one of the most effective approaches to address the many challenges facing the agriculture sector, especially in the case of small and marginal farmers. This concept of aggregation has enabled improved access to investments, technology and markets by effectively negating the handicap of poor bargaining power that they face when dealing with markets in their individual capacity. Selling the aggregated produce directly into the markets rather than through middlemen results in higher revenue and thus higher income.

The Exchange continued its engagement with farmer community to bring them on board to reap the benefits of commodity derivatives market. Farmer Producer Organizations has continued to be the fulcrum on which regulatory requirements of trading on futures platform are mitigated for the farmers through collectivization and scalability.

As of the 31st of March, 2018, the Exchange had made the following progress:

42
Total number of promoting/ resource institutions engaged

74,538
Number of farmers represented

363,010
Total number of farmers who are members of FPOs supported by above institutions

66
FPOs who have opened accounts but are yet to trade

69
Farmer Producer Organizations (FPC & PACs) participated on NCDEX platform

134
FPOs that are in the process of opening a trading account

Locations spread across various states
Andhra Pradesh, Bihar, Kerala, Chhattisgarh, Uttar Pradesh, Rajasthan, Karnataka, Gujarat, Madhya Pradesh, Maharashtra, Punjab and Telangana.

Around 24,185 MT traded across 16 commodities
Commodities traded by the farmer collectives on the exchange platform in the current financial year

WHAT MADE THIS YEAR SUCCESSFUL FOR US!

Upon hearing of the NCDEX Futures Platform, Parivartan Organic FPC of Washim, Maharashtra promptly registered, taking the first step towards participation on a regulated market platform. **The FPC passed on a profit of INR 350 per quintal of soybean to members using the futures market.**

"Selling crops, and that too profitably for coming months, using Futures contracts is an empowering experience. NCDEX representatives were extremely supportive and provided meticulous guidance during the training programs" – ***Dnyaneshwar Dhekade, Chairman, Parivartan Organic FPC***

"The experience of trading in the last year was very heartening for us. Swaroop FPO now plans to trade regularly on the Exchange. In fact, with our past experience in mind, we are planning to increase the amounts we hedge", said ***Dipak Chauhan of FPO Swaroop in Aurangabad, Maharashtra,*** who attained favourable results on Ginger and Maize. Selling of produce at the right price and time was a major problem being faced. Once they learnt of NCDEX, Dipak and his fellow farmers at the FPC started hedging their Soybean prices on a regular basis.

While looking for solutions to sell their crops, Jaisi Nagar FPO of Madhya Pradesh learned about NCDEX. Warehouses approved by the Exchange gave them the facility to deposit their stock, allowing them the freedom to sell their stock as per their marketing strategy.

"NCDEX not only helps effectively mitigate price risks for our farmers, but also increases their profits in a secure manner. Fantastic!" – ***Naveen Bolumalla from Srijan, an NGO working with farmers organizations.***

WHAT MADE THIS YEAR SUCCESSFUL FOR US!

Banas Khedut Utpadak Company of Gujarat was witnessing record increase in Jeera productivity, but they were facing problems while marketing their produce. Their meeting with NCDEX representatives introduced them to the regulated Futures platform, and on using it they realized better prices for their produce.

"Associating with NCDEX has opened new avenues for procurement, transport, warehousing and marketing for us, and now we at Banas FPC have big plans on utilizing the same. The regulated Futures platform will help us reap great benefits this year as well", said a ***member of Banas FPC.***

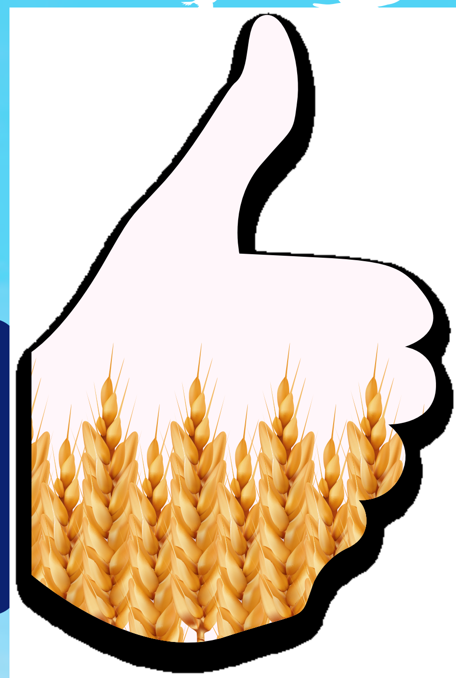
The journey of Jamwa Ramgarh Krishak Producer Company Limited was not smooth, given they were facing multiple issues across parameters such as quality, pricing, marketing and procurement of COCUD. A few interactions with NCDEX representatives, and they were keen to explore inter-state trading. Over a period of time, so encouraging was the response that they extended their business and started selling the same COCUD in retail markets as well.

"I don't think it would have been possible for us to solve the challenges we were facing and get a competitive trade advantage without the partnership of NCDEX. The experience was liberating", says ***Toofan Singh, Board Member of the FPC.*** The organization has achieved a profit of INR 300 per quintal of cottonseed oil cake as of March, 2018.

NCDEX assisted **Godavari Valley FPO in Hingoli district, Maharashtra** in creating a sustainable business strategy, by helping them with market price discovery. By monitoring the daily market prices of Chana, soybean and turmeric on NCDEX, farmers made informed selling decisions and even hedged 40 tonnes of turmeric on the platform.

"A turnover of INR 12 crore was achieved in 2017", says ***Suryaji Shinde, a Founder Director of the FPO,*** *adding, "this was possible only by closely monitoring prices on NCDEX and sharing these with our fellow farmers when the markets opened, which in turn helped them make wiser selling decisions".*

POSITIVE REFORMS FOR THE SECTOR



The commodity derivatives market under the aegis of SEBI is undergoing a sea of positive changes focused on bringing depth to the space and widening product and service offerings. Institutional participants such as Category III AIFs and broking subsidiaries of banks have now been permitted to participate. The product portfolio too has diversified organically with SEBI allowing commodity Options in addition to plain vanilla futures. Alongside, the regulator is also examining the pros and cons of permitting mutual funds, PMS and foreign entities to participate in the commodity markets.

Integration of Equity and Commodity

Broking entities have been permitted to unify their equity and commodity businesses under a single entity. This helps ensure operational efficiencies for brokers and ease-of-trade for end users.

Foreign Entities

Among steps taken off late to encourage global participation in hedging commodity exposure on Indian markets, SEBI has also floated a discussion paper to allow international players to participate on the commodity derivatives platform, in order to directly hedge their commodity exposure in the Indian markets.

Category III AIFs

The participation of Category III Alternative Investment Funds (AIFs) in the commodity derivatives market has been allowed by SEBI, in a bid to introduce institutional flavor to the segment. A move such as this will help truly unlock the potential of the market, bringing vibrancy to it and attracting large hedgers.

Banks as Clearing Members

A recent RBI Circular has allowed banks to participate as a professional clearing member for the commodity derivatives segment. This has provided tremendous fillip to several large participants such as large corporates and institutions, who today watch from the sidelines. Also, institutional participants such as AIFs may prefer banks as clearing members due to innate advantages such as their high net worth and robust structure.

Mutual Funds & PMS

The Commodity Derivatives Advisory Committee (CDAC) of SEBI has tabled a suggestion to allow banks, insurers, foreign portfolio investors and pension funds into the commodity derivatives market. Earlier last year, SEBI had issued consultation paper for inviting comments on permitting mutual funds and portfolio managers. On the product front, SEBI has already permitted the launch of Options and is now working on introducing other products. These steps will add great value to the newer set of players and the depth they bring to these markets.

Broking Subsidiaries of Banks

The recent guidelines from RBI have opened up the commodity derivatives segment to banks & their broking subsidiaries. Through this initiative, commodity derivatives shall become accessible to a large audience through the wider reach of these broking entities.

In July 2017, SEBI, based on consultations with various stakeholders and the recommendations of the Commodity Derivatives Advisory Committee (CDAC) prescribed a framework for categorization of commodities and determination of position limits based on the categorization. This was brought into effect in October, 2017. Primarily, position limits are now linked to the size of the commodity and its sensitivity in the economy. Based on this categorization and determination, position limits in a number of agricultural commodities have been liberalized and this has had a positive impact on participation levels on the Exchange. Further, an algorithmic-approach has added to the transparency levels in the ecosystem and holistically, feedback to this has been positive, including actual participation, where there has been a visible impact. For example, in Guar seed, the Open Interest increased from around 112,000 MT at the start of October 2017 to a high of above 250,000 in early February 2018.

IMPORTANT STAKEHOLDER EVENTS

01 LAUNCH OF THE COUNTRY'S 1ST AGRI-OPTIONS

The **Hon'ble Union Minister for Finance, Shri Arun Jaitley** launched India's first agri commodity Options in guar seed on NCDEX's platform. This new hedging tool, Agri-Options, marks a giant leap in trading on the agricultural commodities market, and is set to provide a strong impetus towards systematic development and transformation of the commodity derivatives market in India, making the agri-economy more efficient and driving great value for Indian farmers.

02 AGRI-OPTIONS AWARENESS CONFERENCE IN JAIPUR

NCDEX IPFT also conducted an Options Awareness Creation Program in Jaipur. Stakeholders partaking were told about how Agri Options is an important tool towards improving farm income. In attendance were the Hon'ble Minister of State for Agriculture, Shri Prabhu Lal Saini, the Additional Chief Secretary for Agriculture and Horticulture, Government of Rajasthan (Jaipur), Ms. Neel Kamal Darbari, and prominent stakeholders across the media, traders as well as FPO representatives.

03 AIRTEL DELHI HALF MARATHON

Exemplary of our commitment was Team NCDEX' participation in the Airtel Delhi marathon to create awareness amongst investors. The team carried placards on the commodity markets and spread knowledge among other participants.

04 A MULTI-STAKEHOLDER WORKSHOP: FARMERS AND MARKETS: CHALLENGES AND WAY FORWARD

NCDEX collaborated with the National Association for Farmer Producer Organizations (NAFPO) to run a day-long conference and workshop meant for policy makers and practitioners of the sector to share, learn and collaborate. A one-of-its-kind effort by NAFPO and NCDEX, the initiative worked on bringing to the fore challenges faced by farmers and attempted to address them by crowdsourcing solutions from stakeholders. The workshop was organised in the backdrop of the union budget that underscored the importance of using Farmer Producer Organizations as a robust institutional frontier to permit a risk mitigated market as well as credit and inputs access for small holding farmers.

05 KRISHI PRAGATI AWARD 2017

NCDEX Krishi Pragati Awards 2017 was a celebration of NCDEX's contribution towards catalyzing growth in farmer incomes, recognizing the unprecedented blend of innovation, creativity, and uniqueness of our stakeholders and value chain participants. 44 entities were recognized under various categories of awards at this gala ceremony held in the presence of Hon'ble Union Minister of Consumer Affairs, Food & Public Distribution, Shri Ram Vilas Paswan, and Hon'ble Minister of State for Parliamentary Affairs, Water Resources, River Development and Ganga Rejuvenation, Shri Arjun Ram Meghwal.

SIGNIFICANCE AND REACH OF INVESTOR AWARENESS ACTIVITIES

01 AWARENESS CREATION PROGRAMS

An Educated Investor is a Protected Investor! The Exchange partnered with educational institutions and state agencies to enhance stakeholder awareness about commodity markets.

02 AWARENESS THROUGH 'OPTIONS' ONLINE MODULES

Part of our education endeavours were special online courses on the hedging tool – OPTIONS, an effort to educate investors, from novice to expert. The course was made available in English, Hindi and Gujarati in order to ensure that value percolated pan-India to agri-trading communities.

03 REGIONAL SEMINARS

Seminars were conducted by the Exchange in places such as Akola and Hingoli to spread awareness & education on agri-commodity markets. Present here were officials from SEBI as well.

04 AWARENESS THROUGH DIGITAL PLATFORM

To decode knowledge on commodity markets and Options in an easy to understand manner, NCDEX IPFT introduced stakeholder-friendly initiatives such as comic books and Term of the Day. A mascot of Gunny Bhai – brand ambassador of commodity markets was created to attract participants' interest. All material was prepared in English and Hindi in order to ensure parity of understanding across stakeholders.

05 DEVELOPMENT OF TV SPOTS PRINT NOTICES AND WHATSAPP MESSAGES

In a first for the Exchange, NCDEX IPFT designed and developed television campaigns aimed at making the general populace more aware of the various facets of commodity markets, which were aired on the CNBC-TV18 bouquet of channels as well as BTVi. Print notices and WhatsApp messages were also developed and circulated, keeping in mind the 360° degree nature of outreach.

06 TELEVISED PANEL DISCUSSIONS

To propagate awareness on Options and the commodity markets, NCDEX spokespersons participated in panel discussions on leading business television shows such as CNBC-TV18's Commodity Champion and CNBC Awaaz's Commodity Roundup. These efforts helped reach out to lakhs of interested viewers.

07 NCDEX MANDI.COM TV SHOW AND MANDI.COM APP

Our flagship program on DD Kisan – Mandi.com – has showcased numerous stories highlighting many farming communities and individual progressive farmers, their best practices, and remarkable achievements. Our app – Mandi.com – is available on the Google app store and already has more than 10,000 downloads. The app works as a discovery platform for farmers to search for rural services, and also creates awareness about the futures markets.

08 TICKER BOARDS

Ticker boards at mandis spread awareness on commodity price signals via sharing prices of commodity derivatives traded on NCDEX.

09 AWARENESS CREATION AMONGST FARMERS

NCDEX representatives participated alongside officials from SEBI in prominent agricultural conferences such as GRAM in Udaipur, Krishi Darshan in Hisar and Lucknow Mahotsav to create awareness about commodity markets amongst farmers.

10 AWARENESS CREATION AMONG INDUSTRY AND MEMBERS

NCDEX IPFT participated in CII Financial Markets Summit and ANMI's International Convention on Financial Inclusion, as the 'Awareness creation partner'. Through panel discussions NCDEX educated stakeholders about the significance of the commodity sector as well as the latest hedging tools.

KEY PRODUCTS FOR 2017-18

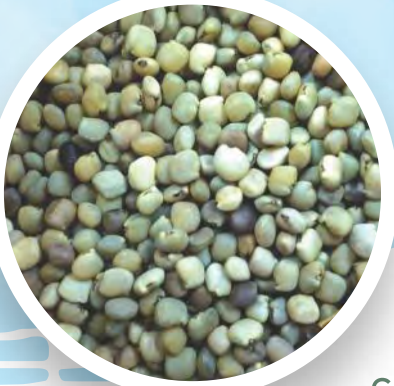
SOYBEAN

Soybean is an important oil seeds crop in India and also one of the most liquid contracts among NCDEX offerings.

The State Government of Madhya Pradesh has introduced the Mukhyamantri Bhavantar Bhugtan Yojana, a scheme that allows for farmers to be compensated the difference between the MSP and their sale price at the mandi. Soybean this year has seen record physical deposits in exchange approved warehouses, touching 2,15,000 MT in Jan 2018. On the open interest front, soybean contracts crossed 4,00,000 MT and touched the 4,30,000 MT level after close to 6 years.

CHANA FUTURES

The relaunch of Chana Futures on NCDEX platform provided benchmark prices to the industry and helped establish a very strong well-regulated marketing channel for farmers. Since its relaunch, the contract's ADTV has been INR 319 crore this past year. On an average, a quantity of 67,931 MT was traded on daily basis while the average OI during FY 2017-18 was 85,666 MT.



GUAR COMPLEX

India's first agri commodity Options were launched in guar seed by NCDEX, providing a new instrument to farmers to hedge their commodity price risk. The first trade in this was carried out by an FPC from Gujarat. For the first time this year, since its relaunch in 2013 guar seed contract crossed the open interest of 2,50,000 MT.

MAKING A DIFFERENCE THROUGH OUR CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

NCDEX continues to touch the lives of tens of thousands of farmers across the nation, providing them with novel platforms and technologies to learn, adapt and practice. Through our technological innovations, innate expertise and our strong network of partners and stakeholders, the Exchange is helping farmers connect to regulated markets, enabling them to take informed decisions and making life simpler for them. For us, giving back to the community is something built in to the business, therefore we conducted capacity building meetings and training programs explaining the benefits of trading on the platform. Risk mitigation and price discovery apart, and do note that these two are among the pillars that uphold the edifice, the Exchange has also helped farmers with improved and transparent storage, warehousing and modern laboratory facilities.

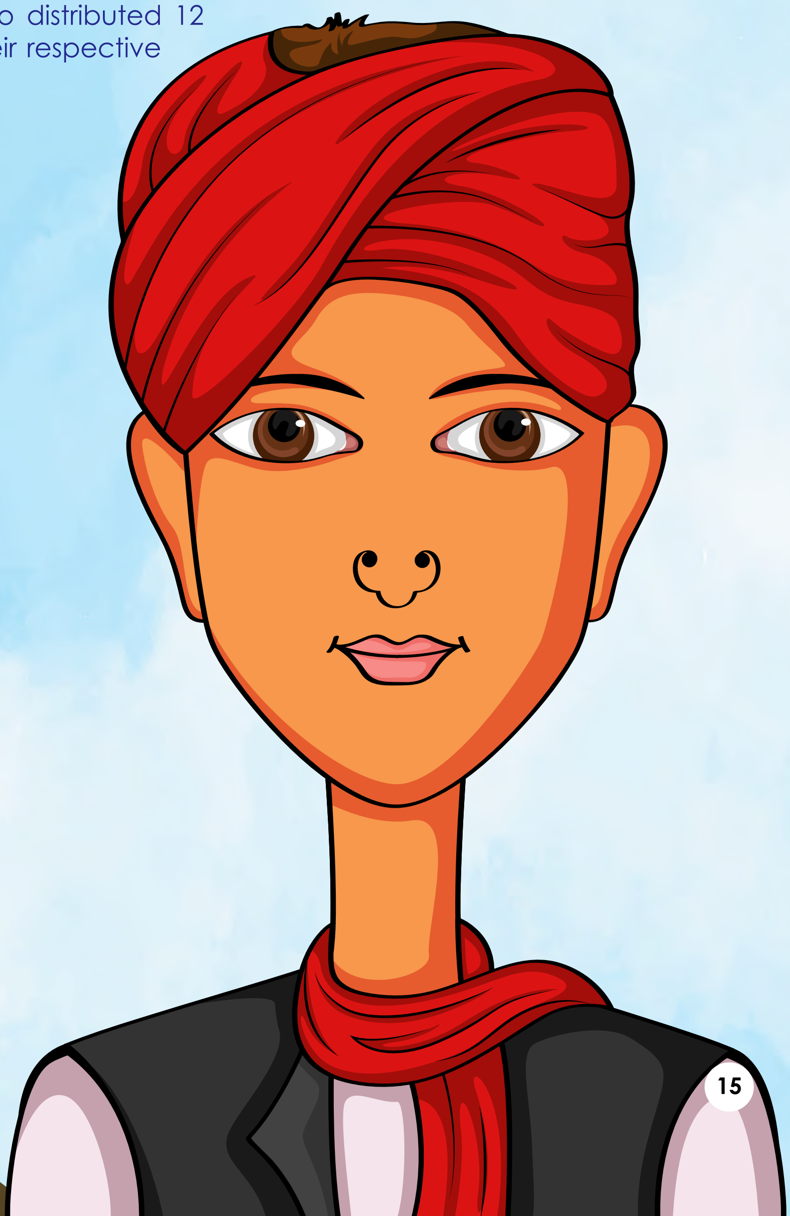
The Exchange has been built on the premise of benefitting stakeholders in the agriculture value chain system and strives every day to strengthen the commodities market. The CSR Policy of the Exchange is aimed at implementing welfare measures, addressing the concerns of the marginalized section(s) of the society and encouraging employees to give back to society.

In this past year, we have expanded the scope of our social responsibility efforts to educate and empower farmers through knowledge and post-harvest quality upgradation equipment. We have evolved new curricula in a better structure to train the farmers in post-harvest management activities.

In order to multiply the benefits, whilst ensuring that efforts to benefit are suitably spread out, the Exchange has adopted a group approach and targeted farmer producer companies (FPCs). 208 FPOs represented by 3629 farmers were cumulatively trained in 96 programs across the states of Maharashtra, Rajasthan, Madhya Pradesh, Andhra Pradesh, Telangana and Karnataka. The community was educated on distinct post-harvest management activities such as the importance of quality upgradation via cleaning, grading and assaying. These sessions were imparted as a discussion, using farmer-friendly videos and presentations developed by NCDEX. From the states of Rajasthan and Andhra Pradesh, the trainers have been trained via the ToTs (Training of Trainers) conducted by the Exchange on topics ranging from trading platforms, price hedging and spot pricing to Options, forwards/ futures platform etc. In order to ensure parity among states, in Maharashtra, where there is minimal FPO coverage, the Exchange deployed personnel for these trainings.

NCDEX also helped set up 2 turmeric assaying units at Perundurai and Gobichettipalayam blocks in Erode district partnering with MYRADA. These assaying units allow for testing of curcumin content in turmeric, a first for farmers in the state of Tamil Nadu. The present method of marketing of turmeric rhizome is based on the outward appearance in terms of size, colour and weight. The assaying unit on the other hand helps farmers get a scientific evaluation of curcumin in their turmeric crop, which enables them to attain better prices, and encourages them to look at international markets as well. This facility shall also, over a period of time, encourage turmeric farmers to look at market preference and demand while choosing a suitable curcumin variety.

The laboratory also provides for a moisture meter facility, used to analyse moisture levels across paddy, maize, groundnut and sesame, helping farmers maintain appropriate levels during storage and sale, helping avoid pests and decay. The Exchange has also distributed 12 basic assaying kits to as many FPCs through their respective resource institutions (RIs).



GROUP COMPANIES

NeML
NCDEX Group Company

Over the past year NCDEX e-Markets Ltd., (NeML) has strengthened its position by winning several large projects. One such prestigious project is from NAFED to implement the Government-sponsored MSP procurement across the nation. The project was bagged in an open competitive bid and has already gone live. e-Samriddhi, the unified procurement platform designed and developed by NeML is helping NAFED and various state agencies across India to usher in an era of digital, transparent procurement. So far, over 54,00,000 MT across 11 commodities have been procured using the portal by over 26 lakh farmers.

The auctions business of the NeML too continues to grow by leaps and bounds. The e-auction business has seen robust growth in spices, processed and whole pulses, oil seeds, iodised salt and rice, with more than 1,500 active participants across the nation. The infusion of NBFC led trade funding products has helped in bringing faster turnover and stickiness to the platform, leading to noticeable growth. Work underway includes that towards building a market place inclusive of financial solutions and logistical offerings. A new segment emerged this year too, in the form of the banking sector looking to manage agri-NPAs.

The NCDFI-partnered dairy auction platform has taken off with a multitude of dairy cooperative participants. This is especially encouraging given it started off as an inter-dairy trade facilitator for products such as SMP, butter and ghee. It is by itself, the preferred procurement platform for more than 30 commodities today, emerging as a single-point solution for needs across the dairy cooperative sector, with both forward and backward linkages. The FFresh market place has also expanded its operations to 12 cities across India, across 18 commodities.

NCCL
NCDEX Group Company

The National Commodity Clearing Ltd. (NCCL) is a wholly owned subsidiary of the National Commodity & Derivatives Exchange Ltd. To be set up as a clearing corporation, the NCCL will be responsible for the clearance and settlement services for the Exchange, with the ultimate aim of providing a robust and transparent risk management platform pan-stakeholder base.

NERL
NCDEX Group Company

The National e-Repository Limited (NERL) was incorporated on February 10, 2017 under the Companies Act, 2013 and has received the Letter of Intent (LoI) dated December 23, 2016 from WDRA. The company received a permanent Certificate of Registration from WDRA on September 26, 2017 following which NERL started its operations w.e.f. September 26, 2017.

The primary business of this body shall be to offer a platform for creating eNWRs in warehouses registered with WDRA, with two business lines envisaged in the registered warehouses of the WDRA, those that are Exchange-linked and those that are not.

The NERL has already entered into agreements with Axis Bank, Bank of Baroda, ICICI Bank, HDFC Bank, Shivalik Bank, RBL Bank and Yes Bank to act as pledgees on the Repository Platform. The first loan of INR 20 lakh was granted by ICICI Bank against an eNWR issued on the NERL platform during the month of March, 2018.

With guidance from the WDRA, as of the 31st of March this year, the NERL had successfully issued 115 eNWRs for 1,142.93 MT of stock and had got 8 warehouses on board, issuing eNWRs. No less than 66 repository participants have come aboard to partner with the NERL.

COMPANY INFORMATION

Board of Directors	Mr. Ravindra Kumar Roye (appointed as Public Interest Director w.e.f June 15, 2017 and Chairman w.e.f. May 4, 2018)	: Chairman and Public Interest Director
	Justice (Retd.) Ashok Bhan	: Public Interest Director
	Mr. Chaman Kumar (appointed w.e.f. April 10, 2018)	: Public Interest Director
	Mr. Nirmalendu Jajodia (appointed w.e.f. April 13, 2018)	: Public Interest Director
	Dr. Purvi Mehta (appointed w.e.f January 11, 2018)	: Public Interest Director
	Mr. B. Venugopal (appointed w.e.f. January 11, 2018)	: Shareholder Director
	Mr. J. Ravichandran (appointed w.e.f. October 9, 2017)	: Shareholder Director
	Mr. Rakesh Kapur	: Shareholder Director
	Mr. Srinath Srinivasan	: Shareholder Director
	Mr. Sunil Kumar (appointed w.e.f. May 15, 2017)	: Shareholder Director
	Mr. Vijay Kumar V. (appointed w.e.f. January 18, 2018)	: Managing Director & CEO
	Dr. R. M. Kummur (upto May 15, 2017)	: Shareholder Director
	Mr. Sidhartha Pradhan (up to August 10, 2017)	: Public Interest Director
	Mr. Ravi Narain (upto September 21, 2017)	: Shareholder Director
	Mr. Samir Kumar Mitter (upto October 9, 2017)	: Shareholder Director
	Dr. Ashok Gulati (upto January 19, 2018)	: Public Interest Director
	Mr. Samir Shah (upto January 17, 2018)	: Managing Director & CEO
	Ms. Naina Krishna Murthy (upto March 31, 2018)	: Public Interest Director
	Mr. Rabi Narayan Das (Chairman and Public Interest Director upto March 31, 2018)	: Public Interest Director
Company Secretary	Mr. Samir Rajdev (appointed w.e.f. August 10, 2017) Mr. M. K. Ananda Kumar (upto August 9, 2017	
Chief Financial Officer	Mr. Atul Roongta (appointed w.e.f. August 10, 2017) Mrs. Komal Shahani (up to August 9, 2017)	
Statutory Auditor	M/s. K. S. Aiyar & Co., Chartered Accountants # F-7, Laxmi Mills, Shakti Mills Lane, (Off Dr. E. Moses Rd), Mahalaxmi, Mumbai – 400 011	
Secretarial Auditor	M/s. Makarand M. Joshi & Co. Ecstasy, 803/804, 9th Floor, City of Joy,J.S.D Road, Mulund (W), Mumbai- 400080	
Bankers	Axis Bank Limited	Bank of India
	Canara Bank	Development Credit Bank
	HDFC Bank Limited	IndusInd Bank Limited
	ICICI Bank Limited	Kotak Mahindra Bank Limited
	Punjab National Bank	Tamilnad Mercantile Bank Limited
	Union Bank of India	Yes Bank Limited
Registered Office	First Floor, Ackruti Corporate Park, Near G. E. Garden, L. B. S. Road, Kanjurmarg West, Mumbai 400 078.	
Corporate Office	503, 5th Floor, Windsor, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098.	
Branch Offices	**Ahmedabad** : 502, Kaivanna Complex, Off. C. G. Road, Near Panchvati Circle, Central Mall, Ambavadi, Ahmedabad 380015. **Hyderabad** : 207, 2nd Floor, Ashoka Capital, Opp. K.B.R. Park, Road No. 2, Banjara Hills, Hyderabad 500034. **Indore** : 4th Floor, 401, Gold Arcade, Opposite Curewell Hospital, New Palasiya Road #1, Pent House, Indore 452 001. **Jaipur** : Prestige Tower, 2nd Floor, Office No 1A, Amrapali Circle, Vaishali Nagar, Jaipur 302021. **Kochi** : 503, 5th Floor, “Landmark Enclave”, S.A. Road, Valanjambalam, Kochi 682 016. **Kolkata** : Jasmine Tower, 5th Floor, Unit No.503B, 31 Shakespeare Sarani (Theater Road), above HSBC Bank, Kolkata 700017. **New Delhi** : 2nd Floor, Jeevan Vihar Building, 3 Parliament Street, New Delhi 110 001.	
Registrar and Share Transfer Agents	3i Infotech Limited Tower # 5, 3rd to 6th Floors International Infotech Park, Vashi Navi Mumbai 400 703	

BOARD OF DIRECTORS

Mr. Ravindra Kumar Roye
appointed as Public Interest Director w.e.f 15.06.2017 & Chairman w.e.f. 4.05.2018

Justice (Retd.) Ashok Bhan
Public Interest Director

Mr. Chaman Kumar
Public Interest Director - w.e.f. 10.04.2018

Mr. Nirmalendu Jajodia
Public Interest Director - w.e.f. 13.04.2018

Dr. Purvi Mehta
Public Interest Director - w.e.f. 11.01.2018

Mr. B. Venugopal
Shareholder Director - w.e.f. 11.01.2018

Mr. J. Ravichandran
Shareholder Director - w.e.f. 09.10.2017

Mr. Rakesh Kapur
Shareholder Director

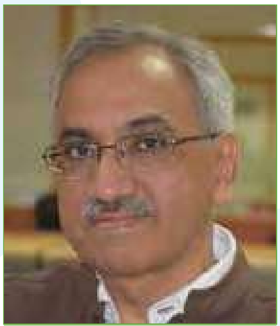
Mr. Srinath Srinivasan
Shareholder Director

Mr. Sunil Kumar
Shareholder Director - w.e.f 15.05.2017

Mr. Vijay Kumar V.
Managing Director & CEO - w.e.f. 18.01.2018

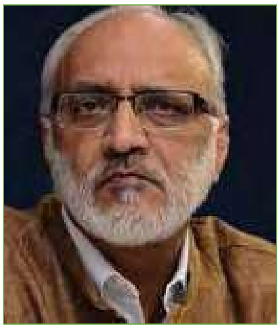
Dr. R. M. Kummur
Shareholder Director
- upto 15.05.2017

Mr. Sidhartha Pradhan
Public Interest Director
- upto 10.08.2017

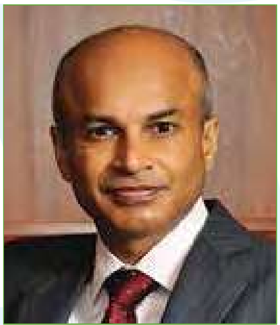


Mr. Ravi Narain
Shareholder Director
- upto 21.09.2017

Mr. Samir Kumar Mitter
Shareholder Director
- upto 09.10.2017



Dr. Ashok Gulati
Public Interest Director
- upto 19.01.2018



Mr. Samir Shah
Managing Director & CEO
- upto 17.01.2018

Ms. Naina Krishna Murthy
Public Interest Director
- upto 31.03.2018

Mr. Rabi Narayan Das
Chairman & Public Interest Director - upto 31.03.2018

DIRECTORS' REPORT

PERFORMANCE

The summary of financial performance of the Exchange for the year ended March 31, 2018 is as under:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Total Income	**12,174**	13,503
Total Expenditure	**13,396**	12,941
Profit before exceptional item and taxation	**(1,222)**	562
Exceptional Income	**4,553**	954
Profit before taxation	**3,331**	1,516
Profit after taxation (A)	**2,495**	1,017
Other comprehensive income for the year, net of taxes (B)	**23**	(20)
Total comprehensive income for the year (A+B)	**2,518**	997
Remeasurement benefit of defined benefit plans	**(2)**	(32)
Proposed Dividend*	**(177)**	(1,267)
Corporate dividend tax*	**(36)**	(258)
Transfer to Settlement Guarantee Fund	**(341)**	(528)
Transfer to Investor Service Fund	**(46)**	-
Balance carried forward	**20,919**	19,026

The consolidated performance (along with the subsidiaries, associate and joint venture company) of the Exchange is as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Total Income	**16,374**	16,636
Total Expenditure	**17,243**	15,667
Profit before taxation	**(869)**	969
Profit after taxation before adjusting loss of Associate/ Joint Venture	**(1663)**	1446
Profit/(loss) of Associate/Joint Venture	**279**	783
Profit after taxation (A)	**(1,384)**	2,229
Other comprehensive income for the year, net of taxes (B)	**(6)**	(27)
Total comprehensive income for the year (A+B)	**(1,390)**	2,202
Remeasurement benefit of defined benefit plans	**(29)**	(38)
Share issue expenses	**(115)**	(65)
Proposed Dividend*	**(177)**	(1,267)
Corporate dividend tax*	**(36)**	(258)
Transfer to Settlement Guarantee Fund	**(341)**	(528)
Transfer to Investor Service Fund	**(46)**	-
Transfer to Risk management fund	**(15)**	-
Balance carried forward	**16,700**	18,817

** The Board of Directors have recommended a dividend of 3 Per Cent (₹ 0.30/- per equity share) for the financial year 2017-2018 subject to the approval of the members of the Exchange at the ensuing Annual General Meeting.*

REVIEW OF OPERATIONS

HIGHLIGHTS

- Highest turnover achieved in a day, during the financial year 2017-18 was INR 4,956.14 crore.
- Contributing 22% to the total annual turnover of the Exchange, was *Guar Seed*.
- The Average Daily Traded Value (ADTV) for FY 2017-18 stood at INR 2,377 crore, vis-à-vis INR 2,296 crore for FY 2016-17.
- Chana was relaunched in July, 2017, recording an ADTV of INR 227 crore for FY 2017-18.

Trading Volumes (₹ in Crores)

Quarter	ADTV – Financial Year 2017-2018	ADTV – Financial Year 2016-2017
April – June	2,037	2,989
July – September	2,295	2,864
October – December	2,393	1,417
January – March	2,791	1,920
ADTV	**2,377**	**2,296**

As of March 31, 2018, the Exchange offered trading in 27 commodity contracts, which includes 25 agricultural commodity contracts, 1 bullion commodity contract and 1 metal commodity contract. FY 2017-2018 was an eventful year for Derivatives with new instruments being made available for trading, the launch of new commodities and the relaunch of commodities such as *Chana* and Pepper. On the macroeconomic front, the year also saw implementation of GST which in long term should benefit the commodity markets. Though the implementation of GST has impacted traded volumes on the Exchange platform as well as physical markets, as participants grapple to align their trading activities with newly implemented policy, it is expected to be a long term positive for the development of these markets.

The Securities and Exchange Board of India (SEBI) finally allowed for the launch of Commodity Options. India's first Agri Commodity Options in *Guar* seed was launched on 14th January, 2018, on the occasion of *Makar Sankranti*. Options will allow participants to hedge their commodity risk with limited downside risk. The Exchange is hopeful that with the launch of options, a varied set of participants will be added to the Exchange platform, thereby enhancing the robustness of agri commodity trading in India.

The year also saw the relaunch of *Chana* Futures contract and Pepper Futures contract. *Chana* futures saw immediate traction and has already achieved a healthy OI of more than 1,20,000 MT. This positive ramification in itself proves the need of market participants for futures contract to hedge their need.

Strategically, the Exchange continued its focus on integrating the farmer community onto its platform. The Exchange this year on boarded FPOs across geographies and commodities. This bodes well for the future as direct farmer participation will not only add to the pool of open interest but also serve the purpose of directly benefiting farmers – one of the core objectives behind setting up futures exchanges. Launching Options in more commodities should further assist in integrating farmers onto the Exchange.

This year also saw the birth of the National E-Repository Limited (NERL), a platform for issuing negotiable warehouse receipts for commodities in electronic form. Based on technological advances, NERL works to support farmers, traders, processors and all value chain participants in the commodity markets. It aims at ensuring the safety and soundness of Electronic Warehouse Receipts by developing solutions that increase efficiency & minimize risk. Under the aegis of the WDRA, the vision is for NERL to help enhance the credibility of warehouse-based financing.

The year has been one for several new positive measures such as the opening up the sector for new participants such as Bank Brokerages and Category III AIFs. This, and the continued efforts in this direction, bode well for the agri-commodities industry. Newer measures apart, among reforms that came out was the linking of position limits to the availability of the commodity in the country.

All-in-all, the year has been one for growth, for innovation and for exploring the bounds of what can be possible, while bettering what is.

A brief synopsis of the performance by complex

GUAR COMPLEX

After seeing unprecedented lows the last two years, demand for *Guar* gum export finally saw a revival in 2017-18, backed by the improvement in crude oil prices. *Guar* seed and *Guar* gum volumes showed a healthy Y-o-Y rise of 34% and 31% respectively. Low position limits, a hindrance in increased participation in the complex, have been revised as on the 1st of October, 2017. This increased position limit led to growth of 40% and 26% in the ADOI of Guar seed and *Guar* gum respectively. Among achievements was also *Guar* seed crossing the open interest of 2,50,000 MT for the first time since relaunch.

India's first Agri Commodity Options in *Guar* seed was launched on 14th January, 2018, on the occasion of *Makar Sankranti*.

OIL & OILSEEDS COMPLEX

Soybean prices rose by a meteoric 40% over the lows witnessed earlier. This was driven by increased participation, a result of strong fundamentals and contract optimisation. While open interest touched 4,30,000 MT, the year also saw record deposits of 2,65,000 MT on the Exchange, for the marketing year of October 2016 to September 2017. Castor seed contract post its re-launch in January-2017 saw encouraging participation in FY 2017-2018 with peak open interest and deposits over 1,30,000 MT and 1,10,000 MT respectively.

FIBRES, GRAIN & PULSES

FY 2017-2018 started on a good note for this complex with the relaunch of and immediate traction in *Chana* contract. The contract however remained under pressure because of a supply glut in the physical market which led to a continuous slide in the prices. *Chana* futures however achieved a healthy OI of more than 120,000 MT. Cotton Cake and Kapas in the Cotton ecosystem continue to perform strongly on the Exchange with Cotton Cake contract attracting deposits of more than 90,000 MT against an OI of about 240,000 MT. Work is underway on realigning Maize contract to suit the evolving needs of the trade, with major changes having been brought about to increase suitability to physical markets.

SPICES & SUGAR

Sugar Futures volumes remained subdued with regulatory intervention (Stock Limits) continued for most part of FY 2017-2018. Stock limits on Sugar were removed in December 2017, but volumes remained subdued on account of surplus sugar, predicted at 29.5 Million tonnes for sugar year, i.e. September 2017-October 2018, higher 45% vis-à-vis the previous year. *Jeera*, Coriander and Turmeric were lukewarm performers for most of the year. Pepper futures contract too was relaunched on the 24th of July, 2017.

FPO INTEGRATION

Since 2016, the Exchange has been making consolidated efforts to bring farmers onto electronic market platforms across the country. 2017 saw the onboarding of 135 Farmer Producer Organisations in partnership with over 42 resource institutions including the National and State Rural Livelihood Missions, resulting in an increased awareness and participation in derivatives market place.

These 135 FPOs represents a base of 3,60,000 farmer members across 12 states. In FY 2017-2018, 36 FPOs participated on the Exchange platform and traded 12,687 MT in 14 commodities. Around 134 FPOs are in the process of getting their accounts opened, in order to make use of the Exchange platform for Price Risk Management.

COMTRACK AND LOGISTICS

The Exchange had 284 approved warehouses as on March 31, 2018. Out of 284 warehouses, 277 are registered with WDRA. These warehouses have a 1.14 million MT capacity and contain stock valued at ₹ 1,765 crores. During the year, at peak levels, the Exchange approved-warehouses had stocks of 18 commodities aggregating 4,32,985 MT. Each of these warehouses has been mapped with GPS coordinates helps in unique identification. To enhance the security of stock at warehouses, the Exchange had asked WSPs to install CCTV cameras. 56 such warehouses already have such systems installed while at the rest, installation is underway. To monitor deposits, withdrawals and to facilitate audits at the Exchange-approved warehouses, RFID technology was implemented for High Value Commodities (HVC). Post-introduction of RFID in *Guar* Gum, *Jeera* and Turmeric, the Exchange has also introduced the same in Coriander and Pepper.

UPGRADATION OF DISASTER RECOVERY (DR) SITE

The Exchange has made significant investments to put in place a strong and robust Business Continuity Plan (BCP) and a Disaster Recovery (DR) setup in order to ensure continuity of operations in worst-case scenarios. The Exchange now has a fully upgraded Disaster Recovery (DR) site located at Chennai which has one-to-one correspondence with its Primary Data Center (PDC). This is also in line with the BCP and DR guidelines issued by the SEBI. The configuration, load capacity and the system throughput of the Disaster Recovery site has been designed and scaled to operate as a Primary site.

Data from the primary site is replicated to the DR site within 15 minutes. Additionally, trade data critical for carrying out all functions of the Exchange such as Risk Management, Surveillance and Clearing & Settlement is replicated to the DR site within 5 seconds of getting executed at the primary site. The Exchange has also conducted a series of member mock trading sessions from the upgraded DR site, in Q4 of 2017-2018, to ensure that the members are able to connect and trade seamlessly from the DR site.

The Exchange will continue to invest in technology and work with members to ensure that we further enhance our capabilities and continue to strengthen our leadership in agricultural futures.

MEMBERSHIP

As on the 31st of March 2018, there were 453 members on the Exchange platform across the length and breadth of the country.

CUSTOMER SERVICE GROUP

In the financial year 2017-2018, the customer service group (CSG) had initiated numerous initiatives to improve customer experience. These initiatives were in addition to the internal process improvements which have helped the Exchange in terms of resource optimization, revenue saving and better controls.

Projects undertaken this year, alongside impact achieved, are listed below.

1) **Automation of outbound calls** – CSG procured a tool *INFINITO*, which has the capability to initiate voice blasts (pre-recorded voice messages). This tool has brought down the effort required to make manual outbound calls to members to convey important information related to circulars, alerts etc. The resources freed as a result of this implementation can now work on projects meant to further customer satisfaction.

2) **CHATBOT implementation - NIMBLE** – CSG has developed and implemented an artificial intelligence (AI) based chat bot *NIMBLE*. A majority of the calls received at the Exchange are for seeking information on areas such as technology, warehousing, delivery etc. With the help of this BOT the volume of such calls has gone down. NIMBLE has also assisted the business team in accessing important information on-the-go and in sharing the same with members. NIMBLE can be accessed via desktop or Mobile.

3) **NEXTRA training module** – A detailed user manual on the Nextra trading front end system was prepared by the CSG and is today hosted on the Exchange portal. This training manual is integral to the formal training for members as well as the personnel at the Exchange. We see the volume of training-related calls reducing by dint of this manual being made open-source, thereby improving customer experience.

4) **DIGITALIZATION of processes** – The CSG has digitalized most of its back office processes, with the handling & issuance of hard copy approvals stopping completely. The Exchange has also started providing certain communications / approval letters in a digitally signed paperless format which has not only increased process efficiency but also saves outflow on issuance of physical letters. The wait for members for hard copies has been resolved by resorting to digital transmission of the same.

5) **Online Authorized Person registration/cancellation/surrender** – The CSG with the help of the JOTFORM platform has gone online with the module for submission of Authorised Person (AP)-related applications for registration/cancellation/surrender using jot forms. This was a long standing demand of members, and has since brought efficiency to internal processes saving resources expended in sharing hard copies of application forms and supporting documentation.

6) **Other online processes** – The following processes has also been made available online using JOTFORM.

   a. Online vendor/in-house empanelment process.

   b. Online application for using empanelled vendor software.

   c. Online submission of system test reports.

   d. Online status report request.

   e. Online TDS certification request.

   f. Online application for user id activation.

7) **Unique vendor codes for CTCL software & Algo strategy** – As a proactive measure, the CSG team revamped the existing vendor coding process. Vendor codes are the 3-digit code preceding the 12-digit CTCL terminal codes, a part of the trade log. These help identify which software and CTCL terminal has been used to place the trade. The CSG went one step further by putting in controls which identify not only the vendor but also the kind of strategy used to place the order in case of Algorithmic trades.

8) **ALGO panel policy** – The base document to form the Algo panel documenting the role of each team and also the constitution of the algo panel to take necessary decision with regards to Algo trading was put in place.

9) Implementation of **revised undertaking** documents for CTCL / NCTCL software – The Exchange has proactively revised the undertaking of CTCL and NCTCL to comply with the rules, byelaws and regulations of the Exchange with respect to Options trading.

10) Policy for **CTCL terminal reporting** created and implemented.

RISK MANAGEMENT

The Exchange is focused on providing a transparent and risk managed trading platform and is committed to working on strengthening the Risk Management Framework of the Commodity Derivatives market. In order to comply with the regulatory requirement of transferring the Clearing and Settlement function to SEBI-recognised clearing corporation, the National Commodity Clearing Limited (NCCL), a wholly owned subsidiary of the Exchange, has applied to be recognised as a Clearing Corporation. The Exchange is making every effort to obtain a final approval from the SEBI and commence the Clearing and Settlement function to NCCL.

The Exchange is an active participant of the Risk Management Review Committee (RMRC) formed by the SEBI and has contributed detailed papers on Risk Management Framework for Commodity Options, Spread Margin in Related Commodities and Stress Test Methodology for Computation of Settlement Guarantee Fund (SGF) among others. The Exchange is also an active participant in the Commodity Derivatives Advisory Committee (CDAC) formed by the SEBI for market development and has contributed detailed papers on Options Product Design, Deliverable Supply for Determination of Position Limits for Commodities traded on Exchange platform. A paper on policy framework regarding suspension / resumption of commodity derivatives has been submitted to Department of Economic Affairs, Ministry of Finance, as well.

The Exchange has put in place an Enterprise Risk Management policy and the Risk Appetite has been approved by the Risk Management Committee with Risk Champions being nominated in each department for effective identification, categorisation, mitigation and reporting of risk to the RMC. The Risk Event database template has been created for capturing and reporting of risk events. The Exchange has completed the gap analysis of IOSCO Principles for Financial Market Infrastructure (PFMI) and has prepared a road map for implementation in order to achieve full compliance. The disclosure with respect to compliance with IOSCO PFMI has been updated on the website of the Exchange. The Exchange has further strengthened and implemented SEBI guidelines on Initial Margin including Margin Period of Risk (MPOR), Concentration Margin, Pre-expiry margin and Delivery margin.

The Exchange has further strengthened the Demerit Point Policy for non-compliance by WSPs and tightened oversight on WSPs by imposing penalties and other restrictions on business, in the event of continued non-compliance. A model for grading of the WSP and Warehouses has been developed and validated with a pilot project conducted for Grading and rolled the same out for Exchange-approved warehouses. A policy for procurement agents has been prepared and implemented in order to empanel such agent to provide service the participants.

The Internal Risk Committee meets at regular interval to monitor and review the key risks faced by the Exchange at a product level as well as other risks. All such measures and policies are placed before the Risk Management Committee (RMC) for prior approval / ratification.

NCDEX KRISHI PRAGATI AWARDS 2017

The NCDEX debuted with its very first *NCDEX Krishi Pragati Awards 2017*, designed to appreciate and motivate various stakeholders and value chain participants, including Farmers, Farmer Producer Organizations (FPOs), Members, Corporates, Assayers, Research Houses, Vendors, NBFC's and Industry Associations etc., for their contribution in catalyzing growth in farmer incomes by increasing market access, reducing post-harvest information asymmetry and offering protection against price volatility. They were an endeavour to recognise those who supported the Exchange's relentless efforts to make the markets transparent, simpler and safer for all. The Exchange also recognized the good work done by banks in agri financing and awarded Warehouse Service Providers (WSPs) for yeoman services and innovations which resulted in better remuneration for farmers. Forty four entities were recognized under various categories of awards at this gala ceremony held in the presence of Hon'ble Union Minister of Food & Public Distribution, Consumer Affairs, Shri Ram Vilas Paswan, and Hon'ble Minister of State for Parliamentary Affairs, Water Resources, River Development and Ganga Rejuvenation, Shri Arjun Ram Meghwal alongside dignitaries from SEBI, WDRA, various ministries, industry associations, banks, media and the entire commodity value chain.

LAUNCH OF THE COUNTRY'S 1ST AGRI-OPTIONS BY NCDEX: EK AUR KADAM KISAN PRAGATI KI ORE

On the auspicious occasion of *Makar Sankranti*, Hon'ble Union Minister of India for Finance, Shri Arun Jaitley unveiled the country's first agri commodity Options in *Guar* Seed. The launch happened in the presence of farmers and FPOs who had come from states across the country. Congratulating NCDEX for this new initiative, Shri Jaitley said, *"NCDEX Agri-options are an important tool which will contribute to the Prime Minister's vision of doubling farmers' incomes by 2022. This may appear to be a small step, but is a significant one, in the direction of agricultural trade as this will ensure that the farmers receive a better price for their commodities."* The first Agri-Options live trade was executed by a farmer producer company in front of a panel of distinguished guests from the Government, SEBI, WDRA, Industry Associations and FPOs. A recorded message by Hon'ble Minister of Commerce & Industry, Shri. Suresh Prabhu was played out at the Options launch ceremony welcoming Agri-Options to the commodity markets saying, *"The launch of Agri-Options, Ek Aur Kadam Kisan Pragati Ki Ore, is set to mark an important evolution in trading in agriculture commodities markets."*

A panel discussion on Options was also conducted by the NCDEX attended by prominent subject matter experts such as Dr. Ramesh Chand, Member, Niti Aayog, Mr. Shashank Saksena, Advisor (CM), Department of Economic Affairs, Ministry of Finance and Mr. D.K. Aggarwal, Chairman and MD, SMC Comtrade Ltd. The panel discussed the role that Agri-Options can play as a new age hedging tool for farmers. Also launched on this occasion was the NCDEXMandi app to enable farmers to learn more about agri options and the Futures markets.

DIVIDEND AND APPROPRIATIONS

For the financial year ended March 31, 2018, your Directors have pleasure in recommending a dividend of 3 per cent on the equity shares (₹ 0.30/- per equity share) issued by the Exchange. The Dividend on equity shares, when approved by the shareholders would amount to ₹ 152.03 lacs (exclusive of Corporate Dividend Tax).

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, 2018.

DETAILS OF MEETING OF SHAREHOLDERS

The Eleventh, Twelfth, Thirteenth and Fourteenth Extra Ordinary General meetings were held on April 13, 2017, June 23, 2017, December 15, 2017 and March 23, 2018 respectively. The Fourteenth Annual General Meeting of the Exchange was held on September 21, 2017. It is proposed to hold the Fifteenth Annual General Meeting of the Exchange on September 26, 2018 in Mumbai.

STATUTORY AUDITORS

At the Fourteenth Annual General Meeting of the Exchange held on September 21, 2017, M/s. K. S. Aiyar & Co, Chartered Accountants, were appointed as the Statutory Auditors of the Company for a period of 5 (Five) consecutive financial years from the conclusion of the Fourteenth Annual General Meeting of the Company until the conclusion of the Nineteenth Annual General Meeting of the Company subject to ratification of the appointment at every Annual General Meeting.

As required under the provisions of section 139 (1) of the Companies Act, 2013, the Exchange has received a Certificate from the Auditors 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 M/.s. K. S. Aiyar on the Standalone financial statements of the Company for the year ended March 31, 2018.

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. Makarand M. Joshi & Co., Practicing Company Secretaries, as Secretarial Auditor for the financial year 2017-2018. In terms of sub-section (3) of section 134, secretarial audit report given by M/s. Makarand M. Joshi & Co. in Form MR-3 is attached as **Annexure 1**. The said report does not contain any qualifications.

SECRETERIAL STANDARDS

The Exchange complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

AMENDMENT TO ARTICLES OF ASSOCIATION

With the coming into force of the Companies Act, 2013 and the Exchange coming under the purview of SEBI Regulations, the entire set of then existing Articles of Association of the Exchange was replaced with new set of Articles of Association to bring the Articles in conformity with the provisions of the above laws. This was done with the approval of Shareholders of the Exchange at the Eleventh Extra Ordinary General Meeting held on April 13, 2017.

INTERNAL AUDITOR

In terms of section 138 of Companies Act, 2013 and pursuant to Rule 13 (1) (b) of The Companies (Accounts) Rules, 2014, the Exchange appointed M/s. Aneja & Associates as Internal Auditors of the Exchange for the financial year 2017-2018.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, & FOREIGN EXCHANGE EARNING AND OUTGO

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 such as installing blanking panels in server racks, replacing existing lights with LED lights, etc. The other on going measures for conservation of energy undertaken by the Exchange include regular servicing, periodic maintenance of all electrical equipments, prompt switching off the equipments when not required, etc.

Technology absorption

A number of regulatory and business changes were made to existing systems of the Exchange which were put to use in FY 2017-2018. The said changes were towards adhering to various market rules and regulatory directives as directed by the regulator from time to time. It also included changes to support introduction of Options contract and corresponding changes in Risk management and post-trade systems.

Foreign exchange earnings and outgo

During the year under review, there was foreign exchange inflow to the extent of ₹ 88.18 lacs. There has been foreign exchange outgo to the extent of ₹ 831.93 lacs on account of Intangible assets under development, technology expenses, professional & consultation fees, travelling and other expenses.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2017-18

During the financial year 2017-2018, eight meetings of the Board were held on April 25, 2017, May 30, 2017, June 21, 2017, August 09, 2017, September 07, 2017, November 06, 2017, November 20, 2017 and February 12, 2018.

EXTRACT OF THE ANNUAL RETURN

The extract of annual return under sub section (3) of section 92 in Form MGT 9 as on the financial year ended March 31, 2018 is enclosed as **Annexure 2**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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 COMPANIES ACT, 2013

All the transactions with related parties are in the ordinary course of business and on an arms' length basis. The Exchange has not entered into any material related party transactions. The details of the related party transactions as required under the Accounting Standard-18 are set out in Note no. 33 to the standalone financial statements.

PARTICULARS OF EMPLOYEES UNDER THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

The information pursuant to Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is set out hereto.

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

The Exchange has in place a "Policy against 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 & Redressal) Act, 2013 is as follows:-

1	Number of complaints of sexual harassment received in the year	Nil
2	Number of complaints disposed off during the year	Not applicable
3	Number of cases pending for more than 90 days	Not applicable
4	Nature of action taken by the employer	Not applicable

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Mr. Srinath Srinivasan retired by rotation at the Fourteenth Annual General Meeting held on September 21, 2017 and was re-appointed subject to approval of SEBI. SEBI vide its letter dated October 09, 2017 approved the appointment of Mr. Srinath Srinivasan as Shareholder Director. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rakesh Kapur will be retiring by rotation at the ensuing Annual General Meeting 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 "Shareholder 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. Sunil Kumar	Shareholder Director	May 15, 2017
2.	Mr. Ravindra Kumar Roye	Public Interest Director	June 15, 2017
3.	Mr J. Ravichandran	Shareholder Director	October 9, 2017
4.	Mr. B. Venugopal	Shareholder Director	January 11, 2018
5.	Dr. Purvi Mehta	Public Interest Director	January 11, 2018
6.	Mr. Vijay Kumar V.	Managing Director & CEO	January 18, 2018

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

Sr. No.	Name of the Director	Designation	Date of Resignation/ Retirement
1.	Dr. R. M. Kummur	Shareholder Director	May 15, 2017
2.	Mr. Sidhartha Pradhan	Public Interest Director	August 10, 2017
3	Mr. Ravi Narain	Shareholder Director	September 21, 2017
4.	Mr. Samir Kumar Mitter	Shareholder Director	October 9, 2017
5.	Mr. Samir Shah	Managing Director & CEO	January 17, 2018
6.	Dr. Ashok Gulati	Public Interest Director	January 19, 2018
7.	Mr. Rabi Narayan Das	Public Interest Director	March 31, 2018
8.	Ms. Naina Krishna Murthy	Public Interest Director	March 31, 2018

The Chief Financial Officer and Company Secretary resigned and appointed during the year are as under:

Sr. No.	Name	Designation	Date of appointment	Date of Cessation
1.	Mr. M. K. Ananda Kumar	Chief Corporate Services & Company Secretary	-----	August 9, 2017
2.	Mr. Samir Rajdev	Company Secretary	August 10, 2017	-----
3.	Mrs. Komal Shahani	Executive Vice President – Finance & Chief Financial Officer	-----	August 9, 2017
4.	Mr. Atul Roongta	Chief Financial Officer	August 10, 2017	-----

The Board wishes to place on record its sincere appreciation for the valuable advice, guidance and services rendered by the outgoing Directors, Company Secretary and Chief Financial Officer.

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.

ANNUAL EVALUATION

The formal annual evaluation of the performance of the Board, its Committees and individual directors was conducted in accordance with the provisions of the Companies Act, 2013. 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.

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

Managerial Personnel and other employees. The Nomination and Remuneration Policy is available on Exchange's website at https://www.ncdex.com/AboutUs/Disclosures.aspx.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management's 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. As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognised stock exchange. Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance for the FY 2017-2018 is forming part of the Annual Report. Further, a Compliance Certificate from Dr. K. R. Chandratre, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance is forming part of the Corporate Governance report.

CORPORATE SOCIAL RESPONSIBILITY

The Exchange has framed a Corporate Social Responsibility Policy to implement its following CSR vision:

"to actively contribute to the social and economic development of farmers by helping them gain better access to markets. In so doing build a better, sustainable way of life for rural communities and raise the country's human development index"

The details as required under Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in **Annexure 3**.

During the FY 2017-2018, the Exchange, under its CSR program, undertook:

Training Programs for FPOs: The Exchange trained around 3,500 farmers through 96 training programs held across Rajasthan, Madhya Pradesh, Andhra Pradesh, Karnataka and Maharashtra. Four resource agencies were engaged to carry out these programs and farmers were trained in post-harvest crop management, storage techniques, price risk mitigation through regulated market platforms and making sowing and selling decisions based on the price signals emanating from the Futures market. FPOs, represented mainly by their Board of Directors and active progressive farmer members were provided know-how of online marketing management in a spot market, with reference to the working of NeML. Warehousing and collateral management also formed part of the curriculum which was delivered using presentations, lectures, video capsules etc. During the training program, participants were provided with collateral for reference. Each participant was also awarded a certificate at the end of the session.

Assaying Facilities for Turmeric farmers: Using the NCDEX CSR funds, 2 turmeric assaying facilities were established at Erode and Gobichettipalayam blocks in Tamil Nadu. These two blocks were chosen for the project since both are major hubs for trading in turmeric and witness hundreds of tonnes of the commodity per season. The assaying facilities have been set-up to enable farmers to test the curcumin content of their produce so that they become familiar with this aspect of turmeric cultivation and can adopt practices for producing the commodity with higher curcumin content. This will help them increase the price realisation for their produce. The Exchange has entrusted the project to MYRADA (Mysore Resettlement and Development Agency), a not-for-profit organisation, working for rural development across Karnataka, Tamil Nadu and Andhra Pradesh for the past five decades.

The curcumin testing laboratory at Erode has been installed at the Rural Market Centre (RMC) and will be managed and operated by the RMC. The facility at Gobichettypalayam will be set-up at the local KVK (Krishi Vigyan Kendra) which is a knowledge centre for agri-stakeholders in the region and provides extension services to farmers.

The project will educate the target farmers, brought together through FPOs, farmers clubs and producer groups on the crop varieties, cultivation and post-harvest practices to make their produce suitable for bulk buyers and the food processing industry. Farmers will be given exposure to the techniques of evaluating / testing the quality of the commodity to encourage them to adopt measures to produce turmeric of superior quality.

Providing Assaying Kits to FPOs: NCDEX, in its endeavour to empower Farmers Producer Companies by strengthening their capacity for different stages of post-harvest activities management, provided them with assaying kits through various resource organizations. A dozen FPCs were chosen on the basis of their awareness levels in post-harvest management and given the assaying apparatus. These were distributed to FPCs in Gujarat, Maharashtra, Rajasthan, Madhya Pradesh and Bihar. The Exchange treats this as a pilot project and hopes to increase the numbers going forward.

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**.

SUBSIDIARY COMPANIES

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

NCDEX e Markets Limited {NeML}

NCDEX e Markets Limited (NeML) further deepened its presence in e-spot markets for commodities during the year. Together with Rashtriya e-Markets and Services Limited (REMSL), NeML impacted lives of more than 10 million farmers through its Unified Market Platform (UMP) by creating a State Agricultural Market (SAM). The initiative is now rated one of the top three sustainable initiatives making a significant difference in the lives of farmers in various independent studies. As on March 31, 2018, the market turnover of the initiative crossed INR 70,000 crore since its inception in February 2014. During the financial year its market turnover cross INR 41,000 crore across commodities traded in regulated agricultural markets of the state.

The fresh food segment of the NeML has gained wider acceptance in its less-than-three-year existence. The segment trading turnover reached INR 900 crore. The NCDFI e-Market further enhanced its leadership in cooperative sector milk and milk products with prices discovered on the market becoming benchmark prices for bulk trading of dairy products.

The NeML worked closely with the central government to enhance efficiencies of procurement and sale of commodities under its food safety programs. It assisted National Agricultural Cooperative and Marketing Federation (NAFED) in the procurement of pulses and oilseeds under its price support scheme, helping more than 1.2 million smallholder farmers get minimum support price (MSP) directly into their bank accounts. This initiative have been named e-Samriddhi and has been widely appreciated by the Government.

NeML also helped thousands of farmers get finance for the goods stored in NeML and bank accredited warehouses under e-pledge.

NeML plans to leverage its expertise in creating national markets connecting Farmer Aggregators including Farmer Producers Organizations (FPOs) for enhancing income of smallholder farmers.

NCDEX Institute of Commodity Markets & Research (NICR)

New Mission and Vision

Vision

To make NICR recognized nationally as an independent, credible academic and research institute of eminence.

Mission

To conduct high-quality independent research, educate and stimulate debate to provide innovative, practical recommendations that advance three broad goals:

- Strengthen and embed understanding of physical and derivative commodity markets
- Foster the economic and social welfare of individuals and businesses through free and transparent commodity markets
- Secure a more open, safe, prosperous and cooperative trading ecosystem for commodities

The NICR will continue to create value by offering educational courses and training, consultancy services, data analytics and research, event management, and by handling CSR projects on behalf of the parent company and other corporates.

The NICR scope of work will be mainly focused on following seven pillars of Pragati (progress):

➢ Certification Courses

➢ Training and skill building

➢ Consultancy services

➢ Faculty assignments

➢ Data analytics and Research

➢ Events and Seminars

➢ CSR

1) **Certification courses**

NICR Commodity Certification Course: This program is designed to help candidates develop a comprehensive and practical understanding of the commodities market. The NICR Commodity Certification Course, which was refurbished and launched in October 2015, is a definitive training program that helps candidates develop a comprehensive and practical understanding of trading and hedging in the Commodity Futures market. In FY 2017-2018, a total of 408 candidates registered for the course.

NICR Options Certification Courses: NCDEX Options contract in *Guar* Seed was launched in the commodities market in January 2018. Since this is a new hedging instrument for stakeholders, NICR designed the Options Certification Course in order to educate market participants about its benefits. NCDEX has two online courses on Options. The Beginner's module was launched on March 28, 2017. A total of 286 registrations were received in FY 2017-2018. The Advanced module which was launched in December 2017 was kept free of cost for participants till January 31, 2018 and 101 people registered for it in the past financial year.

Jobbers Certification Course: With special emphasis on practical aspects of online trading, NICR associated with Elearnmarkets.com, the online training portal of Kredent Academy in December 2017, and launched e-Learning courses for job seekers in commodities market. Consisting of four modules, the e-learning courses can be taken up individually or as a comprehensive program as well. The courses have been developed to introduce participants to commodities, commodities market and various tools to analyze the same. NICR certification will be awarded upon completion of each of these courses. The NICR Commodity Certification Course is mandatory to take this program.

Upcoming Courses:

- Warehouse and Logistics Certification Course
- Premium Commodity course in collaboration with IIFT

Consultancy Project

NICR started a consultancy project in FY 2017-2018 to study the feasibility of establishing a private mandi in Kota district of Rajasthan. NICR signed an MOU with InDev - a Bangalore-based development consultancy firm (www.theindevgroup.com) to partner and jointly submit a proposal in response to the RFP for developing a Private market in Kota. The project is expected to finish in FY 2018-2019. NICR plans to take up other similar projects in the future.

Donor Advised Fund: The NICR has launched a Donor Advised Fund, which provides a flexible and efficient way for corporate donors to help promote market linkages for small and marginal farmers to improve their incomes. NICR brings to the Fund its in-depth understanding of the agricultural ecosystem, knowledge of markets to design relevant and effective content, training capabilities and relationships at the grassroots level. NICR is an accredited training partner of Agricultural Skill Council of India.

The *National Collateral Management Services Limited* (NCML) donated ₹ 8 lakhs to the Fund for skill building in post-harvest management by farmers. The NICR organized 18 training programs for FPOs at as many locations during which the farmers were given exposure to modern agri-marketing tools and different facets of state-of-the-art warehousing.

15 of these programs were organized in Maharashtra and the remaining in Bihar.

All the 3 programs in Bihar were organized using internal resources, while in Maharashtra 7 programs were organized by internal resources and 8 were organized by 2 external agencies, namely Jamnalal Bajaj Foundation and Watershed Organisation Trust.

National Commodity Clearing Limited (NCCL)

Application to SEBI for recognition as Clearing Corporation

The SEBI vide Circular No CIR/CDMRD/DEA/03/2015 dated November 26, 2015 has mandated that commodity derivatives exchanges shall transfer the functions of Clearing and Settlement to a separate Clearing Corporation by September 28, 2018. During the year, National Commodity Clearing Limited (NCCL), a wholly owned subsidiary of NCDEX, made an application to SEBI for setting up of *Clearing Corporation*. In this regard, SEBI has granted in-principle approval to the NCCL for setting up of a Clearing Corporation vide SEBI Letter no. SEBI/HO/CDMRD/DEA/OW/P/2018/012819/1 dated April 27, 2018. The approval is valid for a period of one year. The final recognition of NCCL as Clearing Corporation shall be subject to satisfactory completion of SEBI inspection with respect to compliance with necessary requirement / provisions of SCRA, SEBI act, rules, regulations, guidelines, and circulars issued by SEBI from time to time.

NCCL provides IT and process support with respect to the clearing and settlement of trades done in the derivatives segment. This clearing and settlement covers products ranging from agricultural commodities to base metals, ferrous metals, energy, and precious metals. NCCL carried out fund settlements through 12 clearing banks.

The summary statistics of trading, settlement and Collateral statistics during the financial year 2017-2018 is given below:-

Trading

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
Number of trades	1,07,01,626	1,02,57,545	1,70,46,285	1,58,51,885
Trading Quantity	13,03,40,649	12,50,83,664	21,42,80,389	19,45,41,823
Trading value (₹ In crores)	5,89,496.67	5,96,851.98	10,19,588.26	9,04,062.65

Settlement

Particulars	2017-2018	2016-2017	2015-2016	2014-2015
MTM Settlement (₹ In crores)	4,106.38	3,578.77	7,490.6	6,988.72
Physical Settlement (₹ In crores)	2,164.89	1,667.93	3,794.44	3,667.65

Collateral Processed

Particulars	2017-2018		2016-2017		2015-2016		2014-2015	
Instrument	Count	Amount (₹ In crores)	Count	Amount (₹ In Crores)	Count	Amount (₹ In crores)	Count	Amount (₹ In crores)
Bank Guarantee	1,026	1,114.18	950	980.67	1,261	1,250.07	1,203	1,168.78
Fixed Deposit	2,168	1,453.65	1,467	806.74	2,119	1,081.54	1,478	851.04

Power Exchange India Limited (PXIL)

PXIL is one of only two power exchanges operating in the country, wherein buyers and sellers transact on the Exchange for trading in electricity. In addition to trading of power, the power exchange platform is exclusively utilized for trading in Renewable Energy Certificates (RECs).

The trading in electricity on the power exchange happens under two categories of product, the first being the collective segment where buyers and sellers submit their bids on a Day-Ahead basis for meeting the next day's power requirement. The second category of products is the Term-Ahead segment, where electricity is traded bilaterally between buyer(s) and seller(s) for different delivery periods. The Term-Ahead segment comprises of four products, viz. 24 x 7 Intra-Day, Day-Ahead Contingency, Week-Ahead and Any Day Products.

In FY 2017-2018, the Power Exchange market size of 47.69 Billion Units increased by 16% when compared to market size of 41 Billion Units in FY 2016-2017. PXIL had trading volumes of 1.48 Billion Units in FY 2017-2018 representing a market share of nearly 4.06% when compared to a market share of 1.4% in FY 2016-2017. In the REC segment, the market size increased from 64.88 lakhs RECs in FY 2016-2017 to 161.84 lakhs RECs in FY 2017-2018, of which nearly 68.55 lakhs RECs were traded at PXIL resulting in a market share of 42% in this segment.

During the year 2017-2018, NCDEX and the NSE Strategic Investment Corporation Limited (NSICL) - promoters of PXIL executed a Share Purchase Agreement (SPA) on 27th April, 2017 with the prospective investors, wherein the promoters agreed to sell their equity shareholding (61.9% taken together) along with their preference shareholding (OCRPS) in PXIL. Subsequently PXIL received letters from the promoters – NCDEX [Letter dated 07th November, 2017] and NSICL [Letter dated 03th November, 2017] regarding termination of share purchase agreement with the proposed new investors. The petition which was filed with the Hon'ble Commission i.e. Central Electricity Regulatory Commission (CERC) (Petition No 140/MP/2017) seeking approval for share transfer and change in the shareholding pattern of PXIL was withdrawn thereafter. Later the Hon'ble Commission vide its order dated 01st December, 2017 allowed withdrawal of the said petition.

Rashtriya e Market Services Private Limited (ReMS)

ReMS, a joint venture between NCDEX e-Markets Limited and the Government of Karnataka was incorporated with the primary objective of providing an electronic platform for auctioning of farmer produce in the regulated markets in Karnataka, aka the Unified Market Platform (UMP). The platform provides auctioning of produce for efficient price discovery, material accounting, trade fulfilment and online funds settlement, etc.

UMP has been operational in 159 markets spread across 29 districts. The traded quantity during the year has increased from 1.25 crore MT to 1.48 crore MT, registering a growth of 18.40% over the previous year. The value of transactions has increased from INR 33,356 crores in 2016-2017 to INR 40,600 crores in 2017-2018, an increase of 21.71%.

The year 2017-2018 was declared as *Year of Apps* and the Company has deployed 6 apps viz. i) Farmer ii) Gate/lot entry iii) Weighing iv) Trader bidding v) Commission agent and vi)

APMC secretary, during the year.

Presently, Assaying is carried out in 40 markets. During the year 4.28 lakhs lots were assayed as compared to 1.29 lakhs in the previous year, an increase of 231.78%. The minimum percentage of lots assayed by the assaying agencies have increased from 15% to 20% of the total lots received at each market in a day.

The NITI Aayog has mentioned in its report that, after the introduction of online trading and UMP modal prices, mandis in Karnataka witnessed much higher increase than the increase in wholesale prices of the same commodity in the country. The average increase for the 10 commodities for which data is available was 38 percent in nominal terms and 13 percent in real terms.

National E-Repository Limited (NERL)

The NERL incorporated on February 10, 2017 under the Companies Act, 2013 has received the Letter of Intent (LoI) dated December 23, 2016 from WDRA. The NERL received a permanent Certificate of Registration from WDRA on September 26, 2017 in terms of clause 9 of Guidelines on Repositories and Creation and Management of Electronic Negotiable Warehouse Receipt. The NERL started its operations w.e.f. September 26, 2017.

The main business of NERL is to offer a platform for creating eNWRs in warehouses registered with WDRA. In addition to eNWRs, the NERL is also offering an electronic balance accounting system of commodities to NCDEX through Comtrack software application.

NERL has entered into Share Subscription and Shareholders Agreement with the SBI and the ICICI Bank which invested INR 8 crore (subscribing 9.88% shares of the Company) and INR 8.02 crore (subscribing 9.90% shares of the Company) respectively. The NABARD, vide a Comfort Letter dated June 28, 2017 subscribed to 13% shares of the Company for INR 10.53 crore.

NERL envisaged two main businesses in registered warehouses of WDRA.

1. Exchange business
2. Non-exchange business

Exchange Business

Comtrack Business Undertaking was transferred from NCDEX to NERL.

A Business Transfer Agreement was executed on June 30, 2017 for transfer of Comtrack business undertaking to NERL. The BTA was made effective on receipt of permanent Certificate of Registration from WDRA on September 26, 2017.

The Comtrack BTA includes Comtrack participants, clients, banks / NBFCs and employees. The BTA has seen successful conclusion.

On receipt of Regulatory concurrence, NERL issued invoices for Comtrack services to NCDEX market participants. Invoices generated from Comtrack business till March 31, 2018 are INR 520.34 lakhs.

Non-Exchange Business

Issuance of eNWRs for registered warehouses has not yet made mandatory by WDRA. Hence, the NERL opted for targeting the exchange-registered warehouses and approaching the exchange depositors and warehousemen for issuance of eNWRs.

The NERL team also started meeting Comtrack participants, banks for promoting eNWRs and enrolling them as Repository Participants (RP). The result in previous six months is as mentioned below:

Sr. No.	Particulars	Status as on March 31, 2018	Status as on May 7, 2018
1	Number of eNWR created	**115**	181
2	Quantity of stocks corresponding eNWR created	**1142.94 MT**	2491.13 MT
3	Value of eNWR created	**₹ 8.20 Crore**	₹ 13.71 Crore
4	Total number of Repository Participants empanelled for Account Maintenance	**66**	68
5	Total number of Client Repository Account opened	**59**	108

The NERL has successfully signed agreements with Axis Bank, Bank of Baroda, ICICI Bank, HDFC Bank, Shivalik Bank, RBL Bank and Yes Bank to act as pledgees on the Repository Platform.

The NERL is also pleased to inform that ICICI Bank has granted the first loan amounting to INR 0.20 crore against eNWRs issued on the NERL platform during the month of March, 2018.

The following are the various business-related initiatives taken by the NERL during the year

- The NERL organized a National Conference on eNWRs for banks in December, 2017 where 22 banks along with RBI, IBA, CAB and NABARD were present.

- The NERL published a white paper on issues and challenges faced by banks and submitted the same to the RBI and the Ministry of Agriculture. The NERL is continuously following-up with the RBI for incorporating eNWRs as a part of Priority Sector Lending (PSL).
- To improve engagement and creating awareness, the NERL arranged a round table conference for banks at the office of the WDRA, New Delhi in which 21 banks participated. The outcome of the conference was encouraging and participants suggested that the WDRA make eNWRs mandatory for all registered warehouses. Further, to keep this momentum going, the NERL facilitated a meeting with the RBI on the 4th of May, 2018. The NERL is hopeful that eNWRs will be incorporated in PSL guidelines issued by RBI.
- Basis feedback from the NERL, the WDRA submitted a letter to the Minsitry of Agriculture to assist the RBI in the inclusion of eNWRs in PSL guidelines. The NERL presented their case on the promotion of eNWR finance to Shri Ravi Kant, Food Secretary, Government of India. Mr. Kant appreciated the efforts made by the NERL in promoting eNWRs.
- The NERL set up functional plan with the CWC, organized various training programs for warehouse managers. The NERL shall soon start issuance of eNWRs on rubber in CWC-registered warehouses, situated in the state of Kerala.
- The NERL has been meeting and resolving teething issues with WSPs empanelled with the NCDEX. It is in touch with WSPs to encourage their use of the eNWR platform in registered warehouses.
- The NERL is working with the NCDEX and the WDRA for creating an exchange interface with a repository for accepting eNWRs as a settlement instrument. The interface testing has been successfully completed and the NCDEX issued a circular to market participants informing of exchange interface with repository being used from June 1, 2018.
- The National Multi-Commodity Exchange (NMC) accepted joining hands with the NERL for exchange settlement in eNWRs. NMC exchange settlement with repository is at a developmental stage.
- The NERL is working with the WDRA on various technology-related functionalities such as Inter Repository Transactions, Application Programming Interface (API) with WDRA/WSP etc.
- The NERL has successfully converted many post-Exchange Deliverable Date (EDD) commodities into eNWRs by handholding depositors and WSPs.
- It has been represented on various platforms such as the FICCI, RBI and the IBA in order to popularise eNWRs.
- The NERL has completed the required recruitments in IT, Compliance, Business, HR, Operations and appointed a Company Secretary for the NERL.

OTHER DISCLOSURES

There was no change in the nature of the business of the Exchange during the financial year 2017-2018. No material changes and commitments affecting the financial position occurred subsequent to the close of the financial year ended March 31, 2018 and the date of the report. During the year, no significant and material order was passed by the regulators or courts or tribunals impacting the going concern status and the Exchange operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed:

i. that in the preparation of accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;

ii. 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 financial year and of the profit of the Exchange for that period;

iii. 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;

iv. that the Directors have prepared the accounts for the financial year ended March 31, 2018 on a 'going concern' basis.

v. 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, 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 for its continued growth and progress.

The Directors also acknowledge the service provided by software and hardware service providers, bankers to the Exchange, the 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

Vijay Kumar V.	**Ravindra Kumar Roye**
Managing Director & Chief Executive Officer	Chairman
DIN: 06651068	DIN: 07304930

Place: Mumbai
Date: May 25, 2018

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
National Commodity and Derivatives Exchange Limited
1st Floor, Ackruti Corporate Park,
Near G E Garden, L B S Road,
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 and Derivatives Exchange Limited** (hereinafter called as 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 the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 (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 on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 ('**the Act'**) and the rules made there under;

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment. **(Overseas Direct Investment and External Commercial Borrowings are not applicable)**

(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 during the audit period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. **(Not Applicable during the audit period)**

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable during the audit period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable during the audit period)**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable 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, 2009 **(Not Applicable during the audit period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable 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) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent as referred in regulation 35 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2012 and the compliances as confirmed by the company under point 14.4 of procedural norms of recognition, ownership and governance for stock exchange and clearing corporations.

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 law applicable specifically to the company

- Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2012

During the period under review 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 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 generally 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.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or 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.

For Makarand M. Joshi & Co.,

Makarand Joshi
Partner

Place: Mumbai
Date: 25.05.2018

FCS No.: 5533
C P No.: 3662

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 A'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, 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 Makarand M. Joshi & Co.,

Makarand Joshi
Partner
FCS No.: 5533
C P No.: 3662

Place: Mumbai
Date: 25.05.2018

Annexure 2

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	U51909MH2003PLC140116
ii)	Registration Date	:	23/04/2003
iii)	Name of the Company	:	National Commodity and Derivatives Exchange Limited
iv)	Category/Sub-Category of the Company	:	Category: Public Company/ Sub Category: Limited by Shares
v)	Address of the registered office and contact details	:	1st Floor, Ackruti Corporate Park, L. B. S. Marg, Kanjurmarg (W), Mumbai- 400078. Tel : (+91-22) - 66406789 Fax : (+91-22) – 66406899, Toll Free Number: 1800 26 62339 E-mail: askus@ncdex.com
vi)	Whether listed company Yes / No	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	3i Infotech Limited. Address: Tower No. 5, 3rd to 6th Floors, International Infotech Park, Vashi, Navi Mumbai, Mumbai-400703. Contact details: 022 6792 8020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Commodity contracts exchanges	6611	61%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NCDEX e Markets Limited Add.: 1st Floor, Ackruti Corporate park, L.B.S. Marg, Kanjurmarg (W) Mumbai- 400078	U93090MH2006PLC165172	Subsidiary	99.99%	Section 2 sub section 87(ii)
2	National Commodity Clearing Limited Add.:1st Floor, Ackruti Corporate Park, L.B.S Marg, Kanjurmarg (W) Mumbai – 400078	U74992MH2006PLC163550	Subsidiary	100%	Section 2 sub section 87(ii)
3	NCDEX Institute of Commodity Markets and Research Add.:1st Floor, Ackruti Corporate Park, L. B.S. Marg, Kanjurmarg (W) Mumbai- 400078	U74900MH2007NPL174229	Subsidiary	100%	Section 2 sub section 87 (ii)
4	National E-Repository Limited Add.: 1st Floor, Ackruti Corporate Park, L.B.S Marg, Kanjurmarg (W) Mumbai – 400078	U93090MH2017PLC291035	Subsidiary	67.22%	Section 2 sub section 87 (ii)
5	Power Exchange India Limited Add.:5th Floor, Tower No. 3, Equinox Business Park, Peninsula Techno Park, Off BKC, LBS Marg, Kurla (W) Mumbai- 400070	U74900MH2008PLC179152	Associate	Equity: 30.95% Preference: 50%	Section 2 sub Section (6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	Nil	Nil	Nil	Nil	**Nil**	**Nil**	**Nil**	**Nil**	Nil
a) Individual/ HUF									
b) Central Govt									
c) State Govt									
d) Bodies Corp.									
e) Banks/FI									
f) Any Other….									
Sub-total (A) (1):-	Nil	Nil	Nil	Nil	**Nil**	**Nil**	**Nil**	**Nil**	Nil
(2) Foreign	Nil	Nil	Nil	Nil	**Nil**	**Nil**	**Nil**	**Nil**	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	**Nil**	**Nil**	**Nil**	**Nil**	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	Nil	Nil	Nil	Nil	**Nil**	**Nil**	**Nil**	**Nil**	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI	1,79,99,965		1,79,99,965	35.52	**1,79,99,965**		**1,79,99,965**	**35.52**	0.00
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	76,01,400		76,01,400	15.00	**76,01,400**		**76,01,400**	**15.00**	0.00
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	2,56,01,365		2,56,01,365	50.52	**2,56,01,365**		**2,56,01,365**	**50.52**	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,20,74,613		2,20,74,613	43.56	**2,20,74,613**	**43.56**	**2,20,74,613**	**43.56**	0.00
ii) Overseas	30,00,000		30,00,000	5.92	**30,00,000**		**30,00,000**	**5.92**	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	12	10	22	0.00	**12**	**10**	**22**	**0.00**	0.00
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-	2,50,74,625	10	2,50,74,635	49.48	**2,50,74,625**	**10**	**2,50,74,625**	**49.48**	0.00
Total Public Shareholding (B) = (B)(1) + (B)(2)	5,06,75,990	10	5,06,76,000	100.00	**5,06,75,990**	**10**	**5,06,75,990**	**100.00**	0.00
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	**Nil**	**Nil**	**Nil**	**Nil**	Nil
Grand Total (A+B+C)	**5,06,75,990**	**10**	**50,676,000**	**100%**	**5,06,75,990**	**10**	**50,676,000**	**100%**	**0.00**

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
		Nil	Nil	Nil	**Nil**	**Nil**	**Nil**	Nil
	Total	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	**Nil**	**Nil**	Nil	Nil
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	**Nil**	**Nil**	Nil	Nil
	At the End of the year	**Nil**	**Nil**	Nil	Nil

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

	Name of the shareholder	At the beginning of the year		Increase/ Decrease	At the end of the year	
		No of shares	%		No of shares	%
1	National Stock Exchange of India Limited	**76,01,377**	**15.00**	-	76,01,377	15.00
2	Life Insurance Corporation of India (LIC)	**5,625,000**	**11.10**	-	5,625,000	11.10
3	National Bank for Agriculture and Rural Development (NABARD)	**5,625,000**	**11.10**	-	5,625,000	11.10
4	Indian Farmers Fertiliser Co Operative Ltd. (IIFCO)	**5,068,000**	**10.00**	-	5,068,000	10.00
5	Oman India Joint Investment Fund	**5,067,600**	**10.00**	-	5,067,600	10.00
6	Punjab National Bank	**3,694,446**	**7.29**	-	3,694,446	7.29
7	Build India Capital Advisors LLP	**3,091,236**	**6.10**	-	3,091,236	6.10
8	Canara Bank-Mumbai	**3,055,519**	**6.03**	-	3,055,519	6.03
9	IDFC Trustee Co. Ltd A/C IDFC Infrastructure Fund 3 A/C IDFC Private Equity Fund III	**2,533,800**	**5.00**	-	2,533,800	5.00
10	Shree Renuka Sugars Limited	**2,533,700**	**5.00**	-	2,533,700	5.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year Mr. M. K. Ananda Kumar, Company Secretary*	**12**	**0.00**	12	0.00
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	**Nil**	**Nil**	Nil	Nil
3.	At the End of the year	**Nil**	**Nil**	Nil	Nil

* Mr. M. K. Ananda Kumar ceased to be the Company Secretary of the Exchange with effect from August 09, 2017. However as on March 31, 2018, he was holding 12 shares of the Exchange.

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of Managing Director & Chief Executive Officer (from April 1, 2017 to January 17, 2018)
		Mr. Samir Shah
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(a) ₹ 1,85,83,989/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	(b) ₹ 64,463/-
	(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 - as % of profit - others, specify...	Nil
5.	Others, please specify	Nil
	Total (A)	**₹ 1,86,48,452/-**
	Ceiling as per the Act	The Exchange has obtained approval from the shareholders for the payment of above remuneration.

Sl. no.	Particulars of Remuneration		Name of Managing Director & Chief Executive Officer (from January 18, 2018 to March 31, 2018)
			Mr. Vijay Kumar
1.	Gross salary		
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(a) ₹ 22,67,742/-
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	(b) ₹ 0/-
	(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	
	-	others, specify...	
5.	Others, please specify		Nil
	Total (A)		**₹ 22,67,742/-**
	Ceiling as per the Act		The Exchange has obtained approval from the shareholders for the payment of above remuneration.

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors								Total Amount
1.	**Independent Directors**	**Rabi Narayan Das**	**Ashok Bhan**	**Sidhartha Pradhan**	**Naina Krishna Murthy**	**Ashok Gulati**	**Ravindra Kumar Roye**	**Purvi Mehta**		
	• Fee for attending board/ committee meetings	29,00,000	8,00,000	13,20,000	4,80,000	15,00,000	16,20,000	1,80,000		88,00,000
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil		Nil
	Total (1)									**88,00,000**
2.	**Other Non-Executive Directors**	**Samir Kumar Mitter**	**Srinath Srinivasan**	**R. M. Kummur**	**Ravi Narain**	**Rakesh Kapur**	**J. Ravichandran**	**Sunil Kumar**	**B. Venugopal**	
	• Fee for attending board/ committee meetings	8,20,000	9,80,000	1,00,000	5,60,000	14,60,000	1,20,000	5,80,000	60,000	46,80,000
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)									**46,80,000**
	Total (B) = (1 + 2)									**1,34,80,000**
	Total Managerial Remuneration									**1,34,80,000**
	Overall Ceiling as per the Act									**₹ 1,00,000 per member per meeting**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		Mr. M. K. Ananda Kumar - Company Secretary till August 09, 2017	Mr. Samir Rajdev - Company Secretary from August 10, 2017 to March 31, 2018	Ms. Komal Shahani - CFO till August 09, 2017	Mr Atul Roongta - CFO from August 10, 2017 to March 31, 2018	Total
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 24,37,447/-	₹ 18,97,174/-	₹ 18,46,489/-	₹ 78,20,242/-	₹ 1,40,01,352/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 15,065/-	Nil	₹ 6,812/-	₹ 43,524/-	₹ 65,401/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil		Nil		Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total	**₹24,52,512/-**	**₹18,97,174/-**	**₹18,53,301/-**	**₹78,63,766/-**	**₹1,40,66,753/-**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

Annexure 3

Annual Report on CSR activities

1. A brief outline of the company's CSR policy, including overview of projects programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs.

   The CSR policy of the exchange is aimed at actively contributing to the social and economic development of farmers by helping them gain better access to markets and in so doing build a better, sustainable way of life for rural communities.

   As a part of its CSR drive, the Exchange implements welfare measures that build farmer capability and trains them to become suave marketers, by helping them enhance the marketability of crops through knowledge in post-harvest crop management, cleaning and sorting produce and establishing supply-chain linkages.

   In FY 2017-2018, the Exchange has made significant progress towards its social responsibility priorities in support of *Farmer Education* programmes. The exchange has also provided assaying facilities / assaying kits for farmers in select areas, which will help them bring objectively assayed, quality farm produce to the market, thence fetching them a better price. The CSR Policy of the Exchange is available on the weblink: - https://www.ncdex.com/Downloads/NCDEX_CSR_Policy_2014-15.pdf

2. The Composition of CSR Committee: Mr. Srinath Srinivasan – Chairman of the Committee, Mr. Rabi Narayan Das, Mr. Sunil Kumar and Mr. Vijay Kumar V.

3. Average net profit of the company for last three financial years: ₹ 5084 lacs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) :- ₹ 102 lacs

5. Details of CSR spent during the financial year

   a) Total amount to be spent for the financial year: The Exchange was required to spent ₹ 102 lacs. However the Exchange has spent ₹ 107 lacs.

   b) Amount unspent, if any : Nil

   c) Manner in which the amount spent during the financial year is detailed below. (₹ In lacs)

1	2	3	4	5	6	7	8
S. No	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs** **1) Local area or other** **2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Subheads:** **(1) Direct expenditure on projects or programs** **(2) Overhead**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**
1	Capacity building of turmeric farmers	Post-harvest management activities	Project implemented through NGO MYRADA in Gobichettipalayam and Erode in Tamil Nadu	₹ 47.05	Payments to MYRADA for setting-up Turmeric assaying plants in: 1. Erode - ₹ 25,66,220 2. Gobichettipalayam - ₹ 21,39,000	₹ 47.05	Implementing agency
2	Training programs for farmer producer organizations (FPOs)	Agriculture Education	Project implemented through Resource Institutions (RIs) in Maharashtra, Rajasthan, Madhya Pradesh, Andhra Pradesh and Karnataka	₹ 41.64	Payments made to RIs: 1. Access Development - ₹ 21.24 lacs 2. NSFI - ₹ 18 lacs 3. Jamnalal Bajaj Foundation - ₹ 1.60 lacs 4. WOTR - ₹ 80,000	₹ 88.69	Implementing agency

1	2	3	4	5	6	7	8
S. No	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overhead**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**
3.	Impact Assessment of Training programs	Farmers' awareness	An agency Kaarak was hired for the job of impact assessment of Training programs	₹ 13.92	Payments to Kaarak for: 1. Impact Assessment for trainings held in FY 2016-17 – ₹ 9.20 lacs 2. Advance for Impact assessment of trainings in FY 2017-2018 - ₹ 4.72 lacs	₹ 102.61	Implementing Agency
4.	Printed material for distribution among farmers and FPOs	Imparting knowledge and creating awareness among farmers	Training booklets, pamphlets, presentations, cartoon books, etc. were given to farmers and FPO members along with certificates for stakeholders who had completed their training through RIs in AP, MP, Karnataka, Rajasthan and Maharashtra.	₹ 3.35	Payment made to vendors for Printing and translation in Hindi, Telugu and Kannada.	₹ 105.96	Direct
5.	Capacity building of FPOs	Post-harvest management activities	12 Assaying kits given to FPCs through various RIs in Gujarat, Maharashtra, Rajasthan, MP and Bihar.	₹ 1.34	1. Assaying kits worth ₹ 8,745 each were despatched to RIs for distribution among FPCs. 2. ₹ 700/kit given as freight charges.	₹ 107.3	Direct

6. Responsibility statement of the CSR Committee

We hereby confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Exchange.

Place: Mumbai
Date: May 25, 2018

Vijay Kumar V.
Managing Director &
Chief Executive Officer
DIN: 06651068

Ravindra Kumar Roye
Chairman
DIN: 07304930

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 Exchange has amended its Bye Laws and Rules ('amendment documents') pursuant to the SEBI letter No SEBI/HO/CDMRD/DEA/OW/P/2016/25792/1 dated September 14, 2016 and has submitted the said amendment documents to SEBI for their approval on March 14, 2017.

The Exchange has, after getting approval from SEBI vide letter SEBI/HO/CDMRD/DEA/OW/P/2017/024419/1 dated October 6, 2017 (approval letter), as advised in para 2 of the said approval letter, published the said approved amendment documents in Gazette of India vide Part-IV vide No NEW DELHI, SATURDAY, NOVEMBER 11—NOVEMBER 17, 2017 (KARTIKA 20, 1939) dated November 17, 2017 and in State Gazette Notification Maharashtra, vide Part-II THURSDAY-WEDNESDAY, NOVEMBER 9- 15,207/KARTIKA 18-24,1939.

A list of the clauses amended pursuant to approval letter is prescribed in **Table-1.1** for Bye Laws and **Table 1.2** for Rules of the Exchange.

Table 1.1

List of the clauses amended under Bye Laws vide para 2 of Approval Letter is as under:

Sr. No.	Reference of SEBI Directives	Existing clauses to be amended	Bye Laws amended	Clause No. in amendment Notification
		BYE- LAWS, PART- A		
	1. DEFINITION			
1.	N.A.	N.A.	2A. "Books of accounts, records and documents"	New insertion refer Clause 2(1)
2.	N.A.	N.A.	2B. "Buyer"	New insertion refer Clause 2(1)
3.	N.A.	N.A.	11A. "Comtrack"	New insertion refer Clause 2(3)
4.	N.A.	N.A.	11B. "Comtrack Participants" (CPs)	New insertion refer Clause 2(4)
5.	N.A.	N.A.	17A. "Derivative"	New insertion refer Clause 2(5)
6.	Pursuant to SEBI Circular SEBI/HO/CDMRD/DMP/CIR/P/104 September 28, 2016	N.A.	31.A "Option in Securities"	New insertion refer Clause 2(6)
			34.H "Securities"	New insertion refer Clause 2(7)
		N.A.	34 I. "Segment"	New insertion refer Clause 2(8)
7.	N.A.	N.A.	34 J. "Seller"	New insertion refer Clause 2(9)
9.	N.A.	43. "Warehouse Receipt"	43 "Warehouse Receipt"	Amendment refer Clause 2(10)
10.	N.A.	N.A.	44. "Warehouse"	New insertion refer Clause 2(11)
11.	N.A.	N.A.	45. Words and expressions used and not defined under this Bye-laws but defined in the Companies Act, 2013 or Securities Laws or the Warehousing (Development and Regulation) Act, 2007 shall have the meanings respectively assigned to them in those Acts.	New insertion refer Clause 2(12)

Sr. No.	Reference of SEBI Directives	Existing clauses to be amended	Bye Laws amended	Clause No. in amendment Notification
	5. TRADING MEMBERS			
12.	Pursuant to SEBI Circular SEBI/HO/CDMRD/DMP/ CIR/P/2016/82 dated September 07, 2016	**5.1 APPOINTMENT AND FEES**	Amended and newly inserted sub clause 6 in Clause 5.1	Refer Clause 3 and 4
13.	Pursuant to SEBI Circular SEBI/HO/CDMRD/DEICE/ CIR/P/2016/70 dated August 11, 2016	**5.2 CONDITIONS**	Newly insertion of sub clause 11 in Clause 5.2	Refer Clause 5
	6. DEALINGS BY TRADING MEMBERS			
14.	Pursuant to SEBI Circular CIR/ MRD/DP/15/2015 dated July 16, 2015	**6.5 INVIOLABILITY OF TRADE**	Sub clause 3 and 4 substituted	Refer Clause 6
		7. TRADING SYSTEM AND MARKET MAKER		
15.	Pursuant to SEBI Circular SEBI/HO/CDMRD/DMP/ CIR/P/2016/97 as sub-clause 1 dated September 27, 2016 CIR/CDMRD/DEICE/03/2015 dated December 11, 2015 SEBI/HO/CDMRD/DEICE/ CIR/P/2016/0000000044 dated March 29, 2016 MRD/DoP/SE/ Cir- 14/2006 dated September 28, 2006	**7.1 Trading System**	The existing clause substituted as 7.1 (1), (2), (3),(4)	Refer Clause 7
16.	N.A.	7.2 Market Makers	The existing paragraph is numbered as 7.2 after the newly inserted clause 7.1.	Refer Clause 7
	8. TRANSACTIONS			
17.	Proposed to be amended as per SEBI/HO/CDMRD/DMP/ CIR/P/2016/75 dated August 30, 2016	8.1 **BUSINESS HOURS**	A new Sub clause 3, inserted in Clause 8.1	Refer Clause 8 (a)
18.		**8.2 Trading System**	Amended	Refer Clause 8 (b)(c)
19.		**8.6 CONTRACT NOTES**	Amended as renumbered	Refer Clause 8 (d)
	9. RIGHTS AND LIABILITIES OF TRADING MEMBERS AND CONSTITUENTS			
20.	SEBI/HO/CDMRD/DRMP/ CIR/P/2016/80 dated September 07, 2016	**9.3 MARGIN**	The Clause 9.3 of Bye Law 9 substituted.	Refer Clause 10
21.	N.A.	**9.4 CONSTITUENT IN DEFAULT**	Amended as renumbered	Refer Clause 9 and 11
	10. DEFAULT - TRADING MEMBER			
22.	SEBI/HO/CDMRD/DMP/ CIR/P/2016/102 dated September 27, 2016	**10.1 DECLARATION OF DEFAULT**	Renumbered the existing clause and amended	Refer Clause 12 and 13
	11. INVESTOR GRIEVANCE REDRESSAL & ARBITRATION			
23.	Pursuant to SEBI meetings and directives on Arbitration	**11.1 DEFINITION**	7. *Investor for the purpose of this chapter shall mean anyone who have entered into a deal as defined in the Bye-law 1.14 of Part A of the NCDEX Bye-laws.*	New insertion refer Clause 14
24.			Amended as renumbered	Refer Clause 15
25.		**11.2 REFERENCE TO ARBITRATION**	A new Sub Clause 3 inserted	Refer Clause 16
26.		**11.22 APPEAL**	Amended as renumbered	Refer Clause 17

Sr. No.	Reference of SEBI Directives	Existing clauses to be amended	Bye Laws amended	Clause No. in amendment Notification
	BYE-LAWS - PART- B			
27.	Pursuant to Para 5 (ii) of SEBI Letter No. SEBI/HO/CDMRD/ DEA/OW/P/2016/25792/1 dated September 14, 2016	**2. CLEARING MEMBERS**	New insertion of Para 4 and 5	Refer Clause 18
	3. CLEARING AND SETTLEMENT OF DEALS			
28.	Pursuant to Para 5 (ii) of SEBI Letter No. SEBI/HO/CDMRD/ DEA/OW/P/2016/25792/1 dated September 14, 2016	**3.1A CLEARING AND SETTLEMENT N.A.**	New insertion of Clause 3.1A before the existing Clause 3.1	Refer Clause 19
	3.1 B DEALS FOR CLEARING AND SETTLEMENT			
29	Pursuant to Para 5 (ii) of SEBI Letter No. SEBI/HO/CDMRD/ DEA/OW/P/2016/25792/1 dated September 14, 2016	**3.1B DEALS FOR CLEARING AND SETTLEMENT**	The existing clause 3.1 renumbered as 3.1B and placed after Clause 3.1A	Refer Clause 20 (a)
30.			New sub clause 8 inserted.	Refer Clause 20 (b)
31.	Pursuant to SEBI/HO/CDMRD/ DMP/CIR/P/2016/137 dated December 16, 2016 (Exchanges shall be Counterparty to trades being CCP) read with as per Para 5 (i) of SEBI Letter No. SEBI/HO/CDMRD/DEA/ OW/P/2016/25792/1 dated September 14, 2016	**3.8 PRIVITY OF CONTRACT**	Amended	Refer Clause 21
32.		**3.10 CLEARING HOURS**	Amended	Refer Clause 22
33.	Para 5 (iv) of SEBI Letter No. SEBI/HO/CDMRD/DEA/ OW/P/2016/25792/1 dated September 14, 2016	**3.11 DELIVERY OF COMMODITIES**	Amended with insertion of new proviso	Refer Clause 23, 24 and 25
34.	N.A.	**3.12 CLOSING OUT**	New sub clause 4,5,6 and 7 inserted	Refer Clause 26
	5. MARGINS AND LIMITS			
35.	Pursuant to SEBI Circular No. SEBI/HO/CDMRD/DMP/ CIR/P/2016/69 dated September 27, 2016	**5.1 MARGIN REQUIREMENTS**	A new sub clause 3 inserted	Refer Clause 27
36.	Pursuant to Para-5 of SEBI Circular SEBI/HO/CDMRD/ DRMP/CIR/2016/77 dated September 01, 2016	**5.8 EVASION OF MARGIN REQUIRMENTS FORBIDDEN**	Amended as renumbered and inserted with sub clause 2	Refer Clause 28
37.	Pursuant to SEBI Circular No.SEBI/HO/CDMRD/DMP/ CIR/P/2016/69 dated September 27, 2016 with respect to Position Limits and clubbing provisions	**5.10 LIMITS**	Amended	Refer Clause 29
	7. **DEFAULT - CLEARING MEMBER**			
38.	Pursuant to SEBI/HO/CDMRD/ DMP/CIR/P/2016/102 dated September 27, 2016	N.A.	Renumbered and inserted with sub clause 2 and 3	Refer Clause 30
	8. SETTLEMENT FUND			
39.	Pursuant to Para 5 (vi) of SEBI Letter No. SEBI/HO/CDMRD/ DEA/OW/P/2016/25792/1 dated September 14, 2016	**8.1 CLEARING HOUSE TO MAINTAIN SETTLEMENT FUND**	Sub Clause 1 substituted	Refer Clause 31
40.		**8.5 ADMINISTRATION AND UTILISATION OF THE SETTLEMENT FUND**	Clause 8.5(1)(c) substituted	Refer Clause 32

Sr. No.	Reference of SEBI Directives	Existing clauses to be amended	Bye Laws amended	Clause No. in amendment Notification
41.	Pursuant to SEBI's Default waterfall Circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014 read with as per Para 5 (vii) & (viii) of SEBI Letter No. SEBI/HO/CDMRD/DEA/OW/P/2016/25792/1 dated September 14, 2016	**8.7 UTILISATION IN CASE OF DEFAULT**	Substituted	Refer Clause 33
	9. INVESTOR (CLIENT) PROTECTION FUND (FUND)			
42.	Pursuant to point 4.1 of SEBI Circular No.SEBI/HO/CDMRD/DEICE/CIR/2016/94 dated September 26, 2016 read with as per Para 5 (viii) of SEBI Letter No. SEBI/HO/CDMRD/DEA/OW/P/2016/25792/1 dated September 14, 2016	**9.3 Composition of Fund:**	Sub clause (b) of Clause 9.3 of Bye Law 9, substituted	Refer Clause 34
43.	Pursuant to SEBI Circular No.SEBI/HO/CDMRD/DEICE/CIR/2016/94 dated September 26, 2016	**9.6 Contributions to the Fund by the Exchange:**	Sub clause (b) of Clause 9.6 of Bye Law 9, substituted	Refer Clause 35
44.	Pursuant to SEBI Circular No.SEBI/HO/CDMRD/DEICE/CIR/2016/94 dated September 26, 2016	9.21 Utilization of the Interest by the Board of Directors of the Exchange	Clause 9.21 substituted	Refer Clause 36
45.	The words of "Securities Laws" replaced with the word "SEBI"	**9.32 Claim on the direction of any other authority on the Fund**	Amended	Refer Clause 37

Table 1.2

List of the clauses amended under Rules vide para 2 of Approval Letter is as under:

Sr. No.		Existing clauses to be amended	Rules amended	Clause No. in amendment Notification
		1. DEFINITIONS		
1.	N.A.	The definition of "Board" in sub rule 1 of Rule 1, is substituted	1. "Board" or "Governing Board"	Refer Clause 2
2.	N.A.	The exiting Definition 7A and 7B renumbered	Amended as renumbered	Refer Clause 3
3.	N.A.	The definitions appearing from rule 9 onwards, renumbered	Amended as renumbered	Refer Clause 4 to 8
4.		**2. BOARD**	Amended	Refer Clause 9 to 11
The existing reference to Section 6 of FCRA is the existing sub rule 2 of Rule 2 is proposed to be deleted and replaced by the reference of SECC Regulations				
5.	**N.A.**	**4. EXECUTIVE COMMITTEE**	**Amended**	Refer Clause 12
6.	**N.A.**	**5. TRADING MEMBERSHIP / CLEARING MEMBERSHIP**	Amended	Refer Clause 13 to 18
As per SEBI (Stock Brokers and Sub-Brokers) Regulation, 1992, the Securities Contracts (Regulation) Rules,1957				
7.	**N.A.**	**6. DISCIPLINARY PROCEEDINGS, PENALTIES, SUSPENSION AND EXPULSION**		
8.	Refer Clause 19	A title to the Rule 6 as appearing "*TRADING MEMBERSHIP/CLEARING MEMBERSHIP*" shall be substituted with "*DISCIPLINARY PROCEEDINGS, PENALTIES, SUSPENSION AND EXPULSION*		
	N.A.	**6.1 DISCIPLINARY JURISDICTION**		

Sr. No.		Existing clauses to be amended	Rules amended	Clause No. in amendment Notification
9.	N.A.	N.A.	Explanation: The relevant authority for the purpose of these Rules shall be the Disciplinary Action Committee as constituted by the Board of NCDEX and shall function in terms of the provisions of the Bye Laws of NCDEX.	Refer Clause 20
10.	N.A.	**6.21 CONSEQUENCES OF EXPULSION**		
11.	The existing reference to chapter XII of the Bye-laws is proposed to be rectified to be read as Chapter X of Part-A and Chapter VII of Part-B of the Bye Laws of NCDEX as in italics and underlined.	Clause 6 Consequences of declaration of defaulter to follow: The provisions of Chapter XII of the Bye Laws pertaining to default, shall become applicable to the Trading / Clearing Member expelled from the Exchange as if such Trading / Clearing Member has been declared a defaulter.	Clause 6 Consequences of declaration of defaulter to follow: The provisions of ***Chapter X of Part-A and Chapter VII of Part-B of the Bye Laws of NCDEX*** pertaining to default, shall become applicable to the Trading / Clearing Member expelled from the Exchange as if such Trading / Clearing Member has been declared a defaulter.	Refer Clause 21

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD)1/CIR/P/2076/104 dated 21st September, 2017, on the Integration of Broking activities in Equity Markets and Commodity Derivatives Markets under single entity, to facilitate the process of integration, the Exchange has initiated the process of amendments to Rules. The amendment to the Rules were approved by the Board on 12th February, 2018 and were subsequently submitted to SEBI for their approval vide its letter dated 22nd March, 2018. The summary of amendment proposed in the Rules are as indicated in the below table.

Sr. No.	Reference of SEBI Directives	Existing clauses to be amended	Rules amended	Clause No. in amendment Notification
1	SEBI Circular No. SEBI/HO/MIRSD/MIRSD)1/CIR/P/2076/104 dated 21st September, 2017.	**NA**	A new Clause is inserted under the existing Rule 5.2.13	**5.2.13 (f)**
			A new Clause is inserted under the existing Rule 5.2.13	**5.2.13 (g)**
			A new Clause is inserted under the existing Rule 5.2.15	5.2.15(f)
			A new Clause is inserted under the existing Rule 5.2.15	5.2.15(g)

The aforesaid amendments have been published in the Gazette of India vide Gazette Notification New Delhi, Saturday, MARCH 3-MARCH 9,2018(PHALGUNA 12,1939) and in Maharashtra State Gazette vide Gazette Notification Maharashtra, THURSDAY-WEDNESDAY,MARCH 1-MARCH 7,2018/PHALGUNA 10-16,1939.

The approval from SEBI is awaited.

RULE 17 (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. Sunil Kumar	Shareholder Director	May 15, 2017
2.	Mr. Ravindra Kumar Roye	Public Interest Director	June 15, 2017
3.	Mr J. Ravichandran	Shareholder Director	October 9, 2017
4.	Mr. B. Venugopal	Shareholder Director	January 11, 2018
5.	Dr. Purvi Mehta	Public Interest Director	January 11, 2018
6.	Mr. Vijay Kumar V.	Managing Director & CEO	January 18, 2018

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

Sr. No.	Name of the Director	Designation	Date of Resignation/ Retirement
1.	Dr. R. M. Kummur	Shareholder Director	May 15, 2017
2.	Mr. Sidhartha Pradhan	Public Interest Director	August 10, 2017
3.	Mr. Ravi Narain	Shareholder Director	September 21, 2017
4.	Mr. Samir Kumar Mitter	Shareholder Director	October 9, 2017
5.	Mr. Samir Shah	Managing Director & CEO	January 17, 2018
6.	Dr. Ashok Gulati	Public Interest Director	January 19, 2018
7.	Mr. Rabi Narayan Das	Public Interest Director	March 31, 2018
8.	Ms. Naina Krishna Murthy	Public Interest Director	March 31, 2018

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

The following are the Committees of the Exchange:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Business Strategy Committee
4. Risk Management Committee
5. Members' Default Committee
6. Disciplinary Action Committee
7. Technology Standing Committee
8. Ethics Committee
9. Settlement Guarantee Fund Committee
10. Public Interest Directors' Committee
11. Corporate Social Responsibility Committee
12. Independent Oversight Committee for Member Regulation
13. Independent Oversight Committee for Product Design
14. Independent Oversight Committee for Trading and Surveillance Function
15. Stakeholders' Relationship Committee
16. Membership Selection Committee
17. Sub-Committee for monitoring compliance of suggestions given in SEBI Report
18. Investor Services Committee*
19. Advisory Committee
20. Capital Raising Committee
21. Arbitration Committee*

** Arbitration Committee was merged with the Investor Services Committee with effect from August 09, 2017.*

Changes in the composition of the Committee

1. Audit Committee*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Dr. Ashok Gulati	Mr. Ravindra Kumar Roye
2	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
3	Mr. Sidhartha Pradhan	Mr. Rakesh Kapur
4	Mr. Rakesh Kapur	Justice (retd.) Ashok Bhan
5	Mr. Samir Kumar Mitter	------
6	Justice (retd.) Ashok Bhan	------

*re-constituted w.e.f. January 19, 2018

2. Nomination and Remuneration Committee*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Mr. Sidhartha Pradhan	Mr. Ravindra Kumar Roye
2	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
3	Mr. Rakesh Kapur	Mr. Rakesh Kapur
4	Dr. Ashok Gulati	------
5	Mr. Ravi Narain	------

*re-constituted w.e.f. January 19, 2018

3. Risk Management Committee*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
2	Dr. Ashok Gulati	Dr. Purvi Mehta
3	Mr. Madan Sabnavis	Mr. Madan Sabnavis
4	Mr. Siddhartha Roy	Mr. Siddhartha Roy
5	Mr. Vijay Sardana	Mr. Vijay Sardana

*re-constituted w.e.f. February 12, 2018

4. Business Strategy Committee*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Mr. Rakesh Kapur	Mr. Rakesh Kapur
2	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
3	Mr. Srinath Srinivasan	Mr. Srinath Srinivasan
4	Mr. Samir Shah	Mr. Vijay Kumar V.
5	Dr. R. M. Kummur	Mr. Sunil Kumar
6	Mr. Ravi Narain	------
7	Mr. Samir Kumar Mitter	------

*re-constituted w.e.f. February 12, 2018

5. Members' Default Committee*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Justice (retd.) Ashok Bhan	Justice (retd.) Ashok Bhan
2	Mr. Sidhartha Pradhan	Mr. Ravindra Kumar Roye
3	Mr. Samir Shah	Mr. Vijay Kumar V.
4	Dr. Ashok Gulati	------

*re-constituted w.e.f. February 12, 2018

6. Disciplinary Action Committee*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Mr. Sidhartha Pradhan	Mr. Ravindra Kumar Roye
2	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
3	Ms. Naina Krishna Murthy	Ms. Naina Krishna Murthy
4	Mr. Samir Shah	Mr. Vijay Kumar V.

*re-constituted w.e.f. February 12, 2018

7. **Technology Standing Committee***

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Mr. Sidhartha Pradhan	Mr. Ravindra Kumar Roye
2	Mr. Pravir Vora	Mr. Pravir Vora
3	Mr. Nirmalendu Jajodia	Mr. Nirmalendu Jajodia

*re-constituted w.e.f. February 12, 2018

8. **Ethics Committee***

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Dr. R. M. Kummur	Mr. Sunil Kumar
2	Dr. Ashok Gulati	Dr. Purvi Mehta
3	Mr. Samir Shah	Mr. Vijay Kumar V.
4	Mr. Jayant Nalawade	Mr. Laxmikant Gupta
5	Mr. Samir Kumar Mitter	Mr. J. Ravichandran

*re-constituted w.e.f. February 12, 2018

9. **Public Interest Directors' Committee***

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
2	Justice (retd.) Ashok Bhan	Justice (retd.) Ashok Bhan
3	Mr. Sidhartha Pradhan	Mr. Ravindra Kumar Roye
4	Dr. Ashok Gulati	Dr. Purvi Mehta
5	Ms. Naina Krishna Murthy	Ms. Naina Krishna Murthy

*re-constituted w.e.f. February 12, 2018

10. **Corporate Social Responsibility Committee***

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
2	Mr. Samir Shah	Mr. Vijay Kumar V.
3	Dr. R. M. Kummur	Mr. Sunil Kumar
4	Mr. Srinath Srinivasan	Mr. Srinath Srinivasan
5	Mr. Samir Kumar Mitter	------

*re-constituted w.e.f. February 12, 2018

11. **Independent Oversight Committee for Trading & Surveillance Function***

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Mr. Sidhartha Pradhan	Mr. Ravindra Kumar Roye
2	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
3	Ms. Naina Krishna Murthy	Ms. Naina Krishna Murthy
4	Mr. Ravinder Sachdev	Mr. Ravinder Sachdev
5	Mr. J. Sampath	Mr. J. Sampath

*re-constituted w.e.f. August 09, 2017

12. **Independent Oversight Committee for Member Regulation***

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Dr. Ashok Gulati	Dr. Purvi Mehta
2	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
3	Mr. Sidhartha Pradhan	Mr. Ravindra Kumar Roye
4	Mr. Ravinder Sachdev	Mr. Ravinder Sachdev
5	Mr. Raj Kumar Nahata	Mr. Raj Kumar Nahata

*re-constituted w.e.f. February 12, 2018

13. Independent Oversight Committee for Product Design*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Dr. Ashok Gulati	Dr. Purvi Mehta
2	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
3	Mr. Sidhartha Pradhan	Mr. Ravindra Kumar Roye
4	Mr. D. P. Jhawar	Mr. D. P. Jhawar
5	Ms. Susan Thomas	Ms. Susan Thomas

*re-constituted w.e.f. February 12, 2018

14. Settlement Guarantee Fund Committee*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Dr. Ashok Gulati	Dr. Purvi Mehta
2	Ms. Naina Krishna Murthy	Ms. Naina Krishna Murthy
3	Mr. Mahesh Gupta	Mr. Mahesh Gupta
4	Mr. Samir Shah	Mr. Vijay Kumar V.

*re-constituted w.e.f. February 12, 2018

15. Membership Selection Committee*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Mr. Sidhartha Pradhan	Mr. Ravindra Kumar Roye
2	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
3	Mr. Samir Shah	Mr. Vijay Kumar V.

*re-constituted w.e.f. February 12, 2018

16. Sub-Committee for monitoring of Compliance of suggestions given in SEBI Report*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
2	Mr. Siddhartha Pradhan	Mr. Ravindra Kumar Roye
3	Mr. Samir Kumar Mitter	Mr. J. Ravichandran
4	Justice (retired) Ashok Bhan	Justice (retired) Ashok Bhan
5	Mr. Samir Shah	Mr. Vijay Kumar V.

*re-constituted w.e.f. February 12, 2018

17. Investor Services Committee*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Dr. Ashok Gulati	Mr. Rabi Narayan Das
2	Mr. Siddhartha Pradhan	Mr. Ravindra Kumar Roye
3	----	Mr. Vijay Kumar V.

*re-constituted w.e.f. February 12, 2018

18. Advisory Committee*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	Mr. Rabi Narayan Das	Mr. Rabi Narayan Das
2	Mr. D. K. Aggarwal - SMC Comtrade Ltd.	Mr. D. K. Aggarwal - SMC Comtrade Ltd.
3	Mr. Chirag Shah – Philip Commodities India Pvt. Ltd.	Mr. Chirag Shah – Philip Commodities India Pvt. Ltd.
4	Mr. Vivek Bajaj – Dhanvee Commodities Pvt. Ltd.	Mr. Vivek Bajaj – Dhanvee Commodities Pvt. Ltd.
5	Mr. Mahesh Gupta – RBG Commodities Ltd.	Mr. Mahesh Gupta – RBG Commodities Ltd.
6	Mr. Rajnikant Rai – ITC Ltd.	Mr. Rajnikant Rai – ITC Ltd.
7	------	Mr. Sanjay Rawal – Open Futures and Commodities Pvt. Ltd.

*re-constituted w.e.f. November 20, 2017

19. Capital Raising Committee*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018
1	------	Mr. Srinath Srinivasan
2	------	Mr. Ravindra Kumar Roye
3	------	Mr. Rakesh Kapur
4	------	Justice (retd.) Ashok Bhan
5	------	Mr. Vijay Kumar V.

*constituted w.e.f April 25, 2017 and reconstitued w.e.f. February 12, 2018

20. Arbitration Committee*

Sl. No.	MEMBERS AS ON MARCH 31, 2017	MEMBERS AS ON MARCH 31, 2018*
1	Mr. Sidhartha Pradhan	------
2	Mr. Rabi Narayan Das	------
3	Ms. Naina Krishna Murthy	------
4	Dr. R. M. Kummur	------
5	Mr. Samir Kumar Mitter	------

* *Arbitration Committee was merged with the Investor Services Committee with effect from August 09, 2017.*

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

Details for FY 2017-2018 are given below –

	Total Members	TCM	TM	PCM	STCM	CPM
Members as on March 31, 2017	486	257	221	1	7	0
Surrenders/Expelled during the year	67	38	29	0	0	0
New members added	13	8	4	1	0	0
Members as on March 31, 2018	453	226*	217*	3*	7	0

TCM*: 1)38 Surrendered members (Total 39 members surrendered, out of 39, 1 member cancelled to surrendered) 2) 12 members converted from TCM to TM 3) 8 members cancelled to applied for surrender 4) 2 members cancelled to disabled 5) 1 member cancelled to enabled

TM*: 1) 29 surrendered member (Total 30 members surrendered, out of 30, 1TM cancelled to surrendered) 2) 12 members converted from TCM to TM 3) 4 members cancelled to applied for surrender 4) 2 members cancelled to disabled 5) 3 members cancelled to enabled

PCM*: 1) 1 PCM member cancelled to enabled

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

The Exchange has imposed fines/penalties on members or disabled the trading terminals of the members for violation of Rules, Bye Laws, Regulations and circulars issued by the Exchange or pursuant to SEBI directives.

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

Status of Arbitration of cases for the year 2017–2018

1	Type of cases – 1) Nonpayment of dues by clients 2) Non refund of money by Member	
2	Number of cases referred for arbitration	01
3	Number - Cases of Nonpayment of dues by clients	00
4	Number – Cases of Non refund of money by Member	01
5	Number of Cases in which Award is passed	00
6	Number of Cases in which case is withdrawn before Award	00
7	Number of Cases in progress on 31.03.2018	01

RULE 17 (g) DEFAULTS COMMITTED BY MEMBERS

With regard to non-payment of differences, there were no payment defaults by any member during the FY 2017-2018. Whereas with regard to failure to tender, the following are the instances of delivery default during the FY 2017-2018.

Delivery Defaults			
Expiry Month	**Symbol**	**Shortages**	**Unit**
Apr-17	MAIZERABI	60	MT
May-17	MAIZEKHRF	10	MT
May-17	MAIZERABI	10	MT
May-17	RMCAKE	150	MT
Jun-17	MAIZERABI	110	MT
Jun-17	TMCFGRNZM	25	MT
Jul-17	BARLEYJPR	200	MT
Jul-17	COCUDAKL	1000	MT
Jul-17	GUARGUM5	5	MT
Jul-17	WHEAT	50	MT
Sep-17	COCUDAKL	10	MT
Sep-17	TMCFGRNZM	10	MT
Oct-17	CHANA	30	MT
Oct-17	JEERAUNJHA	12	MT
Oct-17	PEPPER	3	MT
Nov-17	BARLEYJPR	20	MT
Nov-17	CHANA	380	MT
Nov-17	MAIZEKHRF	10	MT
Nov-17	RMSEED	780	MT
Dec-17	JEERAUNJHA	39	MT
Dec-17	RMSEED	10	MT
Dec-17	SUGARM	120	MT
Jan-18	CHANA	110	MT
Jan-18	DHANIYA	20	MT
Mar-18	WHEAT	10	MT

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

There was no emergency in trade.

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

Not applicable

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

(Amounts in ₹)

Name of the subsidiary	National Commodity Clearing Limited	NCDEX Institute of Commodity Markets & Research	NCDEX e Markets Limited (Consolidated)	National E-Repository Limited
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	957,500,000	5,00,000	355,000,000	810,000,000
Reserves & surplus	85,649,473	(17,285,212)	(8,773,789)	(14,721,182)
Total Liabilities	2,384,849	18,337,749	773,080,021	98,075,160
Total Assets	1,045,534,322	1,552,537	1,119,306,232	893,353,978
Investments	59,442,545	NIL	200,287,489	NIL
Turnover	36,912,500	1,504,462	359,069,173	54,268,468
Profit before taxation	14,785,356	(1,318,496)	34,645,589	(8,733,585)
Provision for taxation	4,066,000	NIL	(7,546,459)	(676,871)
Profit after taxation	10,719,356	(1,318,496)	42,192,047	(8,056,714)
Other Comprehensive Income	NIL	NIL	22,75,789	(613,262)
Total Comprehensive Income	10,719,356	(1,318,496)	39,916,258	(8,669,976)
Proposed Dividend	NIL	NIL	NIL	NIL
% of shareholding	100%	100%	99.99%	67.22%

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

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures		Power Exchange India Limited
1.	**Latest audited Balance Sheet Date**	March 31, 2018
2.	**Shares of Associate/Joint Ventures held by the company on the year end**	
	No.	Equity shares -15,000,000 Preference shares – 50,00,000
	Amount of Investment in Associates/Joint Venture	Equity shares -150,000,000 Preference shares – 50,000,000
	Extend of Holding %	Equity shareholding -30.95 Preference shareholding- 50
3.	**Description of how there is significant influence**	Significant influence is due to equity and preference 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 INDAS 28
5.	**Networth attributable to Shareholding as per latest audited Balance Sheet**	₹ 29,448,157/- (Unaudited figure as on March 31, 2018)
6.	**Profit / Loss for the year**	Unaudited figure as on March 31, 2018 Profit for the year is ₹ 106,932,191/-.
	i. Considered in Consolidation	NIL
	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

Note : This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Vijay Kumar V.
Managing Director &
Chief Executive Officer
DIN: 06651068

Ravindra Kumar Roye
Chairman
DIN: 07304930

Samir Rajdev
Company Secretary
ACS 17849

Atul Roongta
Chief Financial Officer

Place: Mumbai
Date: May 25, 2018

Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014

Sr. No.	Employee's Name	Designation	Service During FY 2017-2018 (Full Year/Part Year)	Remuneration received during the FY 2017-2018 (Salary as per Provisions contained in Section 17(1)+ Employer's PF contribution + Perquisite Value)	Remuneration received during the FY 2017-2018 (Salary as per Provisions contained in Section 17(1) i.e. Excluding Employer's PF Contribution & Perquisite Value)	Nature of employment	Qualifications	Experience	Date of commencement of employment	Age (Completed Years of Age)	Name of the previous employer	% of equity shares held by the employee or with his spouse and dependent in the company within the meaning of clause (iii) of sub rule (2) of The Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014
1	Samir Shah	Managing Director & CEO	Part Year - 1st April, 2017 to 17th January, 2018	1,94,02,052	1,85,83,989	Full Time	BE (Mech.) + MBA (Finance)	20 years	1st March, 2013	49	Dubai Gold & Commodities Exchange	Nil
2	Vijay Kumar V.	Managing Director & CEO	Part Year - 18th January 2018 to 31st March 2018	23,90,323	22,67,742	Full Time	MBA, B.Tech Course	25 years	18th January, 2018	56	Sharp Mint Limited	Nil
3	Atul Roongta	Chief Financial Officer	Part Year - 3rd July 2017 to 31st March 2018	94,77,815	89,04,633	Full Time	CA	23 years	3rd July, 2017	47	Boi Axa Investment Managers Private Limited	Nil
4	Rajendraprasad Benahalkar	Chief - Risk & Market Policy and Strategy	Full Year - 1st April 2017 to 31st March, 2018	77,91,354	73,80,171	Full Time	B.E, MBA -Finanace	13 Years & 3 Months	22nd October, 2007	47	Yes Bank Ltd.	Nil
5	Sarat Chandra Mulukutla	Chief Commercial Segment	Full Year - 1st April 2017 to 31st March 2018	75,56,066	72,53,007	Full Time	Ph.D IIFT, BE	20 Years	11th January, 2016	45	Tata Consultancy Services	Nil
6	Anand Iyer	Chief Information Officer	Part Year - 1st April 2017 to 15th January, 2018	66,40,259	63,63,253	Full Time	PGDBM IIT Mumbai	18 years	5th November, 2008	42	Datamatics Ltd.	Nil
7	Rishi Nathany	Chief- Financial Segment	Part Year - 1st April, 2017 to 14th February, 2018	65,08,275	62,74,125	Full Time	PGCPM - IIM Kozhikode, B.Com - Calcutta University	20 Years	12th November, 2014	44	Dalmiya Securities Pvt Ltd.	Nil
8	M.K. Ananda Kumar	Chief- Corporate Services	Full Year - 1st April, 2017 to 31st March, 2018	63,24,342	62,82,449	Full Time	B.Sc., LLB, CAIIB., FCS	32 years and 6 months	1st April, 2016	62	Bangalore Stock Exchange Ltd.	Nil
9	Laxmikant Gupta	Chief Regulatory Officer	Full Year - 1st April 2017 to March 31, 2018	59,79,209	56,52,720	Full Time	CA,FRM,CWA	14 years	6th February, 2017	48	IDBI Assest Management Ltd	Nil
10	Nidhi Nath Srinivas	Chief Marketing Officer	Part Year - 1st April, 2017 to 2nd August, 2017	29,40,816	28,50,259	Full Time	PGDJ-TSMS	24 Years and 1 Month	1st July, 2013	50	Bennett, Coleman & Co. Ltd.	Nil

Note: The above mentioned remuneration is exclusive of any provision or payment made towards Gratuity and Reimbursements paid towards Driver and Fuel expenses under car policy of the company.

MANAGEMENT DISCUSSION ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

GDP performance during 2017-18

The Indian economy was forecasted to grow at 6.6% in the FY 2017-18, slower than 7.1% in FY 2016-2017. The growth was affected by the lingering effects of demonetisation impacting the informal sector in the first half of 2017-2018 whereas the introduction of the landmark Goods and Services Tax and issues related to its implementation brought in some uncertainties as businesses adjusted to the new regime. India's exports rose 9.8% during the fiscal, the highest growth rate in six years, though imports also went up nearly 20%. The country's forex reserves crossed the USD 400-billion mark for the first time in September 2017 though there has been some fluctuation since then.

While India, for the first time ever, has become the top 100th country in terms of the Ease of Doing Business ranking announced by the World Bank Group's latest Doing Business 2018, international rating agency Moody's Investors Service also upgraded India's sovereign bond rating for the first time in nearly 14 years based on the gains from structural reforms such as GST and demonetisation while acknowledging that these steps have hit growth in the current fiscal. These upgrades are expected to boost foreign capital inflows into the country and also bring down overseas borrowing cost for domestic companies, thereby helping boost growth and reduce the debt burden.

Options trading in commodity futures

In order to deepen the commodity market, the SEBI, on a pilot basis, permitted Options in one agri and one non-agri commodity. The SEBI will review the same over a period and will allow other commodities basis this. Based on the guidelines of the SEBI, the country's 1st agri-commodity Options contract was launched in *Guar* seed. The agri-Options shall not only help make the commodity market more efficient by providing farmers and exporters an opportunity to hedge their price risk and shield their future revenue from price fluctuations, but also serve as a tool to empower farmers by allowing them to lock in the prices of their produce at a minimum cost without them having to worry about paying margins or complying with M2M requirements.

Introduction of Repository

The absence of centralized record keeping of commodities kept in unregulated warehouses results in non-availability of timely information to lenders and other stakeholders, who find it difficult to ascertain quantity and quality of materials available providing a loophole to people with a fraudulent mindset to take advantage of this opacity. With the objective of enhancing the integrity of the warehousing market, the National E-Repository Limited was launched in September 2017. It is backed by the NCDEX' vast experience in maintaining and tracking commodities, ownership transfer, electronic pledges in electronic form through COMTRACK and COMLIVE.

By keeping the records of all warehouses as well as movement of goods into / from them real time in electronic form, which can be judiciously provided to stakeholders as and when concerned, the NERL is expected to catalyze the organic growth in warehouse receipt financing business.

Goods and Services Tax (GST) bill

India's biggest indirect tax reform in the form of Goods and Services Tax (GST) was introduced on the 1st of July, 2017. In a short span of time, all the states approved their State GST (SGST) laws. Over the period, the GST Council, a recommendatory body consisting of representatives of Central as well as state governments, has been considering the various issues faced by trade and industry and has suggested a reduction in the tax rates of various goods and services. The GST has been envisaged as a more efficient tax system, neutral in its application and attractive in distribution. Initially, the GST Council had announced 12 percent tax rates on agricultural products which was later reduced to 5 percent. The new tax regime provides transparency and certainty in the tax system and the agricultural industry is expected to be positively impacted.

Bhavantar Bhugtan Yojna (BBY): new form of price support to farmers

The BBY is an ambitious project of the Madhya Pradesh State Government to safeguard their farmers against the falling market prices and ensure that they realise the minimum support price (MSP) for their produce by providing them the difference between MSP and average modal price. The Yojana initially started for selected crops such as Soybean, *Urad*, *Moong*, Maize, Groundnut, Sesamum and Niger seed during the arrival season of 2017. The scheme encouraged farmers across geographies and varying farm holding sizes to use regulated market channels to sell their produce directly, which was evident from the increased footfall of farmers in *mandis*. The Yojana also succeeded in eliminating middlemen (village level aggregators) from the supply chain as farmers themselves started bringing produce to the *mandis* to take the advantage of BBY. While the delayed effect of demonetisation played a role as the market couldn't absorb the increased supply in conjunction with liquidity crunch with traders and stockists, the processors / millers emerged as major buyers of the produce as lower prices improved parity for them. Despite the lower availability of cash, traders remained to be one of the major beneficiaries during this period as increased *mandi* arrivals coupled with continuous demand from processors resulted in significant increase in their business volumes.

Record food grain production in 2017-2018

Near-normal rainfall during the monsoons of 2017 and various policy initiatives taken by the government led to record food grain productions in the current year. According to second advance estimates of major crops, production is expected to increase to 277.49 million tonnes in 2017-18, exceeding the previous record of 275.11 million tonnes during 2016-17. Output of rice, pulses, coarse cereals, cotton and sugarcane is expected to be higher this year, while wheat and oilseeds production may decline marginally. Pulse production is projected to increase further to 23.95 million tonnes compared with 23.13 million tonnes in the previous year. The government predicts cotton production will increase 4.11% to 33.92 million bales of 170 kg each. Further, production of coarse cereal could be 45.42 million tonnes whereas production of sugarcane is estimated at 353.23 million tonnes, which is 15.4% higher than last year's 306.07 million tonnes.

Union Budget 2018-19

The Union Budget 2018-19 focused on uplifting the rural economy and strengthening the agriculture sector along with healthcare, infrastructure and quality education and announced various agricultural reforms in a bid to double farmer income by 2022. On the farmers front, a total of INR 14.34 lakh crore was allocated for the creation of livelihood and infrastructure in rural areas. Fixing Minimum Support Price (MSP) of Kharif crops at least 50 per cent higher than the cost of production, while raising farm credit target for the next fiscal by 10 per cent to INR 11 lakh crore came as a big relief to farmers. Further, the Budget also announced tax incentives to promote post-harvest agricultural activities. It allowed a hundred percent deduction to Farmer Producer Companies having an annual turnover of upto INR 100 crore in respect of their profit derived from such activities for a period of five years from the FY 2018-2019.

Connecting farmers to market

Connecting farmers to the regulated market continued to remain a strategic focus area for the Exchange in FY 2017-2018. With its concentrated efforts towards promoting farmer's inclusion, especially to ensure better market access for small farmers, the exchange roped in 76 Farmer Producers Organisations (FPOs) during the financial year. Till the 31st of March 2018, 69 FPOs from 12 states representing more than 74,000 farmers had already traded on the Exchange while hedging price risk of 24185 tonnes in 16 commodities such as Maize, Soyabean, RM seed, Castor seed, *Guar* seed, Barley etc. Further, around 134 FPOs are in the process of account opening as on March 2018. Maize, Soybean, Cocud and RM Seed remained majorly traded commodities so far by these FPOs.

Opportunities and Threats for the FY 2017-2018

The FY 2017-2018 budget announced on the 1st of February, 2017 focused on facilitating the market ecosystem to enable farmers to get a fair price for their produce. The Hon'ble Minister of Finance announced assistance up to INR 75 lakhs to all the *mandis* associated with e-NAM for the establishment of primary cleaning and grading facilities. This initiative will enable farmers to improve the quality of produce through use of these facilities on *mandi* premises which in turn can brighten the prospects of realising a better price in the market. This initiative will allow the Exchange's FPO engagement programme to dovetail into encouraging them to deposit quality produce on Exchange ecosystem and hedge their price risks.

The Exchange continued its engagement with NITI Aayog, the financial markets regulator SEBI and various ministries to highlight the importance of the derivatives market and making it an integral part of their decision making process for risk management. The Exchange presented a concept note on integrating Buffer Stock Management of Pulses, a GoI initiative with the derivatives market (both futures and option) and encouragement on the use of private sector in managing the requirement. The concept note has been well received and the Government of India is in the process of adopting the framework principals of private sector engagement in Pulse Buffer Stock Management and implementing a pilot in selected pulses.

FY 2017-2018 saw the impact and effect of demonetization lessening and physical trade bouncing back slowly. The regulator gave permission to relaunch the *Chana* contract in July 2017 after it was suspended for trading in July 2016 and saw active participation from relevant constituents. Sugar continued to elude the required liquidity on the Exchange due to regulatory volatility against the backdrop of much higher production in the country. On January 14, 2018, the Exchange launched Options on *Guar* Seed 10 MT Futures contract. The occasion was inaugurated by the Hon'ble Union Minister for Finance, making it a historically significant event of being India's first agri option contract.

Under the regulatory purview of Warehouse Development and Regulatory Authority (WDRA), the National E-Repository Limited (NERL) was established as a new market intermediary in January 2017. It received its certificate of commencement of business in September 2017. The NERL has now become a fully functional market intermediary for electronic-Negotiable Warehouse Receipt system and has started providing the required services to the Exchange for commodity settlement.

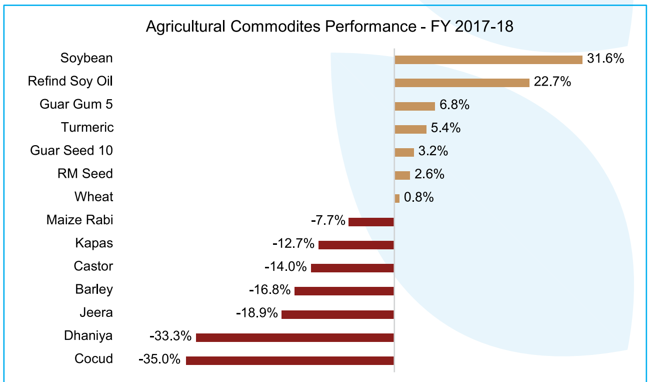
The intervention of Government in the commodities markets, especially cereal and grains, to ensure higher prices to farmers, distorted fair price discovery through the Exchange platform and impacted participation. It is desirable from polity that such steps be taken which help create an enabling environment for proliferation of the use of the electronic market by various value chain participants. Extreme steps such as delisting of commodities from Futures Trade has adversely impacted participation in the commodities market in the past. The Exchange continues to engage policy makers at various levels to establish an understanding and build awareness through regular interaction.

SEGEMENT-WISE OR PRODUCT-WISE PERFORMANCE

The international commodity market showed a mixed trend during FY 2017-2018. The World Bank's Agriculture Price Index gained 4 percent in last quarter of the fiscal while food commodities rose 4.3 percent, reflecting gains in all three grains (maize, rice, and wheat) as well as in soybeans, although some edible oil prices (such as palm and rapeseed oil) experienced significant declines.

On the global front, oilseed production is expected to be at 568.8 million tonnes, with a 6.1 million tonnes reduction for soybean production. World FY 2017-18 wheat supplies increased to a record of 759.8 million tonnes, mainly on Morocco's higher production estimate as it recovered from a severe drought in 2016-2017.

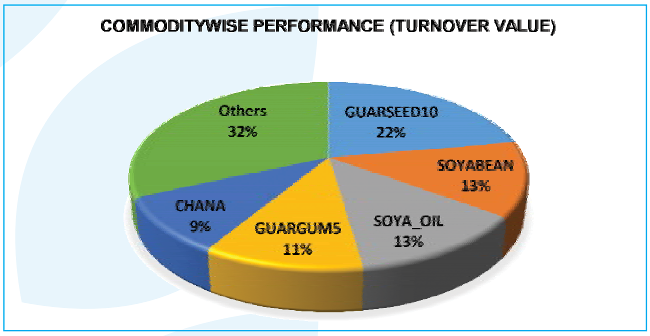
On the domestic front, soy complex remained at the forefront with the highest price gain during the year followed by the *guar* complex. Normal monsoon during FY 2017-2018 helped farmers harvest record agricultural crops for second consecutive year.



Source : NCDEX

TURNOVER OF TOP 5 COMMODITIES DURING FY 2017-2018

The Exchange witnessed an average daily turnover of around INR 2377 crore in FY 2017-18, up by 3.5% from around INR 2295 crore during FY 2016-2017. *Guar* complex held the highest share of 33% followed by soy complex with a share of 25%. Other major contributors to the turnover were *chana*, mustard, castor and *jeera*. During FY 2017-2018, the average daily turnover value increased marginally by 3.5% in agricultural commodities as compared to the previous financial year. The segment-wise performance of commodities traded at the exchange remained as follows:



Grain and pulses

Chana futures contract was relaunched in July 2017 after around one year of discontinuation and got immediate traction in the market securing its place in the top-5 commodities with the highest turnover during the fiscal and attaining a healthy OI of over 120,000 MT. The country witnessed record pulse production which pushed the prices downward, though the government made strong attempts to arrest this fall through various measures such as removal of stock limits, allowing exports of pulses etc.

In cotton complex, cocud (cotton seed oil cake) contract attracted healthy deposits of over 90,000 MT. The Exchange is working towards realigning Maize contract to the evolving needs of the trade and has made some major changes in the contracts to make them far more suitable to the needs of the physical markets.

Oil & oilseeds complex

Oil complex saw robust performance during the year. Soybean prices increased by around 32% during the fiscal, which resulted in increased activity at the Exchange. Soy complex contracts contributed the second highest to the overall turnover in value terms during 2017-2018. Not only did the open interest of soybean cross 4 lakh tonnes for the first time since 2013, it also witnessed record deliveries on the Exchange of 2,65,000 MT for the marketing year October, 2016 to September, 2017. Castor seed futures contract, after being discontinued for around a year, was relaunched in January

2017 and saw robust participation from across the entire value chain – producers, traders and processors to exporters and corporates – throughout the current fiscal. During this fiscal, castor seed futures witnessed peak open interest and deposits of over 1.3 lakh MT and 1.1 lakh MT respectively.

***Guar* complex**

Guar complex contributed over 33% to the total turnover of the Exchange during FY 2017-2018, while open interest crossed 2.5 lakh MT for the first time since its re-launch. The increased position limit helped in achieving an ADOI growth of 40% and 26% in *guar* seed and *guar* gum, respectively.

The SEBI, in order to bring more efficiency and transparency to the system, has allowed launching commodity options with *guar* seed being the first agri-commodity in this segment. The agri-options would provide farmers and other stakeholders with an opportunity to hedge the price risk of their produce at a minimum cost.

Sugar and spices

After starting the sugar season with conservative estimates of 23-24 million tonnes, sugar production during 2017-2018 was expected to touch 30 million tonnes with Maharashtra showing an increase of 140%, Karnataka 65% and UP 20% over last year. The estimated surplus has already pushed down prices. Regulatory interventions such as stock limits in sugar continued for most part of FY 2017-2018, which coupled with surplus production and deterred market participants from trading actively.

Despite pepper futures contract being relaunched in July 2017, the spices group witnessed a subdued performance for most of the year.

OUTLOOK

The Indian meteorological department has forecast a 97% normal rainfall during 2018-2019, higher than the 95% (of normal) rains seen in 2017, which will ensure ample water for farming, which in turn will increase the productivity and production of key crops. Additionally, pro-farmer policy decisions such as opening up exports of pulses and restricting imports etc. are expected to absorb the possible negative impact of successive years of record production.

A normal monsoon could translate into better GDP growth in the current fiscal. According to the Asian Development Bank, India is expected to be the fastest growing economy in Asia, reversing two years of declining growth. The Indian economy could grow at 7.3 per cent during FY 2018-19 and further accelerate to 7.6 per cent during FY 2019-20. Disruptions related to rollout of the goods and services tax have gradually diminished and several initiatives from the government are expected to help accelerate the pace of growth in 2018-2019.

Agriculture credit flow is growing steadily year on year and has reached INR 10 lakh crore in 2017-2018 fiscal. The target for 2018-2019 was enhanced to INR 11 lakh crore with around 50-60 percent of credit outflow targeted to reach small and marginal farmers.

Agri-marketing reforms such as the introduction of the Agricultural Produce and Livestock Marketing (Promotion and Facilitating) Act 2017; increasing minimum support prices and efforts towards upgrading twenty-two thousand rural *haats* in the country by creating the necessary infrastructure and then integrating them with the Agricultural Produce Market Committee (APMC) and National Agriculture Market (e-NAM) platforms will improve farmers' market access which in turn will have positive impact on their bargaining power and incomes.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the FY 2017-2018, the Exchange registered an Average Daily Traded Value (ADTV) of INR 2,387 crore, with agri commodities contributing a bulk of the volumes. The highlight of H1 FY 2017-2018 was the successful relaunch of commodities such as *chana* and pepper. The top-5 performing commodities in the financial year 2017-2018 were *guar* seed, soybean, soya oil, *guar* gum and *chana*.

The Exchange has ended the year 2017-2018 with Profit After Tax of INR 2,495 lakhs. Out of this, INR (1,008) lakhs is Profit/(Loss) After Tax excluding exceptional items, which is lower than the Profit After Tax of INR 393 lakhs excluding exceptional income in the previous year. The total income for the year was INR 12,174 lakhs as compared to the income of INR 13,503 lakhs in the FY 2016-2017. The total expenditure was INR 13,396 lakhs as compared to the expenditure of INR 12,941 lakhs in the FY 2016-2017.

Income:

- The income from transaction charges for FY 2017-2018 was INR 4,477 lakhs at an average realization of approx. INR 3.80, as compared to the transaction charges income of INR 4,487 lakhs at an average realization of INR 3.76 of trade in the previous year.
- The income from investments for FY 2017-2018 was INR 3,671 lakhs, which is lower by 23% as compared to the income from investment of INR 4,767 lakhs in the previous year. The fall in investment income is predominantly due to reduction in average yield from 8.40% to 6.97%.
- The other operating income for FY 2017-2018 was INR 2,916 lakhs, which is 4 % lower than the previous year.

Expenditure:

The total personnel expense for the year was INR 4,710 lakhs, which is 4% higher than expense of INR 4,516 lakhs in the previous year. Other operating expense for the year was INR 7,153 lakhs, as compared to previous year other operating expense of INR 7,144 lakhs.

RISK AND CONCERNS

Given the Exchange has a predominant portfolio of agricultural commodities which are domestic price discovery contracts, a significant price rise in these commodities are seen as a result of excessive speculation. Hence, the Exchange faces the risk of direct or indirect government intervention which may have an impact on trading volume of the commodity. The fall in prices of *Chana* towards the year end significantly below the Minimum Support Price (MSP) has led to demand from farmer organisations for the suspension of *Chana* Contract traded on the Exchange. Further, agricultural commodities remain politically sensitive and actions such as suspension of derivatives contracts, stock limits etc. hamper efficient market functioning and price discovery. However, the Exchange is working with the SEBI on further strengthening of Risk Management Framework and addressing concerns of various stakeholders.

INTERNAL CONTROL SYSTEMS AND THEIR 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 Generally Accepted Accounting Practices, 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 financials statement of the Exchange. These financial controls were operating effectively as of March 31, 2018.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED

Details of Human Resource activities during the FY 2017-2018 are as follows:

Recruitment

The Exchange recruits employees keeping in mind the skill requirements of the organisation, its high technology orientation, the diverse product domain expertise needed, the strong process and operational control requirements. Employees recruited laterally came from various segments of the financial sector, with requisite or analogous work background.

The Exchange has outsourced all routine jobs, retaining all strategic and critical jobs. To the extent feasible, routine tasks are being continuously automated. Technology is one area where there is a mix of insourcing and outsourcing. The challenge has been in arriving at an optimal insource/ outsource balance; the Exchange constantly finetunes this mix to improve organisational efficiency.

The number of employees as on March 31, 2018 were 279. The breakup of employees in the Exchange is as under.

Function	Number of Regular Employees		Number of Outsourced Employees	
	As on March 31, 2017	As on March 31, 2018	As on March 31, 2017	As on March 31, 2018
Business	78	**64**	4	**2**
Technology	55	**64**	0	**0**
Compliance & Operation (Regulatory)	79	**79**	4	**6**
Corporate Services	44	**43**	4	**8**
Marketing	9	**11**	1	**0**
Risk, Market Policy & Strategy	9	**15**	0	**0**
*Others	3	**3**	0	**1**
****Total**	277	**279**	13	**17**

*Others - Includes employees from Corporate Office.

** Total - Does not include contractual employees.

However, the above does not include those deployed in technology department by TCS, NSE (IT) and other technology firms, who work full time in the Exchange.

Employee Attrition Levels

During the period under review, 48 employees left the Exchange. The attrition rate works out to 17.2% for on-roll employees.

The attrition level was higher for those employees who had over 5 years of experience with the Exchange. Exit interviews revealed that they left to either explore other industries or for a better career prospects.

Disclosure on Accounting Treatment

The Exchange has followed Indian Accounting Standards (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 have been considered in the preparation of Financial statements for the FY 2017-18. There is no deviation from Indian Accounting Standards.

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE – EXCHANGE'S PHILOSOPHY

Introduction

The Exchange is owned by national level financial institutions, exchanges, banks, private sector companies, private equity funds and foreign institutional investors.

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 committees namely Audit Committee, Nomination and Remuneration Committee, Business Strategy Committee, Risk Management Committee, Members' Default Committee, Disciplinary Action Committee, Stakeholders' Relationship Committee, Technology Standing Committee, Ethics Committee, Settlement Guarantee Fund Committee, Public Interest Directors' Committee, Corporate Social Responsibility Committee, Independent Oversight Committee for Member Regulation, Independent Oversight Committee for Trading & Surveillance function, Independent Oversight Committee for Product Design, Membership Selection Committee, Sub-Committee for monitoring of Compliance of suggestions given in SEBI report, Investor Services Committee, Advisory Committee and Capital Raising Committee.

As per Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed company has become mutatis mutandis applicable to the Exchange. The Exchange is also committed to adopting best and transparent practices in letter and in spirit, in the interest of all its stakeholders. Towards this end, the information given in this section constitutes the report on Corporate Governance for the financial year 2017-2018.

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

BOARD OF DIRECTORS

Composition

The Board comprises of eleven directors, of whom five are Shareholder Directors, five are Public Interest Directors and one is Managing Director & CEO.

Board Meetings held during the financial year 2017-2018 and attendance record

During the financial year 2017-2018, eight meetings of the Board were held on April 25, 2017, May 30, 2017, June 21, 2017, August 09, 2017, September 07, 2017, November 06, 2017, November 20, 2017 and February 12, 2018. 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	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships in Board Committees of the Exchange	Number of Directorships in other Indian public Companies as on 31st March, 2018	Number of shares held as on 31st March, 2018	Number of Committee positions held in other Public Companies**	
							Chairman	Member
Non-executive, Public Interest Director								
Rabi Narayan Das, Chairman	8	8	YES	13	2	NIL	1	3
Ashok Bhan	8	5	NO	5	NIL	NIL	NIL	NIL
Sidhartha Pradhan[12]	4	4	NO	NA	NA	NA	NA	NA
Ashok Gulati[1]	7	5	NO	NA	NA	NA	NA	NA
Naina Krishna Murthy	8	6	NO	4	NIL	NIL	NIL	NIL
Ravindra Kumar Roye[4]	6	5	YES	12	NIL	NIL	NIL	NIL
Purvi Mehta[10]	1	1	NA	6	NIL	NIL	NIL	NIL

Name of Director	Number of Board Meetings held	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships in Board Committees of the Exchange	Number of Directorships in other Indian public Companies as on 31st March, 2018	Number of shares held as on 31st March, 2018	Number of Committee positions held in other Public Companies**	
							Chairman	Member
Non-executive, Shareholder Directors								
Ravi Narain [5]	5	4	NO	NA	NA	NA	NA	NA
Rakesh Kapur	8	7	NO	3	8	NIL	1	4
Samir Kumar Mitter [7]	5	5	YES	NA	NA	NA	NA	NA
Srinath Srinivasan	8	7	YES	1	NIL	NIL	NIL	NIL
R. M. Kummur [2]	1	1	NA	NA	NA	NA	NA	NA
Sunil Kumar [3]	7	7	NO	2	NIL	NIL	NIL	NIL
J. Ravichandran [6]	3	2	NA	2	9	NIL	NIL	2
B. Venugopal [11]	1	1	NA	NIL	1	NIL	NIL	1
Executive Director								
Samir Shah Managing Director & CEO[8]	7	6	YES	NA	NA	NA	NA	NA
Vijay Kumar V. Managing Director & CEO[9]	1	1	NO	8	4	NIL	NIL	1

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

1. *Dr. Ashok Gulati ceased to be the Public Interest Director with effect from January 19, 2018.*
2. *Dr. R. M. Kummur ceased to be the Shareholder Director with effect from May 15, 2017.*
3. *Mr. Sunil Kumar was appointed as the Shareholder Director with effect from May 15, 2017.*
4. *Mr. Ravindra Kumar Roye was appointed as the Public Interest Director with effect from June 15, 2017.*
5. *Mr. Ravi Narain ceased to be the Shareholder Director with effect from September 21, 2017.*
6. *Mr. J. Ravichandran was appointed as the Shareholder Director with effect from October 9, 2017.*
7. *Mr. Samir Kumar Mitter ceased to be the Shareholder Director with effect from October 9, 2017.*
8. *Mr. Samir Shah ceased to be Managing Director & CEO with effect from January 17, 2018.*
9. *Mr. Vijay Kumar V. was appointed as the Managing Director & CEO with effect from January 18, 2018.*
10. *Dr. Purvi Mehta was appointed as the Public Interest Director with effect from January 11, 2018.*
11. *Mr. B. Venugopal was appointed as the Shareholder Director with effect from January 11, 2018.*
12. *Mr. Sidhartha Pradhan ceased to be the Public Interest Director with effect from August 10, 2017.*

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: http://www.ncdex.com/AboutUs/Disclosures

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 given scope and powers as per the delegation of powers by the Board of Directors, applicable provisions of Companies Act, 2013, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and SEBI (Listing 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 four Directors which include three Public Interest Directors and one Shareholder 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 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 annual 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 utilisation 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
- Review of the following information:
  - Management Discussion and analysis of financial condition and results of operations;
  - statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - 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;

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

During the financial year 2017-2018, four meetings of the Committee were held on May 30, 2017, August 09, 2017, November 20, 2017 and February 12, 2018. 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
Rabi Narayan Das	4	4
Sidhartha Pradhan*	2	2
Rakesh Kapur	4	4
Samir Kumar Mitter**	2	2
Ashok Gulati***	3	3
Ashok Bhan	4	2
Ravindra Kumar Roye****	2	2

@ *indicates the number of meetings held during the year, after the date of appointment of Committee members/upto the date of retirement or resignation by Committee members*

* *Ceased to be Public Interest Director with effect from August 10, 2017*

** *Ceased to be Shareholder Director with effect from October 09, 2017*

*** *Ceased to be Public Interest Director with effect from January 19, 2018*

**** *Appointed as Public Interest Director with effect from June 15, 2017*

II. NOMINATION AND REMUNERATION COMMITTEE

The Committee consists of three Directors which include two Public Interest Directors and one Shareholder Director. During the financial year 2017-2018, seven meetings of the Committee were held on April 25, 2017, May 29, 2017, June 21, 2017, August 09, 2017, October 31, 2017, November 20, 2017 and January 04, 2018. The terms of reference of the Nomination & Remuneration Committee, inter alia, are as under:

Functions:

- 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
- Evaluate every Director's performance
- To lay down policy for compensation of KMP 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.
- Succession planning for the Managing Director and Chief Executive Officer
- 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
Sidhartha Pradhan *	4	4
Rabi Narayan Das	7	7
Ravi Narain**	4	4
Rakesh Kapur	7	7
Ashok Gulati***	7	7
Ravindra Kumar Roye****	3	3

@ *indicates the number of meetings held during the year, after the date of appointment of Committee members/upto the date of retirement or resignation by Committee members*

* *Ceased to be Public Interest Director with effect from August 10, 2017*

** *Ceased to be Shareholder Director with effect from September 21, 2017*

*** *Ceased to be Public Interest Director with effect from January 19, 2018*

**** *Appointed as Public Interest Director with effect from June 15, 2017*

III. RISK MANAGEMENT COMMITTEE

The Committee consists of Mr. Rabi Narayan Das, Dr. Purvi Mehta, Mr. Madan Sabnavis, Mr. Sidhartha Roy and Mr. Vijay Sardana. During the year, four meetings were held on August 08, 2017, September 25, 2017, December 19, 2017 and March 23, 2018. The terms of reference of the Committee, inter-alia, are as under:

- The Risk management committee shall formulate a detailed risk management policy which shall be approved by the board of directors
- The head of the Risk Management department of the Exchange shall be responsible for implementation of the risk management policy and he 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 the Forward Markets Commission and the board of directors informed about its implementation and deviation, if any
- This Risk Management Committee will be responsible for identification, measurement and monitoring of the risk profile of the Exchange (including business risk, default risk, settlement risk, market risk, legal risk, operational risk, technological risk and delivery risk)
- Overseeing Exchange's integrated risk measurement system and review the risk models as developments take place in the markets
- Overseeing of Risk and Control measures that are needed to be built into the system of the Exchange and at periodic intervals, monitoring their compliance and suggestions for improvement
- Formulation and periodically reviewing of the Exchange's financial and risk management policies
- Determination of maximum exposure limits and borrowing limits of the Exchange
- Determination of framework to limit exposures of the Exchange to members, commodities and geographies; action taken against defaulting members etc.
- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority
- Accreditation of the Warehouse Service Provider (WSP) and Assayers
- Renewal of WSPs based on their performance during accreditation, quality of services and number of client complaints and effective resolutions thereof etc
- To review the functioning, monitoring and compliance of norms by WSPs, warehouse and assayers.

IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee, inter alia, formulates and recommend to the Board, a Corporate Social Responsibility Policy, the amount of expenditure to be incurred on the activities and monitors the implementation of Corporate Social Responsibility Policy of the company from time to time. The Committee consists of Mr. Srinath Srinivasan, Chairman of the Committee, Mr. Rabi Narayan Das, Mr. Sunil Kumar and Mr. Vijay Kumar V. During the year, four meetings were held on May 30, 2017, August 9, 2017, December 19, 2017 and February 21, 2018.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of Justice (retired) Ashok Bhan and Mr. Rakesh Kapur. The terms of reference of the 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 of shares, non-receipt of annual report and non-receipt of declared dividends.
- 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

VI. MEMBERSHIP SELECTION COMMITTEE

The Membership Selection Committee consists of Mr. Ravindra Kumar Roye, Mr. Rabi Narayan Das and Mr. Vijay Kumar V. The terms of reference of the Committee, inter-alia, are as under:

- Selection/ admission of members to the various segments of the Exchange.

- Such other functions as may be specified under by SEBI or any other Statutory or Regulatory Authority.

VII. ADVISORY COMMITTEE

The Advisory Committee consists of Mr. Rabi Narayan Das, Mr. D. K. Aggarwal, Mr. Chirag Shah, Mr. Vivek Bajaj, Mr. Mahesh Gupta, Mr. Sanjay Rawal and Mr. Rajnikant Rai. The terms of reference of the Committee, inter-alia, are as under:

- To 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
- The recommendations of the advisory committee shall be placed in the ensuing meeting of the governing board of the Exchange for consideration and appropriate decision of the governing board, and such recommendations along with the decision of the governing board on the same, shall be disclosed on the website of the Exchange.

VIII. MEMBERS' DEFAULT COMMITTEE

The Members' Default Committee consists of Justice (retired) Ashok Bhan, Mr. Ravindra Kumar Roye and Mr. Vijay Kumar V. The terms of reference of the Committee, inter-alia, are as under:

- To 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 his constituent trading member are declared defaulter, then the defaulter's committee of the Exchange and the Defaulter's Committee of the clearing corporation shall work together to realise 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
- Advise in respect of the claims to the Trustees of the IPF on whether the claim is to be paid out of IPF or otherwise

IX. TECHNOLOGY STANDING COMMITTEE

The Technology Standing Committee consists of Mr. Ravindra Kumar Roye, Mr. Pravir Vora and Mr. Nirmalendu Jajodia. The terms of reference of the Committee, inter-alia, are as under:

- To monitor whether the technology used by the exchange remains up to date and meets the growing demands of the markets
- To monitor the adequacy of systems capacity and efficiency at the Exchange. To look into the changes being suggested by the Exchange to the existing software/hardware
- To investigate into problems of computerized trading system, such as hanging/ lowdown/ breakdown
- To ensure that transparency is maintained in disseminating information regarding slowdown/ breakdown in Online Trading System
- The Committee shall submit a report to the Board of Directors of the Exchange
- The Board of Directors of the Exchange will deliberate on the report and suitable action/ remedial measure will be taken
- Any stoppage of trading will be explained and reported to the Board and the Forward Markets Commission. Exchange shall issue a press release specifying the reasons for the breakdown
- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority
- Review technology strategy, review key technology projects in alignment with regulatory guidelines on terms of reference as may be applicable.

X. ETHICS COMMITTEE

The Ethics Committee consists of Mr. Sunil Kumar, Dr. Purvi Mehta, Mr. J. Ravichandran, Mr. Vijay Kumar V. & Mr. Laxmikant Gupta. The terms of reference of the Committee, inter-alia, are as under:

- To oversee the implementation of the code of ethics for directors and key managerial personnel of Exchange
- To lay down procedures for the implementation of the code and prescribe reporting formats for the disclosures required under the code
- Such other functions as may be specified under

the Companies Act, by SEBI or any other Statutory or Regulatory Authority.

XI. PUBLIC INTEREST DIRECTORS' COMMITTEE

The Public Interest Directors' Committee consists of Ms. Naina Krishna Murthy, Mr. Rabi Narayan Das, Mr. Ravindra Kumar Roye, Dr. Purvi Mehta and Justice (retired) Ashok Bhan. The terms of reference of the Committee, inter-alia are as under:

- Review Status of compliance with letters/ circulars of SEBI
- Review the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions
- The independent directors shall prepare a report on the working of the other committees where they are also the members. The report shall be circulated to the other Independent directors
- To review actions to be taken to implement suggestions/observations in SEBI's inspection report
- To then submit a consolidated report to the Board of Directors of the Exchange
- Independent directors shall identify important issues which may involve conflict of interest for the Exchange or may have significant impact on the market and report the same to SEBI
- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority.

XII. INDEPENDENT OVERSIGHT COMMITTEE FOR MEMBER REGULATION

The Independent Oversight Committee for Member Regulation consists Dr. Purvi Mehta, Mr. Rabi Narayan Das, Mr. Ravindra Kumar Roye, Mr. Ravinder Sachdev and Mr. Raj Kumar Nahata. The terms of reference of the Committee, inter-alia, are as under:

- Oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc.
- The head(s) of department(s) handling the above matters shall report directly to the committee and also to the managing director
- Any action of a recognized stock exchange against the aforesaid head(s) shall be subject to an appeal to the committee, within such period as may be determined by the governing board
- Oversee SEBI inspection observations on membership related issues
- Estimate the adequacy of resources dedicated to member regulation.

XIII. SUB-COMMITTEE FOR MONITORING OF COMPLIANCE OF SUGGESTIONS GIVEN IN SEBI REPORT

The Sub-Committee for Monitoring of Compliance of Suggestions given in SEBI Report consists of Mr. Rabi Narayan Das, Mr. Ravindra Kumar Roye, Justice (retired) Ashok Bhan, Mr. J. Ravichandran and Mr. Vijay Kumar V. The terms of reference of the Committee, inter-alia, are as under:

- To review the actions taken to implement the suggestions of SEBI's Inspection Reports
- To place the same before the Governing Board of the Stock Exchange
- To follow up and ensure compliance/ implementation of the inspection observations
- Such other functions as may be specified by SEBI or any other Statutory or Regulatory Authority.

XIV. INVESTOR SERVICES COMMITTEE

The Investor Services Committee consists of Mr. Ravindra Kumar Roye, Mr. Rabi Narayan Das and Mr. Vijay Kumar V. The terms of reference of the Committee, inter-alia, are as under:

- Supervising the functioning of Investors' Services Cell of the Exchange which includes review of 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. Supervision of utilization of ISF
- To have annual review of the arbitrators and arbitration/ awards (both quantum and quality of the awards)

XV. DISCIPLINARY ACTION COMMITTEE

The Disciplinary Action Committee consists of Mr. Ravindra Kumar Roye, Mr. Rabi Narayan Das, Ms. Naina Krishna Murthy and Mr. Vijay Kumar V. The terms of reference of the Committee, inter-alia, are as under:

- The Committee shall formulate the policy for regulatory actions including warning, monetary fine, suspension, withdrawal of trading, expulsion, to be taken for various violations by the members of the exchange

- Based on the laid down policy, the Committee shall consider the cases of violations observed during inspection, etc and impose appropriate regulatory measure 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'.

XVI. ARBITRATION COMMITTEE

In terms of circular "Amendment to Investor Grievance Redressal System and Arbitration Mechanism" dated July 11, 2017 issued by SEBI, the Board of the Exchange at its Meeting held on August 09, 2017 merged the Arbitration Committee with Investor Services Committee.

XVII. INDEPENDENT OVERSIGHT COMMITTEE FOR TRADING & SURVEILLANCE FUNCTION

The Independent Oversight Committee for Trading & Surveillance Function consists of Mr. Ravindra Kumar Roye, Mr. Rabi Narayan Das, Ms. Naina Krishna Murthy, Mr. Ravinder Sachdev and Mr. J. Sampath. The terms of reference of the Committee, inter-alia, are as under:

- 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, rumor verifications, shifting of securities to trade for trade segment, detailed investigations undertaken, disciplinary actions, etc.
- The head(s) of department(s) handling the above matters shall report directly to the committee and also to the managing director
- Any action of a recognized stock exchange against the aforesaid head(s) shall be subject to an appeal to the committee, within such period as may be determined by the governing board
- Oversee SEBI inspection observations on surveillance related issues and also decisions taken in the weekly surveillance meeting at SEBI
- Estimate the adequacy of resources dedicated to trading and surveillance function

XVIII. SETTLEMENT GUARANTEE FUND COMMITTEE

The Committee consists of Dr. Purvi Mehta, Mr. Mahesh Gupta, Mr. Vijay Kumar V. and Ms. Naina Krishna Murthy. The terms of reference of Settlement Guarantee Fund Committee, inter-alia, include looking after the management of Settlement Guarantee Fund.

XIX. INDEPENDENT OVERSIGHT COMMITTEE FOR PRODUCT DESIGN

The Independent Oversight Committee for Product Design consists of Dr. Purvi Mehta, Mr. Rabi Narayan Das, Mr. Ravindra Kumar Roye, Mr. D. P. Jhawar and Ms. Susan Thomas. The terms of reference of Independent Oversight Committee for Product Design, inter-alia, are as under:

- To oversee matters related to product design such as introduction of new products/contracts, modifications of existing product/contract designs etc. and review the design of the already approved and running contracts
- To oversee SEBI inspection observation on Product Design related issues
- To estimate the adequacy of resources dedicated to Product design related function.

XX. CAPITAL RAISING COMMITTEE

The Capital Raising Committee consists of Mr. Srinath Srinivasan, Mr. Ravindra Kumar Roye, Mr. Rakesh Kapur, Justice (retd.) Ashok Bhan and Mr. Vijay Kumar V. The terms of reference of Capital Raising Committee, inter-alia, are as under:

- ***Strategic review***

1. To review the equity story, capital structure, long term business plan as prepared by the management of the exchange.
2. To review objects of the raising of capital. With respect to IPO- recommend issue size with break- up of Primary & Secondary issue, timing of the issue, pricing, price band, allocation and allotment to Anchor Investors and all the terms and conditions of the issue of the shares
3. To review the Marketing strategy of the IPO/ capital raising/capital structure plan as presented by the management of the exchange.
4. To recommend the basis for allocation/ allotment to various categories of persons as disclosed in

the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in consultation with the BRLMs and the Selling Shareholders;

• ***Capital Structure Program Governance Review***

5. To review the roadmap and timelines for execution of IPO/capital raising/capital structure plan of the Company

6. To review and provide inputs to all the documents in connection with the IPO/capital raising/ capital structure plan such as Draft Red Herring Prospectus, Red Herring Prospectus etc. as may be required;

• ***Other operational matters***

7. To review and recommend to the Board of Directors the terms of appointment (including fees payable to them) of the IPO advisors, book running lead managers, underwriters to the issue, escrow collection bankers to the issue, etc.

8. To review and recommend all the expenditure in connection with the IPO/capital raising/capital structure plan of the Company.

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. Non-Executive Directors are also reimbursed expenses incurred by them for attending meetings of the Board and its Committees at actuals.

Name of the Board/Committee	Sitting Fees (per meeting)
Board Meeting	60,000
Audit Committee	60,000
Other Committees of the Board	40,000

The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and Committees during the FY 2017-2018 is as follows:

Name of the Director	Sitting Fees	
	Board Meetings	Committee Meetings
Rakesh Kapur	4,20,000	10,40,000
Rabi Narayan Das	4,80,000	24,20,000
Ravi Narain	2,40,000	3,20,000
Ashok Gulati	3,00,000	12,00,000
Naina Krishna Murthy	3,60,000	1,20,000
Samir Kumar Mitter	3,00,000	5,20,000
Sidhartha Pradhan	2,40,000	10,80,000
Ashok Bhan	3,00,000	5,00,000
R. M. Kummur	60,000	40,000
Srinath Srinivasan	4,20,000	5,60,000
B. Venugopal	60,000	--
Sunil Kumar	4,20,000	1,60,000
J. Ravichandran	1,20,000	--
Ravindra Kumar Roye	3,00,000	13,20,000
Purvi Mehta	60,000	1,20,000

The details of remuneration paid to Managing Director & CEO during the FY 2017-2018 is given below:

Sl. no.	Particulars of Remuneration	Name of Managing Director & Chief Executive Officer
		Mr. Samir Shah (From April 01, 2017 to January 17, 2018)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	 (a) ₹ 1,85,83,989/- (b) ₹ 64,463/- (c) Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - as % of profit - others, specify...	Nil
5.	Others, please specify	Nil
	Total (A)	**₹ 1,86,48,452/-**
	Ceiling as per the Act	The Exchange has obtained approval from the shareholders for the payment of above remuneration.

Sl. no.	Particulars of Remuneration	Name of Managing Director & Chief Executive Officer
		Mr. Vijay Kumar (From January 18, 2018 to March 31, 2018)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	 (a) ₹ 22,67,742/- (b) ₹ 0/- (c) Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - as % of profit - others, specify...	Nil
5.	Others, please specify	Nil
	Total (A)	**₹ 22,67,742/-**
	Ceiling as per the Act	The Exchange has obtained approval from the shareholders for the payment of above remuneration.

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 Company.
- None of the non-executive Directors have entered into any service contract with the Exchange.

DETAILS OF GENERAL MEETINGS

The particulars of last 3 annual general meetings of the Exchange are as follows –

Financial Year	Date of AGM	Time	Venue	Special resolutions adopted
2014-2015	September 11, 2015	11.00 a.m.	Board Room, First Floor, Gayathri Towers, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.	NIL
2015-2016	September 23, 2016	11.30 a.m.	First Floor, Ackruti Corporate Park, Near G. E. Garden, L. B. S. Marg, Kanjurmarg (West), Mumbai 400078.	NIL
2016-2017	September 21, 2017	11.00 a.m.	First Floor, Ackruti Corporate Park, Near G. E. Garden, L. B. S. Marg, Kanjurmarg (West), Mumbai 400078	NIL

- 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. Other disclosures and announcements are also displayed on the website of the Exchange.

GENERAL INFORMATION FOR SHAREHOLDERS

(i) Annual General Meeting

The Fifteenth Annual General Meeting is convened on September 26, 2018 at the Board Room, 503, 5th Floor, Windsor, Off CST Road, Vidyanagari Marg, Kalina, Santacruz - (East), Mumbai 400 098. at 10:00 am.

(ii) Financial Year : April 1, 2017 to March 31, 2018.

(iii) Dividend Payment Date: The Board has recommended, subject to the approval of members at the Annual General Meeting, a dividend of ₹ 0.30/- per equity share. The dividend will be paid within the statutory time limit as prescribed in the Companies Act, 2013.

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

(v) Registrar to an issue and share transfer agents – 3i Infotech Limited, Tower#5, 3rd to 6th Floors, International Infotech Park, Vashi, Navi Mumbai 400 703.

(vi) **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 2012.

(vii) **Distribution of shareholding:**

Categories	Shareholding	Percentage
Individuals	22	0.00
Corporates	170,06,613	33.56
Financial Institutions	112,50,000	22.20
Banks	67,49,965	13.32
Foreign Holding (FII)	30,00,000	5.92
Venture Capital	76,01,400	15.00
Any Other (specify) - (Co-Operative Society)	50,68,000	10.00
Total	506,76,000	100.00

• None of the Shareholder holds more than 25% of the total paid up Share Capital.

(viii) Dematerialization of shares and liquidity: All the shares of the Exchange are in demat form, except 10 shares which are held by individual shareholders, as on March 31, 2018.

(ix) Outstanding global depository receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity: Nil

(x) Commodity price risk or foreign exchange risk and hedging activities – Not Applicable

(xi) Plant locations: Nil

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

DISCLOSURES

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

b) 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: None.

c) 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 behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. 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.

d) 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 shareholders rights, unmodified audit opinion, separate posts of Chairman and Chief Executive Officer and reporting of internal auditor

e) Web link where policy for determining 'material' subsidiaries is disclosed: http://www.ncdex.com/AboutUs/Disclosures

f) Web link where policy on dealing with related party transactions is disclosed: http://www.ncdex.com/AboutUs/Disclosures

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

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

i) 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/Ethics is attached to this report as **Annexure 1**.

j) Compliance certificate from practicing company secretary is attached as **Annexure 2**.

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

Annexure 1

Compliance with the Code of Conduct by the Directors & Members of the Senior Management of the Exchange for the Financial Year 2017-2018

I 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.

Vijay Kumar V.

Managing Director & Chief Executive Officer

May 25, 2018

Annexure 2

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
National Commodity & Derivatives Exchange Limited,
First Floor, Ackruti Corporate Park,
L. B. S. Marg, Near G. E. Garden,
Kanjur Marg (West), Mumbai 400078.

I 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 31st March 2018. In terms of Regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, the disclosure requirements and corporate governance norms as specified for listed companies have become *mutatis mutandis* applicable to a recognised Stock Exchange. I have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

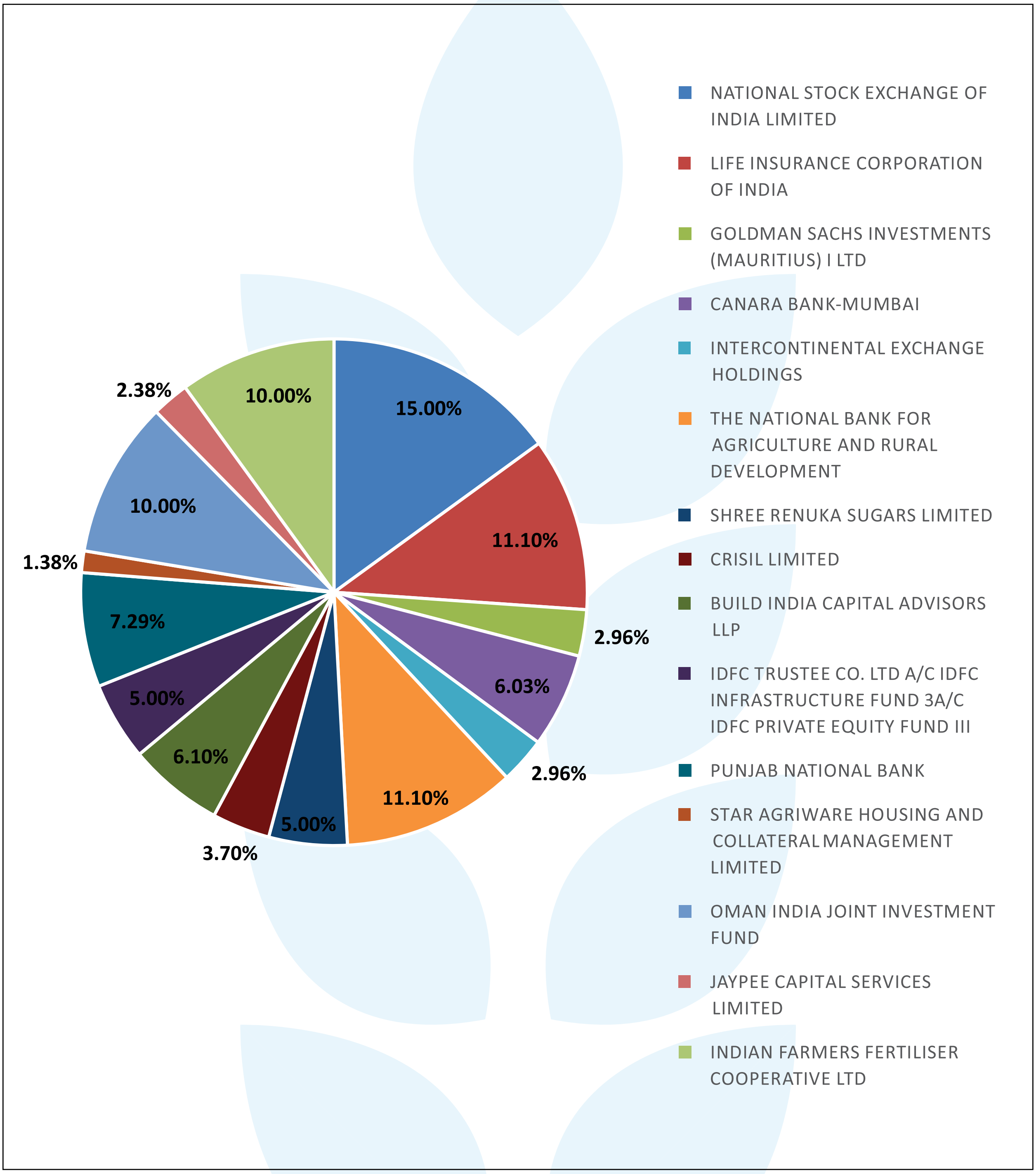
The compliance with the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an 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 my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the applicable disclosure requirements and corporate governance norms as specified for Listed Companies.

K. R. CHANDRATRE.
Practising Company Secretary
C. P. No. 5144

Date: April 30 2018
Place: Pune

Equity Shareholding Pattern



Independent Auditor's Report

To the Members of National Commodity & Derivatives Exchange Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **National Commodity & Derivatives Exchange Limited** (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the NCDEX Group'), its associate companies and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group, its associate companies and jointly controlled entities 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration

Independent Auditor's Report

of reports of other auditors on separate financial statements of the subsidiaries (which include a jointly controlled entity) and associate company referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to:

1. Note 33 to the consolidated financial statements. In respect of the matters relating to the future contracts of pepper, 'other receivable' as on March 31, 2018, includes various costs amounting to ₹ 1700 lakhs towards cleaning of the pepper stock in warehouses. 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.

   In terms of the legal opinion obtained by the Company, it therefore has a fair chance of recovery of the costs incurred by them since the Company is backed by orders of the Court which provides a constructive lien on the goods lying under the physical control of the Company through its approved warehouses. The Management has considered the receivable as good and recoverable, apart from a provision of ₹ 260 lakhs which was made in earlier years towards such pepper-cleaning costs.

2. The Independent Auditors of the Company's subsidiary, NCDEX e Markets Limited ('NeML'), in their audit report on consolidated financial statements of NeML for the year ended March 31, 2018, have drawn attention in respect of Rashtriya e Market Services Private Limited ('ReMSPL'), a joint venture of NeML, wherein balances under sundry debtors have not been confirmed by few parties. We are unable to comment on the adjustments, if any, arising out of reconciliation / confirmation of such balances on the consolidated financial statements.

   Our opinion is not qualified in respect of these matters.

Other Matters

(a) The Independent Auditors of the Company's subsidiary, NCDEX e Markets Limited ('NeML'), in their audit report on consolidated financial statements of NeML for the year ended March 31, 2018, have drawn attention to a matter wherein in respect of Rashtriya e Market Services Private Limited ('ReMSPL'), in the opinion of the joint venture's management, service tax is not applicable on the transaction charges billed by ReMSPL. Hence the provision for service tax has not been made in the books of accounts for the same. The financial impact, if any, due to applicability of service tax on the consolidated financial statement of the Group is ₹ 237.06 lakhs exclusive of interest and other imposition.

(b) We did not audit the financial statements of four subsidiary companies whose financial statements reflect total assets of ₹ 30597.47 lakhs as at March 31, 2018, total revenues of ₹ 5278.15 lakhs and net cash outflows amounting to ₹ 6484.36 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of □ 278.77 lacs for the year ended March 31, 2018, in respect of one jointly controlled entity of a subsidiary, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(c) The consolidated financial statements do not include the Group's share of net profit of ₹ 338.93 lakhs for the year ended March 31, 2018 in respect of an associate company. This has not been considered in the consolidated financial statements, in respect of this associate, whose financial statements have not been audited by us, as the equity investment in this associate has been eroded on consolidation. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements.

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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries and jointly controlled entities, 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 income), the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian 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, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act, except one director as reported by auditor of one of the subsidiary company. The financial statements of an associate are unaudited as referred to in sub-paragraph (c) of the Other Matters paragraph above and hence disqualification under Section 164 (2) of the Act for those entities is not commented upon.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   (g) With 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:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 32 (a) and 33 to the consolidated financial statements.

      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No: 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: May 25, 2018

Independent Auditor's Report

Annexure 'A'

To the Independent Auditor's Report of even date on the consolidated financial statements of National Commodity & Derivatives Exchange Limited

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

In conjunction with our audit of the consolidated financial statements of **National Commodity & Derivatives Exchange Limited** (hereinafter referred to as 'the Holding Company') and its subsidiaries, its associate company and jointly controlled company as of and for the year ended March 31, 2018, We have audited the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate and jointly controlled entity which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary companies, its associate company and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its four subsidiary companies and jointly controlled company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies and one jointly controlled company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to an associate company does not cover this company as the financial statements for the year ended March 31, 2018 of this company is unaudited and the corresponding auditors' report is unavailable.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No: 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: May 25, 2018

Consolidated Balance Sheet as at March 31, 2018

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-Current Assets				
Property, plant and equipment	2	**2,242**	2,325	2,171
Capital work-in-progress	2	**90**	-	-
Other intangible assets	3	**5,781**	5,432	1,603
Intangible assets under development	3	**107**	8	1,954
Investment in associates/joint ventures accounted for using the equity method	4	**2,003**	1,774	1,016
Financial assets				
- Investment	4	**-**	-	2,018
- Other financial assets				
- Bank balances	5(a)	**1,782**	1,981	1,978
- Others	5(b)	**416**	420	455
Deferred tax assets (net)	16	**140**	62	-
Income tax assets (net)	6	**2,393**	2,797	2,830
Other non-current assets	7	**191**	180	66
Total non-current assets		**15,145**	**14,979**	**14,091**
Current Assets				
Financial assets				
- Investment	8	**29,465**	37,574	26,081
- Trade receivables	9	**2,011**	1,661	1,251
- Cash and cash equivalents	10	**4,351**	14,430	5,580
- Bank balances other than cash and cash equivalents	11	**27,454**	25,532	28,776
- Others	5(b)	**1,633**	877	1,151
Income tax assets (net)	6	**269**	311	317
Other current assets	7	**2,189**	2,208	1,835
Total current assets		**67,372**	**82,593**	**64,991**
TOTAL ASSETS		**82,517**	**97,572**	**79,082**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	12	**5,068**	5,068	5,068
Other equity	13	**38,715**	40,297	39,690
Equity attributable to Owners		**43,783**	**45,365**	**44,758**
Non Controlling Interest	13	**2,627**	**-**	**-**
Total Equity		**46,410**	**45,365**	**44,758**
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
- Deposits	14	**70**	75	58
Provisions	15	**51**	151	116
Deferred tax liabilities (net)	16	**404**	306	104
Total non-current liabilities		**525**	**532**	**278**
Current Liabilities				
Financial liabilities				
- Deposits	17	**26,307**	35,544	23,719
- Trade payables	18	**1,980**	2,359	1,806
- Other Financial liabilities	19	**6,019**	12,872	7,452
Other current liabilities	20	**1,058**	790	959
Provisions	15	**218**	110	110
Total current liabilities		**35,582**	**51,675**	**34,046**
TOTAL LIABILITIES		**36,107**	**52,207**	**34,324**
TOTAL EQUITY AND LIABILITIES		**82,517**	**97,572**	**79,082**
Summary of significant accounting policies	1			

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

As per our report of even date

For K.S. AIYAR & Co.
Chartered Accountants
ICAI Firm Registration No : 100186W

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

Sachin A. Negandhi
Partner
Membership No.112888

Vijay Kumar V.
Managing Director & Chief Executive Officer
DIN - 6651068

Ravindra Kumar Roye
Chairman
DIN - 07304930

Place : Mumbai
Date : May 25, 2018

Samir Rajdev
Company Secretary

Atul Roongta
Chief Financial Officer

Consolidated statement of profit and loss for the year ended March 31, 2018

(₹ in Lakh)

Particulars	Notes	For the Year ended March 31, 2018	For the Year ended March 31, 2017
INCOME			
Revenue from operations	21	**11,412**	10,398
Other Income	22	**4,962**	6,238
Total Income		**16,374**	**16,636**
EXPENSE			
Employee benefits expense	23	**6,472**	5,600
Finance cost	24	**17**	23
Depreciation & amortization	25	**1,942**	1,686
Other expenses	26	**8,812**	8,358
Total expenses		**17,243**	**15,667**
Profit / (loss) before share of Net profit of Joint venture, exceptional items and income tax		**(869)**	**969**
Add : Exceptional item (net of tax)	27	**-**	954
Profit / (Loss) before share of Net profit of Joint venture and income tax		**(869)**	**1,923**
Share of net profit from Joint venture accounted for using equity method	43	**279**	783
Profit / (Loss) before tax		**(590)**	**2,706**
Tax expense			
Current tax		**816**	341
Deferred tax	28	**(22)**	136
Profit / (Loss) for the year (A)		**(1,384)**	**2,229**
Other comprehensive Income:			
Items that will not be reclassified to the Statement of profit and loss;			
Remeasurement of post-employment benefit obligations		**(45)**	(56)
Income tax impact on above		**14**	18
Item that will be reclassified to the Statement of profit and loss;			
Debt instruments through Other Comprehensive Income		**32**	14
Income tax impact on above		**(7)**	(3)
Other comprehensive income for the year net of tax (B)		**(6)**	**(27)**
Total comprehensive income for the year (A+B)		**(1,390)**	**2,202**
Profit attributable to:			
Owners of the Company		**(1,358)**	2,229
Non-controlling interests		**(26)**	-
Other comprehensive income attributable to:			
Owners of the Company		**(4)**	(27)
Non-controlling interests		**(2)**	-
Total comprehensive income for the year attributable to:			
Owners of the Company		**(1,362)**	2,202
Non-controlling interests		**(28)**	-
Earnings per share from continuing and discontinued operations attributable to the equity holders of the Company during the year			
Basic earnings per share (Face value of ₹ 10 each)			
(1) Basic (₹)		**(2.68)**	4.40
(2) Diluted (₹)		**(2.68)**	4.40
Summary of significant accounting policies	1		

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

As per our report of even date

For K.S. AIYAR & Co.
Chartered Accountants
ICAI Firm Registration No : 100186W

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

Sachin A. Negandhi
Partner
Membership No.112888

Vijay Kumar V.
Managing Director & Chief Executive Officer
DIN - 6651068

Ravindra Kumar Roye
Chairman
DIN - 07304930

Place : Mumbai
Date : May 25, 2018

Samir Rajdev
Company Secretary

Atul Roongta
Chief Financial Officer

Consolidated Cash Flow for the year ended 31st March, 2018

(₹ in Lakh)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities			
Profit before tax		**(590)**	2,706
Adjustments for:			
Depreciation & amortisation		**1,942**	1,686
Provision for leave encashment		**47**	28
Provision for gratuity		**66**	54
Provision no longer required		**(2)**	-
Interest on Income Tax Refund		**(14)**	(20)
Loss/(Profit) on sale of fixed asset		**(4)**	(10)
(Profit) / Loss on sale of investments		**(2,488)**	(3,046)
Interest income		**(1,423)**	(1,863)
Share issue expenses		**(114)**	(65)
Share option reserve		**140**	-
Finance Cost		**2**	-
Share of profit from JV		**(279)**	(783)
Utilisation from Investor Service fund		**(32)**	-
Operating profit before working capital changes		**(2,749)**	**(1,313)**
Movements in working capital:			
Decrease / (Increase) in trade receivables		**(352)**	(425)
Decrease / (Increase) in other current assets		**(413)**	(335)
Decrease / (Increase) in other non current assets		**21**	(138)
Decrease / (Increase) in inter corporate loans		**(22)**	(14)
Decrease / (Increase) other non current financial assets		**365**	(292)
Decrease / (Increase) other financial assets		**(862)**	(541)
Increase / (Decrease) in non - current financial liabilities		**(30)**	144
Increase / (Decrease) in long term provison		**(107)**	36
Increase / (Decrease) in trade payables		**451**	679
Increase / (Decrease) in Short term provison		**(60)**	(66)
Increase / (Decrease) in current financial liabilities		**(16,135)**	17,478
Increase / (Decrease) in other current liabilities		**205**	(104)
Cash generated/(used) from operations		**(19,688)**	**15,109**
Direct taxes paid (net of refunds)		**365**	322
Net cash generated/(used) in operating activities	**(A)**	**(20,053)**	**14,787**
B. Cash flows from investing activities			
Purchase of fixed assets, including intangible assets and CWIP		**(2,328)**	(3,729)
Proceeds from sale / disposal of fixed assets		**29**	18
Interest on income tax refund		**14**	20
Purchase of current investments		**(682,394)**	(588,257)
Advance against Comlive ePledge Business Transfer Agreement (refer note 40)		**(353)**	-
Proceeds from sale of current investments		**693,031**	581,857
Dividend Received from JV		**50**	25
Interest received		**1,651**	2,126
Investment in fixed deposits (original maturity of more than three months)		**(24,804)**	(22,632)
Redemption/Maturity of fixed deposits (original maturity of more than three months)		**22,699**	26,165
Net cash generated/(used) in investing activities	**(B)**	**7,595**	**(4,407)**

Consolidated Cash Flow for the year ended 31st March, 2018 (Contd.)

(₹ in Lakh)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
C. Cash Flows from financing activities			
Proceeds from issuance of equity share capital to non controlling interest		**2,655**	-
Share issue expenses		**(61)**	-
Finance Cost Paid		**(2)**	-
RMF utilised during the year		**-**	(5)
Dividend paid		**(177)**	(1,267)
Dividend tax paid		**(36)**	(258)
Net cash generated/(used) from financing activities	**(C)**	**2,379**	**(1,530)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**(10,079)**	**8,850**
Cash and cash equivalents at the beginning of the period		**14,430**	5,580
Cash and cash equivalents at the end of the period		**4,351**	**14,430**
Components of cash and cash equivalents (Refer note 18)			
Cash and cheques on hand		**0**	0
With Banks		**-**	-
- on current accounts *		**4,261**	11,830
- on fixed deposits (Original maturity being three months or less) **		**90**	2,600
Total		**4,351**	**14,430**

"* Includes
- NCDEX Joint Price Dissemination fund of ₹ 3 lakhs (March 31,2017 : ₹ 3 lakhs) which can be utilized only for Joint Price Dissemination project along with FMC
- Settlement Guarantee Fund of ₹ 41 lakhs (March 31,2017 : ₹ 37 lakhs) which can be utilized for completion of settlement, in case of member default
- ₹ 0.87 lakhs (March 31,2017 : ₹ Nil, April 01, 2016 : ₹ NIL) for Investor Service Fund

** Includes
- ₹ 9 lakhs (March 31,2017 : ₹ Nil, April 01, 2016 : ₹ NIL) for Settlement Guarantee Fund "

As per our report of even date

For K.S. AIYAR & Co.
Chartered Accountants
ICAI Firm Registration No : 100186W

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

Sachin A. Negandhi
Partner
Membership No.112888

Vijay Kumar V.
Managing Director & Chief Executive Officer
DIN - 6651068

Ravindra Kumar Roye
Chairman
DIN - 07304930

Place : Mumbai
Date : May 25, 2018

Samir Rajdev
Company Secretary

Atul Roongta
Chief Financial Officer

Consolidated Statement Of Changes In Equity for the year ended 31st March, 2018

(A) Equity Share Capital

	(₹ in Lakh)
Balance as at April 1, 2016	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**5,068**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**5,068**

(B) Other Equity

Particulars	Reserves and Surplus							Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Investor Service Fund	Share option Reserve	Risk Management Fund	General reserve	Settlement Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the company	Attributable to Non-Controlling interest	Total
Balance at the April 1, 2016	**13,956**	**-**	**-**	**5**	**1,110**	**5,875**	**18,744**	**-**	**39,690**	**-**	**39,690**
Addition in current year	-	-	-	-	-	528	2,229	-	2,757	-	**2,757**
Share issue expenses	-	-	-	-	-	-	(65)	-	(65)	-	**(65)**
Items of Other Comprehensive Income for the year, net of tax											
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	(38)	-	(38)	-	**(38)**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	11	11	-	**11**
Payment of Dividend	-	-	-	-	-	-	(1,267)	-	(1,267)	-	**(1,267)**
Dividend distribution tax	-	-	-	-	-	-	(258)	-	(258)	-	**(258)**
Transfer to Settlement Guarantee Fund	-	-	-	-	-	-	(528)	-	(528)	-	**(528)**
Utilisation during the year	-	-	-	(5)	-	-	-	-	(5)	-	**(5)**
Balance as at March 31, 2017	**13,956**	**-**	**-**	**-**	**1,110**	**6,403**	**18,817**	**11**	**40,297**	**-**	**40,297**
Non controlling interest on account of acquisition of share in subsidiary	-	-	-	-	-	-	-		-	2,655	**2,655**
Addition in current year	-	46	140	15	-	341	(1,358)	-	(816)	(26)	**(842)**
Utilised / Converted during the year	-	-	-	-	-	-	-	-	-	-	**-**
Items of Other Comprehensive Income for the year, net of tax											
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	(29)	-	(29)	(2)	**(31)**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	25	25	-	**25**
Payment of Dividend	-	-	-	-	-	-	(177)	-	(177)	-	**(177)**
Dividend distribution tax	-	-	-	-	-	-	(36)	-	(36)	-	**(36)**
Transfer to Settlement Guarantee Fund	-	-	-	-	-	-	(341)	-	(341)	-	**(341)**
Transfer to Investor Service Fund	-	-	-	-	-	-	(46)	-	(46)	-	**(46)**
Utilisation during the year	-	(32)	-	-	-	-	-	-	(32)	-	**(32)**
Transfer to Risk management fund	-	-	-	-	-	-	(15)	-	(15)	-	**(15)**
Share issue expenses	-	-	-	-	-	-	(115)	-	(115)	-	**(115)**
Balance as at March 31, 2018	**13,956**	**14**	**140**	**15**	**1,110**	**6,744**	**16,700**	**36**	**38,715**	**2,627**	**41,342**

As per our report of even date

For K.S. AIYAR & Co.
Chartered Accountants
ICAI Firm Registration No : 100186W

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

Sachin A. Negandhi
Partner
Membership No.112888

Vijay Kumar V.
Managing Director & Chief Executive Officer
DIN - 6651068

Ravindra Kumar Roye
Chairman
DIN - 07304930

Place : Mumbai
Date : May 25, 2018

Samir Rajdev
Company Secretary

Atul Roongta
Chief Financial Officer

Background and Significant Accounting Policies

Background

National Commodity & Derivatives Exchange Limited ('the Parent Company' or "NCDEX" or "the Exchange") is a nation-level, technology driven de-mutualised on-line commodity exchange. 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.

The consolidated financial statements relates to the Parent Company, its subsidiary companies, jointly controlled entities and associates (collectively referred to as "the Group").

1 Significant Accounting Policies

This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements ("financial statements"). These policies have been consistently applied to all the years / periods presented, unless otherwise stated.

a Statement of Compliance

The financial statements as at and for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (India Accounting Standards) Amendment Rules, 2016. Previous year numbers in the financial statements have been restated to Ind AS. These financial statements are the first financial statements of the Company which have been prepared in accordance with Ind AS. As per Ind AS 101 First time Adoption of Indian Accounting Standards, the Group has presented a reconciliation from the presentation of consolidated financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (" Previous GAAP") to Ind AS in respect of consolidated shareholder's equity as at March 31, 2017 and April 1, 2016 and of the consolidated comprehensive income for the year ended March 31, 2017.

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 fair value less cost to sell;

iii. defined benefit plans - plan assets measured at fair value.

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 and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

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 recognised 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. The Group has only joint ventures.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised 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 recognised 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. Unrealised 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. Unrealised 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 recognised directly in equity and attributed to owners of the Company. When the Group loses control of a subsidiary, a gain or loss is recognised 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 recognised 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 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 (INR), which is the Group'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 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 recognised in OCI or Statement of profit and loss are also recognised in OCI or Statement of profit and loss, respectively).

f 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 recognised in the financial statements are:

- Useful lives property, plant, equipment and intangible assets
- Measurement of defined employee benefit obligation
- Contigent liabilities

g 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 realised or intended to be sold or consumed in normal operating cycle

ii. Held primarily for the purpose of trading, or

iii. Expected to be realised 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.

h Non-current assets held for sale

Non-current assets & disposal group classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, Plant and Equipment (PPE) and intangible assets, are not depreciated or amortized once classified as held for sale.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

i 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.

j Revenue Recognition

The Group recognises revenue to the extent that it is probable that economic benefits will flow to the entity and the revenue can be reliably measured.

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

Transaction charges

Transaction charges are recognised as income on trade date basis.

Annual subscription charges

Annual subscription charges are recognised as income on a time proportion basis beginning from the month it is received.

Admission fees

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

Delivery Charges

Delivery charges are recognised as income on 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 when open interest is increased as compared to previous day.

Comtrack 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.

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.

k Government Grants

Grants from the government are recognised 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 recognised 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 the 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.

l 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

Deferred income tax is provided in full, using the liability 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 realised or the deferred income tax liability is settled.

Deferred tax assets are recognised 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 loses. 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 recognised in the Statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised 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.

m Property, Plant and Equipment (PPE)

For transition to Ind AS, the Group has elected to continue with the carrying value of its Property, Plant and Equipment recognized as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

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.

Significant parts of an item of PPE having different useful lives & material value or other factors are accounted for as separate components. 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.

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 renewable period of lease.

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
Leasehold Improvements	Over the period of lease
Furniture & Fixtures	10 years
Electrical Installations	10 years
Computers	3 – 6 years
Office Equipments	5 years
Vehicles	8 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.

n Intangible Asset

i. Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of intangible assets recognized as of April 1, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

ii. 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 and loss.

Costs capitalised 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 entity 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 capitalised intangible assets is evaluated independent of the estimated life of the original assets.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

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.

o Lease

As a lessee

Leases of property, plant and equipment where the Group, as lessee, has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised 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.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised 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.

p Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

q Provisions, Contingent liabilities and Contingent assets

Provisions for legal claims are recognised 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 recognised 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.

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 the measured at the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised 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 recognised 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 recognised 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

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 recognised 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 recognised 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 Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

t 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.

u 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 recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. 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 Group 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 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.

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the

Notes to Consolidated Financial Statements for the year ended March 31, 2018

Statement of profit and loss.

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 the Statement of profit and loss.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Cash and Cash equivalents

The Group considers all 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.

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-recognised 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 recognised 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 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 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 17.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of profit and loss.

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 recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit or loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortised 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 recognised 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 amortised 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 recognised 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 recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

v 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.

w Settlement Guarantee Fund (SGF)

Annual Contribution by the Exchange to SGF is an appropriation from retained earnings.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

Income on SGF Investment and settlement penalties is transferred to SGF as per the regulatory directives.

Contribution from members by way of refundable deposit is classified as current or non current liability as per provisions of Schedule III of Companies Act, 2013.

x 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.

y 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.

z Application of new and revised Ind -AS

All the Indian Accounting Standards 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 have been considered in preparing these financial statements.

Recent accounting pronouncements:-

<u>Standards issued but not yet effective</u>

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The entities will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

<u>Amendment in Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:</u>

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

2 Property, plant and equipment & Capital work-in-progress

(₹ in Lakh)

Particulars	Computer Hardware	Improvement to Lease hold Property	Tele Communication Equipments	Office Equipments	Electrical Installations	Furniture and Fixtures	Motor Car	Clearing & Settlement System	Total	Capital work in progress
Gross carrying amount										
Deemed cost as at April 01, 2016	1,035	186	611	60	164	58	57	0	2,171	-
Additions	611	39	220	4	-	20	-	0	894	-
Disposals / Adjustments	9	-	-	-	-	5	-	-	14	-
Closing gross carrying amount	**1,637**	**225**	**831**	**64**	**164**	**73**	**57**	**0**	**3,051**	**-**
Accumulated depreciation and impairment										
Accumulated depreciation as at April 01, 2016	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	426	47	163	21	56	14	6	0	733	-
Disposals / Adjustments	6	-	-	-	-	1	-	-	7	-
Closing accumulated depreciation	**420**	**47**	**163**	**21**	**56**	**13**	**6**	**0**	**726**	**-**
Net carrying amount as at March 31, 2017	**1,217**	**178**	**668**	**43**	**108**	**60**	**51**	**0**	**2,325**	**-**
Gross carrying amount										
Opening as at April 01, 2017	1,637	225	831	64	164	73	57	0	3,051	-
Additions	575	-	227	6	0	1	-	-	809	90
Disposals / Adjustments	31	-	-	-	-	-	-	-	31	-
Closing gross carrying amount	**2,181**	**225**	**1,058**	**70**	**164**	**74**	**57**	**0**	**3,829**	**90**
Accumulated depreciation and impairment										
Opening as at April 01, 2017	420	47	163	21	56	13	6	0	726	-
Depreciation for the year	537	53	182	17	55	13	9	0	866	-
Disposals / Adjustments	5	-	-	-	-	-	-	-	5	-
Closing accumulated depreciation	**952**	**100**	**345**	**38**	**111**	**26**	**15**	**0**	**1,587**	**-**
Net carrying amount as at March 31, 2018	**1,229**	**125**	**713**	**32**	**53**	**48**	**42**	**0**	**2,242**	**90**

3 Intangible Assets

(₹ in Lakh)

Particulars	Computer Software	Total	Intangible assets under development	Total
Gross carrying amount				
Deemed cost as at April 01, 2016	1,603	1,603	1,954	1,954
Additions	4,782	4,782	2,413	2,413
Capitalised during the year	-	-	4,359	4,359
Closing gross carrying amount	**6,385**	**6,385**	**8**	**8**
Accumulated amortisation and impairment losses				
Accumulated amortisation as at April 01, 2016	-	-	-	-
Amortisation for the year	953	953	-	-
Closing accumulated amortisation	**953**	**953**	**-**	**-**
Net carrying amount as at March 31, 2017	**5,432**	**5,432**	**8**	**8**
Gross carrying amount				
Opening as at April 01, 2017	6,385	6,385	7	7
Additions	1,425	1,425	806	806
Capitalised during the year	-	-	706	706
Closing gross carrying amount	**7,810**	**7,810**	**107**	**107**
Accumulated amortisation and impairment losses				
Opening as at April 01, 2017	953	953	-	-
Amortisation for the year	1,076	1,076	-	-
Closing accumulated amortisation	**2,029**	**2,029**	**-**	**-**
Net carrying amount as at March 31, 2018	**5,781**	**5,781**	**107**	**107**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

4 Non current investments

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016	As at April 01, 2016
	Quantity	**Amount**	**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 *	**15,000,000**	**-**	15,000,000	-	15,000,000	-
(ii) In Joint Venture						
Rashtriya e Market Services Private Limited		**500**		500		500
Add: Share of Profit		**1,503**		1,274		516
		2,003		1,774		1,016
Investments in Unquoted preference shares						
(i) In Associates						
10% Optionally Convertible Cumulative Preference Shares of ₹10/- each fully paid up in Power Exchange India Limited *	**5,000,000**	**-**	5,000,000	-	5,000,000	-
Total (a)		**2,003**		**1,774**		**1,016**
Aggregate amount of unquoted investments		**2,003**		1,774		1,016
*** Aggregate provision for diminution in value of unquoted investments**		**2,000**		2,000		2,000
b) Other non current investments						
Invetsment in bonds (Quoted)						
NTPC Bonds 2015 Series 1 A for 10 years @ 7.11% p.a.	**-**	**-**	-	-	12,491	129
PFC Tax Free Bonds Series 1 A for 10 years @ 7.11% p.a.	**-**	**-**	-	-	12,835	132
IRFC LTD Tax Free Bonds Tranche I Series II A for 15 years @ 7.28%	**-**	**-**	-	-	60,400	616
NHAI Bonds 2015 Tax Free Bonds Tranche II Series II A for 15 years @ 7.39% p.a.	**-**	**-**	-	-	23,128	232
NABARD Bonds Tax Free Bonds Series IIA for 15 years @ 7.35% p.a.	-	-	-	-	15,030	151
IRFC Tax Free Bonds Tranche II Issue Series IIA for 15 years @ 7.35% p.a	**-**	**-**	-	-	17,635	177
NHAI Bonds 2015 Tax Free Bonds Tranche I Series II A for 15 years @ 7.35% p.a.	**-**	**-**	-	-	57,140	581
Total (b)		**-**		-		2,018
Aggregate amount of unquoted investments		**-**		-		2,018
Aggregate provision for diminution in value of quoted investments		**-**		-		-

Notes to Consolidated Financial Statements for the year ended March 31, 2018

5 Other Financial Asset

(₹ in Lakh)

Particulars	Non Current	Current	Non Current	Current	Non Current	Current
	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016	As at April 01, 2016
(a) Non-current bank balances						
Deposits with bank - original maturity more than 12 months	**1,782**	**-**	1,981	-	1,978	-
Total (a)	**1,782**	**-**	**1,981**	**-**	**1,978**	**-**
(b) Others						
Secured, Considered Good						
Interest accrued on fixed deposits	**46**	**533**	14	822	38	1,071
Security Deposits	**370**	**99**	406	2	382	-
Accrued Income for Provisional Billing	**-**	**874**	-	7	-	-
Other assets	**-**	**127**	-	46	35	80
Others receivables considered doubtful	**32**	**-**	32	-	32	-
Less: Allowance for expected credit loss	**(32)**	**-**	**(32)**	**-**	**(32)**	**-**
	-	**-**	-	-	-	-
Total (b)	**416**	**1,633**	**420**	**877**	**455**	**1,151**

6 Income Tax Assets (Net)

(₹ in Lakh)

Particulars	Non Current	Current	Non Current	Current	Non Current	Current
	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016	As at April 01, 2016
Advance income tax paid including tax deducted at source receivable (net of provision)	**2393**	**269**	2,797	311	2,830	317
Total	**2,393**	**269**	**2,797**	**311**	**2,830**	**317**

7 Other non-current assets

(₹ in Lakh)

Particulars	Non Current	Current	Non Current	Current	Non Current	Current
	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016	As at April 01, 2016
Capital Advances	**6**	**-**	18	-	3	-
Prepaid Expenses	**137**	**317**	159	309	49	159
Deferred Rent	**48**	**19**	3	11	14	9
Balances with government authorities	**-**	**69**	-	133	-	1,623
Other receivables	**-**	**1,784**	-	1,755	-	44
Total	**191**	**2,189**	**180**	**2,208**	**66**	**1,835**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

8 Current Investments

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016	As at April 01, 2016
	Units	Amount	Units	Amount	Units	Amount
A) Invetsment in bonds						
Bond (Quoted)						
NHAI Bonds 2015 Tax Free Bonds Tranche I Series II A for 15 years @ 7.35% p.a.	**57,140**	**620**	57,140	627	-	-
7.35% NABARD Tax free bonds Maturity date 23-March-2031,@annualised YTM 6.01%	**67,475**	**749**	-	-	-	-
8.48%NTPC Tax free bonds Maturity date16-Dec-2028, at 6.005% p.a.	**44,799**	**594**	-	-	-	-
Total Bonds (a)		**1,963**		**627**		**-**
B) Investment in mutual funds						
Mutual Funds (Unquoted)						
Aditya Birla Sunlife Cash Plus Growth Direct Plan *	**15,591**	**43**	44,698	117	54,492	133
Aditya Birla Sun Life Saving Fund-Direct Plan-Growth Option *	**172,927**	**595**	52,824	169	-	-
Aditya Birla Sun Life Saving Fund-Direct Plan-Growth Option *	**79,071**	**272**	93,923	301	-	-
Aditya Birla Sunlife Cash Plus Growth Direct Plan *	**161,107**	**450**	-	-	-	-
Aditya Birla Sunlife Cash Plus Growth Direct Plan **	**5,618**	**16**	-	-	-	-
Aditya Birla Sunlife Savings Fund-Direct Plan-Growth Option	**634,027**	**2,180**	469,441	1,503	683,094	2,007
Aditya Birla Sunlife Savings Fund-Direct Plan-Growth Option*	**22,275**	**77**	22,275	71	17,927	53
Aditya Birla Sunlife Short Term Fund-Direct Plan-Growth	**2,559,757**	**1,710**	799,447	500	878,218	500
Axis Liquid Fund Direct Growth	**-**	**-**	83,223	1,501	-	-
Axis Liquid Fund-DP-Growth Option	**-**	**-**	2,497	45	-	-
Axis Short Term Fund Direct Growth	**6,502,234**	**1,277**	2,717,199	500	-	-
Birla SL Saving Fund -Direct-Growth	**-**	**-**	35,684	114	35,684	105
Birla SL Short Term Fund -Direct-Growth	**-**	**-**	79,945	50	-	-
BOI AXA Liquid Fund-Direct Plan-Growth Option	**24,999**	**501**	-	-	-	-
DSP Blackrock Liquidity Fund Direct Plan-Growth Option	**-**	**-**	35,266	821	41,570	901
HDFC FMP 92D February 2018 (1) - Series 39-Direct Plan-Growth Option	**5,000,000**	**504**	-	-	-	-
HDFC FRIF-Short Term Plan-Direct Plan-Wholesale Option-Growth Option	**3,722,650**	**1,131**	5,289,233	1,500	7,691,065	2,007
HDFC FRIF Short Term Plan-Direct-Growth	**-**	**-**	-	-	307,643	80
HDFC Medium Term Opportunities Fund-Direct Plan-Growth Option	**10,501,138**	**2,038**	-	-	-	-
HDFC -Short Term Opportunities fund-Direct Plan-Growth Option	**5,635,361**	**1,089**	2,762,355	500	3,018,522	501
ICICI Prudential Flexible Income-Direct Plan Growth	**339,823**	**1,139**	361,323	1,129	349,603	1,003
ICICI Pruential Ultra Short Term- Direct Plan Growth	**5,775,157**	**1,056**	4,972,621	851	12,858,677	2,007
ICICI Pur Ultra Short Term Plan-Direct Plan-Growth	**-**	**-**	-	-	231,764	36
IDFC Corp Bond Fund-Direct Plan-Growth Option	**10,556,587**	**1,264**	-	-	-	-
IDFC SSIF-ST Direct Plan Growth	**1,777,428**	**650**	-	-	1,589,744	501
IDFC Ultra Short Term Fund Direct Plan Growth	**-**	**-**	6,011,257	1,392	5,026,016	1,071
IDFC Ultra Short Term Fund-Direct Plan-Growth Option *	**1,521,689**	**377**	-	-	-	-
Invesco India Liquid Fund Direct Plan Growth Option	**20,928**	**500**	111,727	2,501	-	-
Invesco India Ultra ST -Direct Plan-Growth Option	**9,247**	**226**	-	-	-	-
Kotak Floater ST Direct Plan Growth Option	**-**	**-**	69,529	1,856	60,385	1,501
Kotak Floater ST Direct Plan Growth Option *	**1,292**	**37**	3,677	98	5,929	147
Kotak Floater ST -Direct Plan - Growth Option*	**-**	**-**	64	2	-	-
Kotak Treasury Advantage Fund - Direct Plan - Growth Option *	**1,271,138**	**359**	1,271,138	335	1,396,660	340

(₹ in Lakh)

Particulars	As at March 31, 2018 Units	As at March 31, 2018 Amount	As at March 31, 2017 Units	As at March 31, 2017 Amount	As at April 01, 2016 Units	As at April 01, 2016 Amount
B) Investment in mutual funds (Contd.)						
Mutual Funds (Unquoted)						
Kotak Treasury Advantage Fund Direct Plan Growth Option	-	-	5,757,590	1,518	178,443	43
Kotak Treasury Advantage Fund Direct Plan Growth Option *	**339,179**	**96**	324,262	85	-	-
L & T Liquid Fund - Growth Option	**21,008**	**500**	95,602	2,132	-	-
L&T Short Term Opportunities Fund-Direct Plan-Growth Option	**5,451,368**	**927**	-	-	-	-
LIC Nomura MF Liquid-Direct Plan-Growth Option	**15,888**	**501**	84,796	2,501	54,651	1,501
Principal Cash Mgmt Fund Direct plan Growth	-	-	-	-	37,334	551
Prudential ICICI Money Market Fund - Direct Plan-Growth Option	**291,520**	**701**	889,050	2,001	-	-
Reliance Fixed Horizon Fund - XXXV - Series 14	**5,000,000**	**508**	-	-	-	-
Reliance Liquid Fund Treasury Plan- Direct Plan Growth Option	-	-	25,213	1,000	-	-
Reliance Fix Horizon Fund-Xxx-Series 4- Direct Plan Growth Option	**5,000,000**	**597**	5,000,000	557	5,000,000	508
Reliance FRF ST Direct Plan Growth Option	**3,731,302**	**1,049**	1,908,820	502	-	-
Reliance Liquid Fund-Cash-Direct Plan-Growth Optio	**11,357**	**319**	-	-	-	-
Reliance Medium Term Fund-Direct Plan-Growth Option	-	-	6,993,454	2,426	6,541,962	2,076
Reliance Money Manager Fund - Direct - Growth	-	-	1,299	30	1,299	27
Religare Invesco Credit Opportunites Fund Direct Plan Growth Option	-	-	-	-	57,394	1,002
Religare Invesco Liquid Fund Direct Plan Growth Option	-	-	-	-	47,994	1,001
SBI Magnum Insta Cash - Direct - Growth	-	-	-	-	150	5
SBIShort Term Debt Fund-Direct Plan-Growth Option	**5,053,266**	**1,036**	2,599,942	501	2,858,956	501
SBI Ultra Short Term Debt Fund-Direct Plan-Growth Option	-	-	71,160	1,500	51,401	1,003
SundaramMoney Fund Direct plan Growth	**1,366,606**	**500**	-	-	-	-
SundaramUltra Short Term Fund Direct plan Growth	-	-	-	-	524,329	110
Tata Money Market Fund-Direct Plan-Growth Option *	**7,643**	**209**	-	-	-	-
Tata Short Term Bond Fund Direct Plan Growth Option	**1,639,435**	**550**	-	-	-	-
Tata UltraST Fund Direct Plan - Growth Option	-	-	60,551	1,503	-	-
Tata Ultra ST Fund-Direct Plan-Growth Option *	**16,152**	**429**	16,152	401	-	-
TATA Floater FundDirect Plan-Growth Option *	-	-	-	-	13,031	299
TATA Liquid Fund Direct Plan - Growth Option	-	-	-	-	53,689	1,502
UTI FRF STP Direct Plan-Growth	-	-	54,019	1,469	82,642	2,059
UTI Money Market Fund- Inst-Direct Plan-Growth Option *						
UTI Money Market Fund-Direct-Growth	**14,135**	**276**				
UTI Money Market Growth Direct Plan	**25,678**	**500**	54,835	1,000	-	-
UTI Treasury Advantage Fund Institutional Plan Direct Plan Growth	**36,461**	**880**	84,886	1,915	48,218	1,000
UTI Treasury Advantage Fund - Growth	-	-	2,217	50	-	-
UTI Treasury Advantage Fund-Direct Plan-Growth Option*	**15,864**	**383**	-	-	-	-
Total - Current Investments (b)		**27,502**		**36,947**		**26,081**
Aggregate amount of unquoted investments(a+b)		**29,465**		**37,574**		**26,081**

* Represents investment earmarked for Settlement Guarantee Fund

** Represents investment earmarked for Investor Service Fund

Notes to Consolidated Financial Statements for the year ended March 31, 2018

9 Trade Receivables

(₹ in Lakh)

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Secured, considered good *	**1,194**	1,100	782
b) Unsecured, considered good	**817**	561	469
c) Unsecured, considered doubtful	**51**	33	38
	2,062	**1,694**	**1,289**
Less: Expected credit loss allowance	**(51)**	(33)	(38)
Total	**2,011**	**1,661**	**1,251**

* Secured by Cash margins / Bank gaurantees / Fixed deposit receipts and hypothecation of movables such as commodities, securities etc from members.

10 Cash and cash equivalents

(₹ in Lakh)

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash and cash equivalents			
Cash in hand	**0**	0	0
Balances with bank			
On current accounts *	**4,261**	11,830	5,580
Deposits with original maturity of three months or less**	**90**	2,600	-
Total	**4,351**	**14,430**	**5,580**

* Includes ₹ 3 lakhs (March 31,2017 : ₹ 3 lakhs, April 01, 2016 : ₹ 3 lakhs) in Escrow account " NCDEX Joint Price Dissemination Account", Settlement Guarantee Fund of ₹ 41 lakhs (March 31, 2017 : ₹ 37 lakhs, April 01, 2016 : ₹ 39 lakhs) and Investor Service Fund of ₹ 0.87 lakhs (March 31, 2017 : ₹ NIL, April 01, 2016 : ₹ NIL).

** Includes ₹ 9 lakhs (March 31,2017 : ₹ Nil, April 01, 2016 : ₹ NIL) for Settlement Guarantee Fund.

11 Bank balances other than cash and cash equivalents

(₹ in Lakh)

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deposits with original maturity for more than 3 months but less than 12 months *	**27,454**	25,532	28,776
Total	**27,454**	**25,532**	**28,776**

* Includes Fixed Deposits of ₹ 5,282 lakhs (March 31,2017 : ₹ 7,301 lakhs, April 01, 2016 : ₹ 8,691 lakhs) pledged with Banks for Overdraft facilities and includes Fixed Deposit earmarked for Settlement Guarantee Fund of ₹ 5,509 lakhs (March 31,2017 : ₹ 7,299 lakhs, April 01, 2016 : ₹ 7,547 lakhs).

12 Equity share capital

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
60,000,000 Equity shares of ₹ 10/- each (Previous Years : 60,000,000 Equity shares of ₹ 10/- each)	**6,000**	6,000	6,000
10,000,000 5% Cumulative Redeemable Preference Shares of ₹ 10/- each (Previous Years:10,000,000 5% Cumulative Redeemable Preference Shares of ₹ 10/- each)	**1,000**	1,000	1,000
	7,000	**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	5,068
Total	**5,068**	**5,068**	**5,068**

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year.

	March 31, 2018		March 31, 2017		April 01, 2016	
Equity Shares of ₹ 10 each fully paid	**No. of Shares**	**₹ In lakhs**	No. of Shares	₹ In lakhs	No. of Shares	₹ In lakhs
At the beginning of the year	50,676,000	5,068	50,676,000	5,068	50,676,000	5,068
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	50,676,000	5,068	50,676,000	5,068	50,676,000	5,068

b. Terms/Rights attached to equity share

The Company 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 Company 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 Company, the holder of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholder.

c. Details of shareholders holding more than 5% share in the Company

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	**% holding**	**No. of Shares**	**% holding**	**No. of Shares**	**% holding**
Equity Shares of ₹ 10 each fully paid						
National Stock Exchange of India Limited	**7,601,377**	**15.00%**	7,601,377	15.00%	7,601,377	15.00%
Life Insurance Corporation of India	**5,625,000**	**11.10%**	5,625,000	11.10%	5,625,000	11.10%
National Bank for Agriculture and Rural Development	**5,625,000**	**11.10%**	5,625,000	11.10%	5,625,000	11.10%
Indian Farmers Fertiliser Cooperative Limited	**5,068,000**	**10.00%**	5,068,000	10.00%	5,068,000	10.00%
Oman India Joint Investment Fund	**5,067,600**	**10.00%**	5,067,600	10.00%	5,067,600	10.00%
Punjab National Bank	**3,694,446**	**7.29%**	3,694,446	7.29%	3,694,446	7.29%
Build India Capital Advisors LLP	**3,091,236**	**6.10%**	3,091,236	6.10%	3,091,236	6.10%
Canara Bank	**3,055,519**	**6.03%**	3,055,519	6.03%	3,055,519	6.03%
IDFC Private Equity Fund II	**2,533,800**	**5.00%**	2,533,800	5.00%	2,533,800	5.00%
Shree Renuka Sugars Limited	**2,533,700**	**5.00%**	2,533,700	5.00%	2,533,700	5.00%

As per records of the Company, 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

13 Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus							Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Investor Service Fund *	Share option Reserve	Risk Management Fund	General reserve	Settlement Guarantee Fund **	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the company	Attributable to Non-Controlling interest	Total
Balance at the April 1, 2016	**13,956**	**-**	**-**	**5**	**1,110**	**5,875**	**18,744**	**0**	**39,690**	**-**	**39,690**
Addition in current year	-	-	-	-	-	528	2,229	-	2,757	-	2,757
Share issue expenses	-	-	-	-	-	-	(65)	-	(65)	-	(65)
Items of Other Comprehensive Income for the year, net of tax											
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	(38)	-	(38)	-	(38)
" Net fair value gain on investment in debt instruments through Other Comprehensive Income "	-	-	-	-	-	-	-	11	11	-	11
Payment of Dividend	-	-	-	-	-	-	(1,267)	-	(1,267)	-	(1,267)
Dividend Distribution Tax	-	-	-	-	-	-	(258)	-	(258)	-	(258)
Transfer to Settlement Guarantee Fund	-	-	-	-	-	-	(528)	-	(528)	-	(528)
Utilisation during the year	-	-	-	(5)	-	-	-	-	(5)	-	(5)
Balance as at March 31, 2017	**13,956**	**-**	**-**	**(0)**	**1,110**	**6,403**	**18,817**	**11**	**40,297**	**-**	**40,297**
Non controlling interest on account of acquisition of share in subsidiary	-	-	-	-	-	-	-		-	2,655	2,655
Addition in current year	-	46	140	15	-	341	(1,358)	-	(816)	(26)	(842)
Utilised / Converted during the year	-	-	-	-	-	-	-	-	-	-	-
Items of Other Comprehensive Income for the year, net of tax											
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	(29)	-	(29)	(2)	(31)
" Net fair value gain on investment in debt instruments through Other Comprehensive Income "	-	-	-	-	-	-	-	25	25	-	25
Payment of Dividend	-	-	-	-	-	-	(177)	-	(177)	-	(177)
Dividend Distribution Tax	-	-	-	-	-	-	(36)	-	(36)	-	(36)
Transfer to Settlement Guarantee Fund	-	-	-	-	-	-	(341)	-	(341)	-	(341)
Transfer to Investor Service Fund	-	-	-	-	-	-	(46)	-	(46)	-	(46)
Utilisation during the year		(32)	-	-	-	-	-	-	(32)	-	(32)
Transfer to Risk management fund	-	-	-	-	-	-	(15)	-	(15)	-	(15)
Share issue expenses	-	-	-	-	-	-	(115)	-	(115)	-	(115)
Balance as at March 31, 2018	**13,956**	**14**	**140**	**15**	**1,110**	**6,744**	**16,700**	**36**	**38,715**	**2,627**	**41,342**

Description of nature and purpose of each reserve

* Investor Service Fund (ISF) - As per the guidelines of Securities & Exchange Board of India (SEBI), the Company has earmarked a separate fund towards Investor Services. The ISF is utilised as per the said guidelines.

** Settlement Guarantee Fund (SGF) - SGF is constituted by the Company as per the regulatory requirement. The amount is earmarked for completion of the settlement, in case of a default by a member.

14 Non-current deposits

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deposit from members	**70**	75	58
Total	**70**	**75**	**58**

15 Provisions

(₹ in Lakh)

Particulars	Non-Current	Current	Non-Current	Current	Non-Current	Current
	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016	As at April 01, 2016
Employee benefits obligation						
a) Provision for gratuity	-	103	35	10	-	-
b) Provision for leave encashment	51	115	116	100	116	110
Total	**51**	**218**	**151**	**110**	**116**	**110**

16 Deferred tax liabilities (Net)

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred tax assets components			
Employee benefits	46	76	55
Financial Assets at Fair Value through OCI	31	21	6
Unabsorbed losses / depreciation	513	265	-
MAT Credit Entitlement	333	70	18
Other items	57	66	44
Gross deferred tax asset	**980**	**498**	**123**
Deferred tax liabilities components			
Depreciation and amortisation	904	600	133
Financial Assets at Fair Value through P&L	340	142	94
Gross deferred tax liabilities	**1,244**	**742**	**227**
Net deferred tax asset/(liability)	**(264)**	**(244)**	**(104)**
Deferred tax assets	**140**	**62**	**-**
Deferred tax liabilities	**(404)**	**(306)**	**(104)**

17 Deposits

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Settlement Guarantee Fund			
- Base Minimum Capital	1,960	2,400	2,674
	1,960	**2,400**	**2,674**
Deposit from members	18,313	27,020	15,284
Deposits from clearing banks	4,800	4,800	4,600
Deposits from comtrack participants	720	715	495
Deposits from warehouse service providers	514	609	666
Total	**26,307**	**35,544**	**23,719**

18 Trade payables

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Total outstanding due of Micro and Small Enterprises	-	-	-
b) Total outstanding dues of creditors other than Micro and Small Enterprises	1,980	2,359	1,806
Total	**1,980**	**2,359**	**1,806**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

19 Other Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Payable towards purchase of fixed assets / intangibles	**346**	199	191
b) Dues to members	**5,149**	12,590	7213
c) Other payable	**524**	83	48
Total	**6,019**	**12,872**	**7,452**

20 Other Current Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Revenue received in advance	**165**	170	118
b) Investor protection fund *	**249**	232	127
c) SEBI turnover fees payable	**39**	131	177
d) Statutory dues payable	**475**	186	427
e) Others	**130**	71	110
Total	**1,058**	**790**	**959**

* Includes ₹ 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.

21 Revenue from operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products		
Sale of services		
Transaction charges	**7,078**	6,315
Annual subscription fees	**223**	278
Admission fees	**101**	111
Risk Management Fees	**819**	815
Delivery Charges	**866**	581
Comtrack charges	**750**	482
Warehouse charges	**353**	518
Data, Analytics and Technology Sales	**297**	259
Pledge Finance Charges	**384**	390
Other Operating Revenues		
Computer to computer link charges	**41**	29
Others	**385**	515
Port charges	**115**	105
Total	**11,412**	**10,398**

22 Other Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Other non-operating income		
Finance Income		
Interest on Bank deposits	**1,356**	1,719
Interest on Income Tax Refund	**253**	138
Interest on Bonds	**67**	145
Interest on SGF	**497**	721
Interest on financial asset measured at amortised cost	**15**	22
Profit on sale / Fair Value of MF Units*	**2,468**	2,833
Insurance Claim	**-**	247
Exchange charges	**59**	56
Recovery of administrative cost	**25**	105
Settlement Penalties SGF	**24**	87
Recovery of charges from subsidiaries	**0**	1
Profit on sale/scrap of fixed assets (net)	**4**	12
Provision no longer required	**89**	-
Others (miscellenous income)	**105**	152
Total	**4,962**	**6,238**

* Includes ₹ 1509 lakhs (March 31, 2017 : ₹ 2496 lakhs) of profit on sale of mutual fund.

23 Employee benefits expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, bonus and allowances	**5,823**	4,950
Contribution to Provident and other funds	**367**	317
Staff welfare expenses	**282**	333
Total	**6,472**	**5,600**

24 Finance costs

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Finance Costs:		
Other Interest	**11**	16
Bank Charges	**6**	7
Total	**17**	**23**

25 Depreciation & Amortization

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation	**866**	733
Amortization	**1,076**	953
Total	**1,942**	**1,686**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

26 Other expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent	**854**	777
Rates and Taxes	**10**	3
Payment to Auditors		
- As Auditors	**33**	30
- For other services	**7**	3
- For reimbursement of expenses	**0**	1
Legal and Professional Charges	**1,336**	1,327
Communication Expenses	**223**	179
Travelling and Conveyance Expenses	**509**	485
Electricity Charges	**399**	394
Repairs and Maintenance	**200**	197
Insurance Expenses	**68**	79
Technology Expenses	**3,610**	3,522
Advertisement and Publicity	**185**	196
Bad Debts	**30**	0
Provision for doubtful debts	**19**	-
Research and Testing	**21**	97
Sebi Regulatory Fees	**111**	100
Contribution to Investor Protection Fund	**45**	25
Polling Expenses	**184**	166
Committee member sitting fees and expenses	**21**	17
Directors Sitting Fees	**207**	205
Books Periodicals & Subscription	**32**	33
License Fees	**166**	-
Security Charges	**95**	83
Preliminary Expenses	**47**	-
Application for clearing corporation	**23**	-
Printing and stationery	**53**	51
Corporate Social Responsibility Expenses	**107**	130
Other Expenses	**217**	258
Total	**8,812**	**8,358**

27 Exceptional Items

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Exceptional Items*		
Liquidated Damages	**-**	954
Total	**-**	**954**

* Refer Note No. 40

(₹ in Lakh unless otherwise stated)

28 Current and Deferred Tax

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax	**816**	341
MAT Credit Entitlement	**(307)**	(70)
Deferred Tax	**285**	206
Total	**794**	**477**

29 Earnings per share (EPS)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Net Profit/(Loss) after tax as per Statement of Profit and Loss	**(1,358)**	2,229
Less: Preference dividend and tax thereon	**-**	-
Net Profit for calculation of EPS **(A)**	**(1,358)**	2,229
Weighted average no. of equity shares for calculating EPS **(B)**	**50,676,000**	50,676,000
Basic/Diluted earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) **(A) /(B)**	**(2.68)**	4.40

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Weighted average number of equity shares for calculating EPS	**50,676,000**	50,676,000
Add: Equity shares for no consideration arising on grant of stock options under ESOP	**Nil**	Nil
Weighted average number of equity shares in calculation diluted EPS	**50,676,000**	50,676,000

30 During the year, Group has recognised the following amounts in the financial statements as per INDAS 19 “Employees Benefits” :

a) Defined Contribution Plan

Contribution to Provident Fund, Superannuation Fund, and Employee State Insurance Scheme

Contribution to Defined Contribution Plan, recognised are charged off for the year 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 Company has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Employer's Contribution to Provident Fund	**214**	185

b) Defined Benefit Plan

The Company 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.

In case of subsidiary NCDEX e Markets Limited, the Company has a defined benefit gratuity plan. Every employee

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of ₹1,000,000.

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:

Actuarial assumptions	Gratuity (Unfunded)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Expected Rate of Return on plan assets	**7.35% to 7.78%**	6.35% to 7.39%	7.54% to 7.96%
Discount rate (per annum)	**7.35% to 7.78%**	6.85% to 7.39%	7.54% to 7.96%
Rate of increase in Compensation levels	**5% to 10%**	5% to 10%	5% to 10%
Rate of Employee turnover	**5% to 20%**	5% to 20%	5% to 20%
Mortality Rate during Employment	**Indian Assured lives mortality (2006-08) ultimate**	Indian Assured lives mortality (2006-08) ultimate	Indian Assured lives mortality (2006-08) ultimate
Mortality Rate after Employment	**N.A.**	N.A.	N.A.

Table showing changes in present value of obligations :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Present value of obligation as at the beginning of the year	**384**	303	253
Liability Transferred In/ Acquisitions			4
(Liability Transferred Out/ Divestments)	**0**	(0)	3
Interest Cost	**26**	23	20
Past service cost (Vested Benefit)	**-**	-	-
Current Service Cost	**77**	61	47
Curtailment cost / (Credit)	**-**	-	-
Settlement cost /(Credit)	**-**	-	-
Benefits paid	**(56)**	(54)	(40)
Actuarial (gain)/ loss on obligations	**42**	50	16
Present value of obligation as at the end of the period	**474**	**384**	**303**

Table showing changes in the fair value of plan assets :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fair value of plan assets at beginning of the year	**398**	364	334
Assets Transferred In/Acquisitions	**-**	-	4
(Assets Transferred Out/ Divestments)	**0**	(0)	3
Expected return of plan assets	**29**	27	26
Employer contribution	**3**	67	45
Benefits paid	**(56)**	(54)	(40)
Actuarial gain/ (loss) on plan assets	**(4)**	(5)	(10)
Fair value of plan assets at year end	**371**	398	362

(₹ in Lakh unless otherwise stated)

The amounts to be recognized in Balance Sheet :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Present value of obligation as at the end of the period	**(259)**	(264)	(304)
Fair value of plan assets as at the end of the period	**370**	398	365
Funded Status (Surplus / (Deficit))	**(103)**	14	61
Unrecognised actuarial (gains) / losses	**-**	-	-
Net asset / (liability) recognised in Balance Sheet	**(103)**	14	61

Expenses recognised in Statement of Profit and Loss :

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Current service cost	**76**	62
Past service cost (Vested Benefit)	**-**	-
Interest Cost	**27**	23
Expected return on plan assets	**(28)**	(27)
Curtailment and settlement cost /(credit)	**-**	-
Expenses recognised in the Statement of Profit and Loss	**75**	58

Expenses recognised in Other Comprehensive Income :

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Actuarial (Gains)/Losses on Obligation For the Period	**42**	50
Return on Plan Assets, Excluding Interest Income	**3**	5
Change in Asset Ceiling	**-**	-
Net (Income)/Expense For the Period Recognized in OCI	**45**	56

Maturity profile of defined benefit obligation :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Projected benefits payable in future years from the date of reporting			
1st Following year	**61**	49	39
2nd Following year	**64**	51	39
3rd Following year	**58**	53	42
4th Following year	**56**	48	42
5th Following year	**54**	45	38
Sum of Years 6 to 10	**191**	158	131

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, 2018	As at March 31, 2017	As at April 01, 2016
Investments with insurance fund	**100%**	100%	100%

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

Sensitivity :-

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Gratuity	Change in Assumption	2018		2017	
		Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1%/-1%	**(13.83)**	**15.03**	(12.71)	13.84
Salary Escalation Rate	+1%/-1%	**14.67**	**(13.75)**	13.45	(12.58)
Employee Turnover	+1%/-1%	**(2.09)**	**2.05**	(2.30)	2.29

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 recognised 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.

Note-3: The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

31 Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a. Principal amount remaining unpaid to any supplier as at the year end	-	-	-
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 No. 18 ‘ Trade Payables’ regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Group and has been relied upon by the auditors.

(₹ in Lakh unless otherwise stated)

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 30 days as at the Balance Sheet date. Further, the Company has neither paid nor has any amount payable towards interest to any Micro, Small and Medium Enterprises on the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

32 Commitments and Contingencies

(a) Contingent Liabilities not provided for in respect of :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) On account of Income taxes (Refer Note 1 below)	**1,131**	1,131	1,069
(ii) On account of Legal claim (Refer Note 2 below)	**185**	185	185
(iii) On account of payment of Bonus for the F.Y. 2014-15 (Refer Note 3 below)	**16**	16	16
(iv) On account of Bank Guarantee (Refer Note 4 below)	**-**	50	-
(v) National E-Repository Limted - On account of Bank Guarantee (Refer Note 5 below)	**500**	-	-
(vi) NCDEX Institute of Commodity Martkets & Research - On account of Income taxes (Refer Note 6 below)	**-**	-	-

Note 1

Particulars	Assessment Year	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	Forum before which case is pending
Disallowance u/s 14A	AY 07-08	**53**	53	53	High Court
Investor Protection Fund	AY 07-08	**171**	171	171	High Court
Investor Protection Fund	AY 08-09	**113**	113	113	High Court
Investor Protection Fund	AY 09-10	**61**	61	61	High Court
Investor Protection Fund	AY 10-11	**162**	162	162	High Court
Investor Protection Fund	AY 11-12	**123**	123	123	CIT
Investor Protection Fund	AY 12-13	**224**	224	224	CIT
Investor Protection Fund	AY 13-14	**162**	162	162	CIT
Investor Protection Fund	AY 14-15	**62**	62		CIT
Total		**1,131**	**1,131**	**1,069**	

In A.Y. 2007-08, in the assessment order dated 24.12.2009 passed u/s. 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act'), disallowance of ₹ 209 lakhs was made u/s. 14A of the Act read with rule 8D of the Income Tax Rules, 1962. Subsequently, vide order dated 13.05.2010 passed u/s. 154 of the Act, the disallowance u/s. 14A was reduced to ₹ 159 lakhs. The Company filed an appeal against the said assessment order, before the Commissioner of Income Tax (Appeals) ,which was disposed by CIT(Appeals) vide order dated 08.12.2011, in which partial relief of ₹ 79 lakhs has been granted by CIT(Appeals) and accordingly the amount of disallowance reduced from ₹ 159 lakhs to ₹ 79 lakhs. The Company and the Income Tax Department, filed an appeal against the said order of CIT(Appeals) before the Income Tax Appellate Tribunal (ITAT), which has been disposed by Hon'ble ITAT vide order dated 09.08.2017, wherein the Hon'ble ITAT has restricted the disallowance u/s. 14A of the Act to 1% of the dividend income based on the decision of Hon'ble ITAT in the company's own case for AY 2006-07. Against the said order of Hon'ble ITAT, the Income Tax Department have preferred an appeal before Hon'ble High Court which is pending for adjudication.

The Company had received an assessment orders for the A.Y. 2007-08, A.Y. 2008-09, A.Y. 2009-10, A.Y. 2010-11,

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

A.Y. 2011-12, A.Y. 2012-13, A.Y. 2013-14 and A.Y. 2014-15, wherein the Assessing officer has made an addition of the penalty collected by the company on behalf of Investor Protection Fund (IPF), in taxable income of the Company. The Company has filed an appeal with Commissioner of Income Tax (Appeals) for all these years. The CIT(Appeals) for the A.Y. 2007-08 to A.Y. 2011-12 has given the orders in favour of the Company and for the remaining assessment years i.e. from AY 2012-13 to 2014-15, the appeals are pending for adjudication. Against the orders of CIT(Appeals) for AY 2007-08 to 2011-12 the Income Tax Department preferred an appeal before the Hon'ble Income Tax Appellate Tribunal (ITAT), which has been disposed by Hon'ble ITAT vide a combined order dated 09.08.2017 for AY 2007-08 to 2010-11, wherein the Hon'ble ITAT dismissed the appeals of the Income Tax Department. Against the said order of Hon'ble ITAT for AY 2007-08 to 2010-11, the Income Tax Department have preferred an appeal before Hon'ble High Court, which is pending for adjudication.

Note 2

A legal suit was been filed jointly against the Company 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 Company is of the view that since the matter is sub-judice, a reliable estimate of the amount of liability cannot be made.

The management believes that the outcome of any pending litigations will not have a material adverse effect on the Company's financials position and the results of operations.

Note 3

Due to the retrospectively amendment in "The Payment of Bonus Act,1965" which is deemed to have come into force from 1st April,2014. Kerala and Karnataka High Court have passed stay on the implementation and the matter is pending in Court of Law for the hearing. Considering the other facts that books of FY 2014-15 has been closed and return of bonus already filed for said period. As the matter is under litigation it is considered as contingent.

Note 4

During the FY 2016-17, the Company had given bank guarantee to the Warehousing Development and Regulatory Authority (WDRA) for ₹ 50 lakhs on behalf of National e-Repository Limited.

Note 5

In case of subsidiary National E-Repository Limited, the Company had given bank guarantee to the Warehousing Development and Regulatory Authority (WDRA) for ₹ 500 lakhs.

Note 6

In case of subsidiary NCDEX Institute of Commodity Martkets & Research, the Company was granted registration under section 12AA of the Income Tax Act , 1961 (Act) with effect from 1.4.2008 for income tax exemption.The Director of Income Tax (Exemption) vide its Order dated 16.12.2011 cancelled the said registeration on the ground that the activities of the Company were in relation to trade or business and not for charitable purpose since the gross receipts had exceeded the prescribed limit of ₹ 10 lakhs during the financial year 2008-09. Accordingly, the assessment for the financial year 2008-09 was completed disallowing the Company's claim of deduction under section 11 and 12 of the Act.The Department had also issued notice initiating penalty proceddings.

ITAT vide its Order dated 28-02-2017, set aside the Order of DIT (Exemption) by restoring the registration granted to the Company. Further, as per directions given in the Order, the Company has represented before Assessing Officer that the activites carried out by the Company were charitable in nature and not in the nature of business. However,even as per the earlier Assessment Orders, there were no demand of income tax in view of loss and unabsorbed depreciation. Pending the final outcome of the dispute, the liability if any, that may be imposed on the Company for financial years commencing from 2008-09, on account of income tax, interest and penalty is presently not ascertainable.

(₹ in Lakh unless otherwise stated)

(b) Capital Commitments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**147**	127	89

(c) Other Commitments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1. Cost of cleaning of pepper (Refer note 32)	**-**	-	300
2. Commitment on accounnt of NextGen project	**-**	6,675	8,503

33 Pepper futures contract was traded on the Exchange till May 2013. However, based on complaints of presence of 'Mineral Oil' in some of the stocks, the warehouses having pepper stock were sealed by Food Safety and Standard Authority of India (FSSAI) and deliveries were stopped from these warehouses till further notice. The presence of mineral oil is not a part of the 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 has offered to facilitate improvement of pepper stock, which is approximately 6,400 MT, subject to recovering the costs of improvement and accordingly requested the Hon. Kerala High Court to allow the same. Based on this, the Hon. Kerala High Court 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 FSSAI to permit the reference of a second sample to the referral laboratory viz. The Central Food Laboratory, Kolkata. Based on the test results of 6,206 MT sent to the referral laboratory, 5,002 MT has been tested as free of mineral oil. Further, Hon. High Court of Kerala, vide its order dated May 12, 2015 has directed release of such quantity of pepper which is found free from impurities and contamination. Based on this, 4,474 MT of pepper out of the quantity found free of mineral oil on testing by Central Food Laboratory, Kolkata, has been released to the holders. As the percentage of stock tested free of mineral oil is substantially high, it is estimated that the total costs required to be incurred will be approximately ₹ 1,558 lakhs (excluding taxes), as compared to the earlier estimate of ₹ 4,300 lakhs. Out of the same, ₹ 1200 lakhs plus taxes is towards cleaning costs. Till March 31, 2018, the Exchange has paid ₹ 1200 lakhs plus taxes towards cleaning costs. The total amount paid till March 31, 2018 is ₹ 1,700 lakhs (including taxes) towards cleaning and other related costs. These payments are included in advances recoverable in cash or kind. In order to recover the costs for cleaning and other related expenses, the Exchange is in discussions with the local trade association, concerned members and other counterparties. The Management is of the opinion that there is no further exposure to the Exchange and therefore, there is no requirement to make any further provision with respect to these costs in the Company's accounts in addition to the provision made in earlier year of ₹ 260 lakhs.

With respect to the quality issue (presence of "Mineral Oil") of pepper stock, Kalimirch Vyapari Association (KVA) had filed writ petition (No. 321 of 2014) against the Exchange with Hon. High Court of Bombay. The KVA has withdrawn the said writ petition vide court order dated July 29, 2015 which reads as: "Allowed to be withdrawn with liberty to adopt appropriate proceedings".

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

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 of subsidiary NCDEX e Markets Limited	Rashtriya e Market Services Private Limited (ReMSPL)
(c) List of Key Management Personnel	Mr. Samir Shah -Managing Director & Chief Executive Officer (Upto 17.01.2018) Mr. Vijay Kumar V. Managing Director & Chief Executive Officer (W.e.f. 18.01.2018) Mrs. Komal Shahani (Chief Financial Officer) (Upto 09.08.2017) Mr. Atul Roongta (Chief Financial Officer) (W.e.f. 10.08.2017) Mr. M. K. Ananda Kumar (Company Secretary) (Upto 09.08.2017) Mr. Samir Rajdev (Company Secretary) (W.e.f. 10.08.2017) Mr. Rabi Narayan Das (Public Interest Director) (Upto 31.03.2018) Justice (Retd.) Ashok Bhan (Public Interest Director) (W.e.f. 21.07.2016) Dr. Purvi Mehta (Public Interest Director) (W.e.f. 11.01.2018) Mrs. Naina Krishna Murthy (Public Interest Director) (Upto 31.03.2018) Mr. Prithvi Raj Bishnoi (Public Interest Director) (Upto 21.07.2016) Mr. Siddhartha Pradhan (Public Interest Director) (Upto 10.08.2017) Dr. Ashok Gulati (Public Interest Director) (Upto 19.01.2018) Mr. Ravindra Kumar Roye (Public Interest Director) (W.e.f. 15.06.2017) Mr. Ravi Narain (Shareholder Director) (Upto 21.09.2017) Mr. J. Ravichandran (Shareholder Director) (W.e.f. 09.10.2017) Mr. Bhaskaran Nayar Venugopal (Shareholder Director) (W.e.f. 11.01.2018) Mr. Samir Kumar Mitter (Shareholder Director) (Upto 09.10.2017) Mr. Rakesh Kapur (Shareholder Director) Mr. Srinath Srinivasan (Shareholder Director) Mr. Sunil Kumar (Shareholder Director)

(₹ in Lakh unless otherwise stated)

(ii). Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at 31st March, 2018 are as under:

Particulars	Transaction with	For Year Ended March 31, 2018	For Year Ended March 31, 2017
Remuneration			
(i) Samir Shah	National Commodity & Derivatives Exchange Ltd (NCDEX)	**203**	274
(ii) Vijay Kumar V.	National Commodity & Derivatives Exchange Ltd (NCDEX)	**33**	-
		236	**274**
Recovery of Expense			
(i) Power Exchange India Limited (PXIL)	National Commodity & Derivatives Exchange Ltd (NCDEX)	**0**	1
		0	**1**
Services Rendered			
(i) Power Exchange India Limited (PXIL)	NCDEX e Markets Ltd (NeML)	**-**	43
(ii) Rashtriya e Market Services Private Limited	NCDEX e Markets Ltd (NeML)	**375**	379
		375	**422**
Dividend Received			
(i) Rashtriya e Market Services Private Limited	NCDEX e Markets Ltd (NeML)	**50**	25
		50	**25**
Key Management Personnel			
Sitting Fees Paid to Directors	National Commodity & Derivatives Exchange Ltd (NCDEX)	**137**	121
		137	121

Particulars	Transaction with	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Outstanding balances				
(i) Power Exchange India Limited (PXIL)	National Commodity & Derivatives Exchange Ltd (NCDEX)	**1,500**	1,500	1,500
		1,500	**1,500**	**1,500**
Investments in Preference Shares				
(i) Power Exchange India Limited (PXIL)	National Commodity & Derivatives Exchange Ltd (NCDEX)	**500**	500	500
		500	**500**	**500**
Investments in Joint Venture				
(i) Rashtriya e Market Services Private Limited	NCDEX e Markets Ltd (NeML)	**500**	500	500
		500	**500**	**500**
Provision for diminution in the value of Investment				
(i) Power Exchange India Limited (PXIL)	National Commodity & Derivatives Exchange Ltd (NCDEX)	**2,000**	2,000	2,000
		2,000	**2,000**	**2,000**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

Particulars	Transaction with	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Other Receivables				
(i) Power Exchange India Limited (PXIL)	National Commodity & Derivatives Exchange Ltd (NCDEX)	**-**	-	17
(ii) Power Exchange India Limited (PXIL)	NCDEX e Markets Ltd (NeML)	**22**	22	21
(iii) Rashtriya e Market Services Private Limited	NCDEX e Markets Ltd (NeML)	**9**	64	-
		31	**86**	**38**
Trade Payables				
(i) Power Exchange India Limited (PXIL)	National Commodity & Derivatives Exchange Ltd (NCDEX)	**-**	0	-
(ii) Samir Shah	National Commodity & Derivatives Exchange Ltd (NCDEX)	**52**	99	121
(iii) Vijay Kumar V.	National Commodity & Derivatives Exchange Ltd (NCDEX)	**9**	-	-
		61	**99**	**121**

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 period ended 31st March, 2018 is given as follows:

Particulars	Trading Services related to Commodity		Clearing Services related to Commodity		Trading & Clearing Services related to Spot Exchange		Repository Services		Research and Education		Total	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
REVENUE :												
External Revenue	**12,175**	13,503	**517**	552	**4,061**	3,505	**683**	-	**17**	9	**17,453**	17,569
Inter-segment Revenue	**(564)**	(481)	**(369)**	(452)	**(112)**	-	**(34)**	-	**-**	-	**(1,079)**	(933)
Total Revenue	**11,611**	**13,022**	**148**	**100**	**3,949**	**3,505**	**649**	**-**	**17**	**9**	**16,374**	**16,636**
RESULT												
Segment Result	**(1,160)**	1,516	**148**	131	**238**	1,073	**197**	-	**(13)**	(14)	**(590)**	**2,706**
Less:Finance Charge											**-**	-
Profit before tax											**(590)**	**2,706**
Less:Provision for current tax											**(816)**	(341)
Less:Deferred tax											**(285)**	(206)
Less:MAT Credit Entitlement											**307**	70
Profit after tax and before minority interest and share of loss of associate											**(1,384)**	**2,229**
Less: Non-controlling interests											**26**	-
Add / (Less): Share of profit (net) of associate(s)											**-**	-
Profit after tax											**(1,358)**	**2,229**
OTHER INFORMATION												
Segment Assets	**56,686**	75,687	**10,435**	1,341	**11,185**	17,941	**4,195**	2,600	**16**	3	**82,517**	**97,572**
Unallocable Assets											**-**	-
Total Assets											**82,517**	**97,572**
Segment Liabilities	**27,814**	37,399	**24**	41	**7,293**	14,760	**965**	-	**11**	7	**36,107**	**52,207**
Unallocable Liabilities											**-**	-
Total Liabilities											**36,107**	**52,207**

(₹ in Lakh unless otherwise stated)

36 Corporate social responsibility expenses:

Gross amount required to be spent by the Company as per section 135 of the Companies Act 2013 on Corporate Social Responsibility activities during the financial year 2017-18 is ₹ 107 lakhs.

Details of amount spent during the year are as follows:

CSR project or activity identified	Projects or programs	Sector in which the project is covered	Amount spent
Capacity building of turmeric farmers	Project implemented through NGO MYRADA in Gobichettipalayam and Erode in Tamil Nadu	Post-harvest management activities	47.05
Training programs for farmer producer organizations (FPOs)	Project implemented through Resource Institutions (RIs) in Maharashtra, Rajasthan, Madhya Pradesh, Andhra Pradesh and Karnataka	Agriculture Education	41.64
Impact Assessment of Training programs	An agency Kaarak was hired for the job of impact assessment of Training programs	Farmers' awareness	13.92
Printed material for distribution among farmers and FPOs	Training booklets, pamphlets, presentations, cartoon books, etc. were given to farmers and FPO members along with certificates for stakeholders who had completed their training through RIs in AP, MP, Karnataka, Rajasthan and Maharashtra.	Imparting knowledge and creating awareness among farmers	3.35
Capacity building of FPOs	12 Assaying kits given to FPCs through various RIs in Gujarat, Maharashtra, Rajasthan, MP and Bihar.	Post-harvest management activities	1.34

37 Lease payments under non - cancellable operating leases have been recognized as an expense in the Statement of profit and loss. Maximum obligation on lease amount payable as per rentals stated in respective agreements are as follows:-

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Not later than one year	**665**	690
Later than one year but not later than five years	**2,359**	2,733
More than five years	**21**	683

Total lease payments recognised in Statement of Profit and Loss is ₹ 841 lakhs included in Rent in Note 23 (March 31, 2017: ₹ 769 Lakhs).

38 The total deposits from members including margin money with the Company as on March 31,2018 is ₹ 176,079 lakhs (March 31, 2017 is ₹ 160,149 lakhs & March 31, 2016: ₹ 146,009 lakhs) which consists of cash, bank guarantees, securities and fixed deposit receipts.

39 Settlement Guarantee Fund (SGF) as constituted by the Company, is the amount earmarked for completion of the settlement, in case of a default by a member. The Erstwhile Forward Markets Commission has issued Guidelines dated March 14, 2014 (in revision to the Guidelines dated August 23, 2013) in respect of Settlement Guarantee Fund (SGF).

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

The Company has worked out the Corpus of SGF as on March 31, 2018 at ₹ 11,851 lakhs as disclosed below:

	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Settlement Guarantee Fund (A)	Balance as per last financial statements	**6,403**	5,875	4,867
	Add: Additions during the period (Appropriation net of Tax)	**15**	57	86
	Add: Contribution @ 5% of gross revenue of 2014-15 (Appropriation net of Tax)	**-**	-	469
	Add: Income on SGF Investment (Appropriation net of Tax)	**325**	471	453
	Total (A) (refer note 4)	**6,743**	**6,403**	**5,875**
Non current liabilities (B)	Base Minimum Capital	**-**	1,495	1,736
	Total (B)(refer note 5)	**-**	**1,495**	**1,736**
Other current liabilities ('C)	Base Minimum Capital	**1,960**	905	938
	Total (C)(refer note 8)	**1,960**	**905**	**938**
	Total Cash (A) + (B) + ('C)	**8,703**	**8,803**	**8,549**
	Total Non Cash *	**3,146**	**3,487**	**4,126**
	Total SGF	**11,849**	**12,290**	**12,675**

* Non Cash includes Bank guarantees/ Fixed deposit receipts and hypothecation of movables such as commodities securities etc from members.

As per SEBI circular dated September 01, 2016, the Company is required to determine the adequacy of SGF based on stress test computation on quaterly basis. If there is a shortfall, the Company has to make additional contribution to meet the shortfall. The SGF as per the stress test prescribed in the said guidelines as on March 31, 2018 is ₹ 9,099 (March 31, 2017 is ₹ 6,134 lakhs & March 31, 2016 : ₹ 8,458 lakhs) and SGF corpus with exchange as on March 31, 2018 is ₹ 11,851 lakhs (March 31, 2017 is ₹ 12,291 lakhs & March 31, 2016 : ₹ 12,675 lakhs).

40 Details of Exceptional items are as follows:

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Liquidated Damages *	-	954
Total	**-**	**954**

* As per the terms stated in the Share Purchase Agreement with an investor, the Company has to receive ₹ 7,592 lakhs as Liquidated Damages (LD) for non achivement of business milestones. During the year ₹ 954 lakhs (₹ 395 lakhs received in year 2015-16 and ₹ 5,810 lakhs received in year 2013-14) has been received as per the said agreement.

41 As per the requirement of Securities and Exchange Board of India (SEBI) each recognised exchange is required to clear the trades though a recognised Clearing Corporation. The Exchange is in the process of setting up the recognised clearing corporation through National Commodity Clearing Limited (NCCL) a 100% subsidiary of the Exchange. Accordingly, the Exchange will transfer the clearing and settlement function to NCCL on its recognition as Clearing Corporation.

Subsequent to such transfer, the liabilities and assets which will be transferred to NCCL will include margin money from members, deposits from clearing banks and warehouse service providers along with corresponding and equivalent

(₹ in Lakh unless otherwise stated)

investments/bank balances. The Risk Management System software and related hardware will also be transferred to NCCL. Further, the settlement guarantee fund balance will be transferred to NCCL along with its corresponding investments / bank balances.

The income streams of the Exchange that will be transferred to NCCL are Risk management fee, Physical delivery charges, Warehouse income and Investment income on investments / bank balances transferred. Similarly, the expenses relating to clearing and settlement function viz. employee costs, technology costs, sharing of infrastructure costs will also be transferred / apportioned to NCCL.

42 In case of subsidiary NCDEX e Markets Limited, Risk Management Fund (RMF) as constituted by the Company is the amount earmarked for completion of the settlement, in case of a default by a member. Company has policy to transfer 40% of penalty received to Risk Management Fund. During the year Company has transferred ₹ 15,00,000/- to the fund.

43 Investment in Joint Venture of subsidiary NCDEX e Markets Limited

NCDEX e Markets Limited has a 50% interest in RASHTRIYA e-MARKET SERVICES PRIVATE LIMITED (ReMS), a joint venture 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.. The Group's interest in ReMS is accounted for using the equity method in the consolidated financial statements. Summarised 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:

Summarised Balance Sheet as at March 31, 2018

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Assets	**4,453**	3,932	1,884
Non-current Assets	**265**	379	477
Current Liabilities	**(704)**	(697)	(242)
Non-current liabilities	**(9)**	(67)	(88)
Equity	**4,005**	**3,547**	**2,031**
Proportion of groups ownership	**50%**	50%	50%
Carrying Amount of investment	**2,003**	1,774	1,016

Summarised Statement of profit and loss for the year ended March 31, 2018

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Revenue from Operations	**2,742**	5,029
Other Income	**169**	95
Employee benefit expenses	**(131)**	(105)
Operating Expenses	**(1,348)**	(2,337)
Depreciation and amortization expenses	**(128)**	(127)
Other Expenses	**(464)**	(202)
Profit Before Tax	**840**	**2,353**
Tax Expense	**262**	777
Profit for the period	**578**	**1,576**
Other Comprehensive Income	**0**	(0)
Dividend Distribution Tax	**(20)**	(10)
Total comprehensive income for the period	**558**	**1,566**
Groups Share of profit for the year	**279**	783

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

44 Employee Stock Option Plan / Employee Stock Option Scheme of subsidiary NCDEX e Markets Limited

NCDEX e Markets Limited has created an Employee Stock Option - "ESOP 2017" for the benefits of employees.

Table of stock options with vesting option, vesting period, exercise price and exercise period:

Part A

Vesting		Exercise	
Option	Period	Period	Price (INR)*
300,000	3/27/2018	Not more than 3 years from vesting	59.72
225,000	3/27/2019	Not more than 3 years from vesting	59.72
225,000	3/27/2020	Not more than 3 years from vesting	59.72

The aforesaid options will be vested to eligible employees on satisfaction of vesting conditions as defined under the policy.

Part B

Vesting		Exercise	
Option	Period	Period	Price (INR)*
300,000	within 3 years from 27-3-18	3 years from vesting, subject to liquidity event as per Board Discretion	59.72
225,000	within 3 years from 27-3-18	3 years from vesting, subject to liquidity event as per Board Discretion	59.72
225,000	within 3 years from 27-3-18	3 years from vesting, subject to liquidity event as per Board Discretion	59.72

- The aforesaid options would have vested to eligible employees on achieving EBIDTA as per Respective yearly targets.

- If the prescribed EBIDTA is not achieved the options stands lapsed.

- As on March 31, 2018 no option is outstanding.

* Fair value per share is taken from indepndent valuer .

The effect of share based payment transaction on the entity's profit or loss for the period and earnings per share is presented below :-

Particulars	For the Year ended March 31, 2018
Profit after tax as reported	**(1,384)**
ESOP Cost	**140**
Earnings per Share	
Basic	**(2.68)**
Diluted	**(2.68)**

45 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. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company'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 Company'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 Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Note Nos.	Carrying amount	Less than 12 months	Payable on demand	More than 12 months	Total
As at March 31, 2018						
Deposits	16	26,377	-	26,307	70	26,377
Trade payables	17	1,980	1,980	-	-	1,980
Other financial liabilities	18	6,019	6,019	-	-	6,019
As at March 31, 2017						
Deposits	16	35,618	-	35,544	75	35,618
Trade payables	17	2,359	2,359	-	-	2,359
Other financial liabilities	18	12,872	12,872	-	-	12,872
As at April 1, 2016						
Deposits	16	23,777	-	23,719	58	23,777
Trade payables	17	1,806	1,806	-	-	1,806
Other financial liabilities	18	7,452	7,452	-	-	7,452

Management of Credit Risk

Credit risk is the risk of financial loss to the Company 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 Company's customer base being large and diverse and also on account of member's deposits kept by the company as collaterals which can be utilised 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 receivables and revenue for the year ended March 31, 2018.

Other financial assets :

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in debt mutual funds and Bonds. The Company limits its exposure to credit risk by making investment as per the investment policy. The Company 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), Minimum Average Assets Under Management (AAUM) etc. for certain types of investments. Further the investment committee of the Company reviews the investment portfolio on a periodic basis and recommend or provide

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

suggestion to the management. The Company 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 Company'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 Company'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 company periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the company has not entered in foreign exchange forward exchange contracts.

Capital management

The Company'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 Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company is predominantly equity financed which is evident from the capital structure. Further, the Company has always been a net cash company 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.

46 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 Company 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 Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

(₹ in Lakh unless otherwise stated)

- **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 Company'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.

Particulars	Levels	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1) Financial Assets				
Financial assets measured at fair value through profit & loss				
A) Investment in Mutual Funds	Level 1	**27,502**	36,947	26,081
Financial assets measured at fair value through other comprehensive income				
A) Investment in Bonds	Level 1	**1,963**	627	-
Financial assets measured at Amortized Cost				
A) Bank deposits		**29,236**	27,513	30,754
B) Trade receivables		**2,011**	1,661	1,251
C) Cash and Cash equivalents		**4,351**	14,430	5,580
D) Investment in Bonds		**-**	-	2,018
E) Other Financial Asset		**2,049**	1,297	1,605
Total financial assets		**67,112**	**82,475**	**67,289**
2) Financial liabilities				
Financial liabilities measured at Amortized Cost				
A) Deposits		**26,377**	35,619	23,777
B) Trade payables		**1,980**	2,359	1,806
C) Other Financial liabilities		**6,019**	12,872	7,452
Total Financial liabilities		**34,376**	**50,850**	**33,035**

47 Overall Principles:

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

applying Ind AS in the measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

48 First time adoption of Ind AS

The accounting policies set out in Note 1 have been applied in preparing the Financial statements for the year ended March 31, 2018 and 2017.

Exemptions and exceptions availed :

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS as at the transition date, i.e. April 1, 2016.

A.1 Ind- AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

A.1.2 Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in equity instruments.

A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

A.1.4 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

A.1.5 Investment in Subsidiaries, Associate and Joint Venture

Ind AS 101 permits a first time adopter to measure it's investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be it's fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date.

The Company has elected to measure its investment in subsidiaries, associates and joint ventures at the Previous GAAP carrying amount as its deemed cost on the transition date.

(₹ in Lakh unless otherwise stated)

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made in for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, classification and measurement of financial asset has been based on the facts and circumstances that exist at the date of transition to Ind AS.

49 Events after reporting period

The Board of Directors have recommended the payment of final dividend of ₹ 0.30 per fully paid equity shares (FV ₹ 10 each) (March 31, 2017 : ₹ 0.35/- per equity share (FV ₹ 10 each)). This proposed dividend is subject to approval of shareholders in the ensuing general meeting and if approved would result in cash outflow of approximately ₹ 152.03/- Lakhs excluding Corporate Dividend Tax of ₹ 31.25 Lakhs.

50 Previous year comparatives

The previous year's figures have been reclassified to conform to this year's classification.

51 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:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before income taxes	**(869)**	1,923
Enacted tax rates in India (%)	**35**	35
Computed expected tax expense	**(301)**	665
Tax impact on depreciation	**(231)**	(294)
Adjustments in respect of current income tax of previous years	**(3)**	1
Tax impact due to Non-deductible expenses for tax purposes	**36**	75
Tax impact on Exempt Income	**(33)**	(55)
Long term capital gain taxed at different rate (Net of Business Losses)	**(227)**	(27)
Tax impact on INDAS adjustments	**(243)**	(73)
Tax differences due to different tax rates	**16**	(46)
Tax impact on Intercompany elimination	**1,495**	-
Deferred tax expense	**285**	230
Income tax expense	**794**	**477**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

b. The following table provides the details of income tax assets and income tax liabilities as of March 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Income tax assets	**13,769**	13,408
Income tax liabilities	**11,107**	10,300
Net Non current income tax assets/ (liability) at the end	**2,662**	**3,108**

c. The gross movement in the current income tax asset/ (liability) for the Year ended March 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net current income tax asset/ (liability) at the beginning	**3,107**	3,147
Add:-Income tax paid	**965**	478
Less:-Provision for tax of earlier years	**-**	(1)
Less:-Additional Refund Received	**(597)**	(174)
Less:-Provision for income tax	**(813)**	(342)
Net current income tax asset/ (liability) at the end	**2,662**	**3,108**

d. **Deferred tax assets**

Movements in deferred tax assets

Particulars	Employee benefit	Financial Assets at Fair Value through OCI	MAT Credit Entitlement	Other Items	Total
As at 31 March 2017	76	21	70	331	498
Charged/(credited)					
- to profit or loss	(30)	-	263	239	**472**
- to other comprehensive income	14	(7)	-	-	**7**
As at 31 March 2018	**60**	**14**	**333**	**570**	**977**

Movements in deferred tax liabilities

Particulars	Depreciation and amortisation	Financial Assets at Fair Value through profit and Loss	Others	Total
As at 31 March 2017	600	142	-	742
Charged/(credited)				
- to profit or loss	304	198	-	502
As at 31 March 2018	**904**	**340**	**-**	**1,244**

52 Reconciliations

The following reconciliations provide the effect of transition to IndAS from IGAAP in accrdance with IndAS 101 :

a. Effect of IndAS adoption on Balance Sheet as at April 1, 2016.

b. Effect of IndAS adoption on Balance Sheet as at March 31, 2017.

c. Effect of IndAS adoption on Statement of Profit and loss as at March 31, 2017.

d. Reconciliation of total equity as at March 31, 2017 & April 1, 2016.

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

a. **Effect of IndAS adoption on Balance Sheet as at April 01, 2016**

Particulars	Foot Note No	April 01, 2016 As per Previous GAAP *	Ind-AS Adjustments	As per Ind - AS
Assets				
Non-current Assets				
Property, Plant and Equipment	4	2,217	(46)	2,171
Other Intangible assets	4	1,795	(192)	1,603
Intangible assets under development		1,954	-	1,954
Investment in associates/ joint venture accounted for using the equity method	4,5	5	1,011	1,016
Financial Assets				
- Investment		2,018	-	2,018
Other Financial Asset				
- Bank balances		1,978	-	1,978
- Others	7	479	(24)	455
Income tax assets (net)	5	2,829	1	2,830
Other non-current assets	7	52	14	66
Total non-current assets		**13,327**	**764**	**14,091**
Current Assets				
Financial Assets				
- Investment	1	25,952	129	26,081
- Trade Receivables	4	1,796	(545)	1,251
- Cash and cash equivalents	4	5,584	(4)	5,580
- Bank balances other than cash and cash equivalents	4	29,203	(427)	28,776
- Others		1,151	-	1,151
Income tax assets (net)		317	-	317
Other current assets	4,7	**1,827**	**8**	**1,835**
Total current assets		**65,830**	**(839)**	**64,991**
Total Assets		**79,157**	**(75)**	**79,082**
Equity and Liabilities				
Equity				
(a) Equity Share capital		5,068	-	5,068
(b) Other Equity	1,2,3,4,5,6,7	38,082	1,608	39,690
Equity attributable to Owners		**43,150**	**1,608**	**44,758**
Non Controlling Interest				
Total Equity		**43,150**	**1,608**	**44,758**
Liabilities				
Non-current Liabilities				
Financial Liabilities				
- Deposits		58	-	58
Provisions		116	-	116
Deferred tax liabilities (Net)	3,4	28	76	104
Total non-current liabilities		**202**	**76**	**278**
Current Liabilities				
Financial Liabilities				
- Deposits		23,719	-	23,719
- Trade payables	4,7	1,937	(131)	1,806
- Other Financial liabilities		7,452	-	7,452
Other current liabilities	4	1,032	(73)	959
Provisions	4	1,665	(1,555)	110
Total current liabilities		**35,805**	**(1,759)**	**34,046**
Total Liabilities		**36,007**	**(1,683)**	**34,324**
Total equity and liabilities		**79,157**	**(75)**	**79,082**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

Notes to Consolidated Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

b. Effect of IndAS adoption on Balance Sheet as at March 31, 2017

Particulars	Foot Note No	March 31, 2017		
		As per Previous GAAP *	Ind-AS Adjustments	As per Ind - AS
Assets				
Non-current Assets				
Property, Plant and Equipment	4	2,368	(43)	2,325
Other Intangible assets	4	5,576	(144)	5,432
Intangible assets under development		8	-	8
Investment in associates/ joint venture accounted for using the equity method	4,5	5	1,769	1,774
Financial Assets				
- Other Financial Asset				
- Bank balances		1,981	-	1,981
- Others	7	406	14	420
Deferred tax assets (net)		62	-	62
Income tax assets (net)	5	2,796	1	2,797
Other non-current assets	7	177	3	180
Total non-current assets		**13,379**	**1,600**	**14,979**
Current Assets				
Financial Assets				
- Investment	1	37,311	263	37,574
- Trade Receivables	4	2,522	(861)	1,661
- Cash and cash equivalents	4,5	14,486	(56)	14,430
- Bank balances other than cash and cash equivalents	4	26,453	(921)	25,532
- Others	7	917	(40)	877
Income tax assets (net)		311	-	311
Other current assets	4,7	2,248	(40)	2,208
Total current assets		**84,248**	**(1,655)**	**82,593**
Total Assets		**97,627**	**(55)**	**97,572**
Equity and Liabilities				
Equity				
(a) Equity Share capital		5,068	-	5,068
(b) Other Equity	1,2,3,4,5,6,7	40,096	201	40,297
Equity attributable to Owners		**45,164**	**201**	**45,365**
Non Controlling Interest				
Total Equity		**45,164**	**201**	**45,365**
Liabilities				
Non-current Liabilities				
Financial Liabilities				
- Deposits		75	-	75
Provisions		151	-	151
Deferred tax liabilities (Net)	3,4	226	80	306
Total non-current liabilities		**452**	**80**	**532**
Current Liabilities				
Financial Liabilities				
- Deposits		35,544	-	35,544
- Trade payables	4,5,7	2,537	(178)	2,359
- Other Financial liabilities		12,872	-	12,872
Other current liabilities	4	889	(99)	790
Provisions	4	169	(59)	110
Total current liabilities		**52,011**	**(336)**	**51,675**
Total Liabilities		**52,463**	**(256)**	**52,207**
Total equity and liabilities		**97,627**	**(55)**	**97,572**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

c. Reconciliation of Statement of Profit & Loss for year ended March 31, 2017

Assets	Foot Note No	March 31, 2017		
		As per Previous GAAP *	Ind-AS Adjustments	As per Ind - AS
Income				
Revenue from Operation	4,5	12,852	(2,454)	10,398
Other Income	1,4,5	6,232	6	6,238
Total Income		**19,084**	**(2,448)**	**16,636**
Expenses				
Employee benefits expense	2,4	5,708	(108)	5,600
Finance Cost	4	18	5	23
Depreciation	4,5	1,750	(64)	1,686
Other Expenses	4,5,7	9,585	(1,227)	8,358
Total Expenses (II)		**17,061**	**(1,394)**	**15,667**
Profit / (loss) before exceptional items and income tax (I-II)		**2,023**	**(1,054)**	**969**
Exceptional item (net of tax)		954	-	954
Share of net profit from Joint venture accounted for using equity method	4	-	783	783
Profit / (Loss) before tax (III - IV)		**2,977**	**(271)**	**2,706**
Tax expense				
Current tax	4	782	(441)	341
Deferred Tax	3,4	116	20	136
Profit/(loss) for the period		**2,079**	**150**	**2,229**
Other Comprehensive Income				
A.) Items that will not be reclassified to profit or loss				
(i) remeasurement of defined benefit plans;	6	-	(56)	(56)
Income tax impact on above	3	-	18	18
B.) Items that will be reclassified to profit or loss;				
Debt instruments through OCI	6	-	14	14
Income tax impact on above	3	-	(3)	(3)
Total comprehensive income for the year after tax		-	**(27)**	**(27)**
Total comprehensive income for the year		**2,079**	**123**	**2,202**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

d. Reconciliation of total equity as at March 31, 2017 & April 01, 2016

Particulars	Foot Note No	March 31, 2017	April 01, 2016
Total equity under previous GAAP		45,164	43,150
IndAS Adjustments of previous period		1,608	-
Adjustments:			
Dividends and related distribution tax not recognised as liability until declared under Ind AS		(1525)	1,525
Security deposits paid measured at fair value	7	1	(1)
Reversal of lease equalisation liability net of tax	3,7	11	83
Fair value impact of bonds net of tax	1,3	10	-
Current investments measured at fair value net of tax	1,3	49	84
Interest Income on deposit fair valuation	7	3	-
Interest Expense on discounting	7	(5)	10
Ncdex Institute Of Commodity Markets And Research being not for profit consolidated under IND AS	5	(15)	(29)
Transaction Charges Special Reserve of JV not consider in IND AS	4	64	(64)
Total adjustment to equity		**201**	**1,608**
Total equity under Ind AS		**45,365**	**44,758**

Notes to Consolidated Financial Statements for the year ended March 31, 2018

e. Reconciliation of Cash flow statement for year ended March 31, 2017

Assets	Foot Note No	March 31, 2017		
		As per Previous GAAP *	Ind-AS Adjustments	As per Ind - AS
Cash flow from operating activities	4	15,296	(509)	14,787
Cash flows from investing activities	4	(4,869)	462	(4,407)
Cash Flows from financing activities	4	(1,525)	(5)	(1,530)
Net increase / (decrease) in cash and cash equivalents		8,902	(52)	8,850
Cash and cash equivalents as at April 1, 2016	4	5,584	(4)	5,580
Cash and Cash equivalents as at March 31, 2017		**14,486**	**(56)**	**14,430**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note

Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and the Statement of profit and loss for the year ended March 31, 2017

Note 1: Investments

Mutual funds (other than investments in subsidiaries, associates and joint venture):

Under the Previous GAAP, investments in mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value.The resulting fair value changes of these investments have been recognised in other equity as at the date of transition i.e. April 1, 2016 and subsequently in the profit or loss.

Investments in Debt instruments

Under Previous GAAP, the investments in bond are measured at cost or fair value, whichever is lower, if classified as current investment. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, the company has designated bonds as fair value through OCI (FVTOCI). Interest income and fair value changes are recognised in the statement of profit and loss and other comprehensive income, respectively.

Note 2: Re-measurement of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP,these re-measurements were forming part of the profit or loss for the year.

Note 3: Deferred Tax

Under Previous GAAP, deferred taxes are recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. Also deferred tax has been recognised on the adjustment made on transition to Ind AS.

Note 4: Investment in Joint Ventures

The Company's subsidiary NCDEX e Markets Ltd. (NeML) holds 50% interest in Rashtriya e Market Services Private Limited (ReMS) and exercises joint control over the entity. Under Indian-GAAP group has proportionately consolidated its interest in the ReMSL in the Consolidated Financial Statement. On transition to Ind AS NeML has assessed and determined that ReMSL is its JV under Ind AS 111 Joint Arrangements. Therefore, it needs to be accounted for using the equity method as against proportionate consolidation. For the application of equity method, the initial investment is measured as the aggregate of Ind AS amount of assets and liabilities that the group had previously proportionately consolidated including any goodwill arising on acquisition. On application of equity method the investment stands increased by ₹ 516 Lakhs on 1 April 2016 and by ₹ 1,274 Lakhs on 31 March 2017. Derecognition of proportionately consolidated ReMS has resulted in change in balance sheet, statement of profit and loss and cash flow statement.

Note 5: Investment in subsidiary (not for profit)

The Holding Company has made an Investment in NCDEX Institute of Commodity Markets & Research, a section 8 company under the Companies Act, 2013, wherein the profits will be applied for promoting its objects. Under Indian GAAP, the Financial Statements of NCDEX Institute of Commodity Markets & Research were not consolidated in those financial statements, since the Holding Company will not derive any economic benefits from its investments in NCDEX Institute of Commodity Markets & Research. However in IND AS, the same consolidated as the subsidiary is controlled by the Company

Note 6: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as part of other comprehensive income includes re-measurements of defined benefit plans, fair value gains or (losses) on FVTOCI equity instruments and debt instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note 7: Other adjustments

Under previous GAAP, all financial assets other than investments and cash and bank balances were initially measured at cost however on transitioning to Ind AS, same were measured initially at fair value and subsequently at amortised. On the date of transition to Ind AS, these financial assets have been measured at value which would have been the value if these financial assets would have accounted as per Ind AS. Further the impact of bringing it at amortised cost given to the respective expense and prepaid expenses based on the nature of individual transaction.

53 Additional information required by Schedule III

Particulars	Nature of Relationship	As % of consolidated net assets	For Year Ended March 31, 2018	As % of consolidated net assets	For Year Ended March 31, 2017
Net assets (total assets minus total liabilities)					
National Commodity & Derivatives Exchange Ltd (NCDEX)	Parent Company	62%	**28,871**	84%	38,288
NCDEX e Markets Ltd. (NeML)	Subsidiary	8%	**3,892**	7%	3,181
National E-Repository Limited (NERL)	Subsidiary	7%	**3,230**	6%	2,600
National Commodity Clearing Limited (NCCL)	Subsidiary	22%	**10,411**	3%	1,300
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	1%	**5**	0%	(4)
Total		**100%**	**46,409**	**100%**	**45,365**
Share in profit or (loss)					
National Commodity & Derivatives Exchange Ltd (NCDEX)	Parent Company	-156%	**(2,156)**	-44%	988
NCDEX e Markets Ltd. (NeML)	Subsidiary	44%	**606**	-65%	1,453
National E-Repository Limited (NERL)	Subsidiary	18%	**249**	0%	-
National Commodity Clearing Limited (NCCL)	Subsidiary	-7%	**(92)**	9%	(211)
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	1%	**9**	0%	(3)

Notes to Consolidated Financial Statements for the year ended March 31, 2018

Particulars	Nature of Relationship	As % of consolidated net assets	For Year Ended March 31, 2018	As % of consolidated net assets	For Year Ended March 31, 2017
Total		**-100%**	**(1,384)**	**-100%**	**2,227**
Share in other comprehensive income					
National Commodity & Derivatives Exchange Ltd (NCDEX)	Parent Company	390%	**23**	-78%	(21)
NCDEX e Markets Ltd. (NeML)	Subsidiary	-386%	**(23)**	-22%	(6)
National E-Repository Limited (NERL)	Subsidiary	-104%	**(6)**	0%	-
National Commodity Clearing Limited (NCCL)	Subsidiary	0%	**-**	0%	-
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	**-**	0%	-
Total		**-100%**	**(6)**	**-100%**	**(27)**
Share in total comprehensive income					
National Commodity & Derivatives Exchange Ltd (NCDEX)	Parent Company	-154%	**(2,133)**	-44%	967
NCDEX e Markets Ltd. (NeML)	Subsidiary	42%	**584**	-66%	1,448
National E-Repository Limited (NERL)	Subsidiary	18%	**243**	0%	-
National Commodity Clearing Limited (NCCL)	Subsidiary	-7%	**(92)**	10%	(211)
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	1%	**9**	0%	(3)
Total		**-100%**	**(1,389)**	**-100%**	**2,200**

For K.S. AIYAR & Co.
Chartered Accountants
ICAI Firm Registration No : 100186W

Sachin A. Negandhi
Partner
Membership No.112888

Place : Mumbai
Date : May 25, 2018

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

Vijay Kumar V.
Managing Director & Chief Executive Officer
DIN - 6651068

Samir Rajdev
Company Secretary

Ravindra Kumar Roye
Chairman
DIN - 07304930

Atul Roongta
Chief Financial Officer

NCDEX
Pragati ka Solid Exchange

Independent Auditor's Report

To the Members of National Commodity & Derivatives Exchange Limited

Report on the Standalone Financial Statements

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, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, the Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the including Indian Accounting Standards (IND AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and its profits, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to:

Note 32 to the standalone financial statements. In respect of the matters relating to the future contracts of pepper, 'other receivable' as on March 31, 2018, includes various costs amounting to ₹ 1700 lakhs towards cleaning of the pepper stock in warehouses. 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.

In terms of the legal opinion obtained by the Company, it therefore has a fair chance of recovery of the costs incurred by them since the Company is backed by orders of the Court which provides a constructive lien on the goods lying under the physical control of the Company through its approved warehouses. The Management has considered the receivable as good and recoverable, apart from a provision of ₹ 260 lakhs which was made in earlier years towards such pepper-cleaning costs.

Our opinion is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the said Order.

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – refer note 31 (a) and 32;

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No: 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: May 25, 2018

Independent Auditor's Report

Annexure 'A' to the Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the standalone financial statements for the year ended on March 31, 2018, of **National Commodity & Derivatives Exchange Limited**)

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management during the year, in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.

(c) The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company is a commodity exchange and does not maintain any inventory. Therefore, the provisions of clause 3 (ii) of the Order are not applicable to the Company.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.

(iv) As informed, the Company has not advanced any loans, made any investments or given any guarantees and securities. Accordingly, clause 3 (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, with regard to the deposits accepted from the public are not applicable to the Company. No order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.

(vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act for the products of the Company.

(vii) (a) According to the records of the Company, it is generally regular in depositing with the appropriate authorities undisputed statutory dues applicable to it, including provident fund, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of above which were outstanding, as at March 31, 2018 for a period of more than six months from the date on which they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute except as stated below:

Name of Statute (Nature of dues)	Year to which the amount relates	Forum where the dispute is pending	Amount (₹ in lakhs)
Income Tax Act, 1961. (Tax/ Interest)	2006-07	Income Tax Appellate Tribunal – Mumbai	224
Income Tax Act, 1961. (Tax/ Interest)	2007-08		113
Income Tax Act, 1961. (Tax/ Interest)	2008-09		61
Income Tax Act, 1961. (Tax/ Interest)	2009-10		162

Name of Statute (Nature of dues)	Year to which the amount relates	Forum where the dispute is pending	Amount (₹ in lakhs)
Income Tax Act, 1961. (Tax/ Interest)	2010-11	Commissioner of Income Tax (Appeals) – Mumbai	123
Income Tax Act, 1961. (Tax/ Interest)	2011-12		224
Income Tax Act, 1961. (Tax/ Interest)	2012-13		162
Income Tax Act, 1961. (Tax/ Interest)	2013-14		62

(viii) According to the information and explanations given to us, the Company has not taken any money from any financial institution, bank, Government or debenture holder, and accordingly clause 3 (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds by the Company or on the Company by any of its employees or officers noticed or reported during the course of our audit.

(xi) In our opinion, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

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

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

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

For K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No: 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: May 25, 2018

Independent Auditor's Report

Annexure - B

To the Independent Auditor's Report of even date on the Standalone Financial Statements of National Commodity & Derivatives Exchange Limited

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

We have audited the internal financial controls over financial reporting of **National Commodity & Derivatives Exchange Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

Independent Auditor's Report

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 K. S. Aiyar & Co.
Chartered Accountants
ICAI Firm Registration No: 100186W

Sachin A. Negandhi
Partner
Membership No.: 112888

Place: Mumbai
Date: May 25, 2018

Balance Sheet as at March 31, 2018

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-Current Assets				
Property, plant and equipment	2	**1,912**	1,983	1,921
Other intangible assets	3	**4,548**	4,470	861
Intangible assets under development	3	**55**	7	1,812
Investment in subsidiaries, associates and joint ventures	4(a)	**18,910**	6,965	4,365
Financial assets				
- Investment	4(b)	**-**	-	2,018
- Other financial assets				
- Bank balances	5(a)	**782**	1,520	1,838
- Others	5(b)	**386**	407	446
Income tax assets (net)	6	**2,295**	2,731	2,729
Other non-current assets	7	**172**	169	57
Total non-current assets		**29,060**	**18,252**	**16,047**
Current Assets				
Financial assets				
- Investment	8	**28,870**	36,907	25,596
- Trade receivables	9	**1,216**	1,261	856
- Cash and cash equivalents	10	**392**	1,387	284
- Bank balances other than cash and cash equivalents	11	**13,585**	22,110	25,654
- Others	5(b)	**578**	1,042	1,248
Other current assets	7	**2,031**	2,051	1,730
Total current assets		**46,672**	**64,758**	**55,368**
TOTAL ASSETS		**75,732**	**83,010**	**71,415**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	12	**5,068**	5,068	5,068
Other equity	13	**42,779**	40,506	41,035
Total Equity		**47,847**	**45,574**	**46,103**
LIABILITIES				
Non-current liabilities				
Provisions	14	**44**	116	90
Deferred tax liabilities (net)	15	**414**	301	85
Total non-current liabilities		**458**	**417**	**175**
Current liabilities				
Financial liabilities				
- Deposits	16	**23,554**	33,485	21,787
- Trade payables	17	**1,652**	1,994	1,517
- Other Financial liabilities	18	**1,260**	774	896
Other current liabilities	19	**858**	662	833
Provisions	14	**103**	104	104
Total current liabilities		**27,427**	**37,019**	**25,137**
TOTAL LIABILITIES		**27,885**	**37,436**	**25,312**
TOTAL EQUITY AND LIABILITIES		**75,732**	**83,010**	**71,415**
Summary of significant accounting policies	1			

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

As per our report of even date

For K.S. AIYAR & Co.
Chartered Accountants
ICAI Firm Registration No : 100186W

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

Sachin A. Negandhi
Partner
Membership No.112888

Vijay Kumar V.
Managing Director & Chief Executive Officer
DIN - 6651068

Ravindra Kumar Roye
Chairman
DIN - 07304930

Place : Mumbai
Date : May 25, 2018

Samir Rajdev
Company Secretary

Atul Roongta
Chief Financial Officer

Statement of Profit & Loss for the year ended March 31, 2018

(₹ in Lakh)

Particulars	Notes	For the Year ended March 31, 2018	For the Year ended March 31, 2017
INCOME			
Revenue from operations	20	**7,392**	7,528
Other Income	21	**4,782**	5,975
Total income		**12,174**	**13,503**
EXPENSE			
Employee benefits expense	22	**4,710**	4,516
Finance cost	23	**24**	11
Depreciation & amortization	24	**1,533**	1,281
Other expenses	25	**7,129**	7,133
Total expenses		**13,396**	**12,941**
Profit / (loss) before exceptional items and income tax		**(1,222)**	**562**
Add : Exceptional item (net of tax)	26	**4,553**	954
Profit / (Loss) before tax		**3,331**	**1,516**
Tax expense			
Current tax	27	**724**	270
Deferred tax	27	**112**	229
Profit / (Loss) for the year (A)		**2,495**	**1,017**
Other Comprehensive Income:			
Items that will not be reclassified to the Statement of profit and loss			
Remeasurement of post-employment benefit obligations		**(8)**	(48)
Income tax impact on above		**6**	17
Item that will be reclassified to the Statement of profit and loss;			
Debt instruments through Other Comprehensive Income		**32**	14
Income tax impact on above		**(7)**	(3)
Other comprehensive income for the year, net of taxes (B)		**23**	**(20)**
Total comprehensive income for the year (A+B)		**2,518**	**997**
Basic earnings per share (Face Value of ₹ 10 each)			
(1) Basic (₹)		**4.92**	2.01
(2) Diluted (₹)		**4.92**	2.01
Summary of significant accounting policies	1		

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

As per our report of even date

For K.S. AIYAR & Co.
Chartered Accountants
ICAI Firm Registration No : 100186W

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

Sachin A. Negandhi
Partner
Membership No.112888

Vijay Kumar V.
Managing Director & Chief Executive Officer
DIN - 6651068

Ravindra Kumar Roye
Chairman
DIN - 07304930

Place : Mumbai
Date : May 25, 2018

Samir Rajdev
Company Secretary

Atul Roongta
Chief Financial Officer

Statement of Cash Flow for the year ended 31st March, 2018

(₹ in Lakh)

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash flow from operating activities			
Profit before tax		**3,331**	1,516
Adjustments for:			
Depreciation & amortisation		**1,533**	1,281
Provision for leave encashment		**47**	28
Provision for gratuity		**66**	54
Provision for doubtful debts and advances		**62**	-
Loss/(Profit) on sale of fixed asset		**(4)**	(11)
(Profit) / Loss on sale of investments		**(2,167)**	(2,674)
Interest income		**(1,026)**	(1,529)
(Profit) / Loss on sale of comtrack undertaking		**(4,553)**	-
Utilisation from Investor Service fund		**(32)**	-
Operating profit before working capital changes		**(2,743)**	**(1,335)**
Movements in working capital:			
Decrease / (Increase) in trade receivables		**45**	(405)
Decrease / (Increase) in other current assets		**28**	(320)
Decrease / (Increase) in other non current assets		**24**	(137)
Decrease / (Increase) in inter corporate loans		**(22)**	(14)
Decrease / (Increase) in other financial assets		**71**	(41)
Increase / (Decrease) in long term provison		**(72)**	26
Increase / (Decrease) in trade payables		**(342)**	477
Increase / (Decrease) in Short term provison		**(114)**	(84)
Increase / (Decrease) in current financial liabilities		**(9,445)**	11,576
Increase / (Decrease) in other current liabilities		**196**	(171)
Cash generated/(used) from operations		**(12,374)**	**9,572**
Direct taxes paid (net of refunds)		**288**	272
Net cash generated/(used) in operating activities	**(A)**	**(12,662)**	**9,300**
B. Cash flows from investing activities			
Purchase of fixed assets, including intangible assets and CWIP		**(1,613)**	(3,155)
Proceeds from sale / disposal of fixed assets		**5**	19
Proceeds from sale of comtrack undertaking		**2,283**	-
Investment in shares of NCCL Limited		**(9,100)**	-
Investment in shares of NeRL Limited		**(518)**	(2,600)
Purchase of current investments		**(680,808)**	(587,448)
Proceeds from sale of current investments		**691,051**	580,858
Interest received		**1,317**	1,792
Investment in fixed deposits (original maturity of more than three months)		**(12,856)**	(21,792)
Redemption/Maturity of fixed deposits (original maturity of more than three months)		**22,119**	25,654
Net cash generated/(used) in investing activities	**(B)**	**11,880**	**(6,672)**

Statement of Cash Flow for the year ended 31st March, 2018 (Contd.)

(₹ *in Lakh)*

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
C. Cash Flows from financing activities			
Dividend paid		**(177)**	(1,267)
Dividend tax paid		**(36)**	(258)
Net cash generated/(used) from financing activities	**(C)**	**(213)**	**(1,525)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**(995)**	**1,103**
Cash and cash equivalents at the beginning of the period		**1,387**	**284**
Cash and cash equivalents at the end of the period		**392**	**1,387**
Components of cash and cash equivalents (Refer note 18)			
Cash and cheques on hand		**0**	0
With Banks			
- on current accounts *		**383**	1,387
- on fixed deposits (Original maturity being three months or less) **		**9**	-
Total		**392**	**1,387**

* Includes

- NCDEX Joint Price Dissemination fund of ₹ 3 lakhs (March 31,2017 : ₹ 3 lakhs, April 01, 2016 : ₹ 3 lakhs) which can be utilized only for Joint Price Dissemination project along with FMC
- Settlement Guarantee Fund of ₹ 41 lakhs (March 31,2017 : ₹ 37 lakhs, April 01, 2016 : ₹ 39 lakhs) which can be utilized for completion of settlement, in case of member default.
- ₹ 0.87 lakhs (March 31,2017 : ₹ NIL, April 01, 2016 : ₹ NIL) for Investor Service Fund

** Includes

- ₹ 9 lakhs (March 31,2017 : ₹ NIL, April 01, 2016 : ₹ NIL) for Settlement Guarantee Fund

As per our report of even date

For K.S. AIYAR & Co.
Chartered Accountants
ICAI Firm Registration No : 100186W

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

Sachin A. Negandhi
Partner
Membership No.112888

Vijay Kumar V.
Managing Director & Chief Executive Officer
DIN - 6651068

Ravindra Kumar Roye
Chairman
DIN - 07304930

Place : Mumbai
Date : May 25, 2018

Samir Rajdev
Company Secretary

Atul Roongta
Chief Financial Officer

Statement Of Changes In Equity for the year ended 31st March, 2018

(A) Equity Share Capital

	(₹ in Lakh)
Balance as at April 1, 2016	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2017	**5,068**
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**5,068**

(B) Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Investor Service Fund	General reserve	Settlement Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	
Balance at the April 1, 2016	**13,956**	**-**	**1,110**	**5,875**	**20,094**	**-**	**41,035**
Addition in current year	-	-	-	528	1,017	-	1,545
Items of Other Comprehensive Income for the year, net of tax							
Remeasurement benefit of defined benefit plans	-	-	-	-	(32)	-	(32)
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	11	11
Payment of Dividend	-	-	-	-	(1,267)	-	(1,267)
Dividend distribution tax	-	-	-	-	(258)	-	(258)
Transfer to Settlement Guarantee Fund	-	-	-	-	(528)	-	(528)
Utilisation during the year	-	-	-	-	-	-	-
Balance as at March 31, 2017	**13,956**	**-**	**1,110**	**6,403**	**19,026**	**11**	**40,506**
Addition in current year	-	46	-	341	2,495	-	2,882
Items of Other Comprehensive Income for the year, net of tax							
Remeasurement benefit of defined benefit plans	-	-	-	-	(2)	-	(2)
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-		25	25
Payment of Dividend	-	-	-	-	(177)	-	(177)
Dividend distribution tax	-	-	-	-	(36)	-	(36)
Transfer to Settlement Guarantee Fund	-	-	-	-	(341)	-	(341)
Transfer to Investor Service Fund	-	-	-	-	(46)	-	(46)
Utilisation during the year	-	(32)	-	-	0	-	(32)
Balance as at March 31, 2018	**13,956**	**14**	**1,110**	**6,744**	**20,919**	**36**	**42,779**

As per our report of even date

For K.S. AIYAR & Co.
Chartered Accountants
ICAI Firm Registration No : 100186W

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

Sachin A. Negandhi
Partner
Membership No.112888

Vijay Kumar V.
Managing Director & Chief Executive Officer
DIN - 6651068

Ravindra Kumar Roye
Chairman
DIN - 07304930

Place : Mumbai
Date : May 25, 2018

Samir Rajdev
Company Secretary

Atul Roongta
Chief Financial Officer

Notes to Financial Statements for the year ended March 31, 2018

Background and Significant Accounting Policies

Background

National Commodity & Derivatives Exchange Limited ('the Company' or "the Exchange" or "NCDEX") is a nation-level, technology driven de-mutualised on-line commodity exchange. 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.

The financial statements are approved for issue by the Company's Board of Directors on May 25, 2018.

1 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ("financial statements").These policies have been consistently applied to all the years presented, unless otherwise stated.

a Statement of Compliance

The financial statements as at and for the year ended March 31, 2018 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (India Accounting Standards) Amendment Rules, 2016. Previous year numbers in the financial statements have been restated to Ind AS. These financial statements are the first financial statements of the Company which have been prepared in accordance with Ind AS. As per Ind AS 101 First time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (" Previous GAAP") to Ind AS in respect of Shareholder's equity as at March 31, 2017 and April 1, 2016 and of the comprehensive income for the year ended March 31, 2017.

Basis of preparation

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 fair value less cost to sell;

iii. defined benefit plans - plan assets measured at fair value;

c Foreign Currencies

Items included in the Financial Information of the Company 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 (INR), which is the Company'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 recognised in OCI or Statement of profit and loss are also recognised in OCI or Statement of profit and loss, respectively).

Notes to Financial Statements for the year ended March 31, 2018

d 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 recognised in the financial statements are:

- Useful lives property, plant, equipment and intangible assets
- Measurement of defined employee benefit obligation
- Contigent liabilities

e Current and Non-current classification

The Company 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 realised or intended to be sold or consumed in normal operating cycle

ii. Held primarily for the purpose of trading, or

iii. Expected to be realised 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.

f 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 Company issues financial guarantees on behalf of subsidiaries, initially it measures the financial guarantees at their fair values 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 Company 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.

Notes to Financial Statements for the year ended March 31, 2018

g Non-current assets held for sale

Non-current assets & disposal group classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Property, Plant and Equipment (PPE) and intangible assets, are not depreciated or amortized once classified as held for sale.

h Fair Value Measurement

The Company 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 Company 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 Company 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 Company'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.

i Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

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.

Notes to Financial Statements for the year ended March 31, 2018

Transaction charges

Transaction charges are recognised as income on trade date basis.

Annual subscription charges

Annual subscription charges are recognised as income on a time proportion basis beginning from the month it is received.

Admission fees

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

Delivery Charges

Delivery charges are recognised as income on 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 when open interest is increased as compared to previous day.

Comtrack 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.

j Government Grants

Grants from the government are recognised 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 recognised 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.

k 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 liability 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 realised or the deferred income tax liability is settled.

Deferred tax assets are recognised 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 Company 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 recognised in Statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised 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 Company recognizes MAT credit available as an asset only to the extent it is probable that the Company 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 Company 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 Company 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 Company will pay normal tax during the specified period.

I Property, Plant and Equipment (PPE)

For transition to Ind AS, the Company has elected to continue with the carrying value of its Property, Plant and Equipment recognized as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

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.

Significant parts of an item of PPE having different useful lives & material value or other factors are accounted for as separate components. 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.

Fixed assets having an original cost less than or equal to Rs. 5,000 individually and Tickers are fully depreciated in the year of purchase or installation.

Leasehold improvement is amortized over the renewable period of lease.

Notes to Financial Statements for the year ended March 31, 2018

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
Leasehold Improvements	Over the period of lease
Furniture & Fixtures	10 years
Electrical Installations	10 years
Computers	3 – 6 years
Office Equipments	5 years
Vehicles	8 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 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.

m Intangible Asset

i. Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognized as of April 1, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

ii. 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 capitalised 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 Company are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends & 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 capitalised 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.

n Lease

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised 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.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised 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.

o Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

p Provisions, Contingent liabilities and Contingent assets

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

Notes to Financial Statements for the year ended March 31, 2018

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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent liabilities are not recognised but disclosed in the Financial Statements, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not recognised but disclosed in the Financial Statements when an inflow of economic benefits is probable.

q 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 recognised 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. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of profit and loss.

The obligations are presented as current liabilities in the Standalone Statement of Assets and Liabilities since the Company 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 Company 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 Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised 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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised 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 recognised 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.

r Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

s Impairment of non-financial assets

The Company 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 Company 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.

t 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.

Notes to Financial Statements for the year ended March 31, 2018

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. 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 Company 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 at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company 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.

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the

Statement of profit and loss.

Investment in subsidiaries, joint ventures and associates

Investment in subsidiaries, joint ventures and associates are carried at cost in the standalone financial statements.

Equity investments

All equity investments are measured at fair value. For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company 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 Statment of profit and loss, even on sale of investment. However, the Company 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 and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Cash and Cash equivalents

The Company considers all 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.

De-recognition

A financial asset is de-recognized only when :

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

Impairment of financial assets

In accordance with Ind AS 109, the Company 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

Notes to Financial Statements for the year ended March 31, 2018

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 Company 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 17.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of profit and loss.

Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company 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 recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit or loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortised 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 recognised in the Statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company 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 amortised 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 recognised 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 recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

u 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.

v Settlement Guarantee Fund (SGF)

Annual Contribution by the Exchange to SGF is an appropriation from retained earnings.

Income on SGF Investment and settlement penalties is transferred to SGF as per the regulatory directives.

Contribution from members by way of refundable deposit is classified as current or non current liability as per provisions of Schedule III of Companies Act, 2013.

w 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.

x 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.

y Application of new and revised Ind -AS

All the Indian Accounting Standards 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 have been considered in preparing these financial statements.

Recent accounting pronouncements:-

<u>Standards issued but not yet effective</u>

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

<u>Amendment in Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:</u>

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting

Notes to Financial Statements for the year ended March 31, 2018

Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Notes to Financial Statements for the year ended March 31, 2018

2 Property, plant and equipment & Capital Work-in-Progress

(₹ in Lakh)

Particulars	Computer Hardware	Improvement to Lease hold Property	Telecommunication Equipments	Office Equipments	Electrical Installations	Furniture and Fixtures	Motor Car	Total
Gross carrying amount								
Deemed cost as at April 01, 2016	810	186	611	59	164	58	33	1,921
Additions	441	39	220	2	-	17	-	719
Disposals / Adjustments	4	-	-	-	-	5	-	9
Closing gross carrying amount	**1,247**	**225**	**831**	**61**	**164**	**70**	**33**	**2,631**
Accumulated depreciation and impairment								
Accumulated depreciation as at April 01, 2016	-	-	-	-	-	-	-	-
Depreciation for the year	345	47	163	21	56	14	3	649
Disposals / Adjustments	0	-	-	-	-	1	-	1
Closing accumulated depreciation	**345**	**47**	**163**	**21**	**56**	**13**	**3**	**648**
Net carrying amount as at March 31, 2017	**902**	**178**	**668**	**40**	**108**	**57**	**30**	**1,983**
Gross carrying amount								
Opening as at April 01, 2017	1,247	225	831	61	164	70	33	2,631
Additions	496	-	223	3	0	1	-	723
Disposals / Adjustments	31	-	-	-	-	-	-	31
Closing gross carrying amount	**1,712**	**225**	**1,054**	**64**	**164**	**71**	**33**	**3,323**
Accumulated depreciation and impairment								
Opening as at April 01, 2017	345	47	163	21	56	13	3	648
Depreciation for the year	444	53	182	16	55	13	6	769
Disposals / Adjustments	6	-	-	-	-	-	-	6
Closing accumulated depreciation	**783**	**100**	**345**	**37**	**111**	**26**	**9**	**1,411**
Net carrying amount as at March 31, 2018	**929**	**125**	**709**	**27**	**53**	**45**	**24**	**1,912**

3 Intangible Assets

(₹ in Lakh)

Particulars	Computer Software	Total	Intangible assets under development	Total
Gross carrying amount				
Deemed cost as at April 01, 2016	861	861	1,812	1,812
Additions	4,241	4,241	2,412	2,412
Capitalised during the year	-	-	4,217	4,217
Closing gross carrying amount	**5,102**	**5,102**	**7**	**7**
Accumulated amortisation and impairment losses				
Accumulated amortisation as at April 01, 2016	-	-	-	-
Amortisation for the year	632	632	-	-
Closing accumulated amortisation	**632**	**632**	**-**	**-**
Net carrying amount as at March 31, 2017	**4,470**	**4,470**	**7**	**7**
Gross carrying amount				
Opening as at April 01, 2017	5,102	5,102	7	7
Additions	842	842	754	754
Capitalised during the year	-	-	706	706
Closing gross carrying amount	**5,944**	**5,944**	**55**	**55**
Accumulated amortisation and impairment losses				
Opening as at April 01, 2017	632	632	-	-
Amortisation for the year	764	764	-	-
Disposals / Adjustments	-	-	-	-
Closing accumulated amortisation	**1,396**	**1,396**	**-**	**-**
Net carrying amount as at March 31, 2018	**4,548**	**4,548**	**55**	**55**

Notes to Financial Statements for the year ended March 31, 2018

4 Non current investments

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016	As at March 31, 2017
	Quantity	Amount	Quantity	Amount	Quantity	Amount
a) Investment in subsidiaries, associates and joint ventures						
I Investment in unquoted equity Shares						
(i) In Subsidiary Companies						
Equity shares of ₹10/- each fully paid up in NCDEX e Markets Limited	**35,499,400**	**3,550**	23,499,400	2,350	23,499,400	2,350
Equity Shares of ₹10/- each fully paid up in NCDEX Institute of Commodity Markets & Research	**50,000**	**5**	50,000	5	50,000	5
Equity shares of ₹10/- each fully paid up in National Commodity Clearing Limited	**95,750,000**	**9,910**	4,750,000	810	4,750,000	810
Equity shares of ₹10/- each fully paid up in National e Repository Limited	**54,451,000**	**5,445**	26,000,000	2,600	-	-
(ii) In Associates						
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited *	**15,000,000**	**-**	15,000,000	-	15,000,000	-
II Investments in preference shares (fully paid up)						
(i) In Subsidiary Companies						
5% Cumulative Redeemable Preference Shares of ₹10/- each fully paid up in NCDEX e Markets Limited	**-**	**-**	12,000,000	1,200	12,000,000	1,200
(ii) In Associates						
10% Optionally Convertible Cumulative Preference Shares of ₹10/- each fully paid up in Power Exchange India Limited *	**5,000,000**	**-**	5,000,000	-	5,000,000	-
Total (a)		**18,910**		**6,965**		**4,365**
Aggregate amount of unquoted investments		**18,910**		**6,965**		**4,365**
*** Aggregate provision for diminution in value of unquoted investments**		**2,000**		**2,000**		**2,000**
b) Other non current investment						
Invetsment in bonds (Quoted)						
NTPC Bonds 2015 Series 1 A for 10 years @ 7.11% p.a.	**-**	**-**	-	-	12,491	129
PFC Tax Free Bonds Series 1 A for 10 years @ 7.11% p.a.	**-**	**-**	-	-	12,835	132
IRFC LTD Tax Free Bonds Tranche I Series II A for 15 years @ 7.28%	**-**	**-**	-	-	60,400	616
NHAI Bonds 2015 Tax Free Bonds Tranche II Series II A for 15 years @ 7.39% p.a.	**-**	**-**	-	-	23,128	232
NABARD Bonds Tax Free Bonds Series IIA for 15 years @ 7.35% p.a.	**-**	**-**	-	-	15,030	151
IRFC Tax Free Bonds Tranche II Issue Series IIA for 15 years @ 7.35% p.a	**-**	**-**	-	-	17,635	177
NHAI Bonds 2015 Tax Free Bonds Tranche I Series II A for 15 years @ 7.35% p.a.	**-**	**-**	-	-	57,140	581
Total (b)		**-**		**-**		**2,018**
Aggregate amount of quoted investments		**-**		**-**		**2,018**
Aggregate provision for diminution in value of quoted investments		**-**		**-**		**-**

Notes to Financial Statements for the year ended March 31, 2018

5 Other Financial Asset

(₹ in Lakh)

	Particulars	Non Current	Current	Non Current	Current	Non Current	Current
		As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016	As at April 01, 2016
(a)	**Non-current bank balances**						
	Deposits with bank - original maturity more than 12 months	**782**	**-**	1,520	-	1,838	-
	Total (a)	**782**	**-**	**1520**	**-**	**1838**	**-**
(b)	**Others**						
	Unsecured, Considered Good						
	Recoverable from subsidiaries	**-**	**138**	-	320	-	279
	Interest accrued on fixed deposits	**16**	**363**	1	682	29	926
	Security Deposit	**370**	**-**	406	-	382	-
	Other assets	**-**	**77**	-	-	35	17
	Others receivables considered doubtful	**32**	**-**	32	-	32	-
	Less: Allowance for expected credit loss	**(32)**	**-**	**(32)**	**-**	**(32)**	**-**
		-	**-**	-	-	-	-
	Loans and advances to subsidiaries						
	Unsecured, considered good	**-**	**0**	-	40	-	26
	Unsecured, considered doubtful	**-**	**173**	-	111	-	111
	Less: Allowance for expected credit loss	**-**	**(173)**	**-**	**(111)**	**-**	**(111)**
		-	**-**	-	40	-	26
Total (b)		**386**	**578**	**407**	**1,042**	**446**	**1,248**

6 Income Tax Assets (Net)

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance income tax paid including tax deducted at source receivable (net of provision)	**2,295**	2,731	2,729
Total	**2,295**	**2,731**	**2,729**

7 Other Assets

(₹ in Lakh)

Particulars	Non Current	Current	Non Current	Current	Non Current	Current
	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016	As at April 01, 2016
Unsecured, Considered Good						
Capital Advances	**6**	**-**	18	-	3	-
Prepaid Expenses	**118**	**248**	148	207	40	109
Deferred Rent	**48**	**19**	3	11	14	9
Balances with Government authorities	**-**	**24**	-	79	-	44
Other Receivables	**-**	**1,740**	-	1,754	-	1,568
Total	**172**	**2,031**	**169**	**2,051**	**57**	**1,730**

Notes to Financial Statements for the year ended March 31, 2018

8 Current Investments

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016	As at April 01, 2016
	Units	Amount	Units	Amount	Units	Amount
A) **Invetsment in bonds**						
Bonds (Quoted)						
NHAI Bonds 2015 Tax Free Bonds Tranche I Series II A for 15 years @ 7.35% p.a.	57,140	620	57,140	627	-	-
7.35% NABARD Tax free bonds Maturity date 23-March-2031,@annualised YTM 6.01%	67,475	749	-	-	-	-
8.48% NTPC Tax free bonds Maturity date 16-Dec-2028, at 6.005% p.a.	44,799	594	-	-	-	-
Total Bonds (a)		1,963		627		-
B) **Investment in mutual funds**						
Mutual Funds (Unquoted)						
Reliance Fixed Horizon Fund - XXXV - Series 14	5,000,000	508	-	-	-	-
Aditya Birla Sunlife Cash Plus Growth Direct Plan	15,591	43	44,698	117	54,492	133
Aditya Birla Sun Life Saving Fund-Direct Plan-Growth Option *	172,927	595	52,824	169	-	-
Aditya Birla Sun Life Saving Fund-Direct Plan-Growth Option *	79,071	272	93,923	301	-	-
Aditya Birla Sunlife Cash Plus Growth Direct Plan *	161,107	450	-	-	-	-
Aditya Birla Sunlife Cash Plus Growth Direct Plan **	5,618	16	-	-	-	-
Aditya Birla Sunlife Savings Fund-Direct Plan-Growth Option	634,027	2,180	469,441	1,503	683,094	2,007
Aditya Birla Sunlife Savings Fund-Direct Plan-Growth Option	22,275	77	22,275	71	17,927	53
Aditya Birla Sunlife Short Term Fund-Direct Plan-Growth	2,559,757	1,710	799,447	500	878,218	500
Axis Liquid Fund Direct Growth	-	-	83,223	1,501	-	-
Axis Short Term Fund Direct Growth	6,502,234	1,277	2,717,199	500	-	-
BOI AXA Liquid Fund-Direct Plan-Growth Option	24,999	501	-	-	-	-
DSP Blackrock Liquidity Fund Direct Plan-Growth Option	-	-	35,266	821	41,570	901
HDFC FMP 92D February 2018 (1) - Series 39-Direct Plan-Growth Option	5,000,000	504	-	-	-	-
HDFC FRIF-Short Term Plan-Direct Plan-Wholesale Option-Growth Option	3,722,650	1,131	5,289,233	1,500	7,691,065	2,007
HDFC Medium Term Opportunities Fund-Direct Plan-Growth Option	10,501,138	2,038	-	-	-	-
HDFC -Short Term Opportunities fund-Direct Plan-Growth Option	5,635,361	1,089	2,762,355	500	3,018,522	501
ICICI Prudential Flexible Income - Direct Plan Growth	339,823	1,139	333,489	1,042	349,603	1,003
ICICI Pruential Ultra Short Term - Direct Plan Growth	5,775,157	1,056	4,972,621	851	12,858,677	2,007
IDFC Corp Bond Fund-Direct Plan-Growth Option	10,556,587	1,264	-	-	-	-
IDFC SSIF-ST Direct Plan Growth	1,777,428	650	-	-	1,589,744	501
IDFC Ultra Short Term Fund Direct Plan Growth	-	-	5,691,411	1,318	4,706,170	1,003
IDFC Ultra Short Term Fund-Direct Plan-Growth Option *	1,521,689	377	-	-	-	-
Invesco India Liquid Fund Direct Plan Growth Option	20,928	500	111,727	2,501	-	-
Invesco India Ultra ST -Direct Plan-Growth Option	9,247	226	-	-	-	-
Kotak Floater ST Direct Plan Growth Option	-	-	68,780	1,836	60,385	1,501
Kotak Floater ST Direct Plan Growth Option *	1,292	37	3,677	98	5,929	147
Kotak Floater ST -Direct Plan - Growth Option*	-	-	64	2	-	-

(₹ in Lakh)

Particulars	As at March 31, 2018 Units	As at March 31, 2018 Amount	As at March 31, 2017 Units	As at March 31, 2017 Amount	As at April 01, 2016 Units	As at April 01, 2016 Amount
B) Investment in mutual funds (Contd.)						
Mutual Funds (Unquoted)						
Kotak Treasury Advantage Fund - Direct Plan - Growth Option *	**1,271,138**	**359**	1,271,138	335	1,396,660	340
Kotak Treasury Advantage Fund Direct Plan Growth Option	**-**	**-**	5,757,590	1,518	-	-
Kotak Treasury Advantage Fund Direct Plan Growth Option *	**339,179**	**96**	324,262	85	-	-
L & T Liquid Fund - Growth Option	**21,008**	**500**	95,602	2,132	-	-
L&T Short Term Opportunities Fund-Direct Plan-Growth Option	**5,451,368**	**927**	-	-	-	-
LIC Nomura MF Liquid-Direct Plan-Growth Option	**15,888**	**501**	84,796	2,501	54,651	1,501
Principal Cash Mgmt Fund Direct plan Growth	**-**	**-**	-	-	37,334	551
Prudential ICICI Money Market Fund - Direct Plan-Growth Option	**291,520**	**701**	889,050	2,001	-	-
Relaince Liquid Fund Treasury Plan- Direct Plan Growth Option	**-**	**-**	25,213	1,000	-	-
Reliance Fix Horizon Fund-Xxx-Series 4- Direct Plan Growth Option	**5,000,000**	**597**	5,000,000	557	5,000,000	508
Reliance FRF ST Direct Plan Growth Option	**3,731,302**	**1,049**	1,908,820	502	-	-
Reliance Medium Term Fund-Direct Plan-Growth Option	**-**	**-**	6,701,855	2,325	6,325,546	2,007
Religare Invesco Credit Opportunites Fund Direct Plan Growth Option	**-**	**-**	-	-	57,394	1,002
Religare Invesco Liquid Fund Direct Plan Growth Option	**-**	**-**	-	-	47,994	1,001
SBI Short Term Debt Fund-Direct Plan-Growth Option	**5,053,266**	**1,036**	2,599,942	501	2,858,956	501
SBI Ultra Short Term Debt Fund-Direct Plan-Growth Option	**-**	**-**	71,160	1,500	51,401	1,003
Sundaram Money Fund Direct plan Growth	**1,366,606**	**500**	-	-	-	-
Sundaram Ultra Short Term Fund Direct plan Growth	**-**	**-**	-	-	524,329	110
Tata Money Market Fund-Direct Plan-Growth Option *	**7,643**	**209**	-	-	-	-
Tata Short Term Bond Fund Direct Plan Growth Option	**1,639,435**	**550**	-	-	-	-
Tata Ultra ST Fund Direct Plan - Growth Option	**-**	**-**	60,551	1,503	-	-
Tata Ultra ST Fund-Direct Plan-Growth Option *	**16,152**	**429**	16,152	401	-	-
TATA Floater Fund Direct Plan-Growth Option *	**-**	**-**	-	-	13,031	299
TATA Liquid Fund Direct Plan - Growth Option	**-**	**-**	-	-	53,689	1,501
UTI FRF STP Direct Plan-Growth	**-**	**-**	50,504	1,373	80,608	2,008
UTI Money Market Fund- Inst-Direct Plan-Growth Option *	**2,585**	**50**	-	-	-	-
UTI Money Market Growth Direct Plan	**25,678**	**500**	54,835	1,000	-	-
UTI Treasury Advantage Fund Institutional Plan Direct Plan Growth	**36,461**	**880**	84,886	1,915	48,218	1,000
UTI Treasury Advantage Fund-Direct Plan-Growth Option *	**15,864**	**383**	-	-	-	-
Total - Current Investments (b)		**26,907**		**36,280**		**25,596**
Aggregate amount of unquoted investments(a+b)		**28,870**		**36,907**		**25,596**

* Represents investment earmarked for Settlement Guarantee Fund

** Represents investment earmarked for Investor Service Fund

Notes to Financial Statements for the year ended March 31, 2018

9 Trade Receivables

(₹ in Lakh)

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Secured, considered good *	**1,083**	1,100	782
b) Unsecured, considered good	**133**	161	74
c) Unsecured, considered doubtful	**32**	32	32
	1,248	**1,293**	**888**
Less: Expected credit loss allowance	**(32)**	(32)	(32)
Total	**1,216**	**1,261**	**856**

* Secured by Cash margins / Bank gaurantees / Fixed deposit receipts and hypothecation of movables such as commodities, securities etc from members.

10 Cash and cash equivalents

(₹ in Lakh)

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash and cash equivalents			
Cash in hand	**-**	-	-
Balances with bank			
On current accounts *	**383**	1,387	284
Deposits with original maturity of three months or less**	**9**	-	-
Total	**392**	**1,387**	**284**

* Includes ₹ 3 lakhs (March 31,2017 : ₹ 3 lakhs, April 01, 2016 : ₹ 3 lakhs) in Escrow account " NCDEX Joint Price Dissemination Account", Settlement Guarantee Fund of

₹41 lakhs (March 31, 2017 : ₹ 37 lakhs, April 01, 2016 : ₹ 39 lakhs) and ₹ 0.87 lakhs (March 31,2017 : ₹ NIL, April 01, 2016 : ₹ NIL) for Investor Service Fund.

** Includes ₹ 9 lakhs (March 31,2017 : ₹ NIL, April 01, 2016 : ₹ NIL) for Settlement Guarantee Fund.

11 Bank balances other than cash and cash equivalents

(₹ in Lakh)

Particulars	Current		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deposits with maturity for more than 3 months but less than 12 months*	**13,585**	22,110	25,654
Total	**13,585**	**22,110**	**25,654**

* Includes Fixed Deposits of ₹ 5,282 lakhs (March 31,2017 : ₹ 7,301 lakhs, April 01, 2016 : ₹ 8,691 lakhs) pledged with Banks for Overdraft facilities and includes Fixed Deposit earmarked for Settlement Guarantee Fund of ₹ 5,509 lakhs (March 31,2017 : ₹ 7,299 lakhs, April 01, 2016 : ₹ 7,547 lakhs).

12 Equity share capital

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
60,000,000 Equity shares of ₹ 10/- each (Previous Years : 60,000,000 Equity shares of ₹ 10/- each)	**6,000**	6,000	6,000
10,000,000 5% Cumulative Redeemable Preference Shares of ₹ 10/- each (Previous Years:10,000,000 5% Cumulative Redeemable Preference Shares of ₹ 10/- each	**1,000**	1,000	1,000
	7,000	**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	5,068
Total	**5,068**	**5,068**	**5,068**

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Equity Shares of ₹ 10 each fully paid	March 31, 2018 No. of Shares	March 31, 2018 ₹ In lakhs	March 31, 2017 No. of Shares	March 31, 2017 ₹ In lakhs	April 1, 2016 No. of Shares	April 1, 2016 ₹ In lakhs
At the beginning of the year	50,676,000	5,068	50,676,000	5,068	50,676,000	5,068
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	50,676,000	5,068	50,676,000	5,068	50,676,000	5,068

b. Terms/Rights attached to equity share

The Company 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 Company 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 Company, the holder of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholder.

c. Details of shareholders holding more than 5% share in the Company

	As at March 31, 2018 No. of Shares	As at March 31, 2018 % holding	As at March 31, 2017 No. of Shares	As at March 31, 2017 % holding	As at April 01, 2016 No. of Shares	As at April 01, 2016 % holding
Equity Shares of ₹ 10 each fully paid						
National Stock Exchange of India Limited	**7,601,377**	**15.00%**	7,601,377	15.00%	7,601,377	15.00%
Life Insurance Corporation of India	**5,625,000**	**11.10%**	5,625,000	11.10%	5,625,000	11.10%
National Bank for Agriculture and Rural Development	**5,625,000**	**11.10%**	5,625,000	11.10%	5,625,000	11.10%
Indian Farmers Fertiliser Cooperative Limited	**5,068,000**	**10.00%**	5,068,000	10.00%	5,068,000	10.00%
Oman India Joint Investment Fund	**5,067,600**	**10.00%**	5,067,600	10.00%	5,067,600	10.00%
Punjab National Bank	**3,694,446**	**7.29%**	3,694,446	7.29%	3,694,446	7.29%
Build India Capital Advisors LLP	**3,091,236**	**6.10%**	3,091,236	6.10%	3,091,236	6.10%
Canara Bank	**3,055,519**	**6.03%**	3,055,519	6.03%	3,055,519	6.03%
IDFC Private Equity Fund II	**2,533,800**	**5.00%**	2,533,800	5.00%	2,533,800	5.00%
Shree Renuka Sugars Limited	**2,533,700**	**5.00%**	2,533,700	5.00%	2,533,700	5.00%

As per records of the Company, 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.

Notes to Financial Statements for the year ended March 31, 2018

13 Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus					Items of Other Comprehensive Income	Total
	Securities Premium Reserve	Investor Service Fund *	General reserve	Settlement Guarantee Fund **	Retained Earnings	FVTOCI Debt instrument	
Balance at the April 1, 2016	**13,956**	**-**	**1,110**	**5,875**	**20,094**	**-**	**41,035**
Addition in current year	-	-	-	528	1,017	-	1,545
Items of Other Comprehensive Income for the year, net of tax							
Remeasurement benefit of defined benefit plans	-	-	-	-	(32)	-	(32)
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	11	11
Payment of Dividend	-	-	-	-	(1,267)	-	(1,267)
Dividend distribution tax	-	-	-	-	(258)	-	(258)
Transfer to Settlement Guarantee Fund	-	-	-	-	(528)	-	(528)
Utilisation during the year	-	-	-	-	-	-	-
Balance as at March 31, 2017	**13,956**	**-**	**1,110**	**6,403**	**19,026**	**11**	**40,506**
Addition in current year	-	46	-	341	2,495	-	2,882
Items of Other Comprehensive Income for the year, net of tax							
Remeasurement benefit of defined benefit plans	-	-	-	-	(2)	-	(2)
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	25	25
Payment of Dividend	-	-	-	-	(177)	-	(177)
Dividend distribution tax	-	-	-	-	(36)	-	(36)
Transfer to Settlement Guarantee Fund	-	-	-	-	(341)	-	(341)
Transfer to Investor Service Fund	-	-	-	-	(46)	-	(46)
Utilisation during the year	-	(32)	-	-	-	-	(32)
Balance as at March 31, 2018	**13,956**	**14**	**1,110**	**6,744**	**20,919**	**36**	**42,779**

* Investor Service Fund (ISF) - As per the guidelines of Securities & Exchange Board of India (SEBI), the Company has earmarked a separate fund towards Investor Services. The ISF is utilised as per the said guidelines.

** Settlement Guarantee Fund (SGF) - SGF is constituted by the Company as per the regulatory requirement. The amount is earmarked for completion of the settlement, in case of a default by a member.

14 Provisions

(₹ in Lakh)

Particulars	Non-Current	Current	Non-Current	Current	Non-Current	Current
	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at April 01, 2016	As at April 01, 2016
Employee benefits obligation						
a) Provision for gratuity	**-**	**76**	-	10	-	-
b) Provision for leave encashment	**44**	**27**	116	94	90	104
Total	**44**	**103**	**116**	**104**	**90**	**104**

Notes to Financial Statements for the year ended March 31, 2018

15 Deferred tax liabilities (Net)

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred tax assets components			
Employee benefits	**42**	76	55
Financial assets at fair value through OCI	**29**	21	6
MAT Credit Entitlement	**333**	63	-
Other items	**41**	50	44
Gross deferred tax asset	**445**	**210**	**105**
Deferred tax liabilities components			
Depreciation and amortisation	**519**	382	103
Financial assets at fair value through P&L	**340**	129	87
Gross deferred tax liabilities	**859**	**511**	**190**
Net deferred tax asset/(liability)	**(414)**	**(301)**	**(85)**

16 Deposits

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Settlement Guarantee Fund			
- Base Minimum Capital	**1,960**	2,400	2,674
	1,960	**2,400**	**2,674**
Deposit from members	**17,794**	26,481	14,677
Deposits from clearing banks	**3,300**	3,300	3,300
Deposits from comtrack participants	**-**	715	495
Deposits from warehouse service providers	**500**	589	641
Total	**23,554**	**33,485**	**21,787**

17 Trade payables

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Total outstanding due of micro and small enterprises	**-**	-	-
b) Total outstanding dues of creditors other than micro and small enterprises	**1,652**	1,994	1,517
Total	**1,652**	**1,994**	**1,517**

18 Other Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Payable towards purchase of fixed assets / intangibles	**127**	82	75
b) Dues to members	**611**	637	792
c) Other payable	**522**	55	29
Total	**1,260**	**774**	**896**

Notes to Financial Statements for the year ended March 31, 2018

19 Other Current Liabilities

(₹ in Lakh)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a)	Revenue received in advance	**128**	132	116
b)	SEBI turnover fees payable	**39**	131	177
c)	Investor protection fund*	**249**	232	127
d)	Statutory dues payable	**369**	110	367
e)	Others	**73**	57	46
Total		**858**	**662**	**833**

* Includes ₹ 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 Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products		
Sale of services		
Transaction charges	**4,477**	4,487
Annual subscription fees	**190**	227
Admission fees	**10**	25
Risk Management Fees	**819**	815
Delivery Charges	**866**	581
Comtrack charges	**224**	482
Warehouse charges	**353**	518
Data, Analytics and Technology Sales	**297**	259
Other Operating Revenues		
Computer to computer link charges	**41**	29
Port charges	**115**	105
Total	**7,392**	**7,528**

Notes to Financial Statements for the year ended March 31, 2018

21 Other Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Other non-operating income		
Finance Income		
Interest on Bank deposits	**960**	1,385
Interest on Bonds	**67**	145
Interest on SGF	**497**	721
Interest on Income Tax Refund	**238**	118
Interest on advance given to subsidiaries	**12**	12
Interest on financial asset measured at amortised cost	**11**	13
Profit on sale / Fair Value of Mutual funds*	**2,147**	2,516
Insurance Claim	**-**	247
Exchange charges	**59**	56
Recovery of administrative cost	**25**	105
Settlement Penalties SGF	**24**	87
Recovery of charges from subsidiaries	**552**	471
Profit on sale/scrap of fixed assets (net)	**4**	11
Provision no longer required	**81**	-
Others (miscellenous income)	**105**	88
Total	**4,782**	**5,975**

* Includes ₹ 1418 lakhs (March 31,2017 : ₹ 2,467 lakhs) of profit on sale of mutual funds.

22 Employee benefits expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, bonus and allowances	**4,192**	3,988
Contribution to Provident and other funds	**299**	269
Staff welfare expenses	**219**	259
Total	**4,710**	**4,516**

23 Finance costs

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Finance Costs:		
Other Interest	**21**	6
Bank Charges	**3**	5
Total	**24**	**11**

24 Depreciation & Amortization

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation	**769**	649
Amortization	**764**	632
Total	**1,533**	**1,281**

Notes to Financial Statements for the year ended March 31, 2018

25 Other expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Rent	841	769
Rates and Taxes	1	1
Payment to Auditors		
- As Auditors	19	19
- For other services	3	3
- For reimbursement of expenses	-	1
Legal and Professional Charges	532	653
Communication Expenses	80	88
Travelling and Conveyance Expenses	333	321
Electricity Charges	398	394
Repairs and Maintenance	200	197
Insurance Expenses	68	79
Technology Expenses	3,018	2,863
Clearing and settlement charges	387	452
Advertisement and Publicity	138	178
Bad Debts	30	-
Provision for doubtful debts	62	-
Research and Testing	21	97
Sebi Regulatory Fees	100	100
Contribution to Investor Protection Fund	45	25
Polling Expenses	184	166
Committee member sitting fees and expenses	21	17
Directors Sitting Fees	180	189
Books Periodicals & Subscription	30	32
Security Charges	91	81
Printing and stationery	47	45
Corporate social responsibility expenses	107	130
Other Expenses	193	233
Total	**7,129**	**7,133**

26 Exceptional Items

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Exceptional Items*		
Liquidated Damages	-	954
Profit on sale of undertaking (Comtrack)	4,553	-
Total	**4,553**	**954**

* Refer Note No - 39

27 Current and Deferred Tax

(₹ in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax	724	270
MAT Credit Entitlement	(270)	(63)
Deferred Tax	382	292
Total	**836**	**499**

(₹ in Lakh unless otherwise stated)

28 Earnings per share (EPS)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Net Profit/(Loss) after tax as per Statement of Profit and Loss	**2,495**	1,017
Less: Preference dividend and tax thereon	**-**	-
Net Profit for calculation of EPS **(A)**	**2,495**	1,017
Weighted average no. of equity shares for calculating EPS **(B)**	**50,676,000**	50,676,000
Basic/Diluted earnings per equity share(in Rupees)(Face value of ₹ 10/- per share) **(A) /(B)**	**4.92**	2.01

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Weighted average number of equity shares for calculating EPS	**50,676,000**	50,676,000
Add: Equity shares for no consideration arising on grant of stock options under ESOP	**Nil**	Nil
Weighted average number of equity shares in calculation diluted EPS	**50,676,000**	50,676,000

29 During the year, Company has recognised 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, recognised are charged off for the year as under :

The Company makes contribution, determined as as percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Employer's Contribution to Provident Fund	161	143

b) Defined Benefit Plan

The Company 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:

Actuarial assumptions	Gratuity (Unfunded)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Expected Rate of Return on plan assets	7.35%	6.85%	7.54%
Discount rate (per annum)	7.35%	6.85%	7.54%
Rate of increase in Compensation levels	10% for the first 5 years, 7% for the next 5 years, and 5% thereafter.	10% for first 5 years, 7% for next 5 years and 5% thereafter.	10% for the next 5 years, 7% for the next 5 years, and 5% thereafter
Rate of Employee turnover	20.00%	20.00%	20.00%

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

Actuarial assumptions	Gratuity (Unfunded)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Mortality Rate during Employment	Indian Assured lives mortality (2006-08) ultimate	Indian Assured lives mortality (2006-08) ultimate	Indian Assured lives mortality (2006-08) ultimate
Mortality Rate after Employment	N.A.	N.A.	N.A.

Table showing changes in present value of obligations :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Present value of obligation as at the beginning of the year	**324**	261	224
(Liability Transferred In/ Acquisitions)	**-**	-	4
(Liability Transferred Out/ Divestments)	**(26)**	(0)	(0)
Interest Cost	**22**	20	18
Past service cost (Vested Benefit)	**-**	-	-
Current Service Cost	**58**	49	38
Curtailment cost / (Credit)	**-**	-	-
Settlement cost /(Credit)	**-**	-	-
Benefits paid	**(52)**	(50)	(39)
Actuarial (gain)/ loss on obligations	**5**	44	17
Present value of obligation as at the end of the period	**331**	**324**	**262**

Table showing changes in the fair value of plan assets :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Fair value of plan assets at beginning of the year	**314**	297	287
(Liability Transferred In/ Acquisitions)	**-**	-	4
(Assets Transferred Out/ Divestments)	**(26)**	(0)	(0)
Expected return of plan assets	**22**	22	23
Employer contribution	**-**	50	32
Benefits paid	**(52)**	(50)	(39)
Actuarial gain/ (loss) on plan assets	**(3)**	(5)	(10)
Fair value of plan assets at year end	**255**	314	297

The amounts to be recognized in Balance Sheet :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Present value of obligation as at the end of the period	**(331)**	(324)	(262)
Fair value of plan assets as at the end of the period	**254**	314	297
Funded Status (Surplus / (Deficit))	**(76)**	(10)	35
Unrecognised actuarial (gains) / losses	**-**	-	-
Net asset / (liability) recognised in Balance Sheet	**(76)**	(10)	35

(₹ in Lakh unless otherwise stated)

Expenses recognised in Statement of Profit and Loss :

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Current service cost	**58**	50
Past service cost (Vested Benefit)	**-**	-
Interest Cost	**22**	20
Expected return on plan assets	**(22)**	(22)
Curtailment and settlement cost /(credit)	**-**	-
Expenses recognised in the Statement of Profit and Loss	**59**	48

Expenses recognised in Other Comprehensive Income :

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Actuarial (Gains)/Losses on Obligation For the Period	**5**	44
Return on Plan Assets, Excluding Interest Income	**3**	5
Change in Asset Ceiling	**-**	-
Net (Income)/Expense For the Period Recognized in Other Comprehensive Income	**8**	48

Maturity profile of defined benefit obligation :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Projected benefits payable in future years from the date of reporting			
1st Following year	**51**	46	37
2nd Following year	**51**	48	36
3rd Following year	**48**	48	39
4th Following year	**45**	44	38
5th Following year	**43**	41	35
Sum of Years 6 to 10	**141**	136	115

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, 2018	As at March 31, 2017	As at April 01, 2016
Investments with insurance fund	**100%**	100%	100%

Sensitivity :-

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Gratuity	Change in Assumption	2018		2017	
		Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1%/-1%	**(12.51)**	**13.60**	(12.71)	13.84
Salary Escalation Rate	+1%/-1%	**13.27**	**(12.44)**	13.45	(12.58)
Employee Turnover	+1%/-1%	**(1.96)**	**1.92**	(2.30)	2.29

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

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 recognised 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.

Note-3: The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

30 Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows :

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a.	Principal amount remaining unpaid to any supplier as at the year end	-	-	-
	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 No. 17 ‘ Trade Payables’ regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors.

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 30 days as at the Balance Sheet date. Further, the Company has neither paid nor has any amount payable towards interest to any Micro, Small and Medium Enterprises on the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

(₹ in Lakh unless otherwise stated)

31 Commitments and Contingencies

(a) Contingent Liabilities not provided for in respect of :

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) On account of Income taxes (Refer Note 1 below)	**1,131**	1,131	1,069
(ii) On account of Legal claim (Refer Note 2 below)	**185**	185	185
(iii) On account of payment of Bonus for the F.Y. 2014-15 (Refer Note 3 below)	**11**	11	11
(iv) On account of Bank Guarantee (Refer Note 4 below)	**-**	50	-

Note 1

Particulars	Assessment Year	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	Forum before which case is pending
Disallowance u/s 14A	AY 07-08	**53**	53	53	High Court
Investor Protection Fund	AY 07-08	**171**	171	171	High Court
Investor Protection Fund	AY 08-09	**113**	113	113	High Court
Investor Protection Fund	AY 09-10	**61**	61	61	High Court
Investor Protection Fund	AY 10-11	**162**	162	162	High Court
Investor Protection Fund	AY 11-12	**123**	123	123	CIT
Investor Protection Fund	AY 12-13	**224**	224	224	CIT
Investor Protection Fund	AY 13-14	**162**	162	162	CIT
Investor Protection Fund	AY 14-15	**62**	62	-	CIT
Total		**1,131**	**1,131**	**1,069**	

In A.Y. 2007-08, in the assessment order dated 24.12.2009 passed u/s. 143(3) of the Income Tax Act, 1961 (hereinafter referred to as 'the Act'), disallowance of ₹ 209 lakhs was made u/s. 14A of the Act read with rule 8D of the Income Tax Rules, 1962. Subsequently, vide order dated 13.05.2010 passed u/s. 154 of the Act, the disallowance u/s. 14A was reduced to ₹ 159 lakhs. The Company filed an appeal against the said assessment order, before the Commissioner of Income Tax (Appeals) ,which was disposed by CIT(Appeals) vide order dated 08.12.2011, in which partial relief of ₹ 79 lakhs has been granted by CIT(Appeals) and accordingly the amount of disallowance reduced from ₹ 159 lakhs to ₹ 79 lakhs. The Company and the Income Tax Department, filed an appeal against the said order of CIT(Appeals) before the Income Tax Appellate Tribunal (ITAT), which has been disposed by Hon'ble ITAT vide order dated 09.08.2017, wherein the Hon'ble ITAT has restricted the disallowance u/s. 14A of the Act to 1% of the dividend income based on the decision of Hon'ble ITAT in the company's own case for AY 2006-07. Against the said order of Hon'ble ITAT, the Income Tax Department have preferred an appeal before Hon'ble High Court which is pending for adjudication.

The Company had received an assessment orders for the A.Y. 2007-08, A.Y. 2008-09, A.Y. 2009-10, A.Y. 2010-11, A.Y. 2011-12, A.Y. 2012-13, A.Y. 2013-14 and A.Y. 2014-15, wherein the Assessing officer has made an addition of the penalty collected by the Company on behalf of Investor Protection Fund (IPF), in taxable income of the Company. The Company has filed an appeal with Commissioner of Income Tax (Appeals) for all these years. The CIT(Appeals) for the A.Y. 2007-08 to A.Y. 2011-12 has given the orders in favour of the Company and for the remaining assessment years i.e. from AY 2012-13 to 2014-15, the appeals are pending for adjudication. Against the orders of CIT(Appeals) for AY 2007-08 to 2011-12 the Income Tax Department preferred an appeal before the Hon'ble Income Tax Appellate Tribunal (ITAT), which has been disposed by Hon'ble ITAT vide a combined order dated 09.08.2017 for AY 2007-08 to 2010-11, wherein the Hon'ble ITAT dismissed the appeals of the Income Tax Department. Against the said order of Hon'ble ITAT for AY 2007-08 to 2010-11, the Income Tax Department have preferred an appeal before Hon'ble High Court, which is pending for adjudication.

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

Note 2

A legal suit was been filed jointly against the Company 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 Company is of the view that since the matter is sub-judice, a reliable estimate of the amount of liability cannot be made.

The management believes that the outcome of any pending litigations will not have a material adverse effect on the Company's financials position and the results of operations.

Note 3

Due to the retrospectively amendment in "The Payment of Bonus Act,1965" which is deemed to have come into force from 1st April,2014. Kerala and Karnataka High Court have passed stay on the implementation and the matter is pending in Court of Law for the hearing. Considering the other facts that books of FY 2014-15 has been closed and return of bonus already filed for said period. As the matter is under litigation it is considered as contingent.

Note 4

During the FY 2016-17, the Company had given bank guarantee to the Warehousing Development and Regulatory Authority (WDRA) for ₹ 50 lakhs on behalf of National e-Repository Limited.

(b) Capital Commitments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**147**	127	89

(c) Other Commitments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1. Cost of cleaning of pepper (Refer note 32)	**-**	-	300
2. Commitment on accounnt of NextGen project	**-**	6,675	8,503

32 Pepper futures contract was traded on the Exchange till May 2013. However, based on complaints of presence of 'Mineral Oil' in some of the stocks, the warehouses having pepper stock were sealed by Food Safety and Standard Authority of India (FSSAI) and deliveries were stopped from these warehouses till further notice. The presence of mineral oil is not a part of the 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 has offered to facilitate improvement of pepper stock, which is approximately 6,400 MT, subject to recovering the costs of improvement and accordingly requested the Hon. Kerala High Court to allow the same. Based on this, the Hon. Kerala High Court 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 FSSAI to permit the reference of a second sample to the referral laboratory viz. The Central Food Laboratory, Kolkata. Based on the test results of 6,206 MT sent to the referral laboratory, 5,002 MT has been tested as free of mineral oil. Further, Hon. High Court of Kerala, vide its order dated May 12, 2015 has directed release of such quantity of pepper which is found free from impurities and contamination. Based on this, 4,474 MT of pepper out of the quantity found free of mineral oil on testing by Central Food Laboratory, Kolkata, has been released to the holders. As the percentage of stock tested free of mineral oil is substantially high, it is estimated that the total costs required to be incurred will be approximately ₹ 1,558 lakhs (excluding taxes), as compared to the earlier estimate of ₹ 4,300 lakhs. Out of the same, ₹ 1200 lakhs plus taxes is towards cleaning costs. Till March 31, 2018, the Exchange has paid ₹ 1200 lakhs plus taxes towards cleaning costs. The total amount paid till March 31, 2018 is ₹ 1,700 lakhs (including taxes) towards cleaning and other related costs.

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

These payments are included in advances recoverable in cash or kind. In order to recover the costs for cleaning and other related expenses, the Exchange is in discussions with the local trade association, concerned members and other counterparties. The Management is of the opinion that there is no further exposure to the Exchange and therefore, there is no requirement to make any further provision with respect to these costs in the Company's accounts in addition to the provision made in earlier year of ₹ 260 lakhs.

With respect to the quality issue (presence of "Mineral Oil") of pepper stock, Kalimirch Vyapari Association (KVA) had filed writ petition (No. 321 of 2014) against the Exchange with Hon. High Court of Bombay. The KVA has withdrawn the said writ petition vide court order dated July 29, 2015 which reads as: "Allowed to be withdrawn with liberty to adopt appropriate proceedings".

33 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) List of Key Management Personnel	Mr. Samir Shah -Managing Director & Chief Executive Officer (Upto 17.01.2018)
	Mr. Vijay Kumar V. Managing Director & Chief Executive Officer (W.e.f. 18.01.2018)
	Mrs. Komal Shahani (Chief Financial Officer) (Upto 09.08.2017)
	Mr. Atul Roongta (Chief Financial Officer) (W.e.f. 10.08.2017)
	Mr. M. K. Ananda Kumar (Company Secretary) (Upto 09.08.2017)
	Mr. Samir Rajdev (Company Secretary) (W.e.f. 10.08.2017)
	Mr. Rabi Narayan Das (Public Interest Director) (Upto 31.03.2018)
	Justice (Retd.) Ashok Bhan (Public Interest Director) (W.e.f. 21.07.2016)
	Dr. Purvi Mehta (Public Interest Director) (W.e.f. 11.01.2018)
	Mrs. Naina Krishna Murthy (Public Interest Director) (Upto 31.03.2018)
	Mr. Prithvi Raj Bishnoi (Public Interest Director) (Upto 21.07.2016)
	Mr. Siddhartha Pradhan (Public Interest Director) (Upto 10.08.2017)
	Dr. Ashok Gulati (Public Interest Director) (Upto 19.01.2018)
	Mr. Ravindra Kumar Roye (Public Interest Director) (W.e.f. 15.06.2017)
	Mr. Ravi Narain (Shareholder Director) (Upto 21.09.2017)
	Mr. J. Ravichandran (Shareholder Director) (W.e.f. 09.10.2017)
	Mr. Bhaskaran Nayar Venugopal (Shareholder Director) (W.e.f. 11.01.2018)
	Mr. Samir Kumar Mitter (Shareholder Director) (Upto 09.10.2017)
	Mr. Rakesh Kapur (Shareholder Director)
	Mr. Srinath Srinivasan (Shareholder Director)
	Mr. Sunil Kumar (Shareholder Director)

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

(ii). Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at 31st March, 2018 are as under:

Particulars	For Year Ended March 31, 2018	For Year Ended March 31, 2017
Remuneration		
(i) Samir Shah	203	274
(ii) Vijay Kumar V.	33	-
	236	274
Fees Paid		
(i) National E-Repository Limited (NERL)	18	-
(ii) National Commodity Clearing Limited (NCCL)	369	452
	387	452
Recovery of Expense		
(i) NCDEX e Markets Ltd. (NeML)	297	318
(ii) National E-Repository Limited (NERL)	75	-
(iii) National Commodity Clearing Limited (NCCL)	171	152
(iv) NCDEX Institute of Commodity Markets and Research (NICR)	9	-
(v) Power Exchange India Limited (PXIL)	0	1
	552	471
Expenses paid on behalf of subsidiaries / Associates		
(i) NCDEX e Markets Ltd. (NeML)	2	1
(ii) National E-Repository Limited (NERL)	150	65
(iii) National Commodity Clearing Limited (NCCL)	20	-
(iv) NCDEX Institute of Commodity Markets and Research (NICR)	4	2
	176	68
Expenses paid by subsidiaries / Associates		
(i) NCDEX e Markets Ltd. (NeML)	1	-
	1	-
Sale of Comtrack Business Undertaking		
(i) National E-Repository Limited (NERL)	4,610	-
	4,610	-
Income collected on behalf subsidiaries / Associates		
(i) National E-Repository Limited (NERL)	15	-
	15	-
Fund transfer on account of Business Transfer		
(i) National E-Repository Limited (NERL)	740	-
	740	-

Particulars	For Year Ended March 31, 2018	For Year Ended March 31, 2017
Transfer of asset between subsidiaries		
(i) NCDEX e Markets Ltd. (NeML)	-	2
(ii) National Commodity Clearing Limited (NCCL)	-	0
	-	2
Investment in Equity Shares		
(i) National E-Repository Limited (NERL)	2,845	2,600
(ii) National Commodity Clearing Limited (NCCL)	9,100	-
	11,945	2,600
Conversion of Preference Share in to Equity		
(i) NCDEX e Markets Ltd. (NeML)	1,200	-
	1,200	-

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

Particulars	For Year Ended March 31, 2018	For Year Ended March 31, 2017
Interest on advance		
(i) National E-Repository Limited (NERL)	**0**	-
(ii) NCDEX Institute of Commodity Markets and Research (NICR)	**12**	12
	12	**12**
Interest Expenses		
(i) National E-Repository Limited (NERL)	**16**	-
	16	**-**
Loans given		
(i) NCDEX Institute of Commodity Markets and Research (NICR)	**7**	4
	7	**4**
Repayment of loan taken		
(i) NCDEX Institute of Commodity Markets and Research (NICR)	**0**	-
	0	**-**
Key Management Personnel		
Sitting Fees Paid to Directors	**137**	121
	137	**121**

Outstanding balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in Equity Shares			
(i) NCDEX e Markets Ltd. (NeML)	**3,550**	2,350	2,350
(ii) National E-Repository Limited (NERL)	**5,445**	2,600	-
(iii) National Commodity Clearing Limited (NCCL)	**9,910**	810	810
(iv) NCDEX Institute of Commodity Markets and Research (NICR)	**5**	5	5
(v) Power Exchange India Limited (PXIL)	**1,500**	1,500	1,500
	20,410	**7,265**	**4,665**
Investments in Preference Shares			
(i) NCDEX e Markets Ltd. (NeML)	**-**	1,200	1,200
(ii) Power Exchange India Limited (PXIL)	**500**	500	500
	500	**1,700**	**1,700**
Provision for diminution in the value of Investment			
(i) Power Exchange India Limited (PXIL)	**2,000**	2,000	2,000
	2,000	**2,000**	**2,000**
Short term loans receivable			
(i) NCDEX Institute of Commodity Markets and Research (NICR)	**169**	151	137
	169	**151**	**137**
Provision for Advances			
(i) NCDEX Institute of Commodity Markets and Research (NICR)	**173**	111	111
	173	**111**	**111**

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Other Receivables			
(i) NCDEX e Markets Ltd. (NeML)	**89**	254	279
(ii) National E-Repository Limited (NERL)	**38**	65	-
(iii) National Commodity Clearing Limited (NCCL)	**15**	13	12
(iv) NCDEX Institute of Commodity Markets and Research (NICR)	**4**	-	-
(v) Power Exchange India Limited (PXIL)	**-**	-	17
	146	**332**	**308**
Trade Payables			
(i) NCDEX e Markets Ltd. (NeML)	**4**	-	-
(ii) National E-Repository Limited (NERL)	**33**	-	-
(iii) National Commodity Clearing Limited (NCCL)	**36**	51	37
(iv) Power Exchange India Limited (PXIL)	**-**	0	-
(v) Samir Shah	**52**	99	121
(vi) Vijay Kumar V.	**9**	-	-
	134	**150**	**158**

34 Segment Reporting :-

In the opinion of the management, as the Company's operations comprise of only facilitating trading in commodities and the activities incidental thereto within India, the disclosures required in terms of INDAS 108 - "Operating Segments" are not applicable.

35 Corporate social responsibility expenses:

Gross amount required to be spent by the Company as per section 135 of the Companies Act 2013 on Corporate Social Responsibility activities during the financial year 2017-18 is ₹ 102 lakhs.

Details of amount spent during the year are as follows:

CSR project or activity identified	Projects or programs	Sector in which the project is covered	Amount spent
Capacity building of turmeric farmers	Project implemented through NGO MYRADA in Gobichettipalayam and Erode in Tamil Nadu	Post-harvest management activities	47.05
Training programs for farmer producer organizations (FPOs)	Project implemented through Resource Institutions (RIs) in Maharashtra, Rajasthan, Madhya Pradesh, Andhra Pradesh and Karnataka	Agriculture Education	41.64
Impact Assessment of Training programs	An agency Kaarak was hired for the job of impact assessment of Training programs	Farmers' awareness	13.92
Printed material for distribution among farmers and FPOs	Training booklets, pamphlets, presentations, cartoon books, etc. were given to farmers and FPO members along with certificates for stakeholders who had completed their training through RIs in AP, MP, Karnataka, Rajasthan and Maharashtra.	Imparting knowledge and creating awareness among farmers	3.35
Capacity building of FPOs	12 Assaying kits given to FPCs through various RIs in Gujarat, Maharashtra, Rajasthan, MP and Bihar.	Post-harvest management activities	1.34

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

36 Lease payments under non - cancellable operating leases have been recognized as an expense in the Statement of profit & loss. Maximum obligation on lease amount payable as per rentals stated in respective agreements are as follows:-

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Not later than one year	665	690
Later than one year but not later than five years	2,359	2,733
More than five years	21	683

Total lease payments recognised in Statement of profit and loss is ₹ 841 lakhs included in Rent in Note 23 (March 31, 2017: ₹ 769 Lakhs)

37 The total deposits from members including margin money with the Company as on March 31,2018 is ₹ 176,079 lakhs (March 31, 2017 is ₹ 160,149 lakhs & April 01, 2016: ₹ 146,009 lakhs) which consists of cash, bank guarantees, securities and fixed deposit receipts.

38 Settlement Guarantee Fund (SGF) as constituted by the Company, is the amount earmarked for completion of the settlement, in case of a default by a member. The Erstwhile Forward Markets Commission has issued Guidelines dated March 14, 2014 (in revision to the Guidelines dated August 23, 2013) in respect of Settlement Guarantee Fund (SGF). The Company has worked out the Corpus of SGF as on March 31, 2018 at ₹ 11,851 lakhs as disclosed below:

Particulars		March 31, 2018	March 31, 2017	April 01, 2016
Settlement Guarantee Fund (A)	Balance as per last financial statements	**6,403**	5,875	4,867
	Add: Additions during the period (Appropriation net of Tax)	**15**	57	86
	Add: Contribution @ 5% of gross revenue of 2014-15 (Appropriation net of Tax)	**-**	-	469
	Add: Income on SGF Investment (Appropriation net of Tax)	**325**	471	453
	Total (A) (refer note 4)	**6,744**	**6,403**	**5,875**
Non current liabilities (B)	- Base Minimum Capital	**-**	1,495	1,736
	Total (B)(refer note 5)	**-**	**1,495**	**1,736**
Other current liabilities ('C)	- Base Minimum Capital	**1,960**	905	938
	Total (C)(refer note 8)	**1,960**	**905**	**938**
	Total Cash (A) + (B) + ('C)	**8,704**	**8,803**	**8,549**
	Total Non Cash *	**3,146**	**3,487**	**4,126**
	Total SGF	**11,851**	**12,291**	**12,675**

* Non Cash includes Bank guarantees/ Fixed deposit receipts and hypothecation of movables such as commodities securities etc from members.

As per SEBI circular dated September 01 , 2016, the Company is required to determine the adequacy of SGF based on stress test computation on quaterly basis. If there is a shortfall, the Company has to make additional contribution to meet the shortfall. The SGF as per the stress test prescribed in the said guidelines as on March 31, 2018 is ₹ 9,099 (March 31, 2017 is ₹ 6,134 lakhs & April 01, 2016 : ₹ 8,458 lakhs) and SGF corpus with exchange as on March 31, 2018 is ₹ 11,851 lakhs (March 31, 2017 is ₹ 12,291 lakhs & April 01, 2016 : ₹ 12,675 lakhs).

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

39 Details of Exceptional items are as follows:

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Liquidated Damages *	-	954
Gain on sale of Comtrack undertaking **	**4,553**	-
Total	**4,553**	**954**

* As per the terms stated in the Share Purchase Agreement with an investor, the Company has to receive ₹ 7,592 lakhs as Liquidated Damages (LD) for non achivement of business milestones. During the year ₹ 954 lakhs (₹ 395 lakhs received in year 2015-16 and ₹ 5,810 lakhs received in year 2013-14) has been received as per the said agreement.

** National E Repository Limited (NERL), a subsidiary of the Company, has been incorporated to provide Repository services as per the Warehouse Development Regulatory Authority (WDRA) guidelines. NERL is regulated by WDRA.

Pursuant to the Business Transfer Agreement dated June 30, 2017 entered into by the Company and NERL, the Company has transferred it's Comtrack business undertaking (undertaking) on a going concern basis by way of slump sale with effect from September 26, 2017 for a consideration of ₹ 4,610 lakhs as per the independent valuation report. The consideration amounting to ₹ 2,327 lakhs is received in the form of equity shares of Rs. 10 each, ₹ 2,053 lakhs by way of bank transfer and balance 5% ₹ 231 Lakhs is retained by NERL in terms of the above mentioned business transfer agreement.

The Company has reduced, from its books, the book value of assets and liabilities pertaining to Comtrack Undertaking as on September 26, 2017 and transferred to NERL and therefore the figures of the current financial year are not comparable with those of previous financial year.

40 As per the requirement of Securities and Exchange Board of India (SEBI) each recognised exchange is required to clear the trades though a recognised Clearing Corporation. The Exchange is in the process of setting up the recognised clearing corporation through National Commodity Clearing Limited (NCCL) a 100% subsidiary of the Exchange. Accordingly, the Exchange will transfer the clearing and settlement function to NCCL on its recognition as Clearing Corporation.

Subsequent to such transfer, the liabilities and assets which will be transferred to NCCL will include margin money from members, deposits from clearing banks and warehouse service providers along with corresponding and equivalent investments/bank balances. The Risk Management System software and related hardware will also be transferred to NCCL. Further, the settlement guarantee fund balance will be transferred to NCCL along with its corresponding investments / bank balances.

The income streams of the Exchange that will be transferred to NCCL are Risk management fee, Physical delivery charges, Warehouse income and Investment income on investments / bank balances transferred. Similarly, the expenses relating to clearing and settlement function viz. employee costs, technology costs, sharing of infrastructure costs will also be transferred / apportioned to NCCL.

41 Financial risk management objectives and policies

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies.

Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company'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 Company'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

(₹ in Lakh unless otherwise stated)

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 Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Note Nos.	Carrying amount	Less than 12 months	Payable on demand	More than 12 months	Total
As at March 31, 2018						
Deposits	16	23,554	-	23,554	-	23,554
Trade payables	17	1,652	1,652	-	-	1,652
Other financial liabilities	18	1,260	1,260	-	-	1,260
As at March 31, 2017						
Deposits	16	33,485	-	33,485	-	33,485
Trade payables	17	1,994	1,994	-	-	1,994
Other financial liabilities	18	774	774	-	-	774
As at April 1, 2016						
Deposits	16	21,787	-	21,787	-	21,787
Trade payables	17	1,517	1,517	-	-	1,517
Other financial liabilities	18	896	896	-	-	896

Management of Credit Risk

Credit risk is the risk of financial loss to the Company 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 Company's customer base being large and diverse and also on account of member's deposits kept by the company as collaterals which can be utilised 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 receivables and revenue for the year ended March 31, 2018.

Other financial assets :

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in debt mutual funds and Bonds. The Company limits its exposure to credit risk by making investment as per the investment policy. The Company 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), Minimum Average Assets Under Management (AAUM) etc. for certain types of investments. Further the investment committee of the Company reviews the investment portfolio on a periodic basis and recommend or provide suggestion to the management. The Company 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 Company'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

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

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 Company'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 company periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the company has not entered in foreign exchange forward exchange contracts.

Capital management

The Company'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 Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company is predominantly equity financed which is evident from the capital structure. Further, the Company has always been a net cash company 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.

42 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 Company 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 Company 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.

(₹ in Lakh unless otherwise stated)

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 Company'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.

Particulars	Levels	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1) Financial Assets				
Financial assets measured at fair value through profit or loss				
A) Investment in Mutual Funds	Level 1	**26,907**	36,280	25,596
Financial assets measured at fair value through other comprehensive income				
A) Investment in Bonds	Level 1	**1,963**	627	-
Financial assets measured at Amortized Cost				
A) Bank deposits		**14,367**	23,630	27,492
B) Trade receivables		**1,216**	1,261	856
C) Cash and Cash equivalents		**392**	1,387	284
D) Investment in Bonds		**-**	-	2,018
E) Other Financial Asset		**964**	1,449	1,694
Total financial assets		**45,809**	**64,634**	**57,940**
2) Financial liabilities				
Financial liabilities measured at Amortized Cost				
A) Deposits		**23,554**	33,485	21,787
B) Trade payables		**1,652**	1,994	1,517
C) Other Financial liabilities		**1,260**	774	896
Total Financial liabilities		**26,466**	**36,253**	**24,200**

43 Overall Principles:

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below.

44 First time adoption of Ind AS

The accounting policies set out in Note 1 have been applied in preparing the Financial statements for the year ended March 31, 2018 and 2017.

Exemptions and exceptions availed :

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS as at the transition date, i.e. April 1, 2016.

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

A.1 Ind- AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

A.1.2 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

A.1.3 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

A.1.4 Investment in Subsidiaries, Associate and Joint Venture

Ind AS 101 permits a first time adopter to measure it's investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be it's fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date.

The Company has elected to measure its investment in subsidiaries, associates and joint ventures at the Previous GAAP carrying amount as its deemed cost on the transition date.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made in for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, classification and measurement of financial asset has been based on the facts and circumstances that exist at the date of transition to Ind AS.

(₹ in Lakh unless otherwise stated)

45 Events after reporting period

The Board of Directors have recommended the payment of final dividend of ₹ 0.30 per fully paid equity shares (FV ₹ 10 each) (March 31, 2017 : ₹ 0.35/- per equity share (FV ₹ 10 each)). This proposed dividend is subject to approval of shareholders in the ensuing general meeting and if approved would result in cash outflow of approximately ₹ 152.03/- lakhs excluding Corporate Dividend Tax of ₹ 31.25 lakhs.

46 Previous year comparatives

The previous year's figures have been reclassified to conform to this year's classification.

47 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:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before income taxes	**3,331**	1,516
Enacted tax rates in India (%)	**34.61**	34.61
Computed expected tax expense	**1,153**	525
Tax impact on depreciation	**(231)**	(276)
Tax impact due to Non-deductible expenses for tax purposes	**36**	75
Tax impact on Exempt Income	**(23)**	(50)
Long term capital gain taxed at different rate (Net of Business Losses)	**(227)**	(26)
Tax impact on INDAS adjustments	**(254)**	(40)
Deferred tax expense	**382**	291
Income tax expense	**836**	**499**

b The following table provides the details of income tax assets and income tax liabilities as of March 31, 2018

Particulars	As at March 31, 2018	As at March 31, 2017
Income tax assets	**13,209**	12,922
Income tax liabilities	**10,914**	10,191
Net Non current income tax assets/ (liability) at the end	**2,295**	**2,731**

c The gross movement in the current income tax asset/ (liability) for the Year ended March 31, 2018

Particulars	As at March 31, 2018	As at March 31, 2017
Net current income tax asset/ (liability) at the beginning	**2,731**	2,729
Add:-Income tax paid	**713**	272
Less:-Additional Refund Received	**(425)**	0
Less:-Provision for income tax	**(724)**	(270)
Net current income tax asset/ (liability) at the end	**2,295**	**2,731**

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

d Deferred tax (liabilities)/assets (net)

Movements in deferred tax assets

Particulars	Employee benefit	Financial Assets at Fair Value through OCI	MAT Credit Entitlement	Other Items	Total
As at 31 March 2017					
Charged/(credited)					
- to profit or loss	(34)	-	270	(8)	**228**
- to other comprehensive income	-	8	-	-	**8**
As at 31 March 2018	**(34)**	**8**	**270**	**(8)**	**236**

Movements in deferred tax liablities

Particulars	Employee benefit	Financial Assets at Fair Value through profit or loss	Total
As at 31 March 2017			
Charged/(credited)			
- to profit or loss	137	211	348
As at 31 March 2018	**137**	**211**	**348**

48 Reconciliations

The following reconciliations provide the effect of transition to IndAS from IGAAP in accrdance with IndAS 101 :

a. Effect of IndAS adoption on Balance Sheet as at April 1, 2016

b. Effect of IndAS adoption on Balance Sheet as at March 31, 2017

c. Effect of IndAS adoption on Statement of Profit and loss for the year ended March 31, 2017

d. Reconciliation of total equity as at March 31, 2017 & April 1, 2016

e. Reconciliation of total comprehensive income for the year ended March 31, 2017

a. Effect of IndAS adoption on Balance Sheet as at April 01, 2016

Particulars	Foot Note No	April 01, 2016		
		Previous GAAP *	Ind-AS Adjustments	Ind - AS
Assets				
Non-current Assets				
Property, Plant and Equipment		1,921	-	1,921
Other Intangible assets		861	-	861
Intangible assets under development		1,812	-	1,812
Investment in subsidiaries, associates and joint ventures		4,365	-	4,365
Financial Assets				
- Investment		2,018	-	2,018
- Other financial assets				
- Bank balances		1,838	-	1,838
- Others	5	470	(24)	446
Income Tax Assets (Net)		2,729	-	2,729
Other non-current assets	5	43	14	57
Total non-current assets		**16,057**	**(10)**	**16,047**

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

Particulars	Foot Note No	April 01, 2016		
		Previous GAAP *	Ind-AS Adjustments	Ind - AS
Current Assets				
Financial Assets				
- Investment	1	25,489	107	25,596
- Trade Receivables		856	-	856
- Cash and cash equivalents		284	-	284
- Bank balances other than cash and cash equivalents		25,654	-	25,654
- Others		1,248	-	1,248
Other current assets	5	1,721	9	1,730
Total current assets		**55,252**	**116**	**55,368**
Total Assets		**71,309**	**106**	**71,415**
Equity and Liabilities				
Equity				
(a) Equity Share capital		5,068	-	5,068
(b) Other Equity	1,2,3,4,5	39,358	1,677	41,035
Total Equity		**44,426**	**1,677**	**46,103**
Liabilities				
Non-current Liabilities				
Provisions		90	-	90
Deferred tax liabilities (Net)	3,4	4	81	85
Total non-current liabilities		**94**	**81**	**175**
Current Liabilities				
Financial Liabilities				
- Deposits		21,787	-	21,787
- Trade payables	5	1,644	(127)	1,517
- Other Financial liabilities		896	-	896
Other current liabilities		833	-	833
Provisions		1,629	(1,525)	104
Total current liabilities		**26,789**	**(1,652)**	**25,137**
Total Liabilities		**26,883**	**(1,571)**	**25,312**
Total equity and liabilities		**71,309**	**106**	**71,415**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

b. Effect of IndAS adoption on Balance Sheet as at March 31, 2017

Particulars	Foot Note No	March 31, 2017		
		Previous GAAP *	Ind-AS Adjustments	As per Ind - AS
Assets				
Non-current Assets				
Property, Plant and Equipment		1,983	-	1,983
Other Intangible assets		4,470	-	4,470
Intangible assets under development		7	-	7
Investment in subsidiaries, associates and joint ventures		6,965	-	6,965
Financial Assets				
Other Financial Asset				
- Non-current bank balances		1,520	-	1,520
- Others	5	421	(14)	407
Income Tax Assets (Net)		2,731	-	2,731
Other non-current assets	5	166	3	169
Total non-current assets		**18,263**	**(11)**	**18,252**

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

Particulars	Foot Note No	March 31, 2017		
		Previous GAAP *	Ind-AS Adjustments	As per Ind - AS
Current Assets				
Financial Assets				
- Investment	1	36,733	174	36,907
- Trade Receivables		1,261	-	1,261
- Cash and cash equivalents		1,387	-	1,387
- Bank balances other than cash and cash equivalents		22,110	-	22,110
- Others	5	2,042	9	2,051
Other current assets		1,042	-	1,042
Total current assets		**64,575**	**183**	**64,758**
Total Assets		**82,838**	**172**	**83,010**
Equity and Liabilities				
Equity				
(a) Equity Share capital		5,068	-	5,068
(b) Other Equity	1,2,3,4,5	40,300	206	40,506
Total Equity		**45,368**	**206**	**45,574**
Liabilities				
Non-current Liabilities				
Provisions		116	-	116
Deferred tax liabilities (Net)	3,4	193	108	301
Total non-current liabilities		**309**	**108**	**417**
Current Liabilities				
Financial Liabilities				
- Deposits		33,485	-	33,485
- Trade payables	5	2,136	(142)	1,994
- Other Financial liabilities		774	-	774
Other current liabilities		662	-	662
Provisions		104	-	104
Total current liabilities		**37,161**	**(142)**	**37,019**
Total Liabilities		**37,470**	**(34)**	**37,436**
Total equity and liabilities		**82,838**	**172**	**83,010**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

c. Reconciliation of Statement of Profit & Loss for the year ended March 31, 2017

Particulars	Foot Note No	March 31, 2017		
		Previous GAAP *	Ind-AS Adjustments	As per Ind - AS
Income				
Revenue from Operation		7,528	-	7,528
Other Income	1,5	5,916	59	5,975
Total Income		**13,444**	**59**	**13,503**
Expenses				
Employee benefits expense	2	4,564	(48)	4,516
Finance Cost		11	-	11
Depreciation		1,281	-	1,281
Other Expenses	5	7,141	(8)	7,133
Total Expenses (II)		**12,997**	**(56)**	**12,941**

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

Particulars	Foot Note No	March 31, 2017		
		Previous GAAP *	Ind-AS Adjustments	As per Ind - AS
Profit / (loss) before exceptional items and income tax (I-II)		**447**	**115**	**562**
Exceptional item (net of tax)		954	-	954
Profit / (Loss) before tax (III - IV)		**1,401**	**115**	**1,516**
Tax expense				
Current tax		270	-	270
MAT Credit entitelment		(63)	-	(63)
Deferred Tax	3	252	40	292
Profit/(loss) for the period		**942**	**75**	**1,017**
Total comprehensive income for the year after tax(B)	4		**(20)**	**(20)**
Total comprehensive income for the year (A+B)		**942**	**55**	**997**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

d. Reconciliation of total equity as at March 31, 2017 and April 01, 2016

Particulars	Foot Note No	March 31, 2017	April 01, 2016
Total equity under previous GAAP		45,368	44,426
IndAS Adjustments of previous period		1,677	-
Adjustments:			
Dividends and related distribution tax not recognised as liability until declared under Ind AS		(1,525)	1,525
Security Deposits paid measured at Fair Value	5	1	(1)
Reversal of lease equalisation liability	5	16	127
Deferred tax impact on above	3	(6)	(44)
Fair Value impact of Bonds	1	14	-
Deferred tax impact on above	3	(3)	-
Current investments measured at fair value	1	49	107
Deferred tax impact on above	3	(17)	(37)
Total adjustment to equity		**206**	**1,677**
Total equity under Ind AS		**45,574**	**46,103**

e. Reconciliation of total comprehensive income for the year ended March 31, 2017

Particulars	March 31, 2017
Net Profit after tax under erstwhile Indian GAAP	942
Gain on Fair valuation of Investments in Mutual Fund	49
Acturial gain / (loss) - Employee benefit expenses	48
Recognition of deferred rent out of security deposit	(9)
Recognition of notional interest on security deposit	10
Reversal of lease equalisation	17
Deferred taxes adjustments	(40)
Net Profit after tax under Ind AS (A)	**1,017**
Other Comprehensive Income (net of tax)	
Acturial gain / (loss) - Employee benefit expeneses	(31)
Gain on Fair valuation of Investment in Tax Free Bond	11
Total Other Comprehensive Income (B)	**(20)**
Total Comprehensive Income under Ind AS (C=A+B)	**997**

Notes to Financial Statements for the year ended March 31, 2018

(₹ in Lakh unless otherwise stated)

f. Reconciliation of Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

Footnotes to Reconciliations

Note 1: Investments

Mutual funds (other than investments in subsidiaries, associates and joint venture):

Under the Previous GAAP, investments in mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value.The resulting fair value changes of these investments have been recognised in other equity as at the date of transition i.e. April 1, 2016 and subsequently in the profit or loss.

Investments in Debt instruments

Under Previous GAAP, the investments in bond are measured at cost or fair value, whichever is lower, if classified as current investment. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments.

Under Ind AS, the company has designated bonds as fair value through OCI (FVTOCI). Interest income and fair value changes are recognised in the statement of profit and loss and other comprehensive income, respectively.

Note 2: Re-measurement of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year.

Note 3: Deferred Tax

Under Previous GAAP, deferred taxes are recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. Also deferred tax has been recognised on the adjustment made on transition to Ind AS.

Note 4: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as part of other comprehensive income includes re-measurements of defined benefit plans, fair value gains or (losses) on FVTOCI equity instruments and debt instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note 5: Other adjustments

Under previous GAAP, all financial assets other than investments and cash and bank balances were initially measured at cost however on transitioning to Ind AS, same were measured initially at fair value and subsequently at amortised cost. On the date of transition to Ind AS, these financial assets have been measured at value which would have been the value if these financial assets would have accounted as per Ind AS. Further the impact of bringing it at amortised cost given to the respective expense and prepaid expenses based on the nature of individual transaction.

For K.S. AIYAR & Co.
Chartered Accountants
ICAI Firm Registration No : 100186W

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

Sachin A. Negandhi
Partner
Membership No.112888

Vijay Kumar V.
Managing Director & Chief Executive Officer
DIN - 6651068

Ravindra Kumar Roye
Chairman
DIN - 07304930

Place : Mumbai
Date : May 25, 2018

Samir Rajdev
Company Secretary

Atul Roongta
Chief Financial Officer

NCDEX

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