NCDEX

Pragati ka Solid Exchange

Annual Report 2018-19

THE YEAR AT A GLANCE

FY 2019

Commodities offered for trading	22
Members	387
Client Base	2.566 Millon
Terminals	15,078
Warehouses	265
FPO that traded	90
Storage Capacity	0.978 Million Tonnes
FPO Registered	224
Pledgees	15

Salient Highlights:

- Highest turnover achieved in a day, during FY 2018-19 was **INR 4,297.94** crore.
- The Average Daily Traded Value (ADTV) for FY 2018-19 stood at **INR 2,143** crore.
- The Average Daily Open Interest (ADOI) **INR 4,951** crore for FY 2018-19.
- Total **8,56,079 tonnes** commodities deposited in FY 2018-19.
- Total **6,95,990 tonnes** commodities delivered in FY 2018-19.

INDEX

MD & CEO'S MESSAGE

Dear Stakeholders,

It is with pleasure that I present to you the report on your Institutions performance for **Financial Year 2019.**

At the onset I would like to emphasize the role played by every stakeholder in this journey – the trading fraternity who has reposed faith in our ability along with our group companies to provide risk mitigation solutions in the agricultural ecosystem, our support partners such as warehouse service providers who enable deliveries on the platform, and trade and industry associations for their role in awareness building.

This year has seen path breaking steps towards market development from the Regulator. The permission granted for Eligible Foreign Entities to hedge their exposures to Indian commodities on Indian exchanges will help overseas industry and trade participants as well as Indian exporters. There is a concerted effort to bring in institutional participation and Custodian have also been framed accordingly. The permission for Mutual Funds as well as Alternate Investment Funds to participate and for members to offer Portfolio Management Services will help bring valuable research based trading in the far month contracts and make the futures markets more relevant for all participants as well as for policy makers.

The establishment of National Commodity Clearing Limited (NCCL) as an independent clearing corporation and a wholly owned subsidiary has helped strengthen the Exchange ecosystem with a strong focus on physical as well as financial clearing and settlement.

This year has also been the first full year of operations for National E-Repository Limited (NERL) which has established itself as the leading Repository in the country. Most deliveries taking place in the Exchange ecosystem are through exchange specific eNWRs issued by NERL. NERL is now also gaining ground in non-Exchange eNWR space. In its first full year of operation, NERL has developed a network of 16 leading Banks and NBFCs acting as Pledgees, and has issued around 73,000 eNWRs.

From a business perspective, you would be glad to note that the group profitability has improved - a result of improved operational performance across the group. This has also been a year in which the Exchange has enhanced its focus on engaging with farmers directly. Your Exchange has, during the year, developed linkages with 90 FPOs representing around 48,000 farmers from 8 states. As many as 34 FPOs have utilised Exchange platform to trade a quantum of around 6200 MT of 10 commodities worth Rs 14.62 crore, while 11 FPOs have also utilized the Exchange delivery ecosystem and successfully delivered 1,380 MT of produce valued at Rs 255 lakh. Your Exchange also has taken steps such as connecting the Farmer Producer Companies with various financial institutions including *NABKISAN*, and developed programs together with Bankers Institute of Rural Development (BIRD) and Institute of Rural Development (*Anand*) in order to help FPOs grow their business smoothly.

NCDEX e-Markets Limited (NeML), our group company in the spot market space, has developed e-*Samriddhi* - a unified procurement portal - which has helped NAFED achieve record procurement in pulses and oilseeds during the year. This has not only led to enhanced efficiency and transparency in procurement activities but also benefited more than 1.2 million smallholder farmers getting remittances directly into their bank accounts.

Your Exchange has been a pioneer in ushering in scientific and modern practices in warehousing of agriculture commodities. In FY 2018-19 the Exchange has seen deliveries of close to 7 lakh MT valued at Rs 2,941 crore. Since inception the Exchange has witnessed deliveries of over 100 lakh MT, highlighting the critical role that deliveries play in enabling convergence of futures contracts.

While the year has been a transformational one, the future looks brighter with the commitment of the NCDEX group towards developing the Agri ecosystem and linking more farmers and Farmer Producer Organisations across the country. The climatic changes that we are witness to emphasize the need for a mature and robust platform for risk mitigation - this is critical for a mature and developed economy. The Government too is looking at ways to use our market platforms and futures/options directly. The Regulator is steadfast in its commitment that this market grows to its full potential and truly benefits to the broader economy driven by physical commodities.

We at Group NCDEX will ensure that we play a stronger and more meaningful role in the development of these markets in the years ahead.

Mr. Vijay Kumar
MD & CEO, NCDEX

CONNECTING FARMERS WITH FUTURES - FPO ACTIVITIES

Till March 31, 2019, Exchange made the following progress:

49
Total number of promoting/ resource institutions engaged

2,56,952
Total number of farmers who are members of FPOs supported by above institutions

90
Farmer Producer Organizations (FPC & PACs) participated on NCDEX platform

72,599
Number of farmers represented

134
FPOs who have opened accounts but are yet to trade

30,519 MT across 17 commodities
Commodities traded by the farmer collectives on the exchange platform in the current financial year

Locations spread across various states

Andhra Pradesh, Bihar, Kerala, Rajasthan, Madhya Pradesh, Maharashtra, Karnataka, Gujarat, Punjab, Jharkhand, Chhattisgarh, Telangana and Uttar Pradesh.

COMPANY INFORMATION

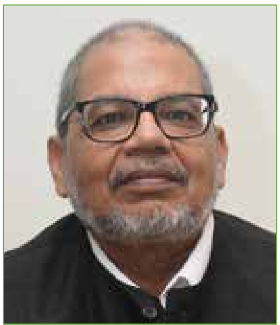
Board of Directors	Mr. Ravindra Kumar Roye (appointed as Chairman w.e.f. May 4, 2018)	: Chairman and Public Interest Director
	Mr. Vijay Kumar V.	: Managing Director & CEO
	Dr. Purvi Mehta	: Public Interest Director
	Mr. Chaman Kumar (appointed w.e.f. April 10, 2018)	: Public Interest Director
	Mr. Nirmalendu Jajodia (appointed w.e.f. April 13, 2018)	: Public Interest Director
	Mr. Prem Kumar Malhotra (appointed w.e.f. August 9, 2018)	: Public Interest Director
	Dr. Ashok Gulati (appointed w.e.f. January 3, 2019)	: Public Interest Director
	Mr. Rakesh Kapur	: Shareholder Director
	Mr. Srinath Srinivasan	: Shareholder Director
	Mr. Sunil Kumar	: Shareholder Director
	Mr. J. Ravichandran	: Shareholder Director
	Mr. B. Venugopal	: Shareholder Director
	Justice (retd.) Ashok Bhan (up to January 3, 2019)	: Public Interest Director
Company Secretary	Mr. Samir Rajdev (up to January 15, 2019) Mr. Harish Kumar (w.e.f. March 25, 2019)	
Chief Financial Officer	Mr. Atul Roongta	
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.	
Branch Offices	**Ahmedabad:** 502, Kaivanna Complex, Off. C. G. Road, Near Panchvati Circle, Central Mall, Ambavadi, Ahmedabad 380015. **Hyderabad :** 207, 2nd Floor, Ashoka Capital, Opposite 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. **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. (up to July 19, 2019) Link Intime India Private Limited C-101, 24*7 park, L.B.S. Marg, Vikhroli (West), Mumbai 400083. (with effect from July 20, 2019)	

BOARD OF DIRECTORS

Mr. Ravindra Kumar Roye
appointed as Chairman
w.e.f. 04.05.2018

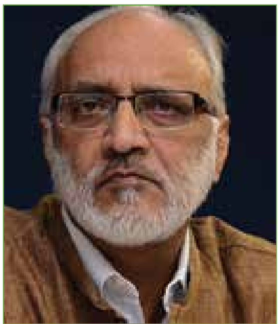
Dr. Purvi Mehta
Public Interest Director

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



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

Mr. Prem Kumar Malhotra
-w.e.f. 09.08.2018



Dr. Ashok Gulati
Public Interest Director
- w.e.f. 03.01.2019

Mr. B. Venugopal
Shareholder Director

Mr. J. Ravichandran
Shareholder Director

Mr. Rakesh Kapur
Shareholder Director

Mr. Srinath Srinivasan
Shareholder Director

Mr. Sunil Kumar
Shareholder Director

Justice (Retd.) Ashok Bhan
Public Interest Director
upto 03.01.2019

Mr. Vijay Kumar V.
Managing Director & CEO

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Sixteenth Annual Report and Audited Financial Statements of the National Commodity & Derivatives Exchange Limited ('NCDEX'/'The Exchange') for the Financial Year ended March 31, 2019.

PERFORMANCE

The summary of financial performance of NCDEX on standalone as well as consolidated basis for the FY 2018-19 is as under:

(₹ in Lakhs)

Particulars	Standalone (Exchange)		Consolidated (NCDEX Group)	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Total Income	**10,781**	12,174	**19,318**	16,374
Total Expenses	**11,642**	13,442	**18,030**	17,194
Profit before exceptional items & tax	**(861)**	**(1,268)**	**1,288**	**(820)**
Share of net profit from Joint venture	**-**	**-**	**322**	290
Exceptional item	**(3,118)**	4,553	**-**	-
Profit before tax	**(3,979)**	**3,285**	**1,610**	**(530)**
Tax Expenses	**(1,281)**	836	**114**	616
Profit after tax	**(2,698)**	**2,449**	**1,495**	**(1,146)**
Other comprehensive income	**(14)**	23	**(36)**	(6)
Total comprehensive income for the year	**(2,712)**	**2,472**	**1,460**	**(1,152)**

I. Standalone results

During FY 2018-19, in compliance with the directions of Securities and Exchange Board of India (SEBI) vide circular no. CIR/CDMRD/DEA/03/2015 dated November 26, 2015, to transfer the functions of clearing and settlement of trades to a separate Clearing Corporation within prescribed timelines, the Exchange had received approval from SEBI to transfer its clearing and settlement functions to its 100% subsidiary National Commodity Clearing Limited (NCCL). Accordingly, NCDEX had transferred its clearing and settlement functions to NCCL with effect from September 27, 2018. Pursuant to this transfer, following assets & liabilities were transferred to NCCL from September 27, 2018.

(₹ in Lakhs)

Particulars	Amount
Liabilities	
Margin money from members	**9,905**
Clearing Bank deposits	**3,300**
Warehouse Service Provider Deposit	**514**
Provision related to Employee benefits	**91**
Total Liabilities	**13,810**
Assets	
Bank balances	**13,811**
Risk management software	**8**
IT assets (Desktop, Laptops and Servers)	**20**
Total Assets	**13,839**

Further income relating to clearing and settlement functions viz. Risk management fee, Physical delivery charges, Warehouse income and Investment income on funds as mentioned above is forming part of NCCL income stream w.e.f. September 27, 2018. Similarly, the expenses relating to clearing and settlement function viz. employee costs, technology costs, sharing of infrastructure costs is incurred by NCCL w.e.f. September 27, 2018.

The Total Income of the Exchange for FY 2018-19 was ₹ 10,781 lakhs, reflecting a reduction of 11.4% over FY 2017-18. The reduction was mainly on account of transfer of income relating to clearing & settlement functions to NCCL. However, it is also to be noted that during FY 2018-19 the Exchange had increased transaction charges, which led to an increase in transaction charges income to ₹ 5,720 lakhs as compared to ₹ 4,477 lakhs during FY 2017-18.

The Total Expenses of the Exchange for FY 2018-19 was ₹ 11,642 lakhs, lower by 13.4% as compared to FY 2017-18. The reduction was mainly on account of transfer of expenses relating to clearing & settlement functions to NCCL and several steps taken by the Exchange to optimise costs.

Profit before exceptional item & tax during FY 2018-19 was ₹ (861) lakhs, an improvement of ₹ 407 lakhs as compared to FY 2017-18. The improvement was driven by increase in transaction charges and cost optimisation initiatives.

Exceptional item of ₹ 3,118 lakhs during FY 2018-19 was on account of Exchange contribution to Core Settlement Guarantee Fund setup by NCCL, as per SEBI regulations. FY 2017-18 included ₹ 4,553 lakhs gain from transfer of COMTRACK business undertaking by the Exchange to National E-Repository Limited (NERL).

Profit after tax was ₹ (2,698) lakhs for FY 2018-19 as compared to ₹ 2,449 lakhs for FY 2017-18.

II. Consolidated results

The Total Income of NCDEX Group for FY 2018-19 was ₹ 19,318 lakhs, an increase of ₹ 2,944 lakhs as compared to FY 2017-18. The increase during FY 2018-19 is primarily on account of growth in revenues of NCDEX e Markets Limited (NeML).

The Total Expenses of NCDEX Group stood at ₹ 18,030 lakhs, an increase of ₹ 836 lakhs as compared to FY 2017-18. The increase during FY 2018-19 is on account of higher expenses in NeML, NCCL & NERL partially offset by savings in NCDEX expenses.

Share in net profit from Joint venture is from NeML's 50% share in Rashtriya e Markets Services Private Limited.

The Profit after tax was ₹ 1,496 lakhs during FY 2018-19 as compared to ₹ (1,146) lakhs during FY 2017-18, driven by improvement in operating performance of the Exchange and its group companies.

REVIEW OF OPERATIONS

HIGHLIGHTS

- Highest turnover achieved in a day, during the Financial Year 2018-19 was ₹ 4,297.95 crore.
- Guar Seed contributed 21% to the total annual turnover of the Exchange.
- The Average Daily Traded Value (ADTV) in FY 2018-19 stood at ₹ 2,143 crore, vis-à-vis ₹ 2,377 crore in FY 2017-18.

Trading Volumes

(₹ in Crores)

Quarter	ADTV – FY 2018-19	ADTV – FY 2017-18
April – June	**1,926**	2,037
July – September	**2,589**	2,295
October – December	**2,448**	2,393
January – March	**1,667**	2,791
ADTV	**2,143**	**2,377**

FY 2018-19 has been a year wherein the Exchange has consolidated its position as the premier exchange in the agricultural derivatives ecosystem. The Exchange has managed to maintain its ADTV against the backdrop of general bearishness in the agricultural commodity complex. At the same time the Exchange has managed to improve its realization on turnover. The value market participants realize from participation on the Exchange platform, is evidenced from the improved realization on turnover in the backdrop of the overall sluggishness in prices and upcoming competition from other Exchanges. The year has also seen significant steps taken in the direction of opening up these markets for wider participation and introducing a broader set of commodities.

The major highlights of the FY 2018-19 are as under:

Business:

FY 2018-19 saw the Exchange achieve an ADTV of ₹ 2,143 Crore. While there was a marginal drop as compared to the previous FY, the Exchange increased transaction charges, which led to an increase in transaction charges income to ₹ 5,720 lakhs as compared to ₹ 4,477 lakhs during FY 2017-18.

Commodities such as Chana and Castor Seed which were reintroduced after temporary suspensions in 2017 saw healthy build up in participation in FY 2018-19 and together contributed about 23% to the Exchange ADTV. Guar Gum and Guar Seed continued to be the flagship contracts on the Exchange and contributed about 32% to the ADTV of the Exchange.

Physical Deliveries continue to be the backbone of trading on the Exchange platform. Over the years the Exchange / Clearing Corporation in partnership with its channel partners – Warehouse Service Providers (WSPs) – have created an ecosystem of state of the art storage facilities across the country which help participants on the Exchange platform effect physical delivery. This in turn ensures that the derivatives contracts are firmly anchored to the underlying physical trade. In FY 2018-19 the Exchange has seen delivery of close to 7 lakh MT valued at ₹ 2,941 crores. Till date the Exchange has delivered approx. 10 million MT through its settlement process.

FY 2018-19 also witnessed the entry of erstwhile equity exchanges into the commodity space. Inspite of their much larger reach and size, NCDEX has stood strong in the face of competition and maintained its dominant share in the Agricultural derivatives space. With 83% market share in Agricultural derivatives, presence in complexes across the board including Grains, Oilseeds, Pulses, Spices, Guar etc. and strong physical delivery backbone, NCDEX is well poised to expand its business in the years ahead.

Regulatory

In the past year the commodity space saw a number of changes on the regulatory front and changes from a market development perspective. Some of the same are encapsulated below:

Participation: The Regulator has embarked on a journey of on-boarding institutional participants into the commodity ecosystem.

- In FY 2018-19 for the first time Eligible Foreign entities with exposure to the Indian commodity ecosystem were permitted to hedge their risk on Indian Exchanges.
- Category III Alternate Investment Funds were permitted to participate on Commodity Derivatives Exchanges.
- SEBI is also working towards allowing Mutual Funds and Portfolio Management Service providers to participate in Commodity Derivatives Exchanges.

These participants bring with them not only funds but a professional investment approach which will help increase not only the depth but also the maturity of commodity derivatives markets.

Product Bouquet: Till recently only plain vanilla futures were permitted to be traded on commodity derivatives exchanges. In 2018 for the first time Options trading in Agricultural commodities was started on NCDEX. In FY 2018-19 four more commodities were added into the Options basket. While participation in Options is yet to pick up, the Exchange is investing significant effort in creating awareness on the benefits of this instrument and is confident of gaining traction in the same.

The Exchange is actively working towards commencing trading in Commodity Indices for the first time in India.

The Exchange is also working towards augmenting the basket of commodities on which it offers futures trading.

Farmer Outreach: Farm sector is the backbone of the Indian economy. The Exchange has been focused on ensuring that the benefits of derivatives trading percolates to farmers. To this end the Exchange has invested considerable time and resources in working with Farmer Producer Organizations (FPOs) and training them on the benefits of participation on the Exchange. The Exchange has constantly strived to engage with FPOs to provide them with an alternate market channel for a transparent price discovery and price risk management platform. In the FY 2018-19, the Exchange successfully on boarded 90 FPOs representing 47,534 farmers from 8 states. A quantity of 6,182 MT of 10 commodities with a value of ₹ 14.62 crore have been traded by 34 FPOs for their price risk management and have found an alternative market place. 11 FPOs have also utilized the Exchange delivery ecosystem and successfully delivered 1,380 MT of produce valued at ₹ 255 lakh. Efforts are also being made to ensure price dissemination through free SMS service. So far, more than 8,500 farmers have availed this service. Creating awareness among FPOs is one of the major focus areas for the Exchange and more than 7,000 farmers and FPO representatives have participated in such awareness programs in FY 2018-19. FPOs, especially Farmer Producer Companies, face several challenges to reach their desired level of objectives. Skilled leadership, proper business plan and accessing working capital are few major impediments. Exchange took initiative to link them with various financial institutions including NABKISAN, also partnered with Bankers Institute of Rural Development (BIRD) and Institute of Rural Development (Anand) for awareness programs and skill development on risk management.

In order to lower transaction costs for FPOs, the Exchange also introduced a new feature of 'Early-Pay-In facility' which exempts them from Mark to Market (MTM) margins against their sell positions. The Exchange will continue to work with

FPOs and partner with relevant stakeholders to continue to provide an alternate market place which is transparent and robust in nature.

SEBI has also taken note of these efforts and has exempted the Exchange from Regulatory fees if the same could be utilized towards facilitation of FPO participation on the Exchange.

FPO engagement continues to be a focus area for the Exchange and one in which the Exchange is confident of seeing rapid progress.

Structural developments

In a move which shall have a long term impact on the way derivatives markets function, Repositories were set up in India for the first time under the aegis of Warehouse Development and Regulatory Authority (WDRA) in 2017. In the last Financial Year, all the warehouses through which delivery was effected in the Exchange ecosystem were approved by WDRA. The Exchange also made rapid progress in migrating towards adoption of Electronically Negotiable Warehouse Receipts (eNWRs) as instruments for ownership transfer of physical stock. Adoption of eNWRs would provide a big impetus to the development of Pledge financing in the country as the instrument has legal sanctity.

NCCL was set up as a full fledged Clearing Corporation in FY 2018-19. As a Clearing Corporation, NCCL brings in a robust risk management framework and best governance practices which are essential for the continued growth of a vibrant derivatives markets. NCCL continues to develop practices in the warehousing ecosystem and provide confidence to the new set of participants, especially those who have little past experience in dealing with physical commodities such as Mutual Funds and AIFs.

The path ahead

The Commodity Derivatives space looks set for rapid growth with the advent of institutional participation and the introduction of sophisticated products such as Options and Indices. At the same time the Exchange is looking to broaden its existing basket of commodities by adding more commodities for trading. The connect that the Exchange has developed over the years with the commodity value chain – be it farmers, traders, processors, industry associations or corporates – has helped it to maintain a dominant share in the Agricultural derivatives space. The Exchange is confident that in the year ahead the Exchange shall leverage on its strengths and increase penetration and participation. NCCL will continue to introduce innovations in the warehousing space such as Silos, RFIDs etc. which will increase the confidence of participants in the delivery process. With increasing adoption of eNWRs, the Exchange is confident that this would provide a fillip to pledge financing in the country. In the backdrop of the Government mission to double farmer's income, it is imperative that the country has a vibrant and effective commodity derivatives ecosystem. With its history of developmental efforts and strong connect with the physical value chain, the Exchange can act as the fulcrum of this ecosystem.

STRENGTHENING OF BUSINESS CONTINUITY PLAN (BCP) / DISASTER RECOVERY (DR) CAPABILITIES

The Exchange has taken several steps to further strengthen its BCP / DR capabilities to make it more robust and resilient.

The Exchange's DR site located in Chennai now has one-to-one correspondence with the Primary site for its core trading infrastructure. All the trade data is replicated to the DR site asynchronously within 5 seconds. All the other master data are replicated within 15 minutes. Apart from DR site, the Exchange has another near site located in Mumbai which acts as a data bunker with near Zero Data Loss replication from the Primary Site.

The Exchange has put in place operating procedures to ensure readiness to handle disaster scenarios on an "Intra-Day" basis. DR site of the Exchange can be made operational within 4 hours. Furthermore, the Exchange has a fully operational and adequately staffed BCP site located at Delhi. Delhi and Mumbai sites operate on a split operations mechanism even on a normal day.

The Exchange has demonstrated the effectiveness of its DR site and its ability to respond to a disaster by successfully running production operations from its DR site for more than 2 months during the Fire incident which happened on April 16, 2018.

MEMBERSHIP

As on March 31, 2019, there were 383 members on the Exchange platform across the length and breadth of the country.

CUSTOMER SERVICE GROUP

During the year, the customer service group (CSG) 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, cost savings and provision of better services. During the fire accident at Exchange's Mumbai location, the customer service team assisted its members to seamlessly start their trading activities from Chennai location (DR site). The customer service team support was made available round the clock ensuring minimum inconvenience to the members.

Customer experience is improved when call center agents deliver appropriate and accurate information with a customized touch. To enhance the customer service management and improve communication and responsibility, the Exchange has implemented a best in class contact center solution software, "Ameyo". Through its enhanced features, the software will help the Exchange in addressing and managing customers more effectively.

DIVIDEND AND APPROPRIATIONS

For the Financial Year ended March 31, 2019, your Directors have pleasure in recommending a dividend of 5 per cent on the equity shares (₹0.50/- per equity share) issued by the Exchange. The Dividend on equity shares, when approved by the shareholders would amount to ₹ 2,53,38,000 (exclusive of Corporate Dividend Tax).

TRANSFER TO RESERVES

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

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, 2019.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Exchange during the Financial Year 2018-19.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Mr. Rakesh Kapur retired by rotation at the Fifteenth Annual General Meeting held on September 26, 2018 and was re-appointed subject to approval of SEBI. SEBI vide its letter dated October 17, 2018 approved the appointment of Mr. Rakesh Kapur as a Shareholder Director. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sunil Kumar will be retiring by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment as Director. The Board recommends the name of Mr. Sunil Kumar 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 Financial Year are as under:

Sr. No.	Name of the Director	Designation	Date of appointment
1.	Mr. Chaman Kumar	Public Interest Director	April 10, 2018
2.	Mr. Nirmalendu Jajodia	Public Interest Director	April 13, 2018
3.	Mr. Prem Kumar Malhotra	Public Interest Director	August 9, 2018
4.	Dr. Ashok Gulati	Public Interest Director	January 3, 2019

The Director who retired during the Financial Year is as under:

Sr. No.	Name of the Director	Designation	Date of Retirement
1.	Justice (retd.) Ashok Bhan	Public Interest Director	January 3, 2019

The Board wishes to place on record its sincere appreciation for the valuable advice and guidance provided by Justice (retd.) Ashok Bhan.

The changes in the Company Secretary of the Exchange during the Financial Year are as under:

Sr. No.	Name	Designation	Date of appointment	Date of resignation
1.	Mr. Samir Rajdev	Company Secretary	August 10, 2017	January 15, 2019
2.	Mr. Harish Kumar	Company Secretary	March 25, 2019	---

The Board also places on record its sincere appreciation for the services rendered by the outgoing Company Secretary.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Exchange has received declarations from all the Independent Directors confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. All the Independent Directors have also given the declarations that they satisfy "fit & proper" criteria as stipulated under Regulation 20 of Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

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, Regulation 17, 19 and Schedule II of the Listing Regulations, SECC Regulations read with SEBI circulars dated January 5, 2017, January 10, 2019 and February 5, 2019. The evaluation was carried out on the basis of feedback obtained from the directors on pre-defined parameters. The performance of the Board, its Committees and Individual Directors was found satisfactory.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2018-19

During the Financial Year 2018-19, eight meetings of the Board of Directors were held. Details of the meetings of the Board of Directors are provided in the Corporate Governance Report which forms part of the Annual Report.

BOARD COMMITTEES

Details of the composition of Committees of the Board, meetings held, terms of reference and attendance of the Directors at such meetings during the financial 2018-19 are provided in the Corporate Governance Report which forms part of the Annual Report.

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

DETAILS OF MEETING OF SHAREHOLDERS

The Fifteenth Annual General Meeting of the Exchange was held on September 26, 2018. It is proposed to hold the Sixteenth Annual General Meeting of the Exchange on September 26, 2019 in Mumbai.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

The Exchange is a public limited company, whose securities are not listed on any of the stock exchanges. As per Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for 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 Financial Year 2018-19 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 (CSR)

The Exchange has framed a Corporate Social Responsibility Policy to implement its 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 are provided in **Annexure 1**.

During the Financial Year 2018-19, the Exchange decided to enhance its "Parakh" initiative, which is a program to empower farmers through creating agri infrastructure. The Exchange undertook:

Providing Primary Grading and Sorting Facilities to improve Farm Gate Quality of produce

The Exchange supported 6 Farmer Producer Companies with cleaning and grading units along with some other related equipment, e.g. Screen grader, Gravity separator, Bucket elevator, Weighing machine, Stitching machine, Moisture meter etc. The equipment was selected on the basis of needs raised by corresponding Producer Organisation Promoting Institutions (POPIs). The POPIs who participated in the Exchange's CSR program are Kamalnayan Jamnalal Bajaj Foundation from Wardha, Watershed Organization Trust from Ahmednagar, Krishak Vikas Sansthan from Ajmer, Krishi Vikas Kendra Bundi, Gram Vikas Seva Sansthan from Jodhpur and Samdarshi Grameen Vikas Sansthan from Jhalawar. Each POPI selected one FPC promoted by it and got the cleaning and grading units established in their corresponding areas. The details are provided at **Annexure 2**. The units will not only benefit the members of the respective FPOs directly but also farmers from adjacent villages. The 6 FPOs have a catchment area of 67 villages covering more than 7000 acres representing 2600 farmer members.

AUDITORS

A. STATUTORY AUDITORS

M/s. K. S. Aiyar & Co, Chartered Accountants, were appointed as the Statutory Auditors of the Exchange for a period of 5 (Five) consecutive Financial Years from the conclusion of the Fourteenth Annual General Meeting of the Exchange until the conclusion of the Nineteenth Annual General Meeting of the Exchange.

As required under the provisions of section 139 (1) of the Companies Act, 2013, the Exchange has received a Certificate from 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 financial statements of the Exchange for the year ended March 31, 2019.

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

B. SECRETARIAL AUDITOR

In terms of section 204 (1) of Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Exchange appointed M/s. Makarand M. Joshi & Co., Practicing Company Secretaries, as Secretarial Auditor for the Financial Year 2018-19. In terms of sub-section (3) of section 134 of the Companies Act, 2013, Secretarial Audit Report issued by M/s. Makarand M. Joshi & Co. in Form MR-3 is attached as **Annexure 3**. The qualification raised by the Secretarial Auditor and its explanations provided are as under:

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except that Company was required to transfer dividend amount to separate bank account within five days of declaration of dividend under Section 123 of the Act, however there was delay of one day in complying with the provision*.

Explanation:

The final dividend was approved by shareholders in the Annual General Meeting held on September 26, 2018. A separate dividend account was required to be opened within 5 days. The account was opened and money transferred to this account within 5 working days instead of 5 calendar days. Therefore there was a delay of one day in opening of the account and transfer of the dividend amount to this account. The payment of dividend to shareholders is required to be made within 30 days from the declaration of such dividend. The payments to shareholders were made by the Exchange within 23 days.

C. 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 2018-19.

COMPLIANCE WITH SECRETERIAL STANDARDS

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

EXTRACT OF THE ANNUAL RETURN

The extract of annual return under sub section (3) of section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 in Form MGT 9 as on the Financial Year ended March 31, 2019 is enclosed as **Annexure 4**.

The Extract of annual return is also available on the website of the Exchange at the link: https://www.ncdex.com/AboutUs/Annual_Reports.aspx

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

UNDER SECTION 188 (1) OF THE COMPANIES ACT, 2013

All the transactions with related parties are in the ordinary course of business and on an arms' length basis. The details of the related party transactions as required under the Accounting Standard-18 are set out in Note no. 32 to the standalone financial statements.

PARTICULARS OF EMPLOYEES

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

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 6.**

RISK MANAGEMENT

The Exchange is focused on providing a transparent trading platform and is committed to working on strengthening the Risk Management Framework of the Commodity Derivatives market. During the year, the National Commodity Clearing Limited (NCCL), a wholly owned subsidiary of the Exchange applied for and obtained recognition from SEBI as a Clearing Corporation. As a measure of de-risking the Exchange from the Settlement Risk and in compliance with SEBI requirements in this regard, the Exchange has transferred all its clearing and settlement related activities to NCCL with effect from September 29, 2018. Consequent to such transfer and segregation of clearing and settlement activity, the Exchange has modified its Risk Management Framework and Policy in line with its revised Risk Profile.

The Exchange has put in place an independent Risk Governance Structure for Integrated Risk Management covering various categories of Enterprise Risk including Business, Operational, Financial, Regulatory, and Reputational and is also cognizant of the management of Group Risks. At the top of the Risk Management hierarchy is the Board of Directors (Board) of the Exchange which provides broad strategic direction to the Risk Management function. In accordance with SEBI guidelines, the Board has formed a Risk Management Committee (RMC) that is a sub-committee of the Board comprising Public Interest Directors and Independent External Experts. The RMC functions as per the Terms of Reference provided by SEBI and has oversight on the Risk Management function of the Exchange. The Exchange also has a Risk Management Department (RMD) which looks after Enterprise Risk, Group Governance, Information Security including Cyber Security and also coordinates the operational and internal audit of the Exchange by independent third party auditors. The head of the Risk Management Department reports to the Managing Director & CEO of the Exchange and also the RMC in accordance with SEBI guidelines.

The Exchange Risk Management Framework envisages a combination of a top down and bottom up approach for an integrated risk management process. While the Board and the RMC provide broad direction and guidance and supervise the entire process, the Exchange Management identifies key risks by using a granular approach with the active involvement of functional heads of various departments, the entire process being coordinated and monitored by the RMD. Risk Management in the Exchange is a comprehensive, disciplined and continuous process in which risks are identified, analyzed and consciously accepted or mitigated within the Board approved risk appetite.

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. NCDEX e Markets Limited, the subsidiary of the Exchange also has a Joint venture company: Rashtriya e Market Services Private Limited. The details in respect of these companies are provided hereunder. 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 7**. The Financial statements of the subsidiary companies have been displayed on the website of the Exchange. In addition, the Exchange has an associate company namely, Power Exchange India Limited.

NCDEX e Markets Limited (NeML)

FY 2018-19 was a watershed year for NeML. NeML's joint initiative with the Karnataka Government - Rashtriya e Market Services Private Limited (REMS) continued its journey to impact farmers by further deepening its presence in e-spot markets for commodities during the year. Together with REMS, 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 independent studies. During the financial year its market turnover crossed ₹ 45,000 crore across commodities traded in regulated agricultural markets of the state.

The fresh food segment of NeML has gained wider acceptance in its brief existence. The segment trading turnover reached INR 900 Crores in 2018-19. 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.

NeML worked closely with the central government to enhance efficiencies of procurement and sale of commodities under its food security programs. It assisted NAFED in the procurement of pulses and oilseeds under its price support scheme, while helping more than 1.2 million smallholder farmers get minimum support price (MSP) directly into their bank accounts. This initiative has 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 by connecting Farmer Aggregators including FPOs for enhancing income of smallholder farmers.

NCDEX Institute of Commodity Markets & Research (NICR)

NICR is a wholly owned subsidiary of the Exchange. NICR is registered under Section 25 of the erstwhile Companies Act, 1956. NICR operates as a charitable, statistical research institution carrying on activities to promote knowledge and research relating to commodity markets and associated derivatives and disseminate information for the benefit of the participants in markets for products, goods or commodities, currency, bonds, fixed income, intangibles and indices.

NICR continues to create value by offering educational courses and training, data analytics and research, and by handling CSR projects on behalf of the parent company and other corporates.

Thematic Areas

The scope of work of NICR is mainly focused on the following thematic areas:

1. Education
   a. Certification Courses
   b. Training and skill building
2. Research & Data analytics
3. Events & Workshops
4. Feasibility Studies

Activities in Financial Year 2018-19

A. Certification courses

i. Commodity Certification Course: The NICR Commodity Certification Course was last refurbished in October 2015. Since then there have been regulatory changes and new Market intermediaries formed, viz, NERL and NCCL. The course content has been updated and the changes were re-viewed by an external expert. The new updated course has been re-launched in digital form with an Online test assessment partner. A Hindi version of the revamped course will also be launched.

ii. NAL Commodity Module & NICR Commodity Certification: NSE Academy Limited (NAL) provides a Commodity Market Module to the market participants. The course content has been provided by NICR. The course content is similar to NICR commodity certification course. A discussion has also been held with NAL for continuing to host the updated commodity market module.

iii. Commodity Trader Module: A new course has been designed for Dealers at brokering fraternity, which is a concise version of the main commodity certificate course.

iv. Option Certification courses: NICR launched Option Certification course in two modules, Basic and Advanced. Since there has been change in the course curriculum a new course design is under process. Once finalized, the Option Certification course will be re-launched on NICR website in digital form.

B. **Feasibility Studies:** NICR started a 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 for developing a Private market yard in Kota. This project is now complete. Discussions have also been initiated with other partners for feasibility study of setting up of e- Auction and Spot Exchange in select Agricultural wholesale markets & warehouses.

National Commodity Clearing Limited (NCCL)

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, NCCL received recognition as a Clearing Corporation vide SEBI's letter no. SEBI/HO/CDMRD/DEA/OW/P/2018/025765/1 dated September 12, 2018.

Accordingly with effect from September 27, 2018, all trades executed on the Exchange are being cleared and settled by NCCL in accordance with the Rules, Bye-laws and Regulations of NCCL.

Further during the year, NCCL in co-ordination with Warehouse Development and Regulatory Authority (WDRA), has transitioned to an Exchange specific Electronic Negotiable Warehouse Receipts (eNWR) system for settlement of delivery obligations arising out of trades/ deals in most of the commodity derivative contracts at NCDEX.

NCCL carried out fund settlements through 12 clearing banks.

The statistics of trade, Settlement and Collateral Processed during the FY 2018-19 is given below:

Trades

Particulars	2018-19
Number of trades	9,157,453
Trading Quantity	118,520,660
Trading value (₹ In crores)	531,417.71

Settlement

Particulars	2018-19
MTM Settlement (₹ In crores)	4387.40
Physical Settlement (₹ In crores)	2072.71

Collateral Processed	2018-19	
Instrument Processed	Count	Amount (₹ In crores)
Bank Guarantee	879	1034.10
Fixed Deposit Receipts	1993	1759.65

National E-Repository Limited (NERL)

NERL started its operations on September 26, 2017 and is regulated by the WDRA as a Repository and Platform for Creation and Management of eNWR.

The main business of NERL is offering a platform for creating eNWR in warehouses registered with WDRA. In addition to eNWR, 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 State Bank of India (SBI) and ICICI Bank which invested ₹ 8 crore (subscribing 9.88% shares of NERL) and ₹ 8.02 crore (subscribing 9.90% shares of NERL) respectively. NABARD, vide a Comfort Letter dated June 28, 2017 subscribed to 13% shares of NERL for ₹ 10.53 crore.

NERL has envisaged business opportunities in the registered warehouse space as below:

- Private Deposits
- Government Deposits
- Exchange Deposits

Exchange & Non-Exchange Business:

FY 2018-19 was a first year of operation for NERL after receiving the Permanent Certificate of Registration from WDRA in September 2017.

In this year of operation, the company has witnessed a lot of achievements and also some misses.

The most significant and noteworthy achievement was the completion of the business transfer transaction of COMTRACK between the Exchange and NERL. With Regulatory approval, NERL successfully migrated COMTRACK to the NERL repository along with all the customers/participants. The objective was to give a seamless same size experience of COMTRACK in the Repository, independently. In addition to this, all the Exchange contracts except Soybean and Cotton seed oil cake were migrated by June 2019. Fresh stock of the new season from October 2019 for these two commodities will be taken in the Repository and COMTRACK application will be discontinued for electronic accounting of NCDEX commodities.

This year NERL also started training and on-boarding Central Warehousing Corporation (CWC) to enable them to seamlessly generate non-exchange eNWR in all CWC registered warehouses. NERL also on-boarded Indian Commodity Exchange (ICEX), now called National Multi-Commodity Exchange (NMCE), and supported them for their exchange settlement of contracts in eNWR. NERL is also in talks with other exchanges for the same. Once the issuance of eNWR in registered warehouse is made mandatory by WDRA, it will start positively impacting the non-exchange business and the company's strategy for the same.

NERL team met the Comtrack participants, banks for promoting eNWR and enrolling them as Repository Participants (RP). The result as on March 31, 2019 is as below:

	No of eNWR	Qty of eNWR(MT)	Value (Cr)
NCDEX	71,115	559,216.81	2,342.25
ICEX	1,250	12,500.00	15.53
Non-Exchange	608	13,516.45	56.12
Total	**72,973**	**585,233.26**	**2,413.89**

RPs (Account Maintenance)	83
RPs (Pledgee)	18
Number of Depositor/ Client accounts	1,934
Loan against eNWRs (in Cr)	₹ 9.14

NERL has signed agreements with Axis Bank, Bank of Baroda, ICICI Bank, HDFC Bank, Shivalik Bank, RBL Bank, Kotak Mahindra Bank, SBI, Bank of Baroda, UCO Bank, Shivalik Mercantile Bank, Geojit Credit, Chaitanya Godavari, Nabkisan Finance, Sudha Co-operative, Coastal Cooperative, Bhadradari Cooperative and Yes Bank, to act as a pledgee on the Repository Platform.

Business Initiatives:

Since its inception, NERL has consistently reached out to its stakeholders in rural India to spread awareness and bring more depositors on board its Repository platform. As on March 31, 2019, NERL has 16 leading Banks (Private & PSU) and NBFCs on-boarded as Pledgees for giving loans against eNWRs. NERL started its planned outreaches in May 2018 with Hoshangabad district in Madhya Pradesh which is a hub for private warehouses. The focus in the initial part of the year was to get more warehouses registered with WDRA, and communicate the benefits and discipline it would bring to the ecosystem. Many FPOs were also trained on the benefits of eNWR against physical receipts. The objective of these FPO trainings was to get farmers used to the concept of digital warehouse receipts and acquaint them with the ease of doing transactions. February 2019 saw the kick-off for Kisaan Konnekt in Guntur, Andhra Pradesh – a farmer focused event that aims to spread awareness on eNWRs and also promote the next leg of benefits for farmers i.e. easy finance on eNWR.

NERL started holding awareness programmes with CWC and State Warehouses to initiate the use of eNWRs and equipping warehouse managers with the requisite knowledge of the Repository platform. Over a period of one year NERL has developed a “three-pronged approach” to spread awareness and equip its stakeholders in rural India to:

- Bring more warehouses under the ambit of WDRA;
- Equip farmers and depositors with the knowledge of using eNWRs;
- Train and educate warehousemen on the NERL repository system;

So far, NERL has held 43 awareness and training programmes since 2018 across 10 states of India. It has associated with the following organizations to approach its various stakeholders in different parts of the country:

- National Commodity & Derivatives Exchange Limited
- NABARD
- Warehousing Development and Regulatory Authority (WDRA)
- Central Warehousing Corporation
- Rashtriya e Markets Services Private Limited
- Assam State Warehousing Corporation
- Karnataka State Warehousing Corporation
- National Institute of Agricultural Marketing (NIAM)
- Reliance Foundation
- Some agricultural societies/FPOs

Farmer Centric Initiatives:

- Client PAN verification and copy of PAN card is not mandatory for farmer category to open an account.
- No charges are levied for opening of Client Account for farmers and Farmer Producer Organizations (FPOs).
- No Annual Maintenance Charges (AMC) levied on Farmers and FPOs.
- Discounted transaction charges for Farmers on NERL platform.

Advocacy:

NERL has inscribed various white papers for Ministry of Agriculture on the following matters:

- Suggestions to improve agriculture credit flows to specific segment of agriculture by introducing products which will encourage Banks to fund the farmers involved in agriculture and allied activities.

- Amendment in RBI PSL Guidelines being regulatory enabler for wider acceptability of eNWR.
- Letter to Food Corporation of India (FCI), NAFED and Department of Consumer Affairs for encouraging usage of eNWR on NERL platform.

Key Developments:

- NCDEX, a leading agricultural Commodity Derivatives Exchange and promoter of NERL has recognized eNWR as a settlement instrument for deliveries on its platform with effect from June 1, 2018.
- CWC was on-boarded by NERL on its platform; the first eNWR was generated on NERL on June 7, 2018.
- 16 Farmers in Samastipur, Bihar opened their Repository Accounts with NERL and 3 farmers received pledging against eNWR from Svakarma Finance Pvt. Ltd., an NBFC that supports Agri and MSMEs, and a Repository Participant (Pledgee) with NERL.
- 72973 eNWRs issued by NERL as on March 31, 2019.
- On April 02, 2019 WDRA issued a circular mandating issuance of negotiable warehouse receipts in electronic form on Repositories with effect from June 1, 2019.

Rashtriya e Market Services Private Limited (ReMS)

ReMS, a joint venture company of Government of Karnataka and NeML with equal shareholding, was incorporated on January 2014. ReMS provides a complete technology and management solutions for restructuring of agricultural marketing operations in the Karnataka state.

ReMS has been conceived to blend public interest with the initiative of a private enterprise for establishing, operating, managing a specialized electronic trading platform called Unified Market Platform (UMP) for auctioning of farmer's produce and to implement the ambitious reform agenda envisaged in the Karnataka State Agricultural Marketing Policy 2013.

ReMS has been working in close coordination with Department of Agricultural Marketing and APMCs and is striving to improving existing marketing system in agricultural markets like, establishing assaying facilities, installing cleaning and grading machineries, organizing capacity building programme for stakeholders, developing secondary markets to facilitate primary market participants etc.

ReMS has undertaken certain additional initiatives during the year such as shifting of servers to cloud, providing "All in one Integrated Android Handheld devices with printers" to APMC staff in 26 markets for gate entry and lot weighing in order to optimize market processes, sending SMSs to farmers and stakeholders with regard to highest bid price & value etc., operationalizing Apps developed for farmer, trader, commission agent, APMC staff, weighing, lot/gate entry etc.

Karnataka's path-breaking reform in agricultural marketing has brought transparency in agriculture trading. ReMS has been acknowledged as the lead player in the country for reforming the agricultural markets. Government of India has adopted the Karnataka Model for its National Agricultural Market program, i.e. e-NAM.

ReMS's UMP is in operation in 164 Main Markets and 31 sub-markets in the State at the end of 2018-19. The traded quantity during the year under review increased from 1.48 crore MT to 1.77 crore MT registering an increase of 19.59% over the previous year. The value of transactions increased from ₹ 40,600 crores in 2017-18 to ₹ 45,467 crores in 2018-19, an increase of 11.99%.

The "Unified Agricultural Market," ReMS's platform for conducting operations in agricultural markets bagged the prestigious CAPAM International Innovation Award in the category of Innovation in Public Service Management in Guyana, instituted by the Commonwealth Association of Public Administration and Management. The captioned nomination was also awarded as the best project in the overall category. Further, ReMS also received Indian Agribusiness Award 2018 from the Indian Council of Food and Agriculture.

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 are 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

VIGIL MECHANISHM

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the principles of good governance, the

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

The Whistle Blower Policy is available on website of the Exchange at https://ncdex.com/AboutUs/Disclosures.aspx

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

No material changes and commitments affecting the financial position occurred subsequent to the close of the Financial Year ended March 31, 2019 and the date of the report.

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

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

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Exchange has maintained adequate internal financial controls over financial reporting. These controls include i) recording of transactions in a manner that facilitates preparation of financial statements as per the Indian accounting standards (INDAS), 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, 2019.

RESOURCES COMMITTED TOWARDS STRENTHENING REGULATORY FUNCTIONS AND TOWARDS ENSURING COMPLIANCE WITH REGULATORY REQUIRMENTS.

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

During the year under review, the Exchange's regulatory division comprised of departments, details of which are given below, taking care of various critical aspects of regulatory compliances.

Each such department is headed by a senior official of the Exchange, reporting to the Managing Director & CEO, who reports to Board of Directors. The total salary cost paid to Regulatory department during Financial Year 2018-19 was ₹ 9,41,07,362/-.

Surveillance & Investigation

Department	Count
Compliance	5
Inspection & Enforcement	17
Investor Services Cell	6
Membership	5
Total	**33**
Market Watch	13
Surveillance & Investigation	
Market Intelligence	8
Surveillance & Investigation	16
Total	24
Grand Total	**70**

STATUTORY DISCLOSURES

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

A. 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.

B. TECHNOLOGY ABSORPTION

A number of regulatory and business changes were made to existing systems of the Exchange which were put to use in FY 2018-19. 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 handle intra-day Disaster Recovery (DR) capabilities as well as changes related to logical segregation of NCCL.

C. FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review, there was foreign exchange inflow to the extent of ₹ 172.47 Lacs. There has been foreign exchange outgo to the extent of ₹1,186.53 Lacs on account of technology expenses, professional & consultation fees, travelling and other expenses.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed:

a. that in the preparation of accounts for the Financial Year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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

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

d. that the Directors have prepared the accounts for the Financial Year ended March 31, 2019 on a 'going concern' basis.

e. 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: August 9, 2019

Annexure 1

Annual Report on CSR activities

1. 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.

   During the FY 2018-19, the Exchange decided to enhance its "Parakh" initiative, which is a program to empower farmers through creating agri infrastructure.

2. The Composition of CSR Committee: Mr. Srinath Srinivasan – Chairman, Mr. Chaman Kumar, Mr. Sunil Kumar and Mr. Vijay Kumar V.

3. Average net profit of the company for last three Financial Years: ₹ 3,427 lacs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : ₹ 68,55,000

5. Details of CSR spent during the Financial Year

   a) Total amount spent during Financial Year: The Exchange was required to spend ₹. 68,55,000. However, the Exchange has spent ₹ 68,55,105

   b) Amount unspent, if any : Nil

   c) Manner in which the amount spent during the Financial Year is detailed below:

Sr. 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 FPCs	Post-harvest Management activities	Project implemented 6 POPIs in Maharashtra and Rajasthan.	₹ 63,79,305	Payments to POPIs for setting-up cleaning and grading units in: Wardha - ₹ 25,66,220 Jalna - ₹ 1,39,000 Nagaur – ₹13,68,060 Kota – ₹ 8,10,000 Jodhpur – ₹ 9,04,800 Bundi – ₹ 11,02,500	₹ 63,79,305	Implementing agency
2.	Impact Assessment of Training Programs	Farmers' awareness	An agency Kaarak was hired for the job of impact assessment of Training programs.	₹ 4.72 lacs	Payments to Kaarak for Impact Assessment for trainings held in FY 2017-18.	₹ 4.72 lacs	Implementing Agency

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.

By order of the Board of Directors

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

Ravindra Kumar Roye
Chairman
DIN: 07304930

Place: Mumbai
Date: August 9, 2019

Annexure 2

Producer Organization Promoting Institutions (POPIs) and FPCs under CSR 2018-19

The details of the POPIs and identified FPCs are given below:

Sr No	FPC	POPI /RI	Location	Catchment Area (Villages)	No. Shareholder Farmers	Commodities	Cultivated Area (acres)	Annual Turnover (in ₹ for FY 2018-19 till December 2018)
1	Wagheda Farmer Producer Company Limited	Kamalnayan Jamnalal Bajaj Foundation	Wardha (Maharashtra)	12	209	Soybean, Cotton & Tur in Kharif and Gram & Wheat in Rabi	1183	6,00,000
2	Purnakarth Farmer Producer Company Limited	Purnakarth Farmers Producer Company Limited	Jalna (Maharashtra)	8	300	Soybean, Chana, Maize, Red gram, Cotton, Wheat	1500	3,50,000
3	Kurel Kisan Producer Company Limited	Krishi Vigyan Kendra, Bundi	Bundi (Rajasthan)	12	650	Soybean, Chana, Wheat, Maize, Mustard, Paddy, Black gram	2175	75,85,315
4	Suvalkha Bio Organics Agricultural Produce & Exports Producer Company Limited	Krishak Vikas Sansthan	Nagaur (Rajasthan)	10	560	Cumin, Guar, Cotton	420	2,21,015
5	Sarnagiti Kisan Agro Producer Company Limited	Samdarshi Grameen Vikas Sansthan	Kota (Rajasthan)	16	612	Mustard, Soybean, Wheat, Chana, Coriander	1360	5,00,000
6	Marwad Kisan Producer Company Limited	Gram Vikas Seva Sansthan	Jodhpur (Rajasthan)	5	261	Cumin, Mustard, Wheat, Moong	528	2,90,000

Annexure 3

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2019

[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, 2019 (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, 2019 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 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 notified on 11th September, 2018 **(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 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 notified on 11th September, 2018 **(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 erstwhile Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2012 and Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018.

We further report that, having regard to the compliance system prevailing in the company and on examination of the relevant documents and records in pursuance thereof on test check basis, the company has complied with erstwhile Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018 which is specifically applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that Company was required to transfer dividend amount to separate bank account within five days of declaration of dividend under Section 123 of the Act, however there was delay of one day in complying with the provision.

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.,

Practicing Company Secretaries

Makarand Joshi
Partner

Place: Mumbai FCS No.: 5533
Date: 06.06.2019 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, Ackruti Corporate Park,
Near G E Garden, L B S Road,
Kanjurmarg (West) Mumbai 400078

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

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

For Makarand M. Joshi & Co.,

Practicing Company Secretaries

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

Place: Mumbai
Date: 06.06.2019

Annexure 4

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on March 31, 2019

[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 & 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- 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	70%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NCDEX e Markets Limited Add.: Unit No. 101 & 101 T, First Floor, Ackruti Corporate park, L.B.S. Marg, Next to G E Garden, Kanjurmarg (W) Mumbai - 400079	U93090MH2006PLC165172	Subsidiary	99.95%	Section 2 sub section 87(ii)
2	National Commodity Clearing Limited Add.: First 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.: First 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.: First 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.: Unit No. 901, 9th Floor, Summer Plaza, Marol Maroshi Road, Andheri (E), Mumbai - 400059	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	Nil	1,79,99,965	35.52	**1,79,99,965**	Nil	**1,79,99,965**	**35.52**	**0.00**
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds	76,01,400	Nil	76,01,400	15.00	**76,01,400**	Nil	**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	Nil	2,56,01,365	50.52	**2,56,01,365**	**NIl**	**2,56,01,365**	**50.52**	**0.00**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,20,74,613	Nil	2,20,74,613	43.56	**2,20,74,613**	**Nil**	**2,20,74,613**	**43.56**	**0.00**
ii) Overseas	30,00,000	Nil	30,00,000	5.92	**30,00,000**	**Nil**	**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**	**2,50,74,635**	**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**	**5,06,76,000**	**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 - Not Applicable

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
-	-	-	-	-	**-**	**-**	**-**	

(iii) Change in Promoters' Shareholding (please specify, if there is no change) - Not Applicable

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	-	-	-	-
2	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	-	-	-	-
3	At the End of the year	-	-	-	-

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

Sr. No.	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	5,625,000	11.10	-	**5,625,000**	**11.10**
3	National Bank for Agriculture and Rural Development	5,625,000	11.10	-	**5,625,000**	**11.10**
4	Indian Farmers Fertiliser Co Operative Ltd.	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:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	Nil	Nil	**Nil**	**Nil**
2.	Date wise Increase / Decrease in Shareholding 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**

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:

Sr. No.	Particulars of Remuneration	Name of Managing Director & Chief Executive Officer
		Mr. Vijay Kumar V.
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) NPS contribution, Motor Car Expense Reimbursement and Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	(a) ₹ 1,17,51,576/- (b) ₹ 5,39,600/- (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)	**₹ 1,22,91,176/-**
	Ceiling as per the Act	The Exchange has obtained approval from the shareholders for the payment of above remuneration.

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors							Total Amount in ₹
1.	**Independent Directors**	**Mr. Ravindra Kumar Roye**	**Justice (retd.) Ashok Bhan**	**Dr. Purvi Mehta**	**Mr. Chaman Kumar**	**Mr. Nirmalendu Jajodia**	**Mr. Prem Kumar Malhotra**	**Dr. Ashok Gulati**	
	• Fee for attending board/ committee meetings	25,40,000	3,60,000	10,80,000	20,20,000	8,60,000	6,20,000	1,80,000	76,60,000
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)								76,60,000

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount in ₹
2.	**Other Non-Executive Directors**	**Mr. Rakesh Kapur**	**Mr. Srinath Srinivasan**	**Mr. J. Ravichandran**	**Mr. Sunil Kumar**	**Mr. B. Venugopal**	
	• Fee for attending board/ committee meetings	15,00,000	8,20,000	6,00,000	8,00,000	1,80,000	39,00,000
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)						39,00,000
	Total (B) = (1 + 2)						1,15,60,000
	Total Managerial Remuneration						**1,15,60,000**
	Overall Ceiling as per the Act						₹ 1,00,000 per member per meeting

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Atul Roongta – Chief Financial Officer	Mr. Samir Rajdev - Company Secretary from April 1, 2018 to January 15, 2019	Mr. Harish Kumar - Company Secretary w.e.f. March 25, 2019 to March 31, 2019*	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 1,12,19,886/-	₹ 25,49,251/-	₹ 1,85,419/-	₹ 1,39,54,556/-
	(b) NPS contribution, Motor Car expense reimbursement and Value of perquisites u/s 17(2) Income-tax Act, 1961	₹ 9,23,988/-	Nil	Nil	₹ 9,23,988/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil		Nil
3.	Sweat Equity	Nil	Nil		Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil		Nil
5.	Others, please specify	Nil	Nil		Nil
	Total	₹1,21,43,874/-	₹ 25,49,251/-	₹1,85,419/-	₹1,48,78,544/-

* Joined office on March 12, 2019 and designated as Company Secretary with effect from March 25, 2019. The Remuneration is for the period in employment i.e. from March 12, 2019 till March 31, 2019.

Note: The above mentioned remuneration is exclusive of any provision or payment made towards Gratuity and Employer's contribution towards Provident Fund.

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 5

INFORMATION REQUIRED UNDER REGULATION 27 (5) & (6) OF THE SECURITIES CONTRACTS (REGULATION) (STOCK EXCHANGES AND CLEARING CORPORATIONS) REGULATIONS, 2018, FOR THE PERIOD FROM APRIL 1, 2018 TO MARCH 31, 2019.

Sr. No.	Name of Key Management Personnel	Designation	Compensation (Amount in ₹)	Ratio of the Compensation of Key Management Personnel to median Compensation
1	Mr. Vijay Kumar V.	Managing Director & CEO	12,891,176/-	12.68
2	Mr. Atul Roongta	Chief Financial Officer	12,686,742/-	12.48
3	Ms. Seema Pramod Nayak	Chief Compliance Officer	7,571,492/-	7.45
4	Mr. Kapil Dev	Executive Vice President & Head Business and Products	4,442,626/-	4.37
5	Mr. Hitesh Savla	Executive Vice President & Head Market Watch	4,436,890/-	4.36
6	Mr. Viral Davda	Executive Vice President & Head Technology	4,354,282/-	4.28
7	Mr. Avinash Mohan	Executive Vice President & Head Surveillance & Investigation	4,338,643/-	4.27

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

Sr. No.	Employee's Name	Designation	Remuneration received during the FY 2018-19 * (Inclusive of Salary as per Provisions contained in Section 17(1)+ Employer's PF contribution + NPS contribution + Motor Car Expense Reimbursement + Perquisite Value) (Amount in ₹)	Nature of employment	Qualifications	Total Experience as on March 31, 2019	Date of commencement of employment	Age (Completed Yrs. of Age)	Name of the previous employer
1	Mr. Vijay Kumar V.	Managing Director & CEO	12,891,176/-	Full Time	MBA, B.Tech	32 years	January 18, 2018	57	Sharp Mint Limited
2	Mr. Atul Roongta	Chief Financial Officer	12,686,742/-	Full Time	CA	25 years	July 3, 2017	48	Boi Axa Investment Managers Private Limited
3	Ms. Seema Pramod Nayak	Chief Compliance Officer	7,571,492/-	Full Time	MBA (Marketing)	19 years	October 10, 2016	45	National Stock Exchange of India Limited
4	Mr. Aleen Mukherjee	Chief Operating Officer - NICR	4,854,373/-	Full Time	MSc (Agri)	24 years	December 18, 2009	50	IGNA Farms Ghana Limited
5	Mr. Laxmikant Sanwarmal Gupta*	Chief	4,749,300/-	Full Time	CA,CS,FRM,CWA	16 years	February 6, 2017	48	IDBI Assest Management Limited
6	Mr. Kapil Dev*	Executive Vice President & Head Business and Products	4,442,626/-	Full Time	MBA (Agri Business)	12 years	May 19, 2018	34	Glencore Limited
7	Mr. Hitesh Savla	Executive Vice President & Head Market Watch	4,436,890/-	Full Time	CA	21 years	April 25, 2005	41	BSE Limited
8	Mr. Viral Davda	Executive Vice President & Head Technology	4,354,282/-	Full Time	B. Com, PGDIT	16 years	December 29, 2008	38	Datamatics Limited
9	Mr. Avinash Mohan	Executive Vice President & Head Surveillance & Investigation	4,338,643/-	Full Time	B.Com, MMS	19 years	May 17, 2005	42	National Stock Exchange of India Limited
10	Mr. Prabhat Ranjan*	Senior Vice President	3,648,249/-	Full Time	B. Sc. (Physics), PGPMS	22 years	December 15, 2008	46	Yes Bank Limited
11	Mr. Rajendraprasad Benahalkar*	Chief- Risk & Market policy and Strategy	3,633,365/-	Full Time	B.E, MBA (Finance)	25 years	October 22, 2007	48	Yes Bank Limited
12	Ms. Kanupriya Saigal*	Executive Vice President	3,351,199/-	Full Time	MBA (International Business)	18 years	July 24, 2017	44	Syngenta India Limited

*employed for part of the year

Note: None of the employees mentioned above is holding equity shares in the Exchange within the meaning of Rule 5 (2) (iii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. None of the employees mentioned above are related to any of the Directors of the Exchange.

Annexure 6

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 Rules ('amendment documents') pursuant to the 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. 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 Exchange has, after approval from SEBI vide letter SEBI/HO/CDMRD/DEA/OW/P/2018/011889/1 dated April 18, 2018 (approval letter), as advised in para 2 of the said approval letter, published the said approved amendment documents in Gazette of India vide DL(N)-04/0007/2003-05 in Part IV dated May 5- May 11, 2018, and in State Gazette Notification Maharashtra, vide RNI No. MAHBIL/2009/35827 in Part –II Sankirna, May 3 – May 9, 2018.

A list of clauses which have been added/amended in the existing Rules of the Exchange, pursuant to approval letter are prescribed in the below mentioned table.

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	Rules amended	Clause No. in amendment Notification
1	SEBI letter No. SEBI/HO/CDMRD/DEA/OW/P/2018/011889/1 dated April 18,2018	NA	A new Clause is inserted under the existing Rule 5.2.13 A new Clause is inserted under the existing Rule 5.2.13 A new Clause is inserted under the existing Rule 5.2.15 A new Clause is inserted under the existing Rule 5.2.15	5.2.13 (f) 5.2.13 (g) 5.2.15(f) 5.2.15(g)

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. Chaman Kumar	Public Interest Director	April 10, 2018
2.	Mr. Nirmalendu Jajodia	Public Interest Director	April 13, 2018
3.	Mr. Prem Kumar Malhotra	Public Interest Director	August 9, 2018
4.	Dr. Ashok Gulati	Public Interest Director	January 3, 2019

The Director who retired during the year is as under:

Sr. No.	Name of the Director	Designation	Date of Retirement
1.	Justice (retd.) Ashok Bhan	Public Interest Director	January 3, 2019

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

The following are the Committees of the Exchange as on March 31, 2019:

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

Changes in the composition of the Committee

1. Audit Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
1	Mr. Ravindra Kumar Roye	Mr. Ravindra Kumar Roye
2	Mr. Rabi Narayan Das	Mr. Chaman Kumar
3	Mr. Rakesh Kapur	Mr. Rakesh Kapur
4	Justice (retd.) Ashok Bhan	------

*re-constituted w.e.f. February 13, 2019

2. Nomination and Remuneration Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
1	Mr. Ravindra Kumar Roye	Mr. Ravindra Kumar Roye
2	Mr. Rabi Narayan Das	Mr. Chaman Kumar
3	Mr. Rakesh Kapur	Dr. Purvi Mehta
4	------	Dr. Ashok Gulati

*re-constituted w.e.f. February 13, 2019

3. Risk Management Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
1	Mr. Rabi Narayan Das	Mr. Prem Kumar Malhotra
2	Dr. Purvi Mehta	Dr. Purvi Mehta
3	Mr. Madan Sabnavis	Mr. Nirmalendu Jajodia
4	Mr. Siddhartha Roy	Ms. Susan Thomas
5	Mr. Vijay Sardana	Mr. Vijay Sardana

*re-constituted w.e.f. February 13, 2019

4. Technology Standing Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
1	Mr. Ravindra Kumar Roye	Mr. Ravindra Kumar Roye
2	Mr. Nirmalendu Jajodia	Mr. Nirmalendu Jajodia
3	Mr. Pravir Vora	Mr. Pravir Vora
4	------	Mr. Chaman Kumar
5	------	Mr. Hemant Adarkar

*re-constituted w.e.f. February 13, 2019

5. Public Interest Directors' Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
1	Mr. Rabi Narayan Das	Mr. Chaman Kumar
2	Justice (retd.) Ashok Bhan	Dr. Ashok Gulati
3	Mr. Ravindra Kumar Roye	Mr. Ravindra Kumar Roye
4	Dr. Purvi Mehta	Dr. Purvi Mehta
5	Ms. Naina Krishna Murthy	Mr. Prem Kumar Malhotra
6	------	Mr. Nirmalendu Jajodia

*re-constituted w.e.f. February 13, 2019

6. Corporate Social Responsibility Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
1	Mr. Srinath Srinivasan	Mr. Srinath Srinivasan
2	Mr. Vijay Kumar V.	Mr. Vijay Kumar V.
3	Mr. Sunil Kumar	Mr. Sunil Kumar
4	Mr. Rabi Narayan Das	Mr. Chaman Kumar

*re-constituted w.e.f. April 24, 2018

7. Regulatory Oversight Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
1	------	Mr. Prem Kumar Malhotra
2	------	Mr. Ravindra Kumar Roye
3	------	Mr. Nirmalendu Jajodia
4	------	Dr. Purvi Mehta
5	------	Mr. Ravinder Sachdev

*constituted w.e.f. February 13, 2019

8. Stakeholders Relationship Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
1	Justice (retd.) Ashok Bhan	Mr. Prem Kumar Malhotra
2	Mr. Rakesh Kapur	Mr. J. Ravichandran
3	------	Mr. Sunil Kumar

*re-constituted w.e.f. February 13, 2019

9. Member Selection Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
1	Mr. Ravindra Kumar Roye	Mr. Ravindra Kumar Roye
2	Mr. Rabi Narayan Das	Mr. Chaman Kumar
3	Mr. Vijay Kumar V.	Mr. Vijay Kumar V.
4	------	Mr. Prem Kumar Malhotra
5	------	Mr. J. Sampath

*re-constituted w.e.f. February 13, 2019

10. Advisory Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
1	Mr. Rabi Narayan Das	Mr. Ravindra Kumar Roye
2	Mr. Chirag Shah – Philip Commodities India Private Limited	Mr. Nirmalendu Jajodia
3	Mr. Vivek Bajaj – Dhanvee Commodities Private Limited	Dr. Purvi Mehta
4	Mr. Mahesh Gupta – RBG Commodities Limited	Mr. Chaman Kumar
5	Mr. Rajnikant Rai – ITC Limited	Ms. Rajini Panicker – Philip Commodities India Private Limited

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
6	Mr. D. K. Aggarwal - SMC Comtrade Limited	Mr. D. K Aggarwal - SMC Comtrade Limited
7	Mr. Sanjay Rawal – Open Futures and Commodities Private Limited	Mr. Suresh Arora – Raghunandan Industries Private Limited
8	------	Mr. Ravikant Kanoongo – Hindustan Technosol Private Limited

*re-constituted w.e.f. February 13, 2019

11. Business Strategy Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
1	Mr. Rakesh Kapur	Mr. Rakesh Kapur
2	Mr. Rabi Narayan Das	Mr. Ravindra Kumar Roye
3	Mr. Srinath Srinivasan	Mr. Srinath Srinivasan
4	Mr. Vijay Kumar V.	Mr. Vijay Kumar V.
5	Mr. Sunil Kumar	Mr. Sunil Kumar
6	------	Mr. J. Ravichandran
7	------	Dr. Ashok Gulati

*re-constituted w.e.f. February 13, 2019

12. Capital Raising Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2018	MEMBERS AS ON MARCH 31, 2019
1	Mr. Srinath Srinivasan	Mr. Srinath Srinivasan
2	Mr. Ravindra Kumar Roye	Mr. Ravindra Kumar Roye
3	Mr. Rakesh Kapur	Mr. Rakesh Kapur
4	Justice (retd.) Ashok Bhan	Mr. J. Ravichandran
5	Mr. Vijay Kumar V.	Mr. Vijay Kumar V.

*re-constituted w.e.f February 13, 2019

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

Details for FY 2018-19 are given below:

	Total Members	Trading Cum Clearing Member (TCM)	Trading Member (TM)	Strategic Trading Cum Clearing Member (STCM)
Members as on March 31, 2018	453*	226	217	7
Surrendered/Expelled/Defaulter/ Ceased during the year	87	34	52	1
New members added	20	8	12	0
Members as on March 31, 2019	383	164**	213**	6

* 3 PCMs are included. After segregation of clearing corporation with effect from September 27, 2018, PCM are the members of NCCL only.

** Total not matched as 36 members have converted their membership category from TCM to TM.

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

The Exchange has imposed fines/penalties on members and taken other disciplinary actions (viz. ceased the membership and declared the concerned member(s) as defaulter) for violation of Rules, Bye Laws, Regulations/ Circulars issued by the Exchange/ 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 2018-19:

1	Type of cases – 1) Non payment of dues by clients 2) Non refund of money by Member	
2	Number of cases referred for arbitration	04
3	Number - Cases of Non payment of dues by clients	04
4	Number – Cases of Non refund of money by Member	00
5	Number of Cases in which Award is passed	03
6	Number of Cases in which case is withdrawn before Award	00
7	Number of Cases in progress on March 31, 2019	01

RULE 17 (g) DEFAULTS COMMITTED BY MEMBERS

Delivery Defaults			
Expiry Month	**Symbol**	**Shortages**	**Unit**
May-18	BARLEYJPR	100	MT
May-18	CHANA	10	MT
May-18	MAIZERABI	90	MT
Jun-18	MAIZERABI	100	MT
Jun-18	WHEATFAQ	160	MT
Jul-18	GUARSEED10	50	MT
Jul-18	MAIZERABI	330	MT
Jul-18	SYBEANIDR	20	MT
Jul-18	TMCFGRNZM	5	MT
Aug-18	BARLEYJPR	10	MT
Aug-18	DHANIYA	30	MT
Aug-18	JEERAUNJHA	3	MT
Aug-18	MAIZERABI	10	MT
Aug-18	WHEATFAQ	260	MT
Oct-18	CASTOR	5	MT
Oct-18	CHANA	10	MT
Oct-18	TMCFGRNZM	825	MT
Oct-18	WHEATFAQ	10	MT
Nov-18	CASTOR	20	MT
Nov-18	GUARSEED10	70	MT
Nov-18	JEERAUNJHA	6	MT
Nov-18	MAIZEKHRIF	570	MT
Nov-18	WHEATFAQ	50	MT
Dec-18	COCUDAKL	50	MT
Dec-18	DHANIYA	10	MT
Dec-18	MAIZEKHRIF	20	MT
Dec-18	RMSEED	10	MT
Dec-18	TMCFGRNZM	5	MT
Mar-19	WHEATFAQ	30	MT

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

During FY 2018-19 trading was disrupted due to a fire incident at the Primary site of the Exchange on April 16, 2018. The Exchange had successfully switched its trading operation to DR site for the period of the disruption and thereafter reverted to the Primary site.

RULE 17(i) SECURITIES LISTED AND DE-LISTED

Not applicable

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

Not applicable

Annexure 7

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	1,05,75,00,000	5,00,000	35,51,72,290	810,000,000
Other Equity	490,919,394	(19,417,212)	119,855,691	(36,813,727)
Total Liabilities	1,417,204,000	20,585,000	1,122,134,254	97,327,134
Total Assets	2,965,624,178	1,668,000	1,597,162,235	870,513,402
Investments	NIL	NIL	227,634,016	NIL
Turnover (Revenue from operations)	112,601,000	1,241,000	560,046,104	89,652,018
Profit before taxation	57,980,000	(2,132,000)	169,380,717	(28,019,129)
Provision for taxation	16,407,147	NIL	27,418,061	(6,543,815)
Profit after taxation	41,572,852	(2,132,000)	141,962,656	(21,475,313)
Other Comprehensive Income	(1,210,458)	NIL	(331,859)	(617,231)
Total Comprehensive Income	40,362,394	(2,132,000)	141,630,797	(22,092,544)
Proposed Dividend	NIL	NIL	NIL	NIL
% of shareholding	100%	100%	99.95%	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, 2019
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**	₹ (46,30,287.13) (Audited figure as on March 31, 2019)
6.	**Profit / Loss for the year**	Audited figure as on March 31, 2019 Profit/Loss for the year after Tax is ₹ 80,676,570/- (Exchange's share of profit after tax is ₹ 24,969,398.42)
	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

Harish Kumar
Company Secretary
ACS 020844

Atul Roongta
Chief Financial Officer

Place: Mumbai
Date: August 9, 2019

MANAGEMENT DISCUSSION ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

GDP performance during 2018-19

India continues to remain one of the fastest growing major economies in the world. In FY 2018-19, the Indian economy grew at a rate of 7.0% according to the Ministry of Finance, Government of India. However, the growth rate was marginally lower than the earlier forecast of 7.5%. The factors responsible for this slowdown include declining growth of private consumption, tepid increase in fixed investment, and muted exports.

The supply response to demand, as captured by the Gross Value Added (GVA) by various goods and services sectors, shows manufacturing and construction sectors taking the lead to drive growth in 2018-19 among the goods sector while financial, real estate and professional services doing it for the services sector. The contribution of agriculture, forestry & fishing to GVA growth, which was modest at 17.2% in 2017-18 has slightly declined to 16.0% in 2018-19. GVA by agriculture, forestry and fishing is estimated at ₹18.53 trillion (US$ 271.00 billion) in FY 2018-19.

Total agricultural exports from India grew at a CAGR of 16.45% over FY10-18 to reach US$ 38.21 billion in FY18. Agricultural exports from India reached US$ 39.13 billion in FY19.

During FY19 CPI headline inflation continued its downward trajectory on the back of low food inflation. Headline CPI inflation declined to 3.4% in 2018-19 from 3.6% in 2017-18.

Food grain production in 2018-19

The second advance estimates of foodgrains production for 2018-19 at 281.37 million tonnes remains marginally lower by 1.2% than the production of 284.83 million tonnes in 2017-18. Among cereals, the country is heading for a record production of Rice, the main cereal crop, in 2018-19. Backed by a substantial increase in production during the kharif season and increased area under rabi Rice, the production of Rice is estimated at 115.60 million tonnes this year, around 2.4% higher than the production estimates for 2017-18.

Pulses production is estimated to decline slightly this year. Tur production may decline to 3.68 million tonnes as against 4.25 million tonnes in 2017-18. The output of Chana too is expected to fall by 1 million tonne to 10.32 million tonnes as compared to last year. Among oilseeds, Soyabean and Mustard seed output are estimated to be higher whereas Groundnut production is expected to be lower than the previous year. Further, drought conditions in Maharashtra and Karnataka, two major coarse cereal growing States, seem to have adversely impacted the coarse cereals output.

Earlier, the Indian Meteorological Department (IMD) had forecast a normal monsoon for 2018. However, the monsoon, which ended on September 30, 2018, saw a rainfall deficit of 9.4%.

Union Budget 2019-20

The Union Budget for 2019-20 envisions India to become US$ 3 trillion economy by the end of FY20 and US$ 5 trillion economy in the next five years. The Budget focussed on digital India, pollution free India, make in India, job creation in Micro, Small and Medium Enterprises (MSMEs), reducing red tape, building social infrastructure, and investing heavily in infrastructure.

The government is planning to form 10,000 new Farmer Producer Organizations, to ensure economies of scale for farmers. Further, the government emphasised on bringing the farmers to National Agriculture Market (eNAM).

The government's focus on the "Pradhan Mantri Matsya Sampada Yojana" (PMMSY) is expected to address the critical gaps in the value chain, infrastructure, traceability, productivity, post-harvest management, and quality control in Fisheries sector. For this, setting up of Rashtriya Kamdhenu Aayog and a separate Department of Fisheries has already been announced.

A new scheme named 'Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)' was launched earlier this year to provide assured income support to the vulnerable farmers in the country. Under the scheme, families with cultivable land of up to two hectares will be given direct income support of ₹ 6,000 per year in three equal instalments. Annual outlay for the programme is ₹ 75,000 crore (US$ 10.55 billion). Around 12 crore small and marginal farmer families are expected to benefit from this programme.

Schemes/initiatives for agriculture and allied sector

In September 2018, the Government of India announced a new procurement policy named 'Pradhan Mantri Annadata Aay SanraksHan Abhiyan' (PM-AASHA), under which states can decide the compensation scheme and can also partner with private agencies to ensure fair prices for farmers in the country. The Government, with a view to augment the income of the Small and Marginal farmers, has launched a Central Sector Scheme, namely, Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) under which the landholder farmer families with total cultivable holding upto 2 hectares shall be provided with a benefit of ₹ 6000 per annum per family payable in three equal installments, every four months. The scheme aims to supplement the financial needs of the farmers in procuring various inputs to ensure proper crop health and appropriate yields, commensurate with the anticipated farm income.

The government also approved Agri-Market Infrastructure Fund of a corpus of ₹ 2,000 crore with NABARD for development and up-gradation of agricultural marketing infrastructure in Gramin Agricultural Markets and Regulated Wholesale Markets.

With an aim to boost innovation and entrepreneurship in agriculture, the Government introduced a new AGRI-UDAAN programme to mentor start-ups and to enable them to connect with potential investors.

The Government also launched the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) with an investment of ₹ 50,000 crore aimed at the development of irrigation sources for providing a permanent solution from drought.

Opportunities and Threats for the FY 2018-19

The Exchange has been through many developments and reached new milestones to its success stories in FY 2018-19- from increased networking capabilities and business outreach, to diverse product offerings. Numerous initiatives taken by SEBI, including the decision of permitting institutional participants like category III AIFs and broking subsidiaries of banks to participate in the commodity derivatives market have helped deepening the segment. The entry of Mutual funds and portfolio managers will not only attract retail participants in a structured manner, but also will open door for international participants to use Indian commodity market for their price risk management.

With the launch of the largest agri commodity clearing corporation, NCCL, the Exchange marked the perfect ending of a momentous year which witnessed an exciting phase for the Exchange. Ensuring a strong risk management system and best governance practices, this new clearing corporation strives to provide a sound market framework to the entire value chain. With its state of art technology system, efficient risk management mechanism and financial capability, NCCL is paving its way to retain and enhance market trust.

Over the last decade with 10 million MT of physical delivery, the Exchange has achieved a new milestone in its journey towards strengthening the agri ecosystem. Building its own clearing corporation is a way that the NCDEX Group can unlock value in its strong expertise in handling physical deliveries and settlement of commodities, especially agri commodities. The combination of NCCL with NCDEX, thus will help transform the country's agricultural markets and facilitate growth of the sector while boosting the confidence of the market participants and stakeholders in the commodity ecosystem.

By launching a new hedging tool options in four commodities, i.e Guar Gum, Soybean, Refined Soy Oil and Chana, the Exchange has broadened its product lines. The recently introduced futures contract in KAPAS has the potential to add tremendous value to cotton business stakeholders. The Exchange has also made presentation to the regulator for relaunch/ launch of three Futures contracts namely, Tur, Urad and Moong during the year. On approval, these contracts will help in further broadening the pulses basket at NCDEX which currently has only one commodity i.e Chana. Exchange will also endeavor to launch/ Relaunch a number of new contracts such as Paddy, Bajra, Gur, Steel, Sesame seed, Castor Oil, Coffee, Chilli etc during the next Financial Year. Addition of these contracts will definitely help in reaching new value chain participants.

In FY 2018-19, the Exchange has forayed into a new venture of repository services for electronic negotiable warehouse receipts (e-NWRs). Development of electronic trade platforms in agri commodity has created the right environment for better price discovery and counterparty risk mitigation.

Further, the Exchange's commitment towards communities also remains steadfast, as its activities and impact has reached the doorstep of hundreds of farmers imparting knowledge and awareness of agri commodity market. The Exchange successfully on boarded 90 FPOs representing 47,534 farmers from 8 states. A quantity of 6,182 MT of 10 commodities with a value of ₹14.62 crore have been traded by 34 FPOs for their price risk management and have found an alternative market place. 11 FPOs have also utilized the Exchange delivery ecosystem and successfully delivered 1,380 MT of produce valued at ₹ 255 lakh. Efforts are also being made to ensure price dissemination through free SMS service. So far, more than 8,500 farmers have availed this service. Creating awareness among FPOs is one of the major focus areas for the Exchange and more than 7,000 farmers and FPO representatives have participated in such awareness programs in FY 2018-19. FPOs, especially Farmer Producer Companies, face several challenges to reach their desired level of objectives. Skilled leadership, proper business plan and accessing working capital are few major impediments. Exchange took initiative to link them with various financial institutions including NABKISAN also partnered with Bankers

Institute of Rural Development (BIRD) and Institute of Rural Development (Anand) for awareness programs and skill development on risk management.

In pursuance of lowering transaction cost for the FPOs, the Exchange also introduced a new feature - Early-Pay-In facility -- which exempts them from Mark to Market (MTM) margins against their sell positions. Exchange will continue to work with FPOs and partner with relevant stakeholders to continue provide an alternate market place which is transparent and robust in nature.

The Exchange believes that competition is always important for a company as it help boost customer service to a higher level, and hence, the Exchange welcomes the new entrants into commodity derivatives segment.

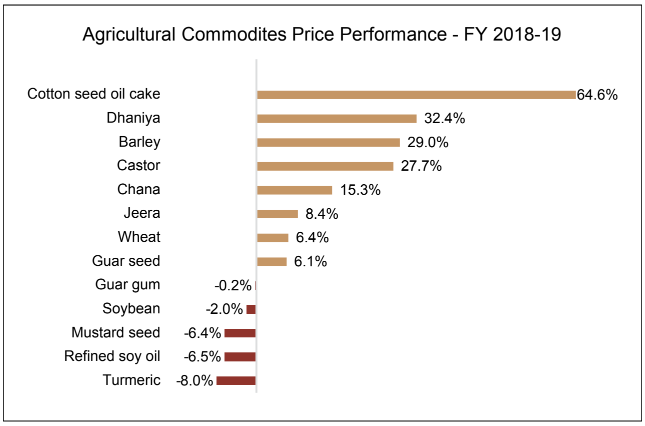
SEGEMENT-WISE OR PRODUCT-WISE PERFORMANCE

The World Bank's Agriculture Price Index increased 1% in the last quarter of FY 2018-19 though it's still 6% lower than a year ago. Most of the factors that depressed prices last year have moderated and global trade tensions have eased.

On global front, oilseed production is expected to be at 595.5.8 million tonnes, higher by 2 million tonnes, mainly on account of higher soybean production for Brazil and rapeseed production for India. World Wheat supplies also increased by 2.1 million tonnes in 2018-19.

On domestic front, Cotton seed oil cake remained on the forefront with highest price gain during the year followed by the Coriander, Barley and Castor seed. A decline in Cotton production resulted into lower availability of Cotton seed leading to this sharp rise in Cotton seed oil cake prices.

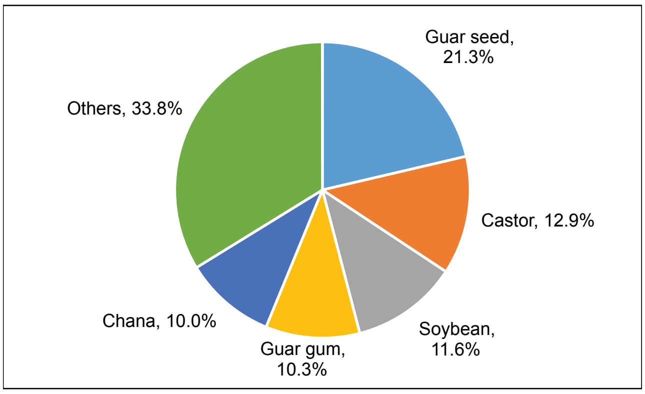
A commodity wise performance (based on the futures prices) during FY 2018-19 is given in the chart below:



Source: NCDEX

Turnover of top 5 commodities during FY 2018-19

The Exchange witnessed an average daily turnover of around ₹ 2,143 crore in FY 2018-19, down by 10% from around ₹ 2,377 crore during FY 2017-18. Guar seed held the highest share of 21.3% followed by castor (13.0%) and soybean (11.6%). Other major contributors to the turnover remained guar gum, chana, refined soy oil and mustard. The segment-wise performance of commodities traded at the Exchange remained as follows:



Source: NCDEX

Cereals, pulses and cotton complex

Among grains, the turnover of barley increased by 75% as compared to FY 2017-18. Barley prices in physical markets have increased consistently during the Marketing Year (April-March) 2018-19 amid lower production estimates. Wheat production this year is expected to remain over 990 lakh tonnes, slightly lower than 997 lakh tonnes over the previous year's production level. On the Exchange, the turnover of wheat futures contracts witnessed a decline of around 72% this year.

Chana Futures contract secured its place in top 5 commodities while attaining a healthy Open Interest (OI) of over 170,000 tonnes. The country witnessed chana production of over 100 lakh tonnes for the second consecutive year that kept prices under pressure. However, significant government procurement of over 27 lakh tonnes coupled with other policy measures supported the prices during the year.

In cotton complex, lower production estimates of cotton crop led to cotton seed oil cake prices rising sharply by over 60% during the year. Low availability of raw material also supported an increase in prices. With a peak OI of 3.34 lakh tonnes, cotton seed oil cake turnover increased by 21% as compared to the FY 2017-18.

Oil & oilseeds complex

Oil complex has seen a robust performance during the year. Soybean contracts contributed the third highest to the overall turnover in value terms during 2018-19. The peak Open Interest of soybean remained around 3.6 lakh tonnes with around 1.3 lakh tonnes of the commodity being delivered at the Exchange in 2018-19. Castor seed production is expected to fall by 20% in 2018-19 on account of lower yield due to scanty rainfall in key growing areas. Castor seed futures contract remained the second highest contributor to the turnover at the Exchange. During this fiscal, Castor Seed futures witnessed peak Open Interest and total deliveries of over 2.1 lakh tonnes and over 0.9 lakh tonnes, respectively.

Guar and Spices

Guar complex contributed around 32% to the total turnover of the Exchange during FY 2018-19 while OI crossed 2.6 lakh tonnes during this fiscal. Among spices, Coriander witnesses a 4% increase in turnover during FY 2018-19 as compared to previous year. It also witnessed a peak OI of over 49,000 tonnes during current fiscal. Coriander sowing was adversely affected in 2018-19 and the expectation of a decline in Coriander output supported the prices. Jeera production in 2018-19 is seen rising by 9.5% to 4.2 lakh amid a higher acreage in Rajasthan, the largest producing state. Further, over 53,000 tonnes of spices were delivered at the Exchange during FY 2018-19.

OUTLOOK

The International Monetary Fund (IMF) and the World Bank forecast the Indian economy to grow anywhere between 7.0-7.5% during 2019-20. Also, with robust growth, and food prices poised to recover, inflation is expected to hover around 4%.

According to Indian Meteorological Department (IMD), the monsoon in 2019 is likely to be 96% of the 50-year average of 89 cm with a model error of +/-5%. IMD, however, does not completely negate the risk of weak El Niño conditions as impacting monsoon season in India. Weak El Niño conditions would persist in the monsoon season, but with reduced intensity. South-West monsoon irrigates over half of India's cropland. A normal monsoon is expected to help meet the targets of agricultural production which in turn could translate into better GDP growth in coming fiscal.

The Agriculture Export Policy, 2018 was approved by Government of India in December 2018. The new policy aims to increase India's agricultural exports to US$ 60 billion by 2022 and US$ 100 billion in the next few years with a stable trade policy regime.

The government has taken numerous initiatives aiming at improving the growth of the Indian agriculture sector. The government is trying to triple the capacity of food processing sector in India and allowed 100% FDI in marketing of food products. Furthermore, schemes such as Paramparagat Krishi Vikas Yojana (PKVY), Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA), computerisation of Primary Agricultural Credit Society (PACS) etc. aims at reforming the sector from grass root level.

Overall, the Indian agriculture sector is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure such as irrigation facilities, warehousing and cold storage.

RISK AND CONCERNS

The Exchange business is largely dependent on strong fundamentals in the economy particularly in the agro sector. Adverse economic conditions including market trends and other factors beyond our control could have an adverse impact on our business, financial condition and results of operations. Our Risk Management Framework recognizes this as a Business or Strategic Risk and the Management is working on Strategic Business Plans under the overall guidance of the Board of Directors and the Business Strategy Committee. Exchange operations are almost entirely technology driven and our systems requires continuous upgradation and technology costs form a significant portion of total costs for the Exchange. The Exchange operates in a highly regulated environment and increase in compliance and regulatory costs are outside our control. Further, as we operate predominantly in the agri space which is a politically sensitive area, the Exchange is vulnerable to changes in Government policies that could significantly affect trading volumes. However, the Exchange is actively working with Government agencies to bring about policy reforms for development of commodity markets in general which in turn would have a favorable impact on Exchange business.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Exchange has an Internal Control Framework commensurate with the size and nature of operations. Its internal control procedures and processes are designed to comply with industry best practices and also to ensure compliance with applicable statutory and legal requirements. The Audit Committee of the Exchange which is a sub-committee of the Board of Directors has oversight on the Internal Control Framework. The Exchange has appointed independent third party firm of Chartered Accountants as its internal auditors to review the effectiveness of the internal control systems and submit its observations, if any, to the Audit Committee of the Board. The scope of the Internal audit function includes not only compliance with applicable regulatory and statutory framework, but also comments/

suggestions to improve process efficiencies. As such, the internal auditors review the operational processes in various departments of the exchange and also carry out the internal audit of the financial reporting function. The Audit Committee periodically reviews the reports of the internal auditors along with the management responses on observations/ suggestions made by the auditors. The Committee also meets the internal auditors and statutory auditors to discuss the adequacy of the internal controls in the Exchange.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED

Details of Human Resource activities during the FY 2018-19 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 and Customer Service are areas where there is a mix of insourcing and outsourcing. The challenge has been in arriving at an optimal insource/ outsource balance; the Exchange constantly fine tunes this mix to improve organisational efficiency.

The number of employees as on March 31, 2019 were 191. The breakup of employees in the Exchange is as under.

Function	Number of Employees	
	As on March 31, 2019	**As on March 31, 2018**
Business	**47**	94
Corporate Office	**2**	3
Corporate Services	**33**	43
Enterprise Risk & Governance	**1**	15
NICR	**3**	1
Regulatory Group	**70**	79
Technology	**35**	44
Total	**186**	**279**

The number of employees has reduced during the year from 279 to 191 primarily due to the Clearing & Settlement functions of the Exchange moving to its wholly owned subsidiary, NCCL which became a full-fledged Clearing Corporation regulated by SEBI, on September 27, 2019.

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 2018-19. There is no deviation from Indian Accounting Standards.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the FY 2018-19, the Exchange registered an Average Daily Traded Value (ADTV) of ₹ 2,143 crore, with agri commodities contributing bulk of the volumes. The top 5 performing commodities in Financial Year 2018-19 were guar seed, castor seed, soybean, guar gum and chana.

The Exchange has ended the year 2018-19 with Profit/(Loss) After Tax of ₹ (2,698) lakhs. Out of this, ₹ (489) lakhs is Profit/ (Loss) After Tax excluding exceptional items, which is better than the Profit/(Loss)After Tax of ₹ (1,054) lakhs excluding exceptional income in the previous year. The total income for the year was ₹ 10,781 lakhs as compared to the income of ₹ 12,174 lakhs in the FY 2017-2018. The total expenditure was ₹ 11,642 lakhs as compared to the expenditure of ₹ 13,442 lakhs in the FY 2017-2018.

Income:

The income from transaction charges for FY 2018-19 was ₹ 5,720 lakhs as compared to the transaction charges income of ₹ 4,477 lakhs for FY 2017-18 which was an increase of 28%, mainly due to increase in transaction charges rates.

The income from investments for FY 2018-19 was ₹ 2,090 lakhs, which was lower by 46.5 % as compared to the income from investment of ₹ 3,909 lakhs in the previous year. The fall in investment income was predominantly due to reduction in average investible corpus from ₹ 530 crore to ₹ 308 crore. During the Financial Year, National Commodity Clearing Limited (NCCL), a wholly-owned subsidiary of National Commodity & Derivatives Exchange Limited (NCDEX), commenced operations as a recognized Clearing Corporation, on September 27, 2018. This was as per SEBI mandate that all the commodity derivative exchanges shall transfer the functions of clearing and settlement of trade to a separate clearing corporation by September 28, 2018, Due to transfer of clearing and settlement function, there was transfer of member margin money, additional base capital, clearing bank deposits, warehouse service provider deposits and settlement guarantee fund to the clearing corporation which had led to reduction in average investible corpus.

The other operating income for FY 2018-19 was ₹ 2,971 lakhs, which is 21.6% lower than the previous year. The reason for the fall of income is mainly due to transfer of income streams like risk management fees, delivery fees and warehouse charges to the clearing corporation, with effect from September 27, 2018.

Expenditure:

The total personnel expense for FY 2018-19 was ₹ 3,578 lakhs, which is 24% lower than expense of ₹ 4,710 lakhs in the previous year. The personnel expenses were lower mainly due to transfer of resources from the Exchange to the clearing corporation during the year.

Other operating expenses for the year were ₹ *6,*746 lakhs, as compared to other operating expenses of ₹ 7,199 lakhs in the previous year. The reduction in operating expenses was due to various cost management initiatives taken by the Exchange and reduction in expenditure due to formation of clearing corporation during the year, as a separate entity.

Details of significant changes in Key Financial Ratios:

The company has identified the following ratios as key financial ratios:

	Consolidated	
Key Financial Ratios	**FY 2018-19**	FY 2017-18
Debtors Turnover	**8.26**	5.67
Current ratio	**1.97**	1.88
Net Profit Margin ratio	**8%**	-7%
Return on Net worth	**3%**	-3%

The overall ratios at group level has been improved on account of overall growth in business of the subsidiaries

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, Regulatory Oversight Committee, Member Selection Committee, Risk Management Committee, Technology Standing Committee, Public Interest Directors' Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Advisory Committee, Business Strategy Committee, Capital Raising Committee and Farmer Engagement Group.

As per Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed company are mutatis mutandis applicable to the Exchange. The Exchange is also committed to adopting best and transparent practices in letter and spirit. Towards this end, the information given in this section constitutes the report on Corporate Governance for the Financial Year 2018-19.

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

BOARD OF DIRECTORS

Composition

The Board comprises of twelve directors, of whom six are Shareholder Directors including Managing Director & Chief Executive Officer and six are Public Interest Directors.

Board Meetings held during the Financial Year 2018-19 and attendance record

During the Financial Year 2018-19 eight meetings of the Board were held on April 24, 2018, May 25, 2018, August 6, 2018, August 13, 2018, October 23, 2018, November 9, 2018, December 14, 2018 and February 13, 2019. Apart from these meetings, the Board of Directors also considered and approved certain matters by way of circular resolutions. The following table gives the composition of the Board, the category of the Directors and the meetings attended by them.

Name of Director	Number of Board Meetings held during tenure	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships in Board Committees of the Exchange including Voluntary Committees	Number of Directorships in other Indian public Companies as on 31st March, 2019	Number of shares held in the Exchange as on 31st March, 2019	Number of Committee positions held in other Public Companies**	
							Chairman	Member
Non-executive, Public Interest Directors								
Mr. Ravindra Kumar Roye	8	8	Yes	10	NIL	NIL	NIL	NIL
Justice (retd.) Ashok Bhan[1]	7	4	No	NA	NA	NA	NA	NA
Dr. Purvi Mehta	8	6	No	6	NIL	NIL	NIL	NIL
Mr. Chaman Kumar[2]	8	7	Yes	7	1	NIL	NIL	NIL
Mr. Nirmalendu Jajodia[3]	8	7	Yes	5	NIL	NIL	NIL	NIL
Mr. Prem Kumar Malhotra[4]	5	5	No	5	NIL	NIL	NIL	NIL
Dr. Ashok Gulati[5]	1	1	NA	4	2[6]	NIL	NIL	NIL
Non-executive, Shareholder Directors								
Mr. Rakesh Kapur	8	8	No	4	8[7]	NIL	NIL	3
Mr. Srinath Srinivasan	8	7	Yes	3	2	NIL	NIL	NIL
Mr. Sunil Kumar	8	8	No	5	NIL	NIL	NIL	NIL
Mr. J. Ravichandran	8	8	No	3	8	NIL	NIL	NIL
Mr. B. Venugopal	8	3	No	NIL	3[8]	NIL	NIL	3[9]

Name of Director	Number of Board Meetings held during tenure	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships in Board Committees of the Exchange including Voluntary Committees	Number of Directorships in other Indian public Companies as on 31st March, 2019	Number of shares held in the Exchange as on 31st March, 2019	Number of Committee positions held in other Public Companies**	
							Chairman	Member
Executive Director								
Vijay Kumar V. Managing Director & CEO	8	7	Yes	5	3	NIL	NIL	2

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

1. Justice (retd.) Ashok Bhan ceased to be the Public Interest Director with effect from January 3, 2019
2. Mr. Chaman Kumar was appointed as Public Interest Director with effect from April 10, 2018
3. Mr. Nirmalendu Jajodia was appointed as Public Interest Director with effect from April 13, 2018
4. Mr. Prem Kumar Malhotra was appointed as the Public Interest Director with effect from August 9, 2018
5. Dr. Ashok Gulati was appointed as the Public Interest Director with effect from January 3, 2019
6. Includes directorship in Reserve Bank of India and National Bank for Agriculture and Rural Development (not considered as a public companies pursuant to provisions of the Companies Act, 2013)
7. Includes directorship in Indian Farmers Fertiliser Cooperative Limited (not considered as a public company pursuant to provisions of the Companies Act, 2013)
8. Includes directorship in Life Insurance Corporation of India (LIC) and State Bank of India (SBI) (not considered as a public companies pursuant to provisions of the Companies Act, 2013) Includes Committee membership in LIC and SBI.

Directorship of Directors in Listed Entities other than the Exchange as on March 31, 2019

Name of Director	Directors in Listed Entities other than the Exchange	Category of Directorship held in listed entities other than the Exchange
Mr. Chaman Kumar	Engineers India Limited	Independent Director

Other disclosures

- There is no relationship between the Directors of the Exchange inter-se.
- Web link for details of Familiarization programs imparted to Independent Directors: https://www.ncdex.com/AboutUs/Disclosures.aspx

Skills/ expertise/ competence of the Board of Directors

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

- Finance and Accounting
- Economics
- Management and Administration
- Risk Management
- Financial Market
- Technology
- Market Infrastructure
- Co-operatives
- Legal
- Other relevant practical experience

Confirmation by Public Interest Directors on Independence

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

Resignation of Independent Director

No Independent Director / Public Interest Director has resigned during the Financial Year 2018-19.

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 the Companies Act, 2013, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 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 three Directors which include two 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 the Audit Committee. The terms of reference of the Audit Committee, inter alia, are as under:

- Recommendation for appointment, remuneration and terms of appointment of auditors (both Internal & Statutory Auditors) of the company
- Review and monitor the auditors' independence and performance, and effectiveness of audit process
- Examination of the financial statements and Auditors' Report thereon
- Approval or any subsequent modification of transactions of the company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers (if any) and related matters
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
- Oversight of the entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) changes, if any, in accounting policies and practices and reasons for the same;
  - (b) major accounting entries involving estimates based on the exercise of judgment by management;
  - (c) significant adjustments made in the financial statements arising out of audit findings;
  - (d) compliance with listing and other legal requirements relating to financial statements;
  - (e) disclosure of any related party transactions;
  - (f) modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the 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
- The audit committee shall mandatorily review 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
  - To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision
  - Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority

During the Financial Year 2018-19, five meetings of the Committee were held on April 24, 2018, May 25, 2018, August 6, 2018, November 9, 2018 and February 13, 2019. The composition and attendance of the Members is given below

Name of the Committee Member	Number of meetings held during the relevant period@	Number of meetings attended
Mr. Ravindra Kumar Roye, Chairman of the Committee	5	5
Mr. Chaman Kumar	4	4
Mr. Rakesh Kumar	5	5
Justice (Retd.) Ashok Bhan*	4	2

@ indicates the number of meetings held during the year, after the date of appointment of Committee member(s)/upto the date of retirement or resignation by Committee member(s).

**ceased to be Public Interest Director with effect from January 3, 2019.*

II. NOMINATION AND REMUNERATION COMMITTEE

The Committee consists of four Public Interest Directors. During the Financial Year 2018-19, six meetings of the Committee were held on May 25, 2018, June 12, 2018, August 13, 2018, December 13, 2018, January 11, 2019 and March 07, 2019. 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
- To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by

the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance

- To lay down policy for compensation of KMP under SECC Regulations, 2018 in terms of the compensation norms prescribed by SEBI
- To determine the tenure of KMP to be posted to a regulatory department
- Framing the guidelines and management of the employee stock option scheme to the staff and whole-time Directors of the Company
- Develop and approve key policies in respect of human resources, organizational matters etc
- Identifying a Key management personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018
- Laying down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI
- Determining the compensation of KMPs in terms of the compensation policy
- Selecting the Managing Director
- Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director
- Recommending whether to extend the term of appointment of the Public Interest Director
- Recommending to the Board, all remuneration, in whatever form, payable to senior management
- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority

The composition and attendance of the Members is given below:

Name of the Committee Member	Number of meetings held during the relevant period@	Number of meetings attended
Mr. Chaman Kumar, Chairman of the Committee	6	6
Mr. Ravindra Kumar Roye	6	6
Mr. Rakesh Kapur*	5	5
Dr. Purvi Mehta**	1	1
Dr. Ashok Gulati***	1	1

@ indicates the number of meetings held during the year, after the date of appointment of Committee member(s)/upto the date of retirement or resignation by Committee member(s)

**Ceased to be the member of the Committee with effect from February 13, 2019*

***Appointed as the member of the Committee with effect from February 13, 2019*

****Appointed as the Public Interest Director with effect from January 3, 2019 and inducted as the member of the Committee with effect from February 13, 2019*

Performance evaluation criteria of the Board

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

(i) Board as a whole

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

(iii) Various Committees of the Board

(iv) Chairperson of the Board

(v) Individual Directors (viz., Shareholder Directors, Public Interest Directors and Managing Director)

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

(i) **Performance Evaluation of Board as a whole**

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

- Board Composition (adequate representation of Independent Directors, optimum combination of knowledge, experience and skill)
- Board Process (appropriate allocation of time, good focus on the few high impact subjects, information on new laws, regulations, etc, disclosing personal interest, if any)
- Board Dynamics (Board dialogue is of high quality, sufficient, insight generating, sharing

of knowledge and experience, atmosphere (of the Board room) encourages critical thinking, discussions reach closure)

- Board participation (understanding of the business, reviewing and knowing the vision, strategy and business plan, deliberating on investment proposals, reviewing the performance in a holistic way, deliberating on reporting of performance, constructively challenging the Management with respect to strategy and performance, reviewing internal financial controls, deliberating on key appointments, reviewing related party transactions, putting in place a proper risk management process, ensuring that its Committees are functioning properly, ensuring that there is an effective investor relations policy and CSR policy in place, ensuring high standards in compliance and Corporate Governance)

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

The criteria inter-alia includes vision and strategy, people development, safety, health and environment, financial performance, Financial results (quarterly and annual) reporting, Risk management, Related party transactions, Investments, Internal audit, Annual report, flow of information to the Board, Committees thereof.

(iii) Performance evaluation of various Committees of the Board

The criteria for performance evaluation of various Committees inter- alia includes Committees effectiveness in carrying out its mandate and confronting important, meaningful issues, whether Committee members provide an independent opinion on agenda items while respecting the assent or dissent of other members, whether minutes of the Committee meetings are effectively prepared, whether Committee encourages two way communication between the Committee and Management of the Exchange and whether significant recommendations of the Committee are communicated to the Board.

(iv) Performance evaluation of Chairperson of the Board

The performance evaluation of Chairperson of the Board inter-alia includes engagement, leadership, analysis, quality of decision-making, culture, interaction, meeting dynamics, governance and stakeholders' responsibility.

(v) Individual Directors (viz., Shareholder Directors, Public Interest Directors and Managing Director)

Shareholder Directors

The performance evaluation criteria for Shareholder Directors inter-alia includes engagement, leadership, analysis, quality of decision-making, interaction, governance and stakeholders' responsibility.

Public Interest Directors

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

Managing Director

The performance evaluation criteria for Managing Directors inter-alia includes presentations, business knowledge, functional knowledge, analysis, performance, competitive edge, people development, governance, stakeholders' responsibility.

III. RISK MANAGEMENT COMMITTEE

The Committee consists of Dr. Purvi Mehta, Chairperson of the Committee, Mr. Prem Kumar Malhotra, Mr. Nirmalendu Jajodia, Mr. Vijay Sardana and Ms. Susan Thomas. During the year, three meetings were held on June 22, 2018, August 7, 2018 and March 8, 2019. The terms of reference of the Risk Management Committee, inter-alia, are as under:

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

IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee consists of Mr. Srinath Srinivasan, Chairman of the Committee, Mr. Chaman Kumar, Mr. Sunil Kumar and Mr. Vijay Kumar V. During the year, three meetings were held on May 24, 2018, December 13, 2018 and February 22, 2019.The terms of reference of the CSR Committee, inter-alia, are as under:

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 CSR Committee consists of Mr. Srinath Srinivasan, Chairman of the Committee, Mr. Chaman Kumar, Mr. Sunil Kumar and Mr. Vijay Kumar V. During the year, three meetings were held on May 24, 2018, December 13, 2018 and February 22, 2019

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of Mr. Prem Kumar Malhotra, Chairman of the Committee, Mr. J. Ravichandran and Mr. Sunil Kumar. The terms of reference of the Stakeholders Relationship Committee, inter-alia, are as under:

- To approve transfer, transmission, dematerialization, rematerialisation, splitting and/or consolidation of share certificates, issue of duplicates etc. of shares and debentures in accordance with the Articles of Association of the Exchange
- To consider and resolve the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc
- To consider, decide and take appropriate action in any matter which may arise between the Exchange and the shareholders as a result of any agreement or otherwise
- To review the measures taken for effective exercise of voting rights by shareholders
- To review the adherence to the service standards adopted by the entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- To review of the various measures and initiatives taken by the entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company
- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority

VI. MEMBER SELECTION COMMITTEE

The Member Selection Committee consists of Mr. Chaman Kumar, Chairman of the Committee, Mr. Ravindra Kumar Roye, Mr. Prem Kumar Malhotra, Mr. J. Sampath and Mr. Vijay Kumar V. The terms of reference of the Member Selection Committee, inter-alia, are as under:

- To scrutinize, evaluate, accept or reject applications for admission of members and transfer of membership and approve voluntary withdrawal of membership
- Formulate the policy for regulatory actions including warning, monetary fine, suspension, withdrawal of trading, declaring a member as defaulter, expulsion, to be taken for various violations by the members of the exchange
- Based on the laid down policy, consider the cases of violations observed during inspection, etc. and impose appropriate regulatory measures on the members of the exchange
- While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the ‘Principles of natural justice’
- Realize all the assets / deposits of the defaulter/ expelled member and appropriate the same amongst various dues and claims against the defaulter/ expelled member in accordance with the Rules, Byelaws and Regulations of the Exchange
- In the event both the clearing member and the constituent trading member are declared defaulter, then the membership selection committee of the stock exchange and that of the clearing corporation shall work together to 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

- Recommendation in respect of the claims to the Trustees of the IPF on whether the claim is to be paid out of IPF or otherwise
- To oversee contribution towards Core Settlement Guarantee Fund (SGF) of the Clearing Corporation
- Such other functions as may be specified by SEBI or any other Statutory or Regulatory Authority

VII. ADVISORY COMMITTEE

The Advisory Committee consists of Mr. Ravindra Kumar Roye, Chairman of the Committee, Mr. Chaman Kumar, Mr. Nirmalendu Jajodia, Dr. Purvi Mehta, Mr. D.K. Aggarwal, Ms. Rajini Panicker, Mr. Suresh Arora and Mr. Ravikant Kanoongo. The terms of reference of the Advisory Committee, inter-alia, are as under:

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

VIII. TECHNOLOGY STANDING COMMITTEE

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

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

IX. PUBLIC INTEREST DIRECTORS' COMMITTEE

The Public Interest Directors' Committee consists of Mr. Ravindra Kumar Roye, Chairman of the Committee, Mr. Chaman Kumar, Mr. Nirmalendu Jajodia, Dr. Purvi Mehta, Mr. Prem Kumar Malhotra and Dr. Ashok Gulati. The terms of reference of the Public Interest Directors' Committee, inter-alia are as under:

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

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

X. REGULATORY OVERSIGHT COMMITTEE

The Regulatory Oversight Committee consists of Mr. Prem Kumar Malhotra, Chairman of the Committee, Mr. Ravindra Kumar Roye, Mr. Nirmalendu Jajodia, Dr. Purvi Mehta and Mr. Ravinder Sachdev. The terms of reference of the Regulatory Oversight Committee, inter-alia, are as under:

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

XI. CAPITAL RAISING COMMITTEE

The Capital Raising Committee consists of Mr. Srinath Srinivasan, Chairman of the Committee, Mr. Ravindra Kumar Roye, Mr. Rakesh Kapur, Mr. J. Ravichandran and Mr. Vijay Kumar V. The terms of reference of

Capital Raising Committee were amended by the Board of Directors of Exchange at their meeting held on May 22, 2019 which, inter-alia, are as under:

Strategic review

1. To review the marketing strategy of the IPO/ capital raising/capital structure plan as presented by the management of the exchange.

Capital Structure Program Governance Review

2. To review the roadmap and timelines for execution of IPO/capital raising/capital structure plan of the Exchange;
3. To review and provide inputs to all the documents in connection with the pre-IPO placement / IPO/ capital raising/capital structure plan such as the information memorandum (if applicable), draft red herring prospectus, red herring prospectus, prospectus, etc. as may be required;

Other operational matters

4. 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, bankers to the issue, registrar, advertising agency, printers and legal counsel etc.
5. To review and recommend all the expenditure in connection with the IPO/capital raising/capital structure plan of the Exchange.

Additional Matters in relation to the IPO and the pre-IPO placement, as applicable

6. to make applications to the stock exchanges for in-principle approval for listing of its equity shares and file, execute and to deliver or arrange to deliver necessary documentation, including a copy of the draft red herring prospectus filed with Securities and Exchange Board of India ("SEBI"), as may be required for the purpose and seeking the listing of the equity shares on any Indian stock exchange, and taking all actions that may be necessary in connection with obtaining such listing;
7. to finalise and send to the shareholders, the letter of invitation to participate in the IPO, including any modification, revisions and amendments thereto;
8. to receive and exercise, all powers that may be delegated upon the Exchange by selling shareholders in relation to the IPO;
9. authorizing and empowering any concerned person, for and on behalf of the Exchange, to execute and deliver, on a several basis, any declarations, affidavits, certificates, consents and arrangements, as well as amendments or supplements thereto, as may be required from time to time, in connection with the IPO;
10. to seek, if required, the consent/ waiver of the lenders to the Exchange and/or the lenders to the subsidiaries of the Exchange, industry data providers, parties with whom the Exchange has entered into various commercial and other agreements including without limitation, customers, suppliers, strategic partners of the Exchange, any concerned government and regulatory authorities in India or outside India, and any other consent, approval or waiver that may be required in connection with the IPO or any actions connected therewith, if any;
11. to make applications to, seek clarifications and obtain approvals from, if necessary, the Reserve Bank of India, SEBI or any other statutory or governmental authorities in connection with the pre-IPO placement and IPO and, wherever necessary, accept and incorporate such modifications/ amendments/ alterations/ corrections as may be required in the information memorandum (if applicable), draft red herring prospectus, the red herring prospectus and the prospectus, on behalf of the board of directors;
12. to negotiate, finalise, settle, execute and deliver or arrange the delivery of the book running lead managers' mandate or engagement letter(s), the offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever,
13. to open and operate any bank account(s) and share escrow accounts required of the Exchange for the purposes of the IPO and the pre-IPO placement, including the cash escrow account, the public issue account and refund account as may be required;
14. finalising, settling, approving, adoption and filing the information memorandum (if applicable) and, in consultation with the book running lead managers, where applicable, the draft red herring prospectus, red herring prospectus and

the prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient) and the preliminary and final international wrap for the IPO together with any addenda, corrigenda and supplements thereto as finalised in consultation with the book running lead managers, in accordance with all applicable laws, rules, regulations, notifications, circulars, orders and guidelines and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/modifications as may be required by and to submit undertakings/certificates or provide clarifications to SEBI or any other relevant governmental and statutory authority in accordance with applicable laws;

15. arranging for the submission of the information memorandum (if applicable) and the draft red herring prospectus to be submitted to the SEBI and the stock exchanges for receiving comments, the red herring prospectus and the prospectus to be registered with the Registrar of Companies, Maharashtra at Mumbai, and any corrigendum, amendments supplements thereto;

16. to issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying equity shares in the capital of the Exchange with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices, regulations and applicable law, including listing on one or more stock exchanges, with power to authorise one or more officers of the Exchange to sign all or any of the aforestated documents;

17. authorise and approve notices and advertisements in relation to the IPO in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") in consultation with the relevant intermediaries appointed for the IPO;

18. finalise the basis of allotment of the equity shares;

19. accept and appropriate proceeds of the fresh issue in accordance with the applicable laws;

20. to do all such deeds and acts as may be required to dematerialise the equity shares of the Exchange and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Exchange to execute all or any of the aforestated documents;

21. to settle all questions, remove any difficulties or doubts that may arise from time to time with respect to the IPO, including with respect to the issue, offer or allotment of the equity shares, terms of the IPO, utilisation of the IPO proceeds, appointment of intermediaries for the IPO and such other issues as it may, in its absolute discretion deem fit;

22. to take such action, give such directions, as may be necessary or desirable as regards the IPO and to do all such acts, matters, deeds and things, including but not limited to the allotment of equity shares against the valid applications received in the IPO, as are in the best interests of the Exchange;

23. to negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as may be deemed necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the IPO. Any documents or instruments so executed and delivered or acts and things done or caused to be done by the board of directors shall be conclusive evidence of the authority of the board of directors in doing so; and

24. to delegate any of the powers mentioned in 1 to 23 to such persons as the Capital Raising Committee may deem necessary.

XII. BUSINESS STRATEGY COMMITTEE

The Business Strategy Committee consists of Mr. Rakesh Kapur, Chairman of the Committee, Mr. Ravindra Kumar Roye, Dr. Ashok Gulati, Mr. J. Ravichandran, Mr. Srinath Srinivasan, Mr. Sunil Kumar and Mr. Viay Kumar V. The terms of reference of the Business Strategy Committee, inter-alia, are as under:

- Evolve business goals and business policies
- Consider and approve annual business plans, budgets and other cross functional business initiatives
- Allocate resources, both Capital and revenue

- Monitor market, competitive and regulatory developments and provide feedback
- Any other functions, specifically directed by the Board
- Perform any other act, duty as stipulated by the Companies Act, SEBI or any other regulatory authority, as prescribed from time to time

XIII. FARMER ENGAGEMENT GROUP

The Farmer Engagement Group consists of Mr. Sunil Kumar, Chairman of the Group, Dr. Ashok Gulati, Mr. Ravindra Kumar Roye, Dr. Purvi Mehta, Mr. Rakesh Kapur, Mr. Rajesh Kumar Sinha, Mr. Rohtash Mal, Mr. M. Srinivas Rao and Mr. Vijay Kumar V. The Farmer Engagement Group is formed with the objective to connect farmers to reliable markets, which would unlock income opportunities for smallholder farmers by facilitating their access to correct price signals before planting begins, managing price risk at harvest time, and giving them other forms of support including post-harvest training on quality standards, financing and warehousing.

REMUNERATION OF DIRECTORS

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

Name of the Board/Committee	Sitting Fees (per meeting) (Amount in ₹)
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 Financial Year 2018-19 is as follows:

Name of the Director	Sitting Fees		
	Board Meetings	Committee Meetings	Total
Mr. Ravindra Kumar Roye	4,80,000	20,60,000	25,40,000
Dr. Purvi Mehta	3,60,000	7,20,000	10,80,000
Mr. Chaman Kumar	4,20,000	16,00,000	20,20,000
Mr. Nirmalendu Jajodia	4,20,000	4,40,000	8,60,000
Mr. Prem Kumar Malhotra	3,00,000	3,20,000	6,20,000
Dr. Ashok Gulati	60,000	1,20,000	1,80,000
Mr. Rakesh Kapur	4,80,000	10,20,000	15,00,000
Mr. Srinath Srinivasan	4,20,000	4,00,000	8,20,000
Mr. Sunil Kumar	4,80,000	3,20,000	8,00,000
Mr. J. Ravichandran	4,80,000	1,20,000	6,00,000
Mr. B. Venugopal	1,80,000	N.A.	1,80,000
Justice (retd.) Ashok Bhan	2,40,000	1,20,000	3,60,000

The details of remuneration paid to Managing Director & CEO during the Financial Year 2018-19 is given below:

Sr. No.	Particulars of Remuneration	Name of Managing Director & Chief Executive Officer
		Mr. Vijay Kumar V. (From April 1, 2018 to March 31, 2019)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(a) ₹ 1,17,51,576/-
	(b) NPS contribution, Motor Car Expenses and Value of perquisites u/s 17(2) Income-tax Act, 1961	(b) ₹ 5,39,600/-
	(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)	**₹ 1,22,91,176/-**
	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 Exchange.
- None of the non-executive Directors have entered into any service contract with the Exchange.

Stakeholders' grievance Committee:

(a) Name of non-executive director heading the Committee: Mr. Prem Kumar Malhotra, Chairman of the Committee

(b) Name and designation of Compliance Officer: Not applicable

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

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

(e) Number of pending complaints: Nil

DETAILS OF GENERAL MEETINGS

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

Financial Year	Date of AGMs	Time	Venue	Special resolutions adopted
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
2017-2018	September 26, 2018	10:00 a.m.	Windsor, 503, 5th Floor, Off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098	NIL

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

MEANS OF COMMUNICATION

The Financials Statement 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 Sixteenth Annual General Meeting is convened on September 26, 2019 at the Board Room, First Floor, Ackruti Corporate Park, Near G. E. Garden, L. B. S. Road, Kanjurmarg West, Mumbai 400 078 at 10:30 am.

(ii) **Financial Year:** April 1, 2018 to March 31, 2019.

(iii) **Dividend Payment Date:** The Board has recommended, subject to the approval of members at the Annual General Meeting, a dividend of ₹ 0.50/- 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. (up to July 19, 2019)

Link Intime India Private Limited
C-101, 24*7 park, L.B.S. Marg, Vikhroli (West), Mumbai 400083. (with effect from July 20, 2019)

(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 2018.

(vii) **Distribution of shareholding:**

Categories	Shareholding	Percentage
Individuals	22	0.00
Corporates	17,006,613	33.56
Financial Institutions	11,250,000	22.20
Banks	6,749,965	13.32
Foreign Holding (FII)	30,00,000	5.92
Venture Capital	7,601,400	15
Any Other (specify) - (Co-Operative Society)	5,068,000	10.00
Total	50,676,000	100.00

(viii) Dematerialization of shares and liquidity: All the shares of the Exchange are in demat form, except 10 shares which are held by an individual shareholder, as on March 31, 2019. However, as on date of this Report the said 10 equity shares have been dematerialized.

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

(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

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

DISCLOSURES

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

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

(iii) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee: The Exchange promotes ethical 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.

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

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

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

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

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

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

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

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

(₹ in lacs)

Payment to Auditors	
- As Auditors	37
- For other services	8
- For reimbursement of expenses	1
Total	**46**

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

No. of Complaints filed during the Financial Year	No. of Complaints disposed of during the Financial Year	No. of Complaints pending as on end of the Financial Year	Action taken by the Employer
NIL	Not Applicable	Not applicable	Not applicable

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

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

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

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

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

Annexure 1

To,

The Members of National Commodity & Derivatives Exchange Limited

1st Floor, Akruti Corporate Park, Near G E Garden,

L B S Road, Kanjurmarg (West), Mumbai 400079

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **National Commodity & Derivatives Exchange Limited having CIN U51909MH2003PLC140116** and having registered office at 1st Floor, Akruti Corporate Park, Near G E Garden, L B S Road, Kanjurmarg (West), Mumbai 400079 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from to time). In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of Company for the Financial Year ending March 31, 2019, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	Designation	DIN
1.	Mr. Ravindra Kumar Roye	Chairman & Public Interest Director	07304930
2.	Dr. Ashok Gulati	Public Interest Director	07062601
3.	Mr. Chaman Kumar	Public Interest Director	02064012
4.	Mr. Nirmalendu Jajodia	Public Interest Director	01937128
5.	Mr. Prem Kumar Malhotra	Public Interest Director	07731762
6.	Dr. Purvi Mehta Bhatt	Public Interest Director	01596457
7.	Mr. B. Venugopal	Shareholder Director	02638597
8.	Mr. J. Ravichandran	Shareholder Director	00073736
9.	Mr. Rakesh Kapur	Shareholder Director	00007230
10.	Mr. Srinath Srinivasan	Shareholder Director	00107184
11.	Mr. Sunil Kumar	Shareholder Director	07740252
12.	Mr. Vijay Kumar V.	Managing Director & CEO	06651068

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

For U. HEGDE & ASSOCIATES,

Company Secretaries

Place: Mumbai

Date: July 10, 2019

Umashankar K. Hegde

C.P. No- 11161 # M.No- ACS 22133

Annexure 2

Compliance with the Code of Conduct by the Directors & Members of the Senior Management of the Exchange for the Financial Year 2018-19

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

August 9, 2019

Annexure 3

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 2019. In terms of Regulation 35 of the erstwhile Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 and Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to 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

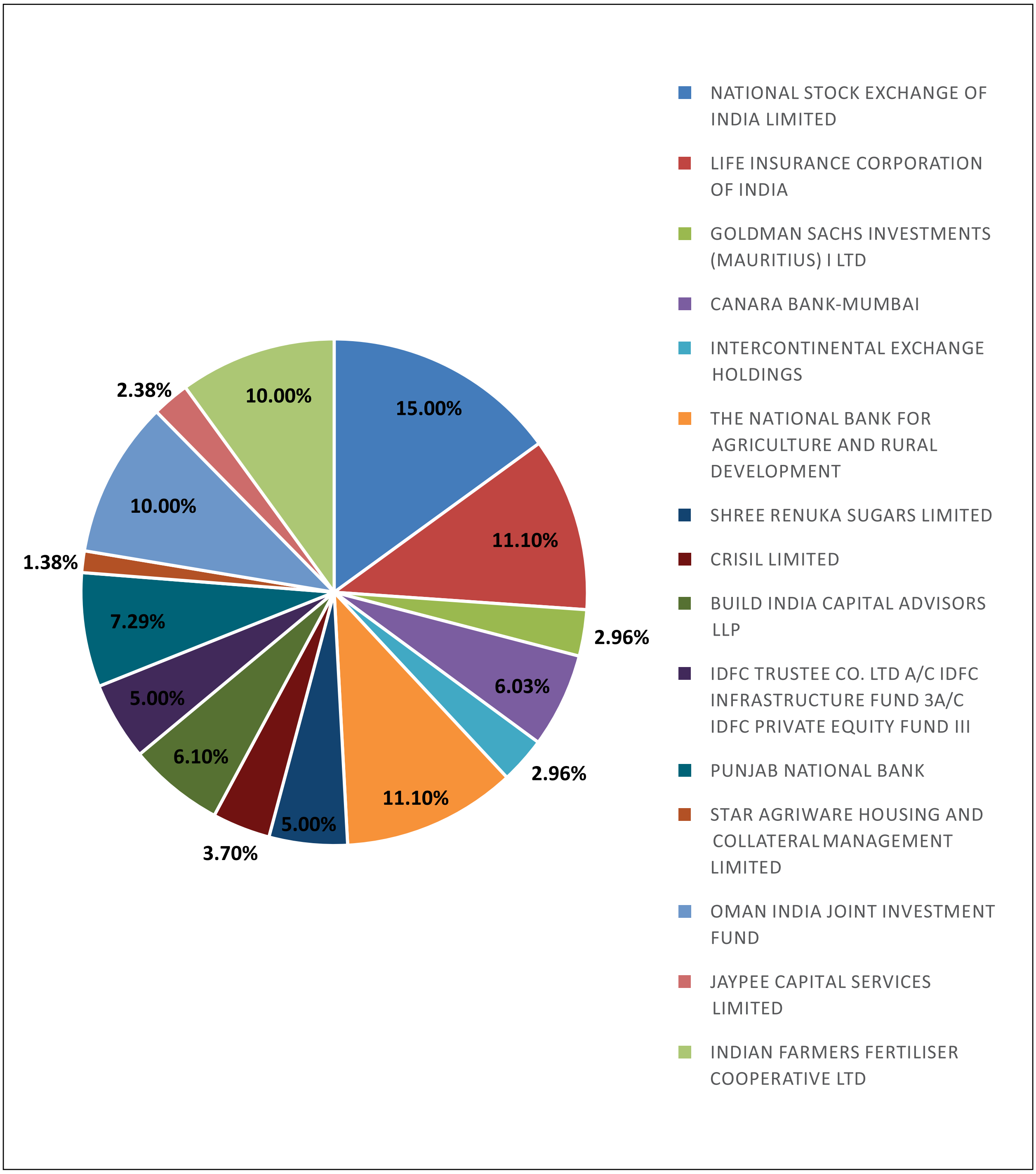
Date: 9 August 2019

Place: Pune

Certificate of Practice No. 5144

FCS No. 1370.

Equity Shareholding pattern



Independent Auditor's Report

To the Members of National Commodity & Derivatives Exchange Limited

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **National Commodity & Derivatives Exchange Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of cash flows for the year then ended, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to:

Note 31 to the standalone financial statements. In respect of the matters relating to the future contracts of pepper, 'other receivable' as on March 31, 2019, 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.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent Auditor's Report

When we read the Directors' Report including annexures thereto and Management Discussion Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of the Management 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act read with the rules made thereunder. 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.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 the annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements 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 the requirements of section 197(16) of the Act, as amended:

       In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
       (i) The Company has disclosed the impact of the pending litigations its financial position in its financial statements – refer note 30 to the financial statements;
       (ii) The Company does not have any long-term contracts for which there were any material foreseeable losses. The Company does not have any derivative contracts.
       (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 22, 2019

Annexure 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 financial statements for the year ended on March 31, 2019, of **National Commodity & Derivatives Exchange Limited)**

In our opinion, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:

(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, goods and services tax, duty of customs, 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, 2019 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, goods and services tax and duty of customs 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	High Court	224
Income Tax Act, 1961. (Tax/ Interest)	2007-08	Commissioner of Income Tax (Appeals) – Mumbai	113
Income Tax Act, 1961. (Tax/ Interest)	2008-09		61
Income Tax Act, 1961. (Tax/ Interest)	2009-10		162
Income Tax Act, 1961. (Tax/ Interest)	2010-11		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. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.

(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 22, 2019

Annexure - B to the Independent Auditor's Report of even date on the 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 with reference to financial statements of **National Commodity & Derivatives Exchange Limited** ("the Company") as of March 31, 2019 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 22, 2019

Balance Sheet as at March 31, 2019

(₹ in Lakh)

Partculars	Notes	As at March 31, 2019	As at March 31, 2018*
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	**1,482**	1,912
Other intangible assets	3	**4,155**	4,548
Intangible assets under development	3	**56**	55
Financial assets			
- Investment in subsidiaries, associates and joint ventures	4	**19,910**	18,910
- Other financial assets			
- Bank balances	5(a)	**-**	9,232
- Others	5(b)	**308**	386
Deferred tax assets (net)	15	**831**	-
Income tax assets (net)	6	**2,958**	2,295
Other non-current assets	7	**126**	172
Total non-current assets		**29,826**	**37,510**
Current Assets			
Financial assets			
- Investment	8	**4,827**	28,870
- Trade receivables	9	**826**	1,216
- Cash and cash equivalents	10	**215**	392
- Bank balances other than cash and cash equivalents	11	**14,562**	5,134
- Others	5(b)	**674**	578
Other current assets	7	**2,073**	2,032
Total current assets		**23,177**	**38,222**
TOTAL ASSETS		**53,003**	**75,732**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	**5,068**	5,068
Other equity	13	**39,870**	42,765
Total Equity		**44,938**	**47,833**
LIABILITIES			
Non-current liabilities			
Provisions	14	**53**	44
Deferred tax liabilities (net)	15	**-**	414
Total non-current liabilities		**53**	**458**
Current liabilities			
Financial liabilities			
- Deposits	16	**5,344**	23,554
- Trade payables			
Total Outstanding dues of micro enterprises and small enterprises	17	**12**	-
Total Outstanding dues of other than micro enterprises and small enterprises	17	**832**	1,652
- Other Financial liabilities	18	**760**	1,260
Other current liabilities	19	**976**	872
Provisions	14	**88**	103
Total current liabilities		**8,012**	**27,441**
TOTAL LIABILITIES		**8,065**	**27,899**
TOTAL EQUITY AND LIABILITIES		**53,003**	**75,732**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.
* Restated (Refer note 40)

As per our report of even date
For K.S. AIYAR & Co.
Chartered Accountants
ICAI Firm Registration No : 100186W

Sachin A. Negandhi
Partner
Membership No.112888

Place : Mumbai
Date : May 22 2019

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

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

Ravindra Kumar Roye
Chairman
DIN - 07304930

Harish Kumar
Company Secretary
Membership No. -20844

Atul Roongta
Chief Financial Officer

Statement of Profit & Loss for the year ended March 31, 2019

(₹ in Lakh)

Partculars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018 *
INCOME			
Revenue from operations	20	**7,511**	7,392
Other Income	21	**3,270**	4,782
Total income		**10,781**	**12,174**
EXPENSE			
Employee benefits expense	22	**3,578**	4,710
Depreciation & amortization expense	23	**1,318**	1,533
Other expenses	24	**6,746**	7,199
Total expenses		**11,642**	**13,442**
Profit / (loss) before exceptional items, contribution to Core SGF and income tax		**(861)**	**(1,268)**
Contribution to Core SGF Including exceptional contribution	37	**3,118**	**-**
Profit / (loss) before exceptional items and income tax		**(3,979)**	**(1,268)**
Exceptional item	25	**-**	4,553
Profit / (Loss) before tax		**(3,979)**	**3,285**
Tax expense			
Current tax	26	**(40)**	724
Deferred tax expense/ (credit)	26	**(1,241)**	112
Profit / (Loss) for the year (A)		**(2,698)**	**2,449**
Other Comprehensive Income:			
Items that will not be reclassified to the Statement of profit and loss			
Remeasurement of post-employment benefit obligations		**9**	(8)
Income tax impact on above		**(3)**	6
Item that will be reclassified to the Statement of profit and loss;			
Debt instruments through Other Comprehensive Income		**(26)**	32
Income tax impact on above		**6**	(7)
Other comprehensive income for the year, net of taxes (B)		**(14)**	**23**
Total comprehensive income for the year (A+B)		**(2,712)**	**2,472**
Basic earnings per share (Face Value of ₹ 10 each)			
(1) Basic (₹)		**-5.32**	4.83
(2) Diluted (₹)		**-5.32**	4.83

Summary of significant accounting policies 1

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

* Restated (Refer note 40)

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 22 2019

Harish Kumar
Company Secretary
Membership No. -20844

Atul Roongta
Chief Financial Officer

Statement of Cash Flow for the year ended March 31, 2019

(₹ in Lakh)

	Particulars		For the year ended March 31, 2019	For the Year ended March 31, 2018 *
A.	**Cash flow from operating activities**			
	Profit before tax		**(3,979)**	3,285
	Adjustments for:			
	Depreciation & amortisation		**1,318**	1,533
	Provision for leave encashment		**(24)**	47
	Provision for gratuity		**27**	66
	Provision for doubtful debts and advances		**-**	62
	Loss/(Profit) on sale of fixed asset		**(25)**	(4)
	(Profit) / Loss on sale of investments		**(778)**	(1,438)
	Ind AS Fair value impact of mutual fund		**(687)**	(729)
	Interest income		**(1,312)**	(1,026)
	(Profit) / Loss on sale of comtrack undertaking		**-**	(4,553)
	Operating profit before working capital changes		**(5,460)**	**(2,757)**
	Movements in working capital:			
	Decrease / (Increase) in trade receivables		**390**	45
	Decrease / (Increase) in other current assets		**(41)**	28
	Decrease / (Increase) in other non current assets		**39**	24
	Decrease / (Increase) in inter corporate loans		**(28.57)**	(22)
	Decrease / (Increase) in other financial assets		**11**	71
	Increase / (Decrease) in long term provison		**-**	(72)
	Increase / (Decrease) in trade payables		**(809)**	(342)
	Increase / (Decrease) in Short term provison		**-**	(114)
	Increase / (Decrease) in current financial liabilities		**(18,583)**	(9,445)
	Increase / (Decrease) in other current liabilities		**104**	210
	Cash generated/(used) from operations		**(24,378)**	**(12,374)**
	Direct taxes paid (net of refunds)		**624**	288
	Net cash generated/(used) in operating activities	**(A)**	**(25,002)**	**(12,662)**
B.	**Cash flows from investing activities**			
	Purchase of fixed assets, including intangible assets and CWIP		**(664)**	(1,613)
	Proceeds from sale / disposal of fixed assets		**73**	5
	Proceeds from sale of comtrack undertaking		**-**	2,283
	Investment in shares of NCCL Limited		**(1,000)**	(9,100)
	Investment in shares of NeRL Limited		**-**	(518)
	Purchase of current investments		**(4,39,289)**	(6,80,808)
	Proceeds from sale of current investments		**4,64,771**	6,91,051
	Interest received		**1,312**	1,317
	Investment in fixed deposits (original maturity of more than three months)		**(16,851)**	(12,856)
	Redemption/Maturity of fixed deposits (original maturity of more than three months)		**16,656**	22,119
	Net cash generated/(used) in investing activities	**(B)**	**25,008**	**11,880**

Statement of Cash Flow for the year ended March 31, 2019

(₹ in Lakh)

Particulars		For the year ended March 31, 2019	For the Year ended March 31, 2018 *
C. Cash Flows from financing activities			
Dividend paid		**(152)**	(177)
Dividend tax paid		**(31)**	(36)
Net cash generated/(used) from financing activities	**(C)**	**(183)**	**(213)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**(177)**	**(995)**
Cash and cash equivalents at the beginning of the period		**392**	**1,387**
Cash and cash equivalents at the end of the period		**215**	**392**
Components of cash and cash equivalents (Refer note 18)			
Cash and cheques on hand			
With Banks			
- on current accounts (Note-1)		**215**	383
- on fixed deposits (Original maturity being three months or less) (Note-2)		**-**	9
Total		**215**	**392**

Note-1 Includes ₹ 3 lakhs (March 31,2018 : ₹ 3 lakhs) in Escrow account " NCDEX Joint Price Dissemination Account",

₹ NIL lakhs (March 31, 2018 : ₹ 41 lakhs) for Settlement Guarantee Fund and ₹ 1.10 lakhs (March 31,2018 : ₹ 0.87 lakhs) for Investor Service Fund.

Note-2 Includes ₹ NIL lakhs (March 31,2018 : ₹ 9 lakhs) for Settlement Guarantee Fund.

* Restated (Refer note 40)

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 22 2019

Harish Kumar
Company Secretary
Membership No. -20844

Atul Roongta
Chief Financial Officer

Statement Of Changes In Equity for the year ended March 31, 2019

(A) Equity Share Capital

	(₹ in Lakh)
Balance as at April 01, 2018	5,068
Changes in equity share capital during the year	-
Balance as at March 31 2019	**5,068**

(B) Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General reserve	Settlement Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	
Balance as at April 01, 2017	**13,956**	**1,110**	**6,403**	**19,026**	**11**	**40,506**
						-
Addition in current year	-	-	341	2,449	-	2,790
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 (Transaction with owners in their capacity as owners)	-	-	-	(177)	-	(177)
Dividend distribution tax (Transaction with owners in their capacity as owners)	-	-	-	(36)	-	(36)
Transfer to Settlement Guarantee Fund	-	-	-	(341)	-	(341)
Balance as at April 01, 2018 *	**13,956**	**1,110**	**6,744**	**20,919**	**36**	**42,765**
Addition in current year	-	-	326	(2,698)	-	(2,372)
Remeasurement benefit of defined benefit plans	-	-	-	6	-	6
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	(20)	(20)
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	(152)	-	(152)
Dividend distribution tax (Transaction with owners in their capacity as owners)	-	-	-	(31)	-	(31)
Transfer to Settlement Guarantee Fund	-	-	-	(326)	-	(326)
Transfer to retained earnings	-	-	(7,070)	-	-	(7,070)
Transfer From Settlement Guarantee Fund	-	-	-	7,070	-	7,070
Balance as at March 31 2019	**13,956**	**1,110**	**-**	**24,788**	**16**	**39,870**

* Restated (Refer note 40)

As per our report of even date

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 22 2019

Harish Kumar
Company Secretary
Membership No. -20844

Atul Roongta
Chief Financial Officer

Notes to Financial Statements for the year ended March 31, 2019

Background and Significant Accounting Policies

Background

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

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, 2019 and March 31,2018 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provision of the act to the extent applicable.

The financial statements are approved for issue by the Company's Board of Directors on May 22, 2019.

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 lower of cost or fair value less cost to sell;

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

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

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, 2019

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:

- **Estimated useful life of property, plant and equipment and intangible assets**

  Useful life of property, plant and equipment, intangible assets and investment property are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

- **Contingent liabilities**

  In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

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 i.e. twelve months

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.

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

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

Transaction charges

Transaction charges are 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 or provisional member.

Delivery Charges

Delivery charges are recognized as income at the point when the service is rendered i.e.delivery of commodities.

Interest Income

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

Dividends

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

Risk Management Fees

Risk Management Fees is recognized at the point when open interest is increased as compared to previous day.

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 company 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

Notes to Financial Statements for the year ended March 31, 2019

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.

l Property, Plant and Equipment (PPE)

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working condition for its intended use (net of CENVAT / GST) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and borrowing costs for qualifying assets.

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

Depreciation of these PPE commences when the assets are ready for their intended use. Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation is provided on straight line method over the useful life of the assets.

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.

The residual value of all assets is taken to be "NIL".

The useful life of property, plant and equipment are as follows :

Asset Class	Useful Life
Improvement to Lease hold Property	Over the period of lease
Furniture & Fixtures	10 years
Electrical Installations	10 years
Computer Hardware	3 – 6 years
Office Equipments	5 years
Motor Car	8 years

The estimated useful life 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 life on the same basis as owned assets or over the shorter of the assets useful life and the lease term if there is an uncertainty that the Company will obtain ownership at the end of the lease term.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of profit and loss.

m Intangible Asset

Recognition of intangible assets

a. Computer software

Purchase of computer software used for the purpose of operations is capitalized. However, any expenses on software support, maintenance, upgrade etc. payable periodically is charged to the Statement of profit & 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 that substantially transfers all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

(a) Finance leases

Finance leases when acquired, are 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.

(b) Operating Leases

Payments made under operating leases (net of any incentives received from the lessor) are charged to

Notes to Financial Statements for the year ended March 31, 2019

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.

o Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

p Provisions, Contingent liabilities and Contingent assets

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

Notes to Financial Statements for the year ended March 31, 2019

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.

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

Notes to Financial Statements for the year ended March 31, 2019

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 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.

From September 27, 2018, Clearing & Settlement function is carried out by National Commodity Clearing Limited (NCCL). Further, as per SEBI requirement Core SGF is set up by NCCL. Contribution by the Exchange w.e.f. September 27, 2018 to Core SGF maintained by NCCL is debited to statement of Profit & Loss

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.

Notes to Financial Statements for the year ended March 31, 2019

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:-

Standards issued but not yet effective

1 Ind AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application either by:

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

  The company is currently evaluating the effect of this standard on the financial statements.

2 Ind AS 12 Appendix C

Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The company will adopt the standard on April 1, 2019 . The company is currently evaluating the effect of this standard on the financial statements.

3 Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is currently evaluating the effect of this amendment on the financial statements.

4 Amendment to Ind AS 19

Plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The company is currently evaluating the effect of this amendment on the financial statements.

Notes to Financial Statements for the year ended March 31, 2019

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
Cost or Deemed Cost								
Opening as at April 01, 2017	1,247	225	831	61	164	70	33	2,631
Additions	496	-	223	3	-	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**
Cost or Deemed Cost								
Opening as at April 01, 2018	1,712	225	1,054	64	164	71	33	3,323
Additions	90	35	122	11	9	24	-	291
Disposals / Adjustments	93	-	-	3	3	5	-	104
Closing gross carrying amount	**1,709**	**260**	**1,176**	**72**	**170**	**90**	**33**	**3,510**
Accumulated depreciation and impairment								
Opening as at April 01, 2018	783	100	345	37	111	26	9	1,411
Depreciation for the year	389	58	206	16	15	9	4	697
Disposals / Adjustments	73	-	-	2	3	2	-	80
Closing accumulated depreciation	**1,099**	**158**	**551**	**51**	**123**	**33**	**13**	**2,028**
Net carrying amount as at March 31, 2019	**610**	**102**	**625**	**21**	**47**	**57**	**20**	**1,482**

3 Intangible Assets

(₹ in Lakh)

Particulars	Computer Software	Total	Intangible assets under development	Total
Cost or Deemed Cost				
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**
Cost or Deemed Cost				
Opening as at April 01, 2018	5,944	5,944	55	55
Additions	236	236	161	161
Disposals / Adjustments	91	91	16	16
Capitalised during the year	-	-	144	144
Closing gross carrying amount	**6,089**	**6,089**	**56**	**56**
Accumulated amortisation and impairment losses				
Opening as at April 01, 2018	1,396	1,396	-	-
Amortisation for the year	621	621	-	-
Disposals / Adjustments	83	83	-	-
Closing accumulated amortisation	**1,934**	**1,934**	**-**	**-**
Net carrying amount as at March 31, 2019	**4,155**	**4,155**	**56**	**56**

Notes to Financial Statements for the year ended March 31, 2019

4 Non current investments

(₹ in Lakh)

Particulars	As at March 31, 2019		As at March 31, 2018	As at March 31, 2017
	Quantity	Amount	Quantity	Amount
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	**3,54,99,400**	3,550	3,54,99,400	3,550
Equity Shares of ₹10/- each fully paid up in NCDEX Institute of Commodity Markets & Research	**50,000**	5	50,000	5
Equity shares of ₹10/- each fully paid up in National Commodity Clearing Limited	**10,57,50,000**	10,910	9,57,50,000	9,910
Equity shares of ₹10/- each fully paid up in National e Repository Limited	**5,44,51,000**	5,445	5,44,51,000	5,445
(ii) In Associates				
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited *	**1,50,00,000**	-	1,50,00,000	-
II Investments in preference shares (fully paid up)				
(i) In Associates				
10% Optionally Convertible Cumulative Preference Shares of ₹10/- each fully paid up in Power Exchange India Limited *	**50,00,000**	-	50,00,000	-
Total (a)		**19,910**		**18,910**
Aggregate amount of investments		**19,910**		**18,910**
*** Aggregate provision for diminution in value of unquoted investments**		**2,000**		**2,000**

Notes to Financial Statements for the year ended March 31, 2019

5 Other Financial Asset

(₹ in Lakh)

Particulars	Non Current As at March 31, 2019	Current As at March 31, 2019	Non Current As at March 31, 2018	Current As at March 31, 2018
(a) Non-current bank balances				
Deposits with bank - original maturity more than 12 months	-	-	9,232	-
Total (a)	**-**	**-**	**9232**	**-**
(b) Others				
Unsecured, Considered Good				
Recoverable from subsidiaries	-	239	-	138
Interest accrued on fixed deposits	-	379	16	363
Security Deposit	308	-	370	-
Other assets	-	27	-	77
Others receivables considered doubtful	32	-	32	-
Less: Allowance for expected credit loss	(32)	-	(32)	-
	-	-	-	-
Loans and advances to subsidiaries				
Unsecured, considered good	-	27	-	0
Unsecured, considered doubtful	-	175	-	173
Less: Allowance for expected credit loss	-	(173)	-	(173)
	-	29	-	0
Total (b)	**308**	**674**	**386**	**578**

6 Income Tax Assets (Net)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance income tax paid including tax deducted at source receivable (net of provision)	2,958	2,295
Total	**2,958**	**2,295**

7 Other Assets

(₹ in Lakh)

Particulars	Non Current As at March 31, 2019	Current As at March 31, 2019	Non Current As at March 31, 2018	Current As at March 31, 2018
Unsecured, Considered Good				
Capital Advances	-	-	6	-
Prepaid Expenses	95	251	118	248
Deferred Rent	31	17	48	19
Balances with Government authorities	-	99	-	24
Other Receivables	-	1,706	-	1,741
Total	**126**	**2,073**	**172**	**2,032**

Notes to Financial Statements for the year ended March 31, 2019

8 Current Investments

(₹ in Lakh)

Particulars		As at March 31, 2019 Units	As at March 31, 2019 Amount	As at March 31, 2018 Units	As at March 31, 2018 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**	**612**	57,140	620
	7.35% NABARD Tax free bonds Maturity date 23-March-2031,@annualised YTM 6.01%	**67,475**	**751**	67,475.00	749
	8.48% NTPC Tax free bonds Maturity date 16-Dec-2028, at 6.005% p.a.	**44,799**	**574**	44,799.00	594
	Total Bonds (a)		**1,937**		**1,963**
B)	**Investment in mutual funds**				
	Mutual Funds (Unquoted)				
	Reliance Fixed Horizon Fund - XXXV - Series 14	-	-	50,00,000	508
	Aditya Birla Sunlife Cash Plus Growth Direct Plan	**15,819**	**48**	15,591	43
	Aditya Birla Sun Life Saving Fund-Direct Plan-Growth Option *	-	-	1,72,927	595
	Aditya Birla Sun Life Saving Fund-Direct Plan-Growth Option *	-	-	79,071	272
	Aditya Birla Sunlife Cash Plus Growth Direct Plan *	-	-	1,61,107	450
	Aditya Birla Sunlife Cash Plus Growth Direct Plan **	**15,480**	**47**	5,618	16
	Aditya Birla Sunlife Savings Fund-Direct Plan-Growth Option	-	-	6,34,027	2,180
	Aditya Birla Sunlife Savings Fund-Direct Plan-Growth Option	-	-	22,275	77
	Aditya Birla Sunlife Short Term Fund-Direct Plan-Growth	-	-	25,59,757	1,710
	Axis Liquid Fund Direct Growth	**24,143**	**501**	-	-
	Axis Short Term Fund Direct Growth	-	-	65,02,234	1,277
	BOI AXA Liquid Fund-Direct Plan-Growth Option	-	-	24,999	501
	HDFC FMP 92D February 2018 (1) - Series 39-Direct Plan-Growth Option	-	-	50,00,000	504
	HDFC FRIF-Short Term Plan-Direct Plan-Wholesale Option-Growth Option	-	-	37,22,650	1,131
	HDFC Medium Term Opportunities Fund-Direct Plan-Growth Option	-	-	1,05,01,138	2,038
	HDFC -Short Term Opportunities fund-Direct Plan-Growth Option	-	-	56,35,361	1,089
	ICICI Prudential Flexible Income - Direct Plan Growth	-	-	3,39,823	1,139
	ICICI Pruential Ultra Short Term - Direct Plan Growth	-	-	57,75,157	1,056
	ICICI Prudential Liquid Plan - Direct Plan Growth Option Fy 2017-18	**18,372**	**51**	-	-
	ICICI Prudential Liquid Plan - Direct Plan Growth Option Fy 2016-17	**29,019**	**80**	-	-
	IDFC Corp Bond Fund-Direct Plan-Growth Option	-	-	1,05,56,587	1,264
	IDFC SSIF-ST Direct Plan Growth	-	-	17,77,428	650
	IDFC Ultra Short Term Fund-Direct Plan-Growth Option *	-	-	15,21,689	377
	Invesco India Liquid Fund Direct Plan Growth Option	-	-	20,928	500
	Invesco India Ultra ST -Direct Plan-Growth Option	-	-	9,247	226
	Kotak Floater ST Direct Plan Growth Option *	-	-	1,292	37
	Kotak Treasury Advantage Fund - Direct Plan - Growth Option *	-	-	12,71,138	359
	Kotak Treasury Advantage Fund Direct Plan Growth Option *	-	-	3,39,179	96
	L & T Liquid Fund - Growth Option	-	-	21,008	500
	Kotak Liquid Scheme- Direct Plan-Growth Option	**2,540**	**96**	-	-
	Kotak Liquid Scheme- Direct Plan-Growth Option	**12,694**	**480**	-	-
	L&T Short Term Opportunities Fund-Direct Plan-Growth Option	-	-	54,51,368	927
	LIC Nomura MF Liquid-Direct Plan-Growth Option	-	-	15,888	501
	Prudential ICICI Money Market Fund - Direct Plan-Growth Option	-	-	2,91,520	701
	Reliance Fix Horizon Fund Direct Plan Growth Option	**50,00,000**	**641**	50,00,000	597
	Reliance FRF ST Direct Plan Growth Option	-	-	37,31,302	1,049

(₹ in Lakh)

Notes to Financial Statements for the year ended March 31, 2019

Particulars	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018
	Units	Amount	Units	Amount
Reliance Fixed Horizon Fund Direct Plan Growth Option	**50,00,000**	**546**	-	-
SBI Short Term Debt Fund-Direct Plan-Growth Option	-	-	50,53,266	1,036
Sundaram Money Fund Direct plan Growth	-	-	13,66,606	500
Tata Money Market Fund-Direct Plan-Growth Option *	-	-	7,643	209
Tata Short Term Bond Fund Direct Plan Growth Option	-	-	16,39,435	550
Tata Ultra ST Fund-Direct Plan-Growth Option *	-	-	16,152	429
TATA Liquid Fund Direct Plan - Growth Option	**13,599**	**400**	-	-
UTI Money Market Fund- Inst-Direct Plan-Growth Option *	-	-	2,585	50
UTI Money Market Growth Direct Plan	-	-	25,678	500
UTI Treasury Advantage Fund Institutional Plan Direct Plan Growth	-	-	36,461	880
UTI Treasury Advantage Fund-Direct Plan-Growth Option *	-	-	15,864	383
Total - Current Investments (b)		**2,890**		**26,907**
Aggregate amount of total investments(a+b)		**4,827**		**28,870**
* Represents investment earmarked for Settlement Guarantee Fund				
** Represents investment earmarked for Investor Service Fund				

9 Trade Receivables

(₹ in Lakh)

Particulars	Current	
	As at March 31, 2019	As at March 31, 2018
a) Trade Receivables considered good - Secured*	**549**	1,083
b) Trade Receivables considered good - Unsecured	**277**	133
c) Trade Receivables - credit impaired	**-**	32
	826	**1,248**
Less: Expected credit loss allowance	**-**	(32)
Total	**826**	**1,216**

* Secured by deposits received from members

10 Cash and cash equivalents

(₹ in Lakh)

Particulars	Current	
	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Cash in hand	**-**	-
Balances with bank		
In current accounts **(Note-1)**	**215**	383
Deposits with original maturity of three months or less (Note-2)	**-**	9
Total	**215**	**392**

Note-1 Includes ₹3 lakhs (March 31,2018 : ₹ 3 lakhs) in Escrow account " NCDEX Joint Price Dissemination Account", ₹ NIL lakhs (March 31, 2018 : ₹ 41 lakhs) for Settlement Guarantee Fund and ₹ 1.10 lakhs (March 31,2018 : ₹ 0.87 lakhs) for Investor Service Fund.

Note-2 Includes ₹ NIL lakhs (March 31,2018 : ₹ 9 lakhs) for Settlement Guarantee Fund.

11 Bank balances other than cash and cash equivalents

(₹ in Lakh)

Particulars	Current	
	As at March 31, 2019	As at March 31, 2018
Deposits with maturity for more than 3 months but less than 12 months*	**14,562**	5,134
Total	**14,562**	**5,134**

* Includes Fixed Deposits of ₹ 1,866 lakhs (March 31,2018 : ₹ 5,282 lakhs) pledged with Banks for Overdraft facilities and includes Fixed Deposit earmarked for Settlement Guarantee Fund of ₹ NIL lakhs (March 31,2018 : ₹ 5,509 lakhs).

12 Equity share capital

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
60,000,000 Equity shares of ₹ 10/- each (Previous Years : 60,000,000 Equity shares of ₹ 10/- each)	**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
	7,000	7,000
Issued, subscribed and fully paid up shares		
50,676,000 Equity shares of ₹ 10/- each fully paid up (Previous Years: 50,676,000 equity shares of ₹ 10/- each fully paid up	**5,068**	5,068
Total	**5,068**	**5,068**

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

	March 31, 2019		March 31, 2018	
Equity Shares of ₹ 10 each fully paid	No. of Shares	₹ In lakhs	No. of Shares	₹ In lakhs
At the beginning of the year	**5,06,76,000**	**5,068**	5,06,76,000	5,068
Issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**5,06,76,000**	**5,068**	5,06,76,000	5,068

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, 2019		As at March 31, 2018	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 10 each fully paid				
National Stock Exchange of India Limited	**76,01,377**	**15.00%**	76,01,377	15.00%
Life Insurance Corporation of India	**56,25,000**	**11.10%**	56,25,000	11.10%
National Bank for Agriculture and Rural Development	**56,25,000**	**11.10%**	56,25,000	11.10%
Indian Farmers Fertiliser Cooperative Limited	**50,68,000**	**10.00%**	50,68,000	10.00%
Oman India Joint Investment Fund	**50,67,600**	**10.00%**	50,67,600	10.00%
Punjab National Bank	**36,94,446**	**7.29%**	36,94,446	7.29%
Build India Capital Advisors LLP	**30,91,236**	**6.10%**	30,91,236	6.10%
Canara Bank	**30,55,519**	**6.03%**	30,55,519	6.03%
IDFC Private Equity Fund II	**25,33,800**	**5.00%**	25,33,800	5.00%
Shree Renuka Sugars Limited	**25,33,700**	**5.00%**	25,33,700	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.

13 Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General reserve	Settlement Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	
Balance as at April 01, 2017	**13,956**	**1,110**	**6,403**	**19,026**	**11**	**40,506**
						-
Addition in current year	-	-	341	2,449	-	2,790
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 (Transaction with owners in their capacity as owners)	-	-	-	(177)	-	(177)
Dividend distribution tax (Transaction with owners in their capacity as owners)	-	-	-	(36)	-	(36)
Transfer to Settlement Guarantee Fund	-	-	-	(341)	-	(341)
Balance as at April 01, 2018 *	**13,956**	**1,110**	**6,744**	**20,919**	**36**	**42,765**

(₹ in Lakh)

Particulars	Reserves and Surplus				Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General reserve	Settlement Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	
Addition in current year			326	(2,698)	-	(2,372)
Items of Other Comprehensive Income for the year, net of tax						
Remeasurement benefit of defined benefit plans	-	-	-	6	-	6
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	(20)	(20)
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	(152)	-	(152)
Dividend distribution tax (Transaction with owners in their capacity as owners)	-	-	-	(31)	-	(31)
Transfer to Settlement Guarantee Fund	-	-	-	(326)	-	(326)
Transfer to retained earnings			(7,070)			(7,070)
Transfer From Settlement Guarantee Fund				7,070		7,070
Balance as at March 31, 2019	**13,956**	**1,110**	**-**	**24,788**	**16**	**39,870**

* Restated (Refer note 40)

Description of nature and purpose of reserve

Securities Premium Reserve

Securities premium is used to record the premium on issue of shares i.e. the amount received in excess of the par value of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Settlement Guarantee Fund

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

Retained Earnings

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Reserve for debt instruments through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or impairment losses on such instruments.

Notes to Financial Statements for the year ended March 31, 2019

14 Provisions

(₹ in Lakh)

Particulars	Non-Current As at March 31, 2019	Current As at March 31, 2019	Non-Current As at March 31, 2018	Current As at March 31, 2018
Employee benefits obligation				
a) Provision for gratuity	**17**	**77**	-	76
b) Provision for leave encashment	**36**	**11**	44	27
Total	**53**	**88**	**44**	**103**

15 Deferred tax liabilities (Net)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets components		
Employee benefits	**41**	42
Financial assets at fair value through OCI		29
Unabsorbed loss including unabsorbed depreciation	**1,070**	-
Deferred tax assets on ISF liabilities	**14**	
MAT Credit Entitlement	**333**	333
Gross deferred tax asset	**1,458**	**404**
Deferred tax liabilities components		
Depreciation and amortisation	**559**	519
Financial assets at fair value through P&L	**61**	299
Financial assets at fair value through OCI	**7**	
Other items		
Gross deferred tax liabilities	**627**	**818**
Net deferred tax asset/(liability)	**831**	**(414)**

16 Deposits

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Base Minimum Capital *	**1,825**	1,960
Deposit from members	**3,519**	17,794
Deposits from clearing banks	**-**	3,300
Deposits from warehouse service providers	**-**	500
Total	**5,344**	**23,554**

* As at March 31, 2018, It includes Base Minimum Capital for Settlement Guarntee Fund

Notes to Financial Statements for the year ended March 31, 2019

17 Trade payables

(₹ in Lakh)

Particulars		As at March 31, 2019	As at March 31, 2018
a)	Total outstanding due of micro and small enterprises	**12**	-
b)	Total outstanding dues of creditors other than micro and small enterprises	**832**	1,652
Total		**844**	**1,652**

18 Other Financial Liabilities

(₹ in Lakh)

Particulars		As at March 31, 2019	As at March 31, 2018
a)	Payable towards purchase of fixed assets / intangibles	**-**	127
b)	Dues to members	**349**	611
c)	Other payable	**409**	522
d)	Interest payable to MSME	**2**	
Total		**760**	**1,260**

19 Other Current Liabilities

(₹ in Lakh)

Particulars		As at March 31, 2019	As at March 31, 2018
a)	Revenue received in advance	**288**	128
b)	SEBI turnover fees payable	**138**	39
c)	Investor protection fund*	**203**	249
d)	Statutory dues payable	**288**	369
e)	Investor Service fund **	**47**	14
f)	Others	**12**	73
Total		**976**	**872**

* 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.

** Restated (Refer note 40)

Notes to Financial Statements for the year ended March 31, 2019

20 Revenue from operations

(₹ in Lakh)

Particulars	For the Period ended March 31, 2019	For the Period ended March 31, 2018
Sale of products		
Sale of services		
Transaction charges	**5,720**	4,477
Annual subscription fees	**169**	190
Admission fees	**40**	10
Risk Management Fees	**413**	819
Delivery Charges	**490**	866
Comtrack charges	**-**	224
Warehouse charges	**137**	353
Data, Analytics and Technology Sales	**385**	297
Other Operating Revenues		
Computer to computer link charges	**48**	41
Port charges	**109**	115
Total	**7,511**	**7,392**

21 Other Income

(₹ in Lakh)

Particulars	For the Period ended March 31, 2019	For the Period ended March 31, 2018
Other non-operating income		
Finance Income		
Interest on Bank deposits	**730**	960
Interest on Bonds	**130**	67
Interest on SGF	**452**	497
Interest on Income Tax Refund	**-**	238
Interest on advance given to subsidiaries	**13**	12
Interest on financial asset measured at amortised cost	**18**	11
Profit on sale / Fair Value of Mutual funds*	**778**	2,147
Profit on sale / Fair Value of Mutual funds (ISF)	**1**	-
Exchange charges	**59**	59
Recovery of administrative cost	**-**	25
Settlement Penalties SGF	**6**	24
Recovery of charges from subsidiaries	**660**	552
Profit on sale/scrap of fixed assets (net)	**25**	4
Provision no longer required	**29**	81
Leaseline charges income	**276**	53
Others (miscellenous income)	**93**	52
Total	**3,270**	**4,782**

* Includes ₹ 1442 lakhs (March 31,2018 : ₹ 1418 lakhs) of profit on sale of mutual funds.

Notes to Financial Statements for the year ended March 31, 2019

22 Employee benefits expenses

(₹ in Lakh)

Particulars	For the Period ended March 31, 2019	For the Period ended March 31, 2018
Salaries, bonus and allowances	**3,172**	4,192
Contribution to Provident and other funds	**248**	299
Staff welfare expenses	**158**	219
Total	**3,578**	**4,710**

23 Depreciation & amortization expense

(₹ in Lakh)

Particulars	For the Period ended March 31, 2019	For the Period ended March 31, 2018
Depreciation	**697**	769
Amortization	**621**	764
Total	**1,318**	**1,533**

24 Other expenses

(₹ in Lakh)

Particulars	For the Period ended March 31, 2019	For the year ended March 31, 2018 *
Rent	**787**	841
Electricity Charges	**390**	398
Security Charges	**63**	91
Printing and stationery	**24**	47
Books Periodicals & Subscription	**24**	30
Repairs and Maintenance	**175**	200
Communication Expenses	**67**	80
Travelling and Conveyance Expenses	**206**	333
Technology Expenses	**3,512**	3,018
Polling Expenses	**174**	184
Clearing and settlement charges	**244**	387
Research and Testing	**23**	21
Insurance Expenses	**65**	68
Rates and Taxes	**-**	1
Legal and Professional Charges	**349**	532
Advertisement and Publicity	**66**	138
Sebi Regulatory Fees	**100**	100
Contribution to Investor Protection Fund	**57**	45
Contribution to Investor Service Fund (refer note 19)	**58**	46
Committee member sitting fees and expenses	**20**	21
Directors Sitting Fees	**134**	180
Corporate social responsibility expenses	**69**	107
Payment to Auditors		
- As Auditors	**19**	19
- For other services	**3**	3
- For reimbursement of expenses	**-**	-
Bad Debts	**2**	30
Provision for doubtful debts	**-**	62
Loss on sale/scrap of fixed assets (net)	**-**	-
Other Expenses	**115**	217
Total	**6,746**	**7,199**

* Restated (Refer note 40)

Notes to Financial Statements for the year ended March 31, 2019

25 Exceptional Items

(₹ in Lakh)

Particulars	For the Period ended March 31, 2019	For the year ended March 31, 2018 *
Exceptional Items*		
Profit on sale of undertaking (Comtrack)	-	4,553
Exchange contribution to core SGF - NCCL	(2,579)	-
Total	**(2,579)**	**4,553**

* Refer Note No - 37

26 Current and Deferred Tax

(₹ in Lakh)

Particulars	For the Period ended March 31, 2019	For the Period ended March 31, 2018
Current tax	(40)	724
MAT Credit Entitlement	-	(270)
Deferred Tax	(1,241)	382
Total	**(1281)**	**836**

(₹ in Lakh unless otherwise stated)

27 Earnings per share (EPS)

Particulars	For the Period ended March 31, 2019	For the Period ended March 31, 2018 *
Net Profit/(Loss) after tax as per Statement of Profit and Loss	(2,698)	2,449
Less: Preference dividend and tax thereon	-	-
Net Profit for calculation of EPS **(A)**	(2,698)	2,449
Weighted average no. of equity shares for calculating EPS **(B)**	5,06,76,000	5,06,76,000
Basic/Diluted earnings per equity share(in Rupees)(Face value of ₹ 10/- per share) **(A) /(B)**	(5.32)	4.83

Particulars	For the Period ended March 31, 2019	For the Period ended March 31, 2018 *
Weighted average number of equity shares for calculating EPS	5,06,76,000	5,06,76,000
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	5,06,76,000	5,06,76,000

* Restated (Refer note 40)

(₹ in Lakh unless otherwise stated)

28 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 and Employee State Insurance Scheme

Contribution to Defined Contribution Plan are recognised and charged off for the year as under :

The Company 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 Period ended March 31, 2019	For the Period ended March 31, 2018
Employer's Contribution to Provident Fund	**130**	161

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 (funded)	
	As at March 31, 2019	As at March 31, 2018
Expected Rate of Return on plan assets	**6.96%**	7.35%
Discount rate (per annum)	**6.96%**	7.35%
Rate of increase in Compensation levels	**8% for the first 5 years, 6% for the next 5 years, and 5% thereafter.**	10% for the first 5 years, 7% for the next 5 years, and 5% thereafter.
Rate of Employee turnover	**20.00%**	20.00%
Mortality Rate during Employment	**Indian Assured lives mortality (2006-08) ultimate**	Indian Assured lives mortality (2006-08) ultimate
Mortality Rate after Employment	**N.A.**	N.A.

Notes to Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

Table showing changes in present value of obligations :

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of obligation as at the beginning of the year	**331**	324
(Liability Transferred In/ Acquisitions)		-
(Liability Transferred Out/ Divestments)	**(70)**	(26)
Interest Cost	**24**	22
Past service cost (Vested Benefit)		-
Current Service Cost	**57**	58
Curtailment cost / (Credit)		-
Settlement cost /(Credit)		-
Benefits paid	**(85)**	(52)
Actuarial (gain)/ loss on obligations	**(16)**	5
Present value of obligation as at the end of the period	**241**	**331**

Table showing changes in the fair value of plan assets :

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at beginning of the year	**254**	314
(Liability Transferred In/ Acquisitions)		-
(Assets Transferred Out/ Divestments)	**(70)**	(26)
Expected return of plan assets	**19**	22
Employer contribution	**38**	-
Benefits paid	**(85)**	(52)
Actuarial gain/ (loss) on plan assets	**(8)**	(3)
Fair value of plan assets at year end	**148**	255

The amounts to be recognized in Balance Sheet :

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of obligation as at the end of the period	**(241)**	(331)
Fair value of plan assets as at the end of the period	**147**	254
Funded Status (Surplus / (Deficit))	**(94)**	(76)
Unrecognised actuarial (gains) / losses		-
Net asset / (liability) recognised in Balance Sheet	**(94)**	(76)

Expenses recognised in Statement of Profit and Loss :

Particulars	For the Period ended March 31, 2019	For the Period ended March 31, 2018
Current service cost	**57**	58
Past service cost (Vested Benefit)		-
Interest Cost	**6**	1
Expected return on plan assets		
Curtailment and settlement cost /(credit)		-
Expenses recognised in the Statement of Profit and Loss	**63**	59

(₹ in Lakh unless otherwise stated)

Expenses recognised in Other Comprehensive Income :

Particulars	For the Period ended March 31, 2019	For the Period ended March 31, 2018
Actuarial (Gains)/Losses on Obligation For the Period	**(16)**	5
Return on Plan Assets, Excluding Interest Income	**8**	3
Change in Asset Ceiling		-
Net (Income)/Expense For the Period Recognized in Other Comprehensive Income	**(9)**	**8**

Maturity profile of defined benefit obligation :

Particulars	As at March 31, 2019	As at March 31, 2018
Projected benefits payable in future years from the date of reporting		
1st Following year	**38**	51
2nd Following year	**38**	51
3rd Following year	**36**	48
4th Following year	**35**	45
5th Following year	**29**	43
Sum of Years 6 to 10	**96**	141
Sum of Years 11 and above	**58**	90

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, 2019	As at March 31, 2018
Investments with insurance fund	**100%**	100%

Sensitivity :-

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

Gratuity	Change in Assumption	2019		2018	
		Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1%/-1%	**-9**	**10**	-13	14
Salary Escalation Rate	+1%/-1%	**9**	**-9**	13	-12
Employee Turnover	+1%/-1%	**-2**	**1**	-2	2

Notes to Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

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.

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

	Particulars	As at March 31, 2019	As at March 31, 2018
a.	Principal amount remaining unpaid to any supplier as at the year end	12	-
	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.	32	-
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.	2	-
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.

(₹ in Lakh unless otherwise stated)

30 Commitments and Contingencies

(a) Contingent Liabilities not provided for :

Particulars	As at March 31, 2019	As at March 31, 2018
(i) On account of Income taxes (Refer Note 1 below)	**1,131**	1,131
(ii) On account of Legal claim (Refer Note 2 below)	**185**	185
(iii) On account of payment of Bonus for the F.Y. 2014-15 (Refer Note 3 below)	**11**	11
(iv) On account of Bank Guarantee (Refer Note 4 below)	**-**	

Note 1

Particulars	Assessment Year	As at March 31, 2019	As at March 31, 2018	Forum before which case is pending
Disallowance u/s 14A	AY 07-08	**53**	53	High Court
Investor Protection Fund	AY 07-08	**171**	171	High Court
Investor Protection Fund	AY 08-09	**113**	113	High Court
Investor Protection Fund	AY 09-10	**61**	61	High Court
Investor Protection Fund	AY 10-11	**162**	162	High Court
Investor Protection Fund	AY 11-12	**123**	123	CIT
Investor Protection Fund	AY 12-13	**224**	224	CIT
Investor Protection Fund	AY 13-14	**162**	162	CIT
Investor Protection Fund	AY 14-15	**62**	62	CIT
Total		**1,131**	**1,131**	

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.

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 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.

Notes to Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

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.

(b) Capital Commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**28**	147

(c) Other Commitments

The Company, vide its letter dated September 5, 2018, has given an undertaking to National Commodity Clearing Limited (NCCL) for infusion of capital to the extent required to enable compliance with SEBI directives on net worth of NCCL and for increasing the Core Settlement Guarantee Fund (Core SGF) to Rs. 250 crore. This increase in SGF will be by way of equity investment every 6 months over a period of 3 years i.e. by September 2021.

The Company has invested Rs 5 lakhs in NCDEX Institute of Commodity Markets and Research(NICR), incorporated under section 25 of the Companies Act, 1956 (Now section 8 of Companies Act, 2013) on September 18, 2007. The main object of the Institute is to operate as a charitable statistical research institute to promote knowledge and research relating to commodity markets, associated derivatives and disseminate information for the benefit of the participants in markets for products, goods, commodities, currency bonds, fixed income, intangibles, indices etc.

NICR has incurred a loss Rs.21.32 Lakhs for the year ended March 31, 2019 and accumulated losses as on March 31, 2019 is Rs. 194.17 Lakhs. Though, the net worth of NICR is fully eroded, the financial statements of NICR have been prepared on the assumption of a going concern in view of the ability to continue in its operation for a foreseeable future with the continued support by the Company

31 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, 2019, the Exchange has paid ₹ 1200 lakhs plus taxes towards cleaning costs. The total amount paid till March 31, 2019 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.

(₹ in Lakh unless otherwise stated)

32 As required by Ind AS - 24 "Related Party Disclosures"

(i) Name and description of related parties

Relationship	**Name of related party**
(a) Holding Company	National Commodity & Derivatives Exchange Ltd ('NCDEX ')
(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)
	Mr. Atul Roongta (Chief Financial Officer) (W.e.f. 10.08.2017)
	Mrs. Komal Shahani (Chief Financial Officer) (Upto 09.08.2017)
	Mr. Samir Rajdev (Company Secretary) (Upto 15.01.2019)
	Mr. M. K. Ananda Kumar (Company Secretary) (Upto 09.08.2017)
	Mr. Harish Kumar Sharma (Company Secretary) (W.e.f. 12.03.2019)
	Mr. Rabi Narayan Das (Public Interest Director) (Upto 31.03.2018)
	Justice (Retd.) Ashok Bhan (Public Interest Director) (Upto January 3, 2019)
	Dr. Purvi Mehta (Public Interest Director) (W.e.f. 11.01.2018)
	Mrs. Naina Krishna Murthy (Public Interest Director) (Upto 31.03.2018)
	Mr. Siddhartha Pradhan (Public Interest Director) (Upto 10.08.2017)
	Dr. Ashok Gulati (Public Interest Director) (W.e.f. 03.01.2019)
	Mr. Ravindra Kumar Roye (Public Interest Director and chairman) (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. Samir Kumar Mitter (Shareholder Director) (Upto 09.10.2017)
	Mr. Rakesh Kapur (Shareholder Director)
	Mr. Srinath Srinivasan (Shareholder Director)
	Mr. Sunil Kumar (Shareholder Director)
	Mr. Nirmalendu Jajodia (Public Interest Director) (W.E.F. April 13, 2018)
	Mr Prem Kumar Malhotra ((Public Interest Director) (W.E.F. August 9, 2018)
	Mr Chaman Kumar ((Public Interest Director) (W.E.F. April 10, 2018)

Note : Related party relationship is as identified by the Company and relied upon by the auditors.

Notes to Financial Statements for the year ended March 31, 2019

(ii). Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at 31st March, 2019 are as under:

	Subsidiaries								Associates		Key Managerial Personnel #																	
	NeML		NICR		NERL		NCCL		PXIL		Samir Shah		Vijay Kumar V.		Atul Roongta		Komal Shahani		Ananda K.		Samir R.		Harish Kumar		Directors		Total	
Particulars	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18
Remuneration	-	-	-	-	-	-	-	-	-	-	-	203	**166**	33	**139**	84	-	15	-	24	**25**	22	**2**	-	-	-	**332**	381
Fees Paid	-	-	-	-	**17**	18	**227**	369	-	-	-	0	-	-											-	-	**244**	387
Recovery of expenses	**132**	297	**7.90**	9	**89**	75	**458**	171	-	0	-	-	-	-											-	-	**687**	552
Expenses paid on behalf of Subsidiaries/ Associates	-	2	**4**	4	**112**	150	**14**	20	-	-	-	-	-	-											-	-	**130**	176
Transfer of asset between Subsidiaries	-	-	-	-	-	-	**69**	-	-	-	-	-	-	-											-	-	**69**	-
Expenses paid by subsidiaries / Associates	-	1	-	-	-	-	-	-	-	-	-	-	-	-											-	-	-	1
Sale of Comtrack Business Undertaking	-	-	-	-	-	4,610	-	-	-	-	-	-	-	-											-	-	-	4,610
Investment in Equity Shares	-	-	-	-	-	2,845	**1,000**	9,100	-	-	-	-	-	-											-	-	**1,000**	11,945
Income collected on behalf subsidiaries / Associates	-	-	-	-	**1**	15	**83**	-	-	-	-	-	-	-											-	-	**84**	15
Fund transfer on account of Business Transfer	-	-	-	-	-	740	-	-	-	-	-	-	-	-											-	-	-	740
Conversion of Preference Share in to Equity	-	1,200	-	-	-	-	-	-	-	-	-	-	-	-											-	-	-	1,200
Interest on advance	-	-	**16**	12	-	0	-	-	-	-	-	-	-	-											-	-	**13**	12
Interest Expenses	-	-	-	-	-	16	-	-	-	-	-	-	-	-											-	-	-	16
Loans given	-	-	**10**	7	-	-	-	-	-	-	-	-	-	-											-	-	**10**	7
Repayment on Interest on advance	-	-	-	0	-	-	-	-	-	-	-	-	-	-											-	-	-	0
Sitting Fees Paid to Directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-											**115**	137	**115**	137
Dues recovered from deposits lying with NCCL	-	-	-	-	-	-	**49**	-	-	-	-	-	-	-											-	-	**49**	-
SGF Contribution	-	-	-	-	-	-	**3,118**	-	-	-	-	-	-	-											-	-	**3,118**	-
Transfer of clearing and settlement operations	-	-	-	-	-	-	**16,492**	-	-	-	-	-	-	-											-	-	**16,492**	-
Balance outstanding at the year end	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18	**Mar-19**	Mar-18
Investments in Equity Shares	**3,550**	3,550	**5**	5	**5,445**	5,445	**10,910**	9,910	**1,500**	1,500	-	-	-	-											-	-	**21,410**	20,410
Investments in Preference Shares	-	-	-	-	-	-	-	-	**500**	500	-	-	-	-											-	-	**500**	500
Provision for diminution in the value of Investment	-	-	-	-	-	-	-	-	**2,000**	2,000	-	-	-	-											-	-	**2,000**	2,000
Short term loans receivable	-	-	**175**	173	-	-	-	-	-	-	-	-	-	-											-	-	**175**	173
Provision for Advances	-	-	**173**	173	-	-	-	-	-	-	-	-	-	-											-	-	**173**	173
Other Receivables	**24**	89	**27**	4	**45**	38	**170**	15	-	-	-	-	-	-											-	-	**266**	147
Trade Payables / Other Payable	-	4	-	-	-	33	**0.39**	36	-	-	**52**	52	**44**	9	**26**	13	-	2	-	4	-	2	-	-	-	-	**122**	155
Other current liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-											-	-	-	-

Notes to Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

33 Segment Reporting :-

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments. The Company operates only in one Business Segment i.e. facilitating trading in commodities and the activities incidental thereto within India, hence company is not require to report Segments separately i.e full financial statement considered as single segment as per Indian Accounting Standard 108 "Operating Segments".

34 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 2018-19 is ₹ 69 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 For the year ended 2018-19	For the year ended 2017-18
Capacity building of turmeric farmers	Project implemented through NGO MYRADA in Gobichettipalayam and Erode in Tamil Nadu	Post-harvest management activities		47
Training programs for farmer producer organizations (FPOs)	Project implemented through Resource Institutions (RIs) in Maharashtra, Rajasthan, Madhya Pradesh, Andhra Pradesh and Karnataka	Agriculture Education		42
Impact Assessment of Training Programs	An agency Kaarak was hired for the job of impact assessment of training programs conducted under CSR during 2017-18.	Farmer Awareness	**5**	14
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
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
Capacity Building of Farmer Producer Cooperatives (FPCs)	Cleaning and grading units including screen grader, vertical bucket, gravity separator etc. given to FPCs through NGOs. FPCs covered - WOTR, KJBF, KVS, KVK Bundi, GVSS and SGVS in Maharashtra and Rajasthan.	Post-harvest management activities	**64**	

Notes to Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

35 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 Period ended March 31, 2019	For the Period ended March 31, 2018
Not later than one year	**573**	665
Later than one year but not later than five years	**1,007**	2,359
More than five years	**-**	21

Total lease payments recognised in Statement of profit and loss is ₹ 787 lakhs included in Rent in Note 24 (March 31, 2018: ₹ 841 lakhs)

36 In compliance with the directives of Securities and Exchange Board of India (SEBI) vide circular no. CIR/CDMRD/DEA/03/2015 dated November 26, 2015 to clear the trades through a separate Clearing Corporation within prescribed timelines, the Exchange has received the approval of SEBI to transfer its clearing and settlement functions to Subsidiary National Commodity Clearing Ltd (NCCL). Accordingly, NCDEX has transferred its Clearing and Settlement functions to NCCL with effect from September 27, 2018. Pursuant to this transfer, following assets & liabilities which were part of the Exchange till September 26, 2018 are now a part of NCCL from September 27, 2018.

₹ in Lakhs

	Amounts
Margin money from members	9,905
Clearing Bank Deposits	3,300
WSP Deposits	514
Provision related to Employee benefits	91
Total Liabilities	**13,810**
Assets	
Bank balances (funds)	13,810
Risk management software	8
IT assets(Desktop, Laptop and Servers)	20
Total Assets	**13,838**

Also, income related to Clearing and Settlement functions viz. Risk management fee, Physical delivery charges, Warehouse income and Investment income on funds as mentioned above, now form part of NCCL income stream w.e.f. September 27, 2018. Similarly, the expenses related to clearing and settlement function viz. employee costs, technology costs, sharing of infrastructure costs are now incurred by NCCL w.e.f. September 27, 2018. Hence the figures of current year are not comparable with previous year figures.

SEBI, vide letter dated October 06, 2017, has directed that the quantum of Core Settlement Guarantee Fund (SGF) with the Clearing Corporation should not be less than the quantum of SGF with the Exchange at the time of transfer of Clearing & Settlement function. Accordingly, as on September 27, 2018, SGF with an amount of ₹ 11,961 lakhs has been setup in NCCL, by contribution of ₹ 9,381 lakhs from NCCL and ₹ 2,579 lakhs by the Company, being it's share of Core SGF (₹ 2,312 lakhs as the Exchange's share of core SGF and settlement penalties of ₹ 268 lakhs).

Post the set up of the SGF in NCCL, the company has contributed ₹ 539 lakhs during the year, toward its share of core SGF as per SEBI guidelines based on stress test results. This amount of ₹ 539 lakhs is included in other expenses.

Notes to Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

37 Details of Contribution to SGF & Exceptional items are as follows:

Particulars	For the Period ended March 31, 2019	For the Period ended March 31, 2018
Exchange Contribution to core SGF Exceptional *	**2,579**	-
Exchange Contribution to core SGF *	**539**	-
Gain on sale of Comtrack undertaking Exceptional **	**-**	4,553
Total	**3,118**	**4,553**

* The minimum required core Settlement Guarantee Fund (SGF) as per the stress test prescribed in the SEBI guidelines, as on September 26, 2018 was ₹ 8,265 lakhs and SGF corpus on the date, with the exchange was ₹ 11,961 lakhs. Accordingly SGF was set up in NCCL at an amount of ₹ 11,961 lakhs, including ₹ 2,579 lakhs as Exchange contribution to SGF (₹ 2,312 lakhs as the Exchange's share of core SGF and settlement penalties of ₹ 268 lakhs) Post the set up of the SGF in NCCL, the company has contributed ₹ 539 lakhs during the year, toward its share of core SGF as per SEBI guidelines based on stress test results. This amount of ₹ 539 lakhs is included in other expenses.

"** 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.

38 During the financial year 2017-18, 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 ₹ 10 each, and ₹ 2,284 lakhs by way of bank transfer.

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

39 The Supreme Court in the case of Regional Provident Fund Commissioner Vs. Vivekananda Viday Mandir and Ors [LSI-62-SC-2019(NDEL)] has rendered a decision dated 28.02.2019 with reference to The Employees Provident Fund and Miscellaneous Provisions Act 1952 on a common question of law as to whether special allowance paid by an establishment to its employees would fall within the expression of 'basic wages' under section 2(b) (ii) read with section 6 of the act for the purpose of computation of deduction towards provident Fund. The Supreme Court has held that in order to exclude the allowance from the ambit of basic wages, there must be evidence to show that the workman concerned has become eligible to get the extra amount beyond the normal work which he was otherwise required to put in. The test laid down by the Supreme Court will now have to be applied to each and every allowance to examine whether the allowance is excluded from the purview of wages or not. If the test for exclusion is met, then the said allowance would not form part of wages for the purpose of contribution under the Act. The Company is evaluating the impact of the decision of the Supreme Court on provident fund liability on account of various allowances to its employees. Pending necessary clarifications on the subject, no provision is considered necessary.

Notes to Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

40 SEBI vide its circular CIR/CDMRD/DEICE/CIR/P/2017/53 dated June 13, 2017 has mandated to set up Investor Service Fund (ISF) for providing basic minimum facilities at various Investor Service Centres. Accordingly, the ISF was set up during the year 2017-18 with the contribution of ₹ 46 lakhs by debiting it to retained earnings and crediting the ISF reserves in Statement of Changes in Equity. Subsequently, during the year 2018-19 further contribution of ₹ 58 lakhs was made by the Company by debiting it to Statement of Profit & Loss. Accordingly, the contribution during the year 2017-18 of ₹ 46 lakhs has been restated and debited through Statement of Profit & Loss instead of Retained Earning. The amount utilised out of this fund during the year amounting to ₹ 25 lakhs (March 18 – ₹ 32 lakhs) is debited to ISF liability.

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 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, 2019						
Deposits	16	5,344	-	5,344	-	5,344
Trade payables	17	844	844	-	-	844
Other financial liabilities	18	760	760	-	-	760
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

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, 2019 and for the year ended March 31,2018.

(₹ in Lakh unless otherwise stated)

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 of 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 recommends or provides 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 company 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 invested in liquid mutual funds and fixed deposits with scheduled banks, being far in excess of financial liabilities.

Notes to Financial Statements for the year ended March 31, 2019

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.

  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, 2019	As at March 31, 2018
1) Financial Assets			
Financial assets measured at fair value through profit or loss			
A) Investment in Mutual Funds	Level 1	**2,890**	26,907
Financial assets measured at fair value through other comprehensive income			
A) Investment in Bonds	Level 1	**1,937**	1,963
Financial assets measured at Amortized Cost			
A) Bank deposits		**14,562**	14,366
B) Trade receivables		**826**	1,216
C) Cash and Cash equivalents		**215**	392
D) Other Financial Asset		**982**	964
Total financial assets		**21,412**	**45,808**
2) Financial liabilities			
Financial liabilities measured at Amortized Cost			
A) Deposits		**5,344**	23,554
B) Trade payables		**844**	1,652
C) Other Financial liabilities		**760**	1,260
Total Financial liabilities		**6,948**	**26,466**

The carrying amounts of trade receivables, bank deposit, other financial assets, trade payables, Deposit , other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature

43 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 Period ended March 31, 2019	For the Period ended March 31, 2018
Profit before income taxes	**-3,979**	3,285
Enacted tax rates in India (%)	**29**	34.61
Computed expected tax expense	**-1,159**	1,137
Tax impact on depreciation	**-94**	-231
Tax impact due to Non-deductible expenses for tax purposes	**25**	53
Tax impact on Exempt Income	**-38**	-23
Long term capital gain taxed at different rate (Net of Business Losses)	**-1**	-227
Tax impact on INDAS adjustments	**197**	-254
Deferred tax expense	**-174**	382
Reversal of excess tax provision of earlier year	**-40**	-
Income tax expense	**-1,284**	**837**

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, 2019	As at March 31, 2018
Income tax assets	**10,770**	13,209
Income tax liabilities	**7,812**	10,914
Net Non current income tax assets/ (liability) at the end	**2,958**	**2,295**

c The gross movement in the current income tax asset/ (liability) for the Year ended March 31, 2018

Particulars	As at March 31, 2019	As at March 31, 2018
Net current income tax asset/ (liability) at the beginning	**2,295**	2,731
Add:-Income tax paid	**594**	713
Less:-Additional Refund Received	**69**	-425
Less:-Provision for income tax	**-**	-724
Net current income tax asset/ (liability) at the end	**2,958**	**2,295**

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	Unabsorbed loss including unabsorbed depreciation	ISF liabilities	Total
As at 31 March 2017	**76**	**21**	**333**	**41**			**471**
Charged/(credited)							
- to profit or loss	(34)		0	(41)			(75)
- to other comprehensive income		8					8
As at 31 March 2018	**42**	**29**	**333**	**-**			**404**
Charged/(credited)							-
- to profit or loss	(1)		-	-	1,070	14	1,083
- to other comprehensive income	-	(29)	-	-	-		(29)
As at 31 March 2019	**41**	**-**	**333**	**-**	**1,070**	**14**	**1,458**

Notes to Financial Statements for the year ended March 31, 2019

Movements in deferred tax liablities

Particulars	Depreciation	Financial Assets at Fair Value through profit or loss	Financial Assets at Fair Value through OCI	Total
As at 31 March 2017	**382**	**129**	**-**	**511**
Charged/(credited)			-	-
- to profit or loss	137	170	-	307
- to other comprehensive income				
As at 31 March 2018	**519**	**299**	**-**	**818**
Charged/(credited)				-
- to profit or loss	40	(238)		(198)
- to other comprehensive income			**7**	7
As at 31 March 2019	**559**	**61**	**7**	**627**

44 Events after reporting period

The Board of Directors have recommended the payment of final dividend of ₹ 0.50 per fully paid equity shares (FV ₹10 each) (March 31, 2018 : ₹ 0.30/- 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 ₹ 253 lakhs excluding Corporate Dividend Tax of ₹ 52 Lakhs.

45 Previous year figures have been regrouped / reclassified wherever necessary to confirm to current year presentation.

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

Harish Kumar
Company Secretary
Membership No. -20844

Atul Roongta
Chief Financial Officer

Place : Mumbai
Date : May 22 2019

Independent Auditor's Report

To the Members of National Commodity & Derivatives Exchange Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **National Commodity & Derivatives Exchange Limited** ('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, which comprise the Consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Statement of consolidated cash flows for the year then ended, and notes to consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2019, and its profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to:

Note 31 to the consolidated financial statements. In respect of the matters relating to the future contracts of pepper, 'other receivable' as on March 31, 2019, 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.

Independent Auditor's Report

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Directors' Report including annexures thereto and Management Discussion Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of the Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act read with the rules made thereunder. The respective Board of Directors of the companies included in the Group and of its associates 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; 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associates and jointly controlled entities are responsible for assessing the ability of the Group and its associates and its jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Independent Auditor's Report

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and its jointly controlled entities to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

Other Matters

1)

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, 2019, 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, goods and services tax is not applicable on the transaction charges billed by ReMSPL. Hence the provision for goods and services tax has not been made in the books of accounts for the same. The financial impact, if any, due to applicability of goods and services tax on the consolidated financial statement of the Group is ₹ 536 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 ₹ 54349.67 lakhs as at March 31, 2019, total revenues of ₹_9500.35 lakhs and net cash inflows amounting to ₹ 3674.00 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 □ 334.03 lakhs for the year ended March 31, 2019, 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.

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.

2) The consolidated financial statements do not include the Group's share of net profit of ₹_248.18 lakhs for the year ended March 31, 2019 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.

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 reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement 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 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, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and jointly controlled entity, none of the directors of the Group companies, is disqualified as on March 31, 2019 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 with reference to financial statements 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 the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiaries to its respective directors during the year is in accordance with the provisions of Section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 the pending litigations its financial position in its financial statements – refer note 30 to the financial statements;

(ii) The Company does not have any long-term contracts for which there were any material foreseeable losses. The Company does not have any derivative contracts.

(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 22, 2019

Annexure - B 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, 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate and jointly controlled entity as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors 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. 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 with reference to financial statements of the Holding Company, its subsidiary companies, associate and jointly controlled entity, 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, associate and jointly controlled entity, has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 with reference to financial statements 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.

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

Sachin A. Negandhi
Partner
Membership No: 112888

Place: Mumbai
Date: May 22, 2019

Consolidated Balance Sheet as at March 31, 2019

(₹ in Lakh)

Partculars	Notes	As at March 31, 2019	As at March 31, 2018 *
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	**1,953**	2,242
Capital work-in-progress	2	**-**	90
Other intangible assets	3	**5,673**	5,876
Intangible assets under development	3	**158**	107
Financial assets			
Investments in associates/joint ventures accounted for using the equity method	4	**2,276**	2,015
Other financial assets			
- Bank balances	5(a)	**1,099**	1,782
- Others	5(b)	**361**	416
Deferred tax assets (net)	16	**277**	184
Income tax assets (net)	6	**3,431**	2,662
Other non-current assets	7	**146**	191
Total non-current assets		**15,374**	**15,565**
Current Assets			
Financial assets			
- Investments	8	**4,827**	29,465
- Trade receivables	9	**1,801**	2,011
- Cash and cash equivalents	10	**7,848**	4,351
- Bank balances other than cash and cash equivalents	11	**46,007**	27,454
- Others	5(b)	**4,359**	1,633
Income tax assets (net)	6	**-**	-
Other current assets	7	**2,319**	2,145
Total current assets		**67,161**	**67,059**
TOTAL ASSETS		**82,535**	**82,624**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	**5,068**	5,068
Other equity	13	**40,728**	38,985
Equity attributable to Owners		**45,796**	**44,053**
Non Controlling Interest	13	**2,555**	**2,627**
Total Equity		**48,351**	**46,680**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Deposits	14	**20**	70
- Other Financial liabilities	14	**14**	-
Provisions	15	**129**	51
Deferred tax liabilities (net)	16	**-**	226
Total non-current liabilities		**163**	**347**
Current Liabilities			
Financial liabilities			
- Deposits	17	**29,916**	26,307
Total Outstanding dues of micro enterprises and small enterprises	18	**88**	-
Total Outstanding dues of other than micro enterprises and small enterprises		**1,289**	1,981
- Other Financial liabilities	19	**1,330**	6,019
Other current liabilities	20	**1,224**	1,072
Provisions	15	**174**	218
Total current liabilities		**34,021**	**35,597**
TOTAL LIABILITIES		**34,184**	**35,944**
TOTAL EQUITY AND LIABILITIES		**82,535**	**82,624**
Summary of significant accounting policies	1		

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

* Restated (Refer note 49)

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

Harish Kumar
Company Secretary
Membership No. -20844

Atul Roongta
Chief Financial Officer

Place : Mumbai
Date : May 22 2019

Consolidated statement of profit and loss for the year ended March 31, 2019

(₹ in Lakh)

Partculars	Notes	For the Year ended March 31, 2019	For the Year ended March 31, 2018 *
INCOME			
Revenue from operations	21	**14,884**	11,412
Other Income	22	**4,434**	4,962
Total Income		**19,318**	**16,374**
EXPENSE			
Employee benefits expense	23	**6,569**	6,472
Depreciation & amortization expense	24	**1,947**	1,953
Other expenses	25	**9,514**	8,769
Total expenses		**18,030**	**17,194**
Profit / (loss) before share of Net profit of Joint venture, exceptional items and income tax		**1,288**	**(820)**
Add : Exceptional item (net of tax)		**-**	-
Profit / (Loss) before share of Net profit of Joint venture and income tax		**1,288**	**(820)**
Share of net profit from Joint venture accounted for using equity method	42	**322**	290
Profit / (Loss) before tax		**1,610**	**(530)**
Tax expense			
Current tax	26	**423**	816
Deferred tax expense/ (credit)	26	**(309)**	(200)
Profit / (Loss) for the year (A)		**1,496**	**(1,146)**
Other comprehensive Income:			
Items that will not be reclassified to the Statement of profit and loss;			
Remeasurement of post-employment benefit obligations		**(21)**	(45)
Income tax impact on above		**5**	14
Item that will be reclassified to the Statement of profit and loss;			
Debt instruments through Other Comprehensive Income		**(26)**	32
Income tax impact on above		**6**	(7)
Other comprehensive income for the year net of tax (B)		**(36)**	**(6)**
Total comprehensive income for the year (A+B)		**1,460**	**(1,152)**
Profit attributable to:			
Owners of the Company		**1,566**	(1,120)
Non-controlling interests		**(70)**	(26)
Other comprehensive income attributable to:			
Owners of the Company		**(34)**	(4)
Non-controlling interests		**(2)**	(2)
Total comprehensive income for the year attributable to:			
Owners of the Company		**1,532**	(1,124)
Non-controlling interests		**(72)**	(28)
Earnings per share attributable to the equity holders of the Company			
Basic earnings per share (Face value of ₹ 10 each)			
(1) Basic (₹)		**3.09**	(2.21)
(2) Diluted (₹)		**3.09**	(2.21)

Summary of significant accounting policies 1

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

* Restated (Refer note 49)

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

Harish Kumar
Company Secretary
Membership No. -20844

Atul Roongta
Chief Financial Officer

Place : Mumbai
Date : May 22 2019

Consolidated Cash Flow for the year ended March 31, 2019

(₹ in Lakh)T

	Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018 ***
A.	**Cash flow from operating activities**			
	Profit before tax		**1,610**	(530)
	Adjustments for:			
	Depreciation & amortisation		**1,947**	1,953
	Provision for leave encashment		**(38)**	(50)
	Provision for gratuity		**50**	13
	Provision no longer required		**(29)**	89
	Loss/(Profit) on sale of fixed asset		**-**	(4)
	(Profit) / Loss on sale of investments		**(1,116)**	(2,468)
	Ind AS Fair value impact of mutual fund		**1,463**	(1,418)
	Interest income		**(2,833)**	(1,921)
	Share option reserve		**(140)**	140
	Interest Exp MSME		**3**	-
	Share of profit from JV		**(322)**	(290)
	Utilisation from Risk Management Fund (RMF)		**(10)**	-
	Operating profit before working capital changes		**585**	**(4,486)**
	Movements in working capital:			
	Decrease / (Increase) in trade receivables		**210**	(349)
	Decrease / (Increase) in other current assets		**(198)**	415
	Decrease / (Increase) in other non current assets		**22**	(23)
	Decrease / (Increase) other non current financial assets		**79**	36
	Decrease / (Increase) other financial assets		**902**	(1,045)
	Increase / (Decrease) in non - current financial liabilities		**(36)**	(5)
	Increase / (Decrease) in trade payables		**(568)**	(465)
	Increase / (Decrease) in current financial liabilities		**(796)**	(16,236)
	Increase / (Decrease) in other current liabilities		**(271)**	282
	Cash generated/(used) from operations		**(71)**	**(21,876)**
	Direct taxes paid (net of refunds)		**767**	366
	Net cash generated/(used) in operating activities	**(A)**	**(838)**	**(22,242)**
B.	**Cash flows from investing activities**			
	Purchase of fixed assets, including intangible assets and CWIP		**(1,771)**	(2,371)
	Proceeds from sale / disposal of fixed assets		**73**	29
	Purchase of current investments		**(7,42,383)**	(6,81,035)
	Advance against Comlive ePledge Business Transfer Agreement		**-**	(353)
	Proceeds from sale of current investments		**7,63,894**	6,93,063
	Dividend Received from JV		**60**	50
	Interest received		**2,505**	2,178
	Investment in fixed deposits (original maturity of more than three months)		**(43,760)**	(24,423)
	Redemption/Maturity of fixed deposits (original maturity of more than three months)		**25,889**	22,699
	Net cash generated/(used) in investing activities	**(B)**	**4,507**	**9,837**

Consolidated Cash Flow for the year ended March 31, 2019

(₹ in Lakh)T

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018 ***
C. Cash Flows from financing activities			
Proceeds from issuance of equity share capital to non controlling interest		**11**	2,655
Share issue expenses		**-**	(115)
Dividend paid		**(152)**	(177)
Dividend tax paid		**(31)**	(36)
Net cash generated/(used) from financing activities	**(C)**	**(172)**	**2,327**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**3,497**	**(10,078)**
Cash and cash equivalents at the beginning of the year		**4,351**	14,430
Cash and cash equivalents at the end of the year		**7,848**	**4,351**
Components of cash and cash equivalents (Refer note 10)			
Cash and cheques on hand		**0**	-
With Banks			-
- on current accounts *		**5,205**	4,261
- on fixed deposits (Original maturity being three months or less) **		**1,480**	90
Investments in mutual funds (Highly Liquid Funds)		**1,163**	
Total		**7,848**	**4,351**

* Includes

- NCDEX Joint Price Dissemination fund of ₹ 3 lakhs (March 31,2018 : ₹ 3 lakhs) which can be utilized only for Joint Price Dissemination project along with FMC
- Settlement Guarantee Fund NIL lakhs (March 31, 2018 : ₹ 41 lakhs) and ₹ 1.10 lakhs (March 31,2018 : ₹ 0.87 lakhs) for Investor Service Fund.

** Includes ₹ NIL lakhs (March 31,2018 : ₹ 9 lakhs) for Settlement Guarantee Fund.

*** Restated (Refer note 49)

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

Harish Kumar
Company Secretary
Membership No. -20844

Atul Roongta
Chief Financial Officer

Place : Mumbai
Date : May 22 2019

Consolidated Statement Of Changes In Equity for the year ended March 31, 2019

(A) Equity Share Capital

	(₹ in Lakh)
Balance as at April 1, 2017	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2018	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2019	5,068

(B) Other Equity

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share option Reserve	Risk Management Fund	General reserve	Settlement Guarantee Fund (Refer Note No 38)	Core Settlement Guarantee Fund (Refer Note No 38)	Special 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, 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	-	-	-	-	-	-	-	-		-0	2,655	**2,655**
Addition in current year	-	140	15	-	341		-	(1,120)	-	(624)	(26)	**(650)**
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 (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(177)	-	(177)	-	**(177)**
Dividend distribution tax ((Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(36)	-	(36)	-	**(36)**
Transfer to Settlement Guarantee Fund	-	-	-	-	-	-	-	(341)	-	(341)	-	**(341)**
Transfer to Risk management fund	-	-	-	-	-	-	-	(15)	-	(15)	-	**(15)**
Share issue expenses	-	-	-	-	-	-	-	(115)	-	(115)	-	**(115)**
Balance as at March 31, 2018 *	**13,956**	**140**	**15**	**1,110**	**6,744**	**-**		**16,984**	**36**	**38,985**	**2,627**	**41,612**

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share option Reserve	Risk Management Fund	General reserve	Settlement Guarantee Fund (Refer Note No 38)	Core Settlement Guarantee Fund (Refer Note No 38)	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the company	Attributable to Non-Controlling interest	Total
Addition in current year	9	-	15	-	326	14,032	1	1,566	-	15,949	(72)	**15,877**
Utilised / Converted during the year	-	-	(10)	-	-	-	-	-	-	(10)	-	**(10)**
Items of Other Comprehensive Income for the year, net of tax					-							
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-	(14)	-	(14)	-	**(14)**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	(18)	(18)	-	**(18)**
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(152)	-	(152)	-	**(152)**
Dividend distribution tax ((Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(31)	-	(31)	-	**(31)**
Transfer to Core Settlement Guarantee Fund - NCCL	-	-	-	-	-	-	-	(10,708)	-	(10,708)	-	**(10,708)**
Transfer From Settlement Guarantee Fund	-	-	-	-	-	-	-	7,070	-	7,070	-	**7,070**
Transfer to Core Settlement Guarantee Fund - NCDEX	-	-	-	-	-	-	-	(3,118)	-	(3,118)	-	**(3,118)**
Transfer to retained earning	-	-	-	-	(7,070)		-	-		(7,070)	-	**(7,070)**
Reversal during the Year (Refer note 13)	-	(140)		-	-	-	-	-	-	(140)	-	**(140)**
Transfer to Risk management fund	-	-	-	-	-	-	-	(15)	-	(15)	-	**(15)**
Balance as at March 31, 2019	**13,965**	**0**	**20**	**1,110**	**0**	**14,032**	**1**	**11,582**	**18**	**40,728**	**2,555**	**43,283**

*** Restated (Refer note 49)**

As per our report of even date
For K.S. AIYAR & Co.
Chartered Accountants
ICAI Firm Registration No : 100186W

Sachin A. Negandhi
Partner
Membership No.112888

Place : Mumbai
Date : May 22 2019

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

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

Ravindra Kumar Roye
Chairman
DIN - 07304930

Harish Kumar
Company Secretary
Membership No. -20844

Atul Roongta
Chief Financial Officer

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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 is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at First Floor, Ackruti Corporate Park, Near G. E. Garden, L.B.S. Road, Kanjurmarg West, Mumbai 400 078. The 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, 2019 and March 31,2018 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provision of the act to the extent applicable.

The financial statements are approved for issue by the Company's Board of Directors on May 22, 2019.

Basis of preparation

b **Historical Cost Convention**

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

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

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

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

iv. Equity settled share-based payments measured at fair value

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

c **Principle of consolidation and equity accounting**

i) **Subsidiaries**

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent 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.

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 losses 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 Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in consolidated statement of profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Group determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated statement of profit or loss where such treatment would be appropriate if that interest were disposed off.

Common control

Business combinations involving entities that are ultimately controlled by the same parties before and after the business combination are considered as Common control entities. Common control transactions are accounted using pooling of interest method. The financial statements in respect of prior periods have been restated from the period that the Transferor Company became a subsidiary of the Transferee Company where the assets and liabilities of the transferee are recorded at their existing carrying values, the identity of reserves of the transferee company is preserved.

f 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).

g 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:

- **Estimated useful lives of property, plant and equipment and intangible assets**

  Useful lives of property, plant and equipment, intangible assets and investment property are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

- **Contingent liabilities**

  In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

- **Share Based Payments**

  Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of the equity settled transactions with the employees at the grant date, the Group uses the Black-Scholes Model.

h 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

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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.

i 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.

j 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.

k Revenue Recognition

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

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

Transaction charges

Transaction charges are 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 recognized as income at the point when the service is rendered i.e.delivery of commodities.

Interest Income

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

Dividends

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

Risk Management Fees

Risk Management Fees is recognized at the point when open interest is increased as compared to previous day.

Comtrack 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

l 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.

m 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 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 losses. At each reporting date the Group reassesses unrecognized deferred tax assets and recognizes the same to the extent it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is 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.

n Property, Plant and Equipment (PPE)

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of CENVAT/GST) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and borrowing costs for qualifying assets.

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

Depreciation of these PPE commences when the assets are ready for their intended use. Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation is provided on straight line method over the useful life of the assets.

Fixed assets having an original cost less than or equal to Rs. 5,000 individually and Tickers are fully depreciated in the year of purchase or installation.

Leasehold improvement is amortized over the 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
Improvement to Lease hold Property	Over the period of lease
Furniture & Fixtures	10 years
Electrical Installations	10 years
Computer Hardware	3 – 6 years
Office Equipment	5 years
Motor Car	8 years
Tele Communication Equipments	6 years

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Assets held under finance lease 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.

o Intangible Asset

Recognition of intangible assets

a. Computer software

Purchase of computer software used for the purpose of operations is capitalized. However, any expenses on software support, maintenance, upgrade etc. payable periodically is charged to the Statement of profit and loss.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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.

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.

p Lease

As a lessee

Leases of property, plant and equipment that substantially transfers all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

(a) Finance leases

Finance leases when acquired, are 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.

(b) 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.

q Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

r 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.

s 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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.

  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.

t 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.

u 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.

v 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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 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 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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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.\

w 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.

x Core Settlement Guarantee Fund (Core SGF)

From September 27, 2018, Clearing & Settlement function is carried out by National Commodity Clearing Limited (NCCL). Accordingly, as per SEBI requirement Core SGF is set up and maintained by NCCL.

Contribution to Core SGF by the Exchange is debited to statement of Profit and Loss and contribution by NCCL to Core SGF is by way of appropriation from retained earnings in the respective standalone financial statement.

As the SGF is maintained within the group, in consolidated financial statements, contribution by the Exchange and NCCL is appropriated out of retained earnings.

y 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.

z 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:-

Standards issued but not yet effective

1 Ind AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application either by:

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

The Group is currently evaluating the effect of this standard on the financial statements.

2 Ind AS 12 Appendix C

Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group will adopt the standard on April 1, 2019 . The Group is currently evaluating the effect of this standard on the financial statements.

3 Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

4 Amendment to Ind AS 19

Plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

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	Total	Capital work in progress
Cost or Deemed cost									
Opening as at April 01, 2017	1,637	225	831	64	164	73	57	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**	**3,829**	**90**
Accumulated depreciation and impairment									
Accumulated depreciation as at April 01, 2017	420	47	163	21	56	13	6	726	-
Depreciation for the year	537	53	182	17	55	13	9	866	-
Disposals / Adjustments	5	-	-	-	-	-	-	5	-
Closing accumulated depreciation	**952**	**100**	**345**	**38**	**111**	**26**	**15**	**1,587**	**-**
Net carrying amount as at March 31, 2018	**1,229**	**125**	**713**	**32**	**53**	**48**	**42**	**2,242**	**90**
Cost or Deemed cost									
Opening as at April 01, 2018	2,181	225	1,058	70	164	74	57	3,829	90
Additions	184	136	142	76	30	67	-	635	43
Disposals / Adjustments	93	-	-	3	3	5	-	104	133
Closing gross carrying amount	**2,272**	**361**	**1,200**	**143**	**191**	**136**	**57**	**4,360**	**-**
Accumulated depreciation and impairment									
Opening as at April 01, 2018	952	100	345	38	111	26	15	1,587	-
Depreciation for the year	564	67	209	26	15	12	7	900	-
Disposals / Adjustments	**73**	**-**	**-**	**2**	**3**	**2**	**-**	**80**	**-**
Closing accumulated depreciation	**1,443**	**167**	**554**	**62**	**123**	**36**	**22**	**2,407**	**-**
Net carrying amount as at March 31, 2019	**829**	**194**	**646**	**81**	**68**	**100**	**35**	**1,953**	**-**

3 Intangible Assets

(₹ in Lakh)

Particulars	Computer Software	Total	Intangible assets under development	Total
Cost or Deemed cost				
Opening as at April 01, 2017	6,385	6,385	7	7
Additions	1,531	1,531	806	806
Capitalised during the year	-	-	706	706
Closing gross carrying amount *	**7,916**	**7,916**	**107**	**107**
Accumulated amortisation and impairment losses				
Accumulated amortisation as at April 01, 2017	684	684	-	-
Amortisation for the year	1,356	1,356	-	-
Closing accumulated amortisation *	**2,040**	**2,040**	**-**	**-**
Net carrying amount as at March 31, 2018 *	**5,876**	**5,876**	**107**	**107**
Cost or Deemed cost				
Opening as at April 01, 2018 *	7,916	7,916	107	107
Additions	910	910	381	381
Disposals/ Capitalised during the year	189	189	330	330
Impairment	59	59	-	
Closing gross carrying amount	**8,578**	**8,578**	**158**	**158**
Accumulated amortisation and impairment losses				
Opening as at April 01, 2018 *	2,040	2,040	-	-
Amortisation for the year	1,046	1,046	-	-
Disposals / Adjustments	181	181	-	-
Closing accumulated amortisation	**2,905**	**2,905**	**-**	**-**
Net carrying amount as at March 31, 2019	**5,673**	**5,673**	**158**	**158**

* Restated (Refer note 49)

Subsidiary Company NeML, had held a software under Intangible assets at opening gross value of ₹ 157.53 lakhs and opening value of accumulated amortisation to the extent of ₹ 98.37 lakhs. During the current financial year the platform developed for software ceased to be recognized as a cash generating unit. Therefore, the net carrying value of ₹ 59.15 lakhs was fully impaired and was recognised as expense in the Statement of Profit & Loss for the year.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

4 Non current investments

(₹ in Lakh)

Particulars	As at March 31, 2019 Quantity	As at March 31, 2018 Amount	As at March 31, 2018 Quantity	As at March 31, 2017 Amount
Investment in associates/joint ventures accounted for using the equity method				
Investments in Unquoted equity Shares				
(i) In Associates				
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited *	**1,50,00,000**	-	1,50,00,000	-
(ii) In Joint Venture				
Rashtriya e Market Services Private Limited		500		500
Add: Share of Profit		1,776		1,515
		2,276		2,015
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 *	**50,00,000**	-	50,00,000	-
Total		**2,276**		**2,015**
Aggregate amount of unquoted investments		**2,276**		**2,015**
*** Aggregate provision for diminution in value of unquoted investments**		**2,000**		**2,000**

5 Other Financial Asset

(₹ in Lakh)

Particulars	Non Current As at March 31, 2019	Current As at March 31, 2019	Non Current As at March 31, 2018	Current As at March 31, 2018
(a) Non-current bank balances				
Deposits with bank - original maturity more than 12 months*	**1,099**		1,782	-
Total (a)	**1,099**	**-**	**1,782**	**-**
(b) Others				
Secured, Considered Good				
Interest accrued on fixed deposits **	**53**	1,385	46	533
Security Deposits	**308**	120	370	99
Accrued Income for Provisional Billing	**-**	-	-	874
Receivable against sale of Mutual Funds		2,753		
Other assets	**-**	101	-	127
Others receivables considered doubtful	**32**	0	32	-
Less: Allowance for expected credit loss	**(32)**	**0**	(32)	-
	-	0	-	-
Total (b)	**361**	**4,359**	**416**	**1,633**

* In subsidiary company National Commodity Clearing Limited (NCCL), fixed deposits includes Core Settlement Guarantee Fund (Core SGF) ₹ 428.16 lakhs (March 31,2018 : ₹ NIL).

In subsidiary company NERL fixed deposits includes, earmarked deposits ₹ 500 Lakhs (March 31,2018 ₹ 500 lakhs) which are restricted. These deposits are earmarked against performance guarantee given to WDRA as per their guidelines.

** In subsidiary company National Commodity Clearing Limited (NCCL), includes interest on Core SGF - Non Current ₹ 1.59 lakhs (March 31,2018 : ₹ NIL) and Current ₹ 338.77 (March 31,2018 : ₹ NIL)

In subsidiary company NERL Interest accrued on fixed deposits includes, interest on earmarked deposits ₹ 46 Lakhs (March 31,2018 ₹ 17 lakhs) which are restricted. These deposits are earmarked against performance guarantee given to WDRA as per their guidelines

6 Income Tax Assets (Net)

(₹ in Lakh)

Particulars	Non Current	Current	Non Current	Current
	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018 *	As at March 31, 2018 *
Advance income tax paid including tax deducted at source receivable (net of provision)	**3431**	-	2,662	-
Total	**3,431**	**-**	**2,662**	**-**

* Restated (Refer note 49)

7 Other assets

(₹ in Lakh)

Particulars	Non Current	Current	Non Current	Current
	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2018 *
Capital Advances	**-**	-	6	-
Prepaid Expenses	**115**	487	137	317
Deferred Rent	**31**	17	48	19
Balances with government authorities	**-**	103	-	69
Other receivables	**-**	1,708	-	1,740
Advance to employee	**-**	4	-	-
Total	**146**	**2,319**	**191**	**2,145**

* Restated (Refer note 49)

Notes to Consolidated Financial Statements for the year ended March 31, 2019

8 Current Investments

(₹ in Lakh)

	Particulars	As at March 31, 2019 Units	As at March 31, 2019 Amount	As at March 31, 2018 Units	As at March 31, 2018 Amount
A)	**Investment in bonds**				
	Bond (Quoted)				
	NHAI Bonds 2015 Tax Free Bonds Tranche I Series II A for 15 years @ 7.35% p.a.	**57,140**	**612**	57,140	620
	7.35% NABARD Tax free bonds Maturity date 23-March-2031, @annualised YTM 6.01%	**67,475**	**751**	67,475.00	749
	8.48% NTPC Tax free bonds Maturity date 16-Dec-2028, at 6.005% p.a.	**44,799**	**574**	44,799.00	594
	Total Bonds (a)		**1,937**		**1,963**
B)	**Investment in mutual funds**				
	Mutual Funds (Unquoted)				
	Aditya Birla Sunlife Cash Plus Growth Direct Plan	**15,819**	**48**	15,591	43
	Aditya Birla Sun Life Saving Fund-Direct Plan-Growth Option *	**-**	**-**	1,72,927	595
	Aditya Birla Sun Life Saving Fund-Direct Plan-Growth Option *	**-**	**-**	79,071	272
	Aditya Birla Sunlife Cash Plus Growth Direct Plan *	**-**	**-**	1,61,107	450
	Aditya Birla Sunlife Cash Plus Growth Direct Plan **	**15,480**	**47**	5,618	16
	Aditya Birla Sunlife Savings Fund-Direct Plan-Growth Option	**-**	**-**	6,34,027	2,180
	Aditya Birla Sunlife Savings Fund-Direct Plan-Growth Option	**-**	**-**	22,275	77
	Aditya Birla Sunlife Short Term Fund-Direct Plan-Growth	**-**	**-**	25,59,757	1,710
	Axis Short Term Fund Direct Growth	**-**	**-**	65,02,234	1,277
	Axis Liquid Fund Direct Growth	**24,143**	**501**	-	-
	BOI AXA Liquid Fund-Direct Plan-Growth Option	**-**	**-**	24,999	501
	HDFC FMP 92D February 2018 (1) - Series 39-Direct Plan-Growth Option	**-**	**-**	50,00,000	504
	HDFC FRIF-Short Term Plan-Direct Plan-Wholesale Option-Growth Option	**-**	**-**	37,22,650	1,131
	HDFC FRIF Short Term Plan-Direct-Growth	**-**	**-**	-	-
	HDFC Medium Term Opportunities Fund-Direct Plan-Growth Option	**-**	**-**	1,05,01,138	2,038
	HDFC -Short Term Opportunities fund-Direct Plan-Growth Option	**-**	**-**	56,35,361	1,089
	ICICI Prudential Flexible Income - Direct Plan Growth	**-**	**-**	3,39,823	1,139
	ICICI Pruential Ultra Short Term - Direct Plan Growth	**-**	**-**	57,75,157	1,056
	ICICI Prudential Liquid Plan - Direct Plan Growth Option Fy 2017-18	**18,372**	**51**	-	-
	ICICI Prudential Liquid Plan - Direct Plan Growth Option Fy 2016-17	**29,019**	**80**	-	-
	IDFC Corp Bond Fund-Direct Plan-Growth Option	**-**	**-**	1,05,56,587	1,264
	IDFC SSIF-ST Direct Plan Growth	**-**	**-**	17,77,428	650
	IDFC Ultra Short Term Fund-Direct Plan-Growth Option *	**-**	**-**	15,21,689	377
	Invesco India Liquid Fund Direct Plan Growth Option	**-**	**-**	20,928	500
	Invesco India Ultra ST -Direct Plan-Growth Option	**-**	**-**	9,247	226
	Kotak Floater ST Direct Plan Growth Option *	**-**	**-**	1,292	37

(₹ in Lakh)

Particulars	As at March 31, 2019 Units	As at March 31, 2019 Amount	As at March 31, 2018 Units	As at March 31, 2018 Amount
Kotak Treasury Advantage Fund - Direct Plan - Growth Option*	-	-	12,71,138	359
Kotak Treasury Advantage Fund Direct Plan Growth Option *	-	-	3,39,179	96
Kotak Liquid Scheme- Direct Plan-Growth Option	**2,540**	**96**	-	-
Kotak Liquid Scheme- Direct Plan-Growth Option	**12,694**	**480**	-	-
L & T Liquid Fund - Growth Option	-	-	21,008	500
L&T Short Term Opportunities Fund-Direct Plan-Growth Option	-	-	54,51,368	927
LIC Nomura MF Liquid-Direct Plan-Growth Option	-	-	15,888	501
Prudential ICICI Money Market Fund - Direct Plan-Growth Option	-	-	2,91,520	701
Reliance Fixed Horizon Fund - XXXV - Series 14	-	-	50,00,000	508
Reliance Fix Horizon Fund-Xxx-Series 4- Direct Plan Growth Option	**50,00,000**	**641**	50,00,000	597
Reliance FRF ST Direct Plan Growth Option	-	-	37,31,302	1,049
Reliance Liquid Fund-Cash-Direct Plan-Growth Optio	-	-	11,357	319
Reliance Fixed Horizon Fund Direct Plan Growth Option	**50,00,000**	**546**	-	-
SBI Short Term Debt Fund-Direct Plan-Growth Option	-	-	50,53,266	1,036
Sundaram Money Fund Direct plan Growth	-	-	13,66,606	500
Tata Money Market Fund-Direct Plan-Growth Option *	-	-	7,643	209
Tata Short Term Bond Fund Direct Plan Growth Option	-	-	16,39,435	550
Tata Ultra ST Fund-Direct Plan-Growth Option *	-	-	16,152	429
TATA Liquid Fund Direct Plan - Growth Option	**13,599**	**400**	-	-
UTI Money Market Fund- Inst-Direct Plan-Growth Option *	-	-	2,585	50
UTI Money Market Fund-Direct-Growth	-	-	14,135	276
UTI Money Market Growth Direct Plan	-	-	25,678	500
UTI Treasury Advantage Fund Institutional Plan Direct Plan Growth	-	-	36,461	880
UTI Treasury Advantage Fund-Direct Plan-Growth Option *	-	-	15,864	383
Total - Current Investments (b)		**2,890**		**27,502**
Aggregate amount of investments(a+b)		**4,827**		**29,465**

* Represents investment earmarked for Settlement Guarantee Fund

** Represents investment earmarked for Investor Service Fund

9 Trade Receivables

(₹ in Lakh)

Particulars	Current As at March 31, 2019	Current As at March 31, 2018
a) Secured, considered good *	**799**	1,194
b) Unsecured, considered good	**1,002**	817
c) Unsecured, considered doubtful	**31**	51
	1,832	**2,062**
Less: Expected credit loss allowance	**(31)**	(51)
Total	**1,801**	**2,011**

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

Notes to Consolidated Financial Statements for the year ended March 31, 2019

10 Cash and cash equivalents

(₹ in Lakh)

Particulars	Current	
	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents		
Cash in hand	**0**	0
Balances with bank		
On current accounts *	**5,205**	4,261
Deposits with original maturity of three months or less**	**1,480**	90
Investments in mutual funds (Highly Liquid Funds)	**1,163**	-
Total	**7,848**	**4,351**

* Includes ₹ 3 lakhs (March 31,2018 : ₹ 3 lakhs) in Escrow account " NCDEX Joint Price Dissemination Account", ₹ NIL (March 31, 2018 : ₹ 41 lakhs) for Settlement Guarantee Fund and ₹ 1.10 lakhs (March 31,2018 : ₹ 0.87 lakhs) for Investor Service Fund.

** Includes ₹ NIL lakhs (March 31,2018 : ₹ 9 lakhs) for Settlement Guarantee Fund.

11 Bank balances other than cash and cash equivalents

(₹ in Lakh)

Particulars	Current	
	As at March 31, 2019	As at March 31, 2018
Deposits with original maturity for more than 3 months but less than 12 months *	**46,007**	27,454
Total	**46,007**	**27,454**

* Includes Fixed Deposits of ₹ 1866 lakhs (March 31,2018 : ₹ 5,282 lakhs) pledged with Banks for Overdraft facilities and includes Fixed Deposit earmarked for Core Settlement Guarantee Fund of ₹ 13,191 lakhs (March 31,2018 : ₹ NIL).

12 Equity share capital

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
60,000,000 Equity shares of ₹ 10/- each (Previous Years : 60,000,000 Equity shares of ₹ 10/- each)	**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
	7,000	7,000
Issued, subscribed and fully paid up shares		
50,676,000 Equity shares of ₹ 10/- each fully paid up (Previous Years: 50,676,000 equity shares of ₹ 10/- each fully paid up	**5,068**	5,068
Total	**5,068**	**5,068**

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

Equity Shares of ₹ 10 each fully paid	March 31, 2019		March 31, 2018	
	No. of Shares	₹ In lakhs	No. of Shares	₹ In lakhs
At the beginning of the year	**5,06,76,000**	**5,068**	5,06,76,000	5,068
Issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**5,06,76,000**	**5,068**	5,06,76,000	5,068

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, 2019		As at March 31, 2018	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 10 each fully paid				
National Stock Exchange of India Limited	**76,01,377**	**15.00%**	76,01,377	15.00%
Life Insurance Corporation of India	**56,25,000**	**11.10%**	56,25,000	11.10%
National Bank for Agriculture and Rural Development	**56,25,000**	**11.10%**	56,25,000	11.10%
Indian Farmers Fertiliser Cooperative Limited	**50,68,000**	**10.00%**	50,68,000	10.00%
Oman India Joint Investment Fund	**50,67,600**	**10.00%**	50,67,600	10.00%
Punjab National Bank	**36,94,446**	**7.29%**	36,94,446	7.29%
Build India Capital Advisors LLP	**30,91,236**	**6.10%**	30,91,236	6.10%
Canara Bank	**30,55,519**	**6.03%**	30,55,519	6.03%
IDFC Private Equity Fund II	**25,33,800**	**5.00%**	25,33,800	5.00%
Shree Renuka Sugars Limited	**25,33,700**	**5.00%**	25,33,700	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, 2019

13 Other Equity

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share option Reserve	Risk Management Fund	General reserve	Settlement Guarantee Fund	Core Settlement Guarantee Fund (Refer Note No 38)	Special 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, 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	-	-	-	-		-	-	-		-0	2,655	**2,655**
Addition in current year	-	140	15	-	341		-	-1,120	-	-624	-26	**-650**
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	-	-	-	-	-	-	-	0	25	25	-	**25**
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	-177	-	-177	-	**-177**
Dividend distribution tax ((Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	-36	-	-36	-	**-36**
Transfer to Settlement Guarantee Fund	-	-	-	-	-	-	-	-341	-	-341	-	**-341**
Transfer to Risk management fund	-	-	-	-	-	-	-	-15	-	-15	-	**-15**
Share issue expenses	-	-	-	-	-	-	-	-115	-	-115	-	**-115**
Balance as at March 31, 2018 *	**13,956**	**140**	**15**	**1,110**	**6,744**	**-**	**-**	**16,984**	**36**	**38,985**	**2,627**	**41,612**
Addition in current year	9	-	15	-	326	14,032	1	1,566	-	15,949	(72)	**15,877**
Utilised / Converted during the year	-	-	(10)	-	-	-	-	-	-	- 10	-	**- 10.00**
Items of Other Comprehensive Income for the year, net of tax					-							
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-	(14)	-	(14)	-	**-14**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	(18)	(18)	-	**-18**
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(152)	-	(152)	-	**-152**
Dividend distribution tax (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(31)	-	(31)	-	**-31**

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share option Reserve	Risk Management Fund	General reserve	Settlement Guarantee Fund	Core Settlement Guarantee Fund (Refer Note No 38)	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the company	Attributable to Non-Controlling interest	Total
Transfer to Core Settlement Guarantee Fund - NCCL	-	-	-	-	-	-	-	(10,708)	-	(10,708)	-	**-10,708**
Transfer From Settlement Guarantee Fund	-	-	-	-	-	-	-	7,070	-	7,070	-	**7,070**
Transfer to Core Settlement Guarantee Fund - NCDEX	-	-	-	-	-	-	-	(3,118)	-	(3,118)	-	**-3,118**
Transfer to retained earning	-	-	-	-	(7,070)		-	-		(7,070)	-	**-7,070**
Reversal during the Year (Refer below notes)	-	(140)		-	-	-	-	-	-	(140)	-	**-140**
Transfer to Risk management fund	-	-	-	-	-	-	-	(15)	-	(15)	-	**-15**
Balance as at March 31, 2019	**13,965**	**0**	**20**	**1,110**	**0**	**14,032**	**1**	**11,582**	**18**	**40,728**	**2,555**	**43,283**

*** Restated (Refer note 49)**

Description of nature and purpose of reserve

1 **Securities Premium Reserve**
Securities premium is used to record the premium on issue of shares i.e. the amount received in excess of the par value of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

2 **Risk Management Fund**
Risk Management Fund (RMF) as constituted by the Group is the amount earmarked for completion of the settlement, in case of a default by a member.

3 **General Reserve**
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

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

5 **Core Settlement Guarantee Fund**
Core SGF is constituted by the clearing corporation as per the regulatory requirement. The amount is earmarked for completion of the settlement, in case of a default by a member.

6 **Special Guarantee Fund**
Subsidiary Company NeML holds Spot exchange Licenses under State Agricultural Produce Market Committee (APMC) Regulations. Under the Regulatory framework a spot exchange is required to maintain Settlement Guarantee Fund to mitigate the risks attached with defaults in a trade.

7 **Retained Earnings**
The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the separate financial statements of the Group and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

8 **Reserve for debt instruments through other comprehensive income**
This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or impairment losses on such instruments.

9 **Share Option Reserve**
The company has option scheme under which option to subscribe for the company's shares have been granted to certain executives and senior employees. The share based payment reserve is used to recongnise the value of equity settled share based payments provided to employees, including key management personnel, as part of their remuneration. The share option reserve is reversed based on review of calculation.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

14 Non-current deposits and other Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current deposits		
Deposit from members	**20**	70
	20	**70**
Other Financial Liabilities		
Provision for Performance based incentives	**14**	-
	14	-
Total	**34**	**70**

15 Provisions

(₹ in Lakh)

Particulars	Non-Current As at March 31, 2019	Current As at March 31, 2019	Non-Current As at March 31, 2018	Current As at March 31, 2018
Employee benefits obligation				
a) Provision for gratuity	**25**	**150**	-	103
b) Provision for leave encashment	**104**	**24**	51	115
Total	**129**	**174**	**51**	**218**

16 Deferred tax liabilities (Net)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018 *
Deferred tax assets components		
Employee benefits	**76**	46
Financial Assets at Fair Value through OCI	**-**	31
Unabsorbed losses / depreciation	**616**	513
MAT Credit Entitlement	**669**	377
Deferred tax assets on ISF liabilities	**14**	-
Other items	**26**	57
Gross deferred tax asset	**1,401**	**1,024**
Deferred tax liabilities components		
Depreciation and amortisation	**1,056**	726
Financial Assets at Fair Value through P&L	**61**	340
Financial Assets at Fair Value through OCI	**7**	
Other items	**-**	
Gross deferred tax liabilities	**1,124**	**1,066**
Net deferred tax asset/(liability)	**277**	**(42)**
Deferred tax assets	**277**	**184**
Deferred tax liabilities	**-**	**(226)**

* Restated (Refer note 49)

17 Deposits

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
- Base Minimum Capital *	**1,825**	1,960
	1,825	**1,960**
Deposit from members	**22,070**	18,313
Deposits from clearing banks	**4,800**	4,800
Deposits from comtrack participants	**715**	720
Deposits from warehouse service providers	**506**	514
Total	**29,916**	**26,307**

* As at March 31, 2018, It includes Base Minimum Capital for Settlement Guarantee Fund.

18 Trade payables

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Total outstanding due of Micro and Small Enterprises	**88**	-
b) Total outstanding dues of creditors other than Micro and Small Enterprises	**1,289**	1,981
Total	**1,377**	**1,981**

19 Other Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Payable towards purchase of fixed assets / intangibles	**50**	346
b) Creditors for Capital Expenditure	**9**	-
c) Interest Payable	**3**	-
d) Dues to members	**349**	5,149
e) Other payable	**919**	524
Total	**1,330**	**6,019**

20 Other Current Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018*
a) Revenue received in advance	**304**	165
b) Investor protection fund *	**203**	249
c) Investor Service fund	**47**	14
d) SEBI turnover fees payable	**139**	39
e) Statutory dues payable	**500**	475
f) Others	**31**	130
Total	**1,224**	**1,072**

* Restated (Refer note 49)

* Includes ₹ 19 lakhs (March 31, 2018 ₹ 19 lakhs) payable to Investor Protection Fund Trust, in view of the freeze order on the security deposit of the member Bhavishya Advisory and Comtrade (India) Pvt. Ltd. However, Forward Market Commission(FMC) has directed that NCDEX shall get the freeze order lifted by the police authorities and reimburse the amount to the Trust towards settlement of award and arbitration cost which the Trust has paid.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

21 Revenue from operations

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
Sale of services		
Transaction charges	**10,586**	7,078
Annual subscription fees	**224**	223
Admission fees	**205**	101
Risk Management Fees	**839**	819
Delivery Charges	**827**	866
Comtrack charges	**862**	750
Warehouse charges	**267**	353
Data, Analytics and Technology Sales	**385**	297
Pledge Finance Charges	**65**	384
Other Operating Revenues		
Computer to computer link charges	**48**	41
Others	**467**	385
Port charges	**109**	115
Total	**14,884**	**11,412**

22 Other Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Other non-operating income		
Finance Income		
Interest on Bank deposits	**2,251**	1,356
Interest on Income Tax Refund	**1**	253
Interest on Bonds	**130**	67
Interest on SGF	**452**	497
Interest on financial asset measured at amortised cost	**23**	15
Profit on sale / Fair Value of MF Units*	**1,116**	2,468
Exchange charges	**59**	59
Recovery of administrative cost	**-**	25
Settlement Penalties SGF	**6**	24
Profit on sale/scrap of fixed assets (net)	**0**	4
Provision no longer required	**29**	89
Lease Line charges	**274**	-
Others (miscellenous income)	**93**	105
Total	**4,434**	**4,962**

* Includes ₹ 1589 lakhs (March 31, 2018 : ₹ 1418 lakhs) of profit on sale of mutual fund.

23 Employee benefits expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, bonus and allowances	**5,860**	5,823
Contribution to Provident and other funds	**411**	367
Staff welfare expenses	**298**	282
Total	**6,569**	**6,472**

24 Depreciation & Amortization

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation	**383**	866
Amortization	**1,564**	1,087
Total	**1,947**	**1,953**

* Restated (Refer note 49)

25 Other expenses

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	**957**	854
Rates and Taxes	**7**	10
Payment to Auditors		-
- As Auditors	**37**	29
- For other services	**8**	7
- For reimbursement of expenses	**1**	0
Legal and Professional Charges	**1,105**	1,340
Communication Expenses	**179**	223
Travelling and Conveyance Expenses	**495**	509
Electricity Charges	**428**	399
Repairs and Maintenance	**185**	200
Insurance Expenses	**61**	68
Technology Expenses	**4,626**	3,503
Advertisement and Publicity	**115**	185
Bad Debts	**2**	30
Provision for doubtful debts	**31**	19
Research and Testing	**32**	21
Regulatory Fees*	**105**	111
Contribution to Investor Protection Fund	**57**	45
Polling Expenses	**174**	184
Committee member sitting fees and expenses	**27**	21
Directors Sitting Fees	**182**	207
Books Periodicals & Subscription	**24**	32
License Fees	**88**	166
Security Charges	**90**	95
Preliminary Expenses	**-**	47
Application charges for clearing corporation	**20**	23
Printing and stationery	**36**	53
Corporate Social Responsibility Expenses	**69**	107
Other Expenses	**224**	235
Sundry balances written off	**32**	-
Provision for Impairment on Fixed Asset (Software)	**59**	-
Contribution to Investor Service Fund	**58**	46
Total	**9,514**	**8,769**

*Subsidiary Company NERL, Regulatory fees payable as per Guidelines issued by WDRA for the year ended March-19 is ₹ 10 lakhs(March 31, 2018 rs 11 lakhs),out of which excess prosivion of ₹ 4.88 lakh of previous year have been reversed during the current year. So net expenses for the year ended March 2019 is 5 lakhs

** Restated (Refer note 49)

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

26 Current and Deferred Tax

(₹ in Lakh)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	**423**	816
MAT Credit Entitlement	**-292**	-307
Deferred Tax	**-17**	107
Total	**114**	**616**

* Restated (Refer note 49)

27 Earnings per share (EPS)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Profit/(Loss) after tax as per Statement of Profit and Loss	**1,566**	(1,120)
Less: Preference dividend and tax thereon	**-**	-
Net Profit for calculation of EPS **(A)**	**1,566**	(1,120)
Weighted average no. of equity shares for calculating EPS **(B)**	**5,06,76,000**	5,06,76,000
Basic/Diluted earnings per equity share(in Rupees)(Face value of ₹ 10/- per share) **(A) /(B)**	**3.09**	(2.21)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Weighted average number of equity shares for calculating EPS	**5,06,76,000**	5,06,76,000
Weighted average number of equity shares in calculation diluted EPS	**5,06,76,000**	5,06,76,000

* Restated (Refer note 49)

28 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 Group has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Employer's Contribution to Provident Fund	**240**	214

b) Defined Benefit Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more and less than or equal to nine years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.Every employee who has completed more than ten years of service gets a gratuity on departure at 26 days salary (last drawn salary) for each completed year of service.

(₹ in Lakh unless otherwise stated)

In case of subsidiary NCDEX e Markets Limited, the Company has a defined benefit gratuity plan. Every employee 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 ₹2,000,000.

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 (funded)	
	As at March 31, 2019	As at March 31, 2018
Expected Rate of Return on plan assets	**6.96% to 7.76%**	7.35% to 7.78%
Discount rate (per annum)	**6.96% to 7.76%**	7.35% to 7.78%
Rate of increase in Compensation levels	**5% to 10%**	5% to 10%
Rate of Employee turnover	**5% to 20%**	5% to 20%
Mortality Rate during Employment	**Indian Assured lives mortality (2006-08) ultimate**	Indian Assured lives mortality (2006-08) ultimate
Mortality Rate after Employment	**N.A.**	N.A.

Table showing changes in present value of obligations :

Particulars	As at March 31, 2019	As at March 31, 2018
Present value oft obligation as at the beginning of the year	**474**	384
Liability Transferred In/ Acquisitions	**68**	-
(Liability Transferred Out/ Divestments)	**(70)**	0
Interest Cost	**35**	26
Past service cost (Vested Benefit)	**-**	-
Current Service Cost	**103**	77
Curtailment cost / (Credit)	**-**	-
Settlement cost /(Credit)	**-**	-
Benefits paid	**(102)**	(56)
Actuarial (gain)/ loss on obligations	**507**	42
Present value of obligation as at the end of the period	**1,015**	**473**

Table showing changes in the fair value of plan assets :

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets at beginning of the year	**370**	398
Assets Transferred In/Acquisitions	**68**	-
(Assets Transferred Out/ Divestments)	**(70)**	0
Expected return of plan assets	**28**	29
Employer contribution	**61**	3
Benefits paid	**(102)**	(56)
Actuarial gain/ (loss) on plan assets	**(5)**	(4)
Fair value of plan assets at year end	**350**	370

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

The amounts to be recognized in Balance Sheet :

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of obligation as at the end of the period	**(523)**	(259)
Fair value of plan assets as at the end of the period	**349**	370
Funded Status (Surplus / (Deficit))	**(174)**	(103)
Unrecognised actuarial (gains) / losses	**-**	-
Net asset / (liability) recognised in Balance Sheet	**(174)**	(103)

Expenses recognised in Statement of Profit and Loss :

Particulars	For the Period ended March 31, 2019	For the Period ended March 31, 2018
Current service cost	**101**	76
Past service cost (Vested Benefit)	**-**	-
Interest Cost	**17**	27
Expected return on plan assets	**(9)**	(28)
Curtailment and settlement cost /(credit)	**-**	-
Expenses recognised in the Statement of Profit and Loss	**109**	75

Expenses recognised in Other Comprehensive Income :

Particulars	For the Period ended March 31, 2019	For the Period ended March 31, 2018
Actuarial (Gains)/Losses on Obligation For the Period	**16**	42
Return on Plan Assets, Excluding Interest Income	**5**	3
Change in Asset Ceiling	**-**	-
Net (Income)/Expense For the Period Recognized in OCI	**21**	**45**

Maturity profile of defined benefit obligation :

Particulars	As at March 31, 2019	As at March 31, 2018
Projected benefits payable in future years from the date of reporting		
1st Following year	**70**	61
2nd Following year	**66**	64
3rd Following year	**64**	58
4th Following year	**62**	56
5th Following year	**55**	54
Sum of Years 6 to 10	**204**	191
Sum of Years 11 & above	**389**	198

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, 2019	As at March 31, 2018
Investments with insurance fund	**100%**	100%

(₹ 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	2019		2018	
		Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1%/-1%	**-27.92**	**31.70**	-13.83	15.03
Salary Escalation Rate	+1%/-1%	**30.43**	**-28.03**	14.67	-13.75
Employee Turnover	+1%/-1%	**-3.04**	**2.48**	-2.09	2.05

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.

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

Particulars		As at March 31, 2019	As at March 31, 2018
a.	Principal amount remaining unpaid to any supplier as at the year end	**82**	-
	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.	**69**	-
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.	**3**	-
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.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

30 Commitments and Contingencies

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

	Particulars	As at March 31, 2019	As at March 31, 2018
(i)	On account of Income taxes (Refer Note 1 below)	1,131	1,131
(ii)	On account of Legal claim (Refer Note 2 below)	185	185
(iii)	On account of payment of Bonus for the F.Y. 2014-15 (Refer Note 3 below)	11	16
(iv)	National E-Repository Limted - On account of Bank Guarantee (Refer Note 4 below)"	500	500
(v)	NCDEX Institute of Commodity Martkets & Research - On account of Income taxes (Refer Note 5 below)"	-	-
(vi)	NCDEX e Markets Ltd (NeML) - On account of Service tax (Refer Note 6 below)"	1,230	-

Note 1

Particulars	Assesment Year	As at March 31, 2019	As at March 31, 2018	Forum before which case is pending
Disallowance u/s 14A	AY 07-08	53	53	High Court
Investor Protection Fund	AY 07-08	171	171	High Court
Investor Protection Fund	AY 08-09	113	113	High Court
Investor Protection Fund	AY 09-10	61	61	High Court
Investor Protection Fund	AY 10-11	162	162	High Court
Investor Protection Fund	AY 11-12	123	123	CIT
Investor Protection Fund	AY 12-13	224	224	CIT
Investor Protection Fund	AY 13-14	162	162	CIT
Investor Protection Fund	AY 14-15	62	62	CIT
Total		**1,131**	**1,131**	

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.

(₹ 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, the 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

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 5

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.

The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statement. The Company does not expect the outcome of these proceedings to have a material impact on its financial statement.

Note 6

In case of Jointly Controlled company (ReMs) of our subsidiary NCDEX e Markets Ltd (NeML), during the year claims not acknowledged as debts in respect of Service Tax Matters amounted to ₹ 1,230.14 lakhs because the company has favourable legal opinion. These matters are pending before the appellate authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the compnay's financial position and results of operations.

(b) Capital Commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**35**	147

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

(c) Other Commitments

The group, vide its letter dated September 5, 2018, has given an undertaking to SEBI for infusion of capital to the extent required to enable compliance with SEBI directives on net worth of NCCL and for increasing the Core Settlement Guarantee Fund (Core SGF) to ₹ 250 crore (March 31, 2018 ₹ NIL). This increase in SGF will be by way of equity investment every 6 months over the period of 3 years i.e. by September 2021.

31 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, 2019, the Exchange has paid ₹ 1200 lakhs plus taxes towards cleaning costs. The total amount paid till March 31, 2019 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.

32 In case of subsidiary NCDEX e Markets Ltd (NeML), during the year

a) The Group has written off certain amounts towards old outstanding totaling to ₹ 41.49 lakhs (Previous year ₹ 0.07 lakhs) which were due but not received. During the year group also have created a provision of ₹ 49.56 lakhs (Previous year ₹ 18.88 lakhs). The above has been done in line with policy as approved by the Board of Directors.

b) The Group has also written back certain payables, which is outstanding for more than 2 years, for which no claim was received amounting to ₹ 9.44 lakhs (Previous year ₹ 5.90 lakhs).

33 In case of subsidiary NCDEX e Markets Ltd (NeML), the Company was required to maintain Special Guaranteed Fund as the Company holds Spot exchange Licenses under State Agricultural Produce Market Committee (APMC) Regulations to mitigate market risks. Under the Regulatory framework a spot exchange was required to maintain Settlement Guarantee Fund (SGF) to mitigate the risks attached with defaults in a trade. The Company had spot exchange/ Private market licenses in the states of Karnataka, Maharashtra, Gujarat, Rajasthan, Odisha, Telangana and Andhra Pradesh. The Company had started its first spot exchange in the state of Karnataka under the name "Mandiz". It was planned to execute more spot exchanges in other states in due course.

(₹ 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	Rashtriya E Market Services Private Limited (REMS)
(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)
	Mr. Atul Roongta (Chief Financial Officer) (W.e.f. 10.08.2017)
	Mrs. Komal Shahani (Chief Financial Officer) (Upto 09.08.2017)
	Mr. Samir Rajdev (Company Secretary) (Upto 15.01.2019)
	Mr. M. K. Ananda Kumar (Company Secretary) (Upto 09.08.2017)
	Mr. Harish Kumar Sharma (Company Secretary) (W.e.f. 12.03.2019)
	Mr. Rabi Narayan Das (Public Interest Director) (Upto 31.03.2018)
	Justice (Retd.) Ashok Bhan (Public Interest Director) (Upto January 3, 2019)
	Dr. Purvi Mehta (Public Interest Director) (W.e.f. 11.01.2018)
	Mrs. Naina Krishna Murthy (Public Interest Director) (Upto 31.03.2018)
	Mr. Siddhartha Pradhan (Public Interest Director) (Upto 10.08.2017)
	Dr. Ashok Gulati (Public Interest Director) (W.e.f. 03.01.2019)
	Mr. Ravindra Kumar Roye (Public Interest Director and chairman) (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)
	Mr. Nirmalendu Jajodia (Public Interest Director) (W.e.f. April 13, 2018)
	Mr Prem Kumar Malhotra ((Public Interest Director) (W.e.f. August 9, 2018)
	Mr Chaman Kumar ((Public Interest Director) (W.e.f. April 10, 2018)

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ 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, 2019 are as under:

Particulars	Associates		Joint venture		Key Managerial Personnel																Total	
	PXIL		REMS		Samir Shah		Vijay Kumar V.		Atul Roongta		Komal Shahani		Ananda K.		Samir R.		Harish Kumar		Directors			
	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18
Remuneration	**-**	-		-	**-**	203	**166**	33	**139**	84	**-**	15	**-**	24	**25**	22	**2**	-	**-**	-	**332**	381
UMP Software Maintaence charges	**-**	-	**415**	375	**-**	-	**-**	-											**-**	-	**415**	375
Dividend Received	**-**	-	**60**	50	**-**	-	**-**	-											**-**	-	**60**	50
Sitting Fees Paid to Directors	**-**	-	**-**	-	**-**	-	**-**	-											**115**	137	**115**	137
Balance outstanding at the year end	**Mar-19**	**Mar-18**	**Mar-19**	**Mar-18**	**Mar-19**	**Mar-18**	**Mar-19**	**Mar-18**											**Mar-19**	**Mar-18**	**Mar-19**	**Mar-18**
Investments in Joint Venture	**-**	-	**500**	500	**-**	-	**-**	-											**-**	-	**500**	500
Investments in Associate (Preference shares)	**500**	500	**-**	-	**-**	-	**-**	-											**-**	-	**500**	500
Investments in Associate (Equity shares)	**1,500**	1,500	**-**	-	**-**	-	**-**	-											**-**	-	**1,500**	1,500
Provision for diminution in the value of Investment	**2,000**	2,000	**-**	-	**-**	-	**-**	-											**-**	-	**2,000**	2,000
Other Receivables	**-**	22	**-**	9	**-**	-	**-**	-											**-**	-	**-**	32
Trade Payables / Other Payable	**-**	-	**-**	-	**52**	52	**44**	9	**26**	13	**-**	2	**-**	4	**-**	2	**-**	-	**-**	-	**122**	82

(₹ in Lakh unless otherwise stated)

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, 2019 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-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18*
REVENUE :												
Total Revenue	**10,781**	12,175	**2,160**	517	**6,172**	4,061	**1,156**	683	**12**	17	**20,281**	17,453
Inter-segment Revenue	**(701)**	(564)	**(227)**	(369)	**-**	(112)	**(35)**	(34)	**-**	-	**(963)**	(1,079)
External Revenue	**10,080**	**11,611**	**1,933**	**148**	**6,172**	**3,949**	**1,121**	**649**	**12**	**17**	**19,318**	**16,374**
RESULT												
Segment Result	**(794)**	(1,098)	**812**	148	**1,497**	(54)	**(227)**	197	**(0)**	(13)	**1,288**	**(820)**
Less: Finance Charge											**-**	-
Profit before tax											**1,288**	**(820)**
Less: Provision for current tax											**(423)**	(816)
Less: Deferred tax											**17**	(107)
Less: MAT Credit Entitlement											**292**	307
Profit after tax and before minority interest and share of loss of associate											**1,174**	**(1,436)**
Less: Non-controlling interests											**(70)**	26
Add / (Less): Share of profit (net) of associate(s)											**322**	290
Profit after tax											**1,566**	**(1,120)**
OTHER INFORMATION												
Segment Assets	**30,556**	56,685	**29,636**	10,434	**15,968**	11,197	**6,186**	4,291	**189**	16	**82,535**	**82,623**
Unallocable Assets											**-**	-
Total Assets											**82,535**	**82,624**
Segment Liabilities	**8,066**	27,828	**13,993**	24	**11,197**	7,293	**928**	788	**1**	11	**34,184**	**35,944**
Unallocable Liabilities											**-**	-
Total Liabilities											**34,184**	**35,944**

* Restated (Refer note 49)

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

36 Corporate social responsibility expenses:

Gross amount required to be spent by the group as per section 135 of the Companies Act 2013 on Corporate Social Responsibility activities during the financial year 2018-19 is ₹ 69 lakhs (2017-18 ₹ 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	For the year ended 2018-19	For the year ended 2017-18
Capacity building of turmeric farmers	Project implemented through NGO MYRADA in Gobichettipalayam and Erode in Tamil Nadu	Post-harvest management activities	**-**	47
Training programs for farmer producer organizations (FPOs)	Project implemented through Resource Institutions (RIs) in Maharashtra, Rajasthan, Madhya Pradesh, Andhra Pradesh and Karnataka	Agriculture Education	**-**	42
Impact Assessment of Training programs	An agency Kaarak was hired for the job of impact assessment of Training programs	Farmers' awareness	**5**	14
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
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
Capacity Building of FPCs	Cleaning and grading units including screen grader, vertical bucket, gravity separator etc. given to FPCs through NGOs WOTR, KJBF, KVS, KVK Bundi, GVSS and SGVS in Maharashtra and Rajasthan.	Post-harvest management activities	**64**	-

(₹ in Lakh unless otherwise stated)

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, 2019	For the Year ended March 31, 2018
Not later than one year	**573**	665
Later than one year but not later than five years	**1,007**	2,359
More than five years	**-**	21

Total lease payments recognised in Statement of profit and loss is ₹ 957 lakhs included in Rent in Note 25 (March 31, 2018: ₹ 854 lakhs)

38 Core Settlement Guarantee Fund

SEBI, vide letter dated October 06, 2017, has directed that the quantum of Core Settlement Guarantee Fund (SGF) with the Clearing Corporation should not be less than the quantum of SGF with the Exchange at the time of transfer of Clearing & Settlement function. Accordingly, as on September 27, 2018, SGF has been set up in NCCL at an amount of ₹11,961 lakhs, as follows:

• By contribution of ₹2,579 lakhs from the Exchange (₹2,312 lakhs as the Exchange's share of core SGF and settlement penalties of ₹ 268 lakhs) - Debited to statement of profit & loss in standalone financial statement of the Exchange, as the contribution made by the Exchange to Core SGF maintained by NCCL is a present obligation and the amount and the party to whom the obligation is owed (Core SGF), is identified. Further, the effective control of such amount, is transferred from NCDEX to NCCL.

• By contribution of ₹ 9,381 lakhs from NCCL - Debited to Retained Earnings in Statement of Changes in Equity in NCCL's standalone financial statement. The debit to Retained Earnings has been made, as Core SGF will be maintained by NCCL as per the SEBI guidelines and will be used in future, as a fallback guarantee mechanism to meet any contingency arising from failure to fulfill the obligations of settlement. Also, NCCL has control over the Core SGF in terms of its management and returns subject to SEBI regulations. Therefore the contribution given by NCCL to core SGF would be an appropriation of profit and will be included as a part of 'Other Equity' in its balance sheet. This is also in line with the opinion of the Expert Advisory Committee of The Institute of Chartered Accountants of India (ICAI) on the matter which states that at the time of contribution to the fund, there is no obligation on the entity, for incurrence of expenditure, involving another party and the contribution to SGF is pure allocation of a pool of funds, for future default (if any) by the members. Post the setup of the SGF in NCCL, Exchange has made a further contribution of ₹ 539 lakhs towards its share of Minimum Required Core SGF contribution. Further, NCCL has also contributed □1,000 lakhs to Core Settlement Guarantee. The Exchange contributions of ₹ 2,579 lakhs and ₹ 539 lakhs, are debited to Retained Earnings in the consolidated financial statement. As stated above, NCCL has control over the Core SGF in terms of its management and returns subject to SEBI regulations and NCCL is a wholly owned subsidiary of NCDEX and under its control, the control over the Core SGF effectively remains with the group. Further, for the Group, there is no present and crystallised obligation involving any external party and contributions made by both, NCDEX and NCCL is just earmarking of funds to meet any contingency that may arise due to failure to fulfill obligations of settlement. In consolidated financial statements, tax liability is increased to the same extent as the tax benefit availed in the standalone financial statement, on contribution to core SGF by the Exchange. This is done through creation of deferred tax liability in consolidated statement of profit & loss.

The details of Core Settlement Guarantee Fund as on March 31, 2019 is as given below:

Particulars	Settlement penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
As on September 27, 2018	268	9381	2312	-	11961
Additional Contribution	66	1000	539	-	1605
Income on investment	11	360	94	-	465
As on March 31, 2019	**345**	**10741**	**2945**	**-**	**14031**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

39 In compliance with the directives of Securities and Exchange Board of India (SEBI) vide circular no. CIR/CDMRD/DEA/03/2015 dated November 26, 2015 to clear the trades through a separate Clearing Corporation within prescribed timelines, the Exchange has received the approval of SEBI to transfer its clearing and settlement functions to Subsidiary National Commodity Clearing Ltd (NCCL). Accordingly, NCDEX has transferred its Clearing and Settlement functions to NCCL with effect from September 27, 2018. Pursuant to this transfer, following assets & liabilities which were part of the Exchange till September 26, 2018 are now a part of NCCL from September 27, 2018.

	₹ in Lakhs
	Amounts
Margin money from members	**9,905**
Clearing Bank Deposits	**3,300**
WSP Deposits	**514**
Provision related to Employee benefits	**91**
Total Liabilities	**13,810**
Assets	
Bank balances (funds)	**13,811**
Risk management software	**8**
IT assets(Desktop, Laptop and Servers)	**20**
Total Assets	**13,839**

Also, income related to Clearing and Settlement functions viz. Risk management fee, Physical delivery charges, Warehouse income and Investment income on funds as mentioned above, now form part of NCCL income stream w.e.f. September 27, 2018. Similarly, the expenses related to clearing and settlement function viz. employee costs, technology costs, sharing of infrastructure costs are now incurred by NCCL w.e.f. September 27, 2018. Hence the figures of current year are not comparable with previous year figures.

SEBI, vide letter dated October 06, 2017, has directed that the quantum of Core Settlement Guarantee Fund (SGF) with the Clearing Corporation should not be less than the quantum of SGF with the Exchange at the time of transfer of Clearing & Settlement function. Accordingly, as on September 27, 2018, amount of ₹ 11,961 lakhs has been setup as SGF in NCCL, by contribution of ₹ 9,381 lakhs from NCCL and ₹ 2,579 lakhs by the Company (i.e.₹ 2,312 lakhs as the Exchange's share of core SGF and settlement penalties of ₹ 268 lakhs).

40 In case of subsidiary NCDEX e Markets Ltd (NeML), 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. The Companny is in process of formulating the policy of Risk Management Fund. Company has voluntarily contributed ₹ 15 lakhs to Risk Management Fund during the year and utilised ₹ 10, lakhs from the fund. As Consisdered by the Management of the Company the Contribution made is apapropriate and sufficient to cover member defaults, if any.

41 The Supreme Court in the case of Regional Provident Fund Commissioner Vs. Vivekananda Viday Mandir and Ors [LSI-62-SC-2019(NDEL)] has rendered a decision dated 28.02.2019 with reference to The Employees Provident Fund and Miscellaneous Provisions Act 1952 on a common question of law as to whether special allowance paid by an establishment to its employees would fall within the expression of 'basic wages' under section 2(b) (ii) read with section 6 of the act for the purpose of computation of deduction towards provident Fund. The Supreme Court has held that in order to exclude the allowance from the ambit of basic wages, there must be evidence to show that the workman concerned has become eligible to get the extra amount beyond the normal work which he was otherwise required to put in. The test laid down by the Supreme Court will now have to be applied to each and every allowance to examine whether the allowance is excluded from the purview of wages or not. If the test for exclusion is met, then the said allowance would not form part of wages for the purpose of contribution under the Act. The Group is evaluating the impact of the decision of the Supreme Court on provident fund liability on account of various allowances to its employees. Pending necessary clarifications on the subject, no provision is considered necessary.

(₹ in Lakh unless otherwise stated)

42 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, 2019

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Current Assets	**5,065**	4,324
Non-current Assets	**160**	265
Current Liabilities	**-652**	-550
Non-current liabilities	**-21**	-9
Equity	**4,552**	**4,030**
Proportion of groups ownership	**50%**	50%
Carrying Amount of investment	**2,276**	**2,015**

Summarised Statement of profit and loss for the year ended March 31, 2019

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Revenue from Operations	**3,108**	2,611
Other Income	**206**	169
Employee benefit expenses	**-129**	-131
Operating Expenses	**-1,792**	-1,296
Depreciation and amortization expenses	**-129**	-128
Other Expenses	**-254**	-464
Profit Before Tax	**1,010**	**761**
Tax Expense	**342**	161
Profit for the period	**668**	**600**
Other Comprehensive Income	**0**	0
Dividend Distribution Tax	**-25**	-20
Total comprehensive income for the period	**643**	580
Groups Share of profit for the year	**322**	**290**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

43 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. Details of table of stock options with vesting option, vesting period, exercise price and exercise period are as follows

Part A : Share option outstanding at the end of the year have the following expiry date and excise prices -

Option	Vesting Period	Exercise Period	Price (INR)*
3,00,000	27-03-2018	Not more than 3 years from vesting	59.72
2,25,000	27-03-2019	Not more than 3 years from vesting	59.72
2,25,000	27-03-2020	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 : Share option outstanding at the end of the year have the following expiry date, vesting period and excise prices -

Option	Vesting Period	Exercise Period	Price (INR)*
3,00,000	within 3 years from 27-3-18	3 years from vesting ,subject to liquidity event as per Board Discretion	59.72
2,25,000	within 3 years from 27-3-19	3 years from vesting ,subject to liquidity event as per Board Discretion	59.72
2,25,000	within 3 years from 27-3-20	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.
* Fair value per share is taken from indepndent valuer .

Employee Stock Option Activity under Scheme 2017

Particulars	31st March 2019	31st March 2018
Outstanding at the Beginning of the year	**6,94,944**	-
Granted During the year	**2,37,999**	-
Forfeited During the year	**1,51,765**	-
Exercised During the year	**17,229**	-
Outstanding at the end of the year	**5,25,950**	-
Exercisable at the end of the year	**2,20,770**	6,94,944

44 In subsidiary company NERL, In terms of clause 4 (9) of the Guidelines on Repositories and Creation and Management of Electronic Negotiable Warehouse Receipts dated October 20, 2016 issued by Warehousing Development and Regulatory Authority, the sponsor exchange shall not hold more than fifty one percent of the paid up equity share capital of the Company and shall reduce the same to twenty four percent within a period of ten years from the date of grant of Certificate of Registration. Further, in exceptional circumstances, such an exchange may, with the prior permission of WDRA, increase the shareholding upto seventy four percent of the paid up capital of the company for such time as may be permitted by WDRA. NCDEX has been permitted to hold up to seventy four percent of the paid up share capital of the NERL till December 2018 as per WDRA letter no. WDRA/2016/5-15/A&F-1959 dated December 8, 2016. Since the shareholding of NCDEX was not in line with the above guidelines, NCDEX has sought extension from WDRA to comply with the shareholding norms which was infromed to the NERL. WDRA vide its letter no. D-24015/2/2018-O/o US (A&F)/2763 dated December 17, 2018 approved to allow NCDEX additional time of 12 more months from December 23, 2018 till December 22, 2019 to reduce the shareholding to 51% or below.

(₹ in Lakh unless otherwise stated)

45 In subsidiary company NERL , In terms of clause 12 (1) of the Guidelines on Repositories and Creation and Management of Electronic Negotiable Warehouse Receipts dated October 20, 2016 issued by Warehousing Development and Regulatory Authority, the Company is required to maintain a net worth of not less than Rupees twenty five crore, at all times. Further company has maintained required Net Worth as per regulations.

46 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 Group's risk management policies.

Management of Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Group's finance department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any surplus cash available, over and above the amount required for management and other operational requirements, is retained as cash and cash equivalents (to the extent required), highly marketable debt investments , and interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Note Nos.	Carrying amount	Less than 12 months	Payable on demand	More than 12 months	Total
As at March 31, 2019						
Deposits	17	29,936	-	29,916	20	29,936
Trade payables	18	1,377	1,377	-	-	1,377
Other financial liabilities	19	1,343	1,330	-	14	1,344
As at March 31, 2018						
Deposits	17	26,377	-	26,307	70	26,377
Trade payables	18	1,981	1,981	-	-	1,981
Other financial liabilities	19	6,019	6,019	-	-	6,019

Management of Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Trade Receivables :

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse and also on account of member's deposits kept by the Group as collaterals which can be 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, 2019 and for the year ended March 31,2018.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

Other financial assets :

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in debt mutual funds and Bonds. The Group limits its exposure to credit risk by making investment as per the investment policy. The Group addresses credit risk in its investments by mandating a minimum rating against the security / institution where the amounts are invested and is further strengthened by mandating additional requirement like Capital Adequacy Ratio (CAR), Minimum Average Assets Under Management (AAUM) etc. for certain types of investments. Further the investment committee of the Group reviews the investment portfolio on a periodic basis and recommend or provide suggestion to the management. The Group does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Management of Market Risk

The Group's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of commodities traded, the number of contracts and liquidity and similar factors.

In addition to the above risk, Market risk also includes the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Group's control. Changes in the general level of interest rates can affect the profitability by affecting the spread between, amongst other things, income the Group receives on investments in debt securities, the value of interest-earning investments, it's ability to realise gains from the sale of investments.

Foreign currency risk

The Group periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the Group has not entered in foreign exchange forward exchange contracts.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Group. The clearing and settlement operations are conducted through a wholly owned subsidiary National Commodity Clearing Limited (NCCL). NCCL guarantees the settlement of trade executed on Group's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

Regulatory Risk

The Group requires a number of regulatory approvals, licenses, registrations and permissions to operate our business For example, the group have licenses from SEBI in relation to, among others, introducing contracts on various commoditities The group operations are subject to continued review and the governing derivatives regulations changes. The group regulatory team constantly monitors the compliance with these rules and regulations.There have been several changes to the form and manner in which deemed recognised stock exchanges must make contributions to a Core Settlement Guarantee Fund. Should SEBI in the future vary the required contribution amounts to the Core Settlement Guarantee Fund, the group may have to contribute more of funds to the Core Settlement Guarantee Fund which could materially and adversely affect the group financial ability. The group regulatory team keeps a track regarding the amendments in SEBI circulars/regulations pertaining to such core settlement guarantee fund.

(₹ in Lakh unless otherwise stated)

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Group is predominantly equity financed which is evident from the capital structure. Further, the Group has always been a net cash Group with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of financial liabilities.

47 Fair Value measurement

Financial Instrument by category and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Particulars			Levels	As at March 31, 2019	As at March 31, 2018
1)	**Financial Assets**				
	Financial assets measured at fair value through profit & loss				
A)	Investment in Mutual Funds		Level 1	**2,890**	27,502
	Financial assets measured at fair value through other comprehensive income				
A)	Investment in Bonds		Level 1	**1,937**	1,963
	Financial assets measured at Amortized Cost				
	A)	Bank deposits		**47,106**	29,237
	B)	Trade receivables		**1,801**	2,011
	C)	Cash and Cash equivalents		**7,848**	4,351
	D)	Investment in Bonds		**-**	-
	E)	Other Financial Asset		**4,720**	2,049
	Total financial assets			**66,302**	**67,113**
2)	**Financial liabilities**				
	Financial liabilities measured at Amortized Cost				
	A)	Deposits		**29,936**	26,377
	B)	Trade payables		**1,377**	1,981
	C)	Other Financial liabilities		**1,343**	6,019
Total Financial liabilities				**32,656**	**34,377**

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

48 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 31-Mar-19	For the year ended 31/03/2018 *
Profit before income taxes	**1,288**	(820)
Enacted tax rates in India	**29**	35
Computed expected tax expense	**374**	(284)
Tax impact on depreciation	**(94)**	(231)
Adjustments in respect of current income tax of previous years	**(31)**	(3)
Tax impact due to Non-deductible expenses for tax purposes	**48**	97
Tax impact on Exempt Income	**(81)**	(33)
Long term capital gain taxed at different rate	**(1)**	(227)
Tax impact on INDAS adjustments	**189**	(262)
Deferred tax expense	**(186)**	268
Tax losses for which no deferred tax assets is recongnised	**6**	5
Difference in Tax rate of components	**(107)**	(20)
Deferred tax liabilities reversed on unrealized profit eliminated in consolidaton	**1,022**	(179)
Tax on Elimination of unrealised profit	**(1,036)**	1,478
Income tax expense	**103**	**609**

b. **The following table provides the details of income tax assets and income tax liabilities as of March 31, 2019**

Particulars	For the year ended 31-Mar-19	For the year ended 31/03/2018 *
Income tax assets	**11,836**	13,769
Income tax liabilities	**8,405**	11,107
Net Non current income tax assets/ (liability) at the end of financial year	**3,431**	**2,662**

c. **The gross movement in the current income tax asset/ (liability) for the Year ended March 31, 2019**

Particulars	For the year ended 31-Mar-19	For the year ended 31/03/2018 *
Net current income tax asset/ (liability) at the beginning	**2,662**	3,107
Add:-Income tax paid	**1,160**	965
Provision for tax of earlier years	**-7**	0
Refund Received	**69**	-597
Less:-Provision for income tax	**-453**	-813
Net current income tax asset/ (liability) at the end	**3,431**	**2,662**

(₹ in Lakh unless otherwise stated)

d. Deferred tax assets

Movements in deferred tax assets

Particulars	Employee benefit	Financial Assets at Fair Value through OCI	Unabsorbed losses / depreciation	MAT Credit Entitlement	Other Items	Total
As at 31 March 2017	76	21	265	70	66	498
Charged/(credited)						
- to profit or loss	(30)		248	307	(9)	516
- to other comprehensive income		10				10
As at 31 March 2018 *	**46**	**31**	**513**	**377**	**57**	**1,024**
Charged/(credited)						
- to profit or loss	30	-	103	292	(17)	377
- to other comprehensive income		(31)				-
As at 31 March 2019	**76**	**-**	**616**	**669**	**40**	**1,401**

Movements in deferred tax liabilities

Particulars	Depreciation and amortisation	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Total
As at 31 March 2017	600	142		742
Charged/(credited)				
- to profit or loss	126	198		324
As at 31 March 2018 *	**726**	**340**	**-**	**1,066**
Charged/(credited)				
- to profit or loss	330	(279)		51
- to other comprehensive income			7	7
As at 31 March 2019	**1,056**	**61**	**7**	**1,124**

* Restated (Refer note 49)

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

49 During the current year, the Group has made changes in prior period (financial year 2017-18) . As a result, the Group has restated prior period financials as follows :

Balance Sheets — **Rs in lakhs**

S. No	Particulars	Previously Reported Amount	Prior period impact	Restated amount	Remarks
1	Other intangible assets	5,781	95	5,876	Error in elimination of inter company transaction between NeML and NERL
2	Investment in associates/joint ventures accounted for using the equity method	2,003	12	2,015	Restatement of financial statement of component REMS (JV of subsidiary NeML) (Refer Note-1 below)
3	Deferred tax assets (net)	140	44	184	Regrouping of MAT Credit from Other current assets to Deferred tax assets - Subsidiary NeML
4	Non current Income tax assets (net)	2,393	269	2,662	Reclassification of income tax assets from current to Non current - Subsidiary NeML
5	Current Income tax assets (net)	269	(269)	-	Reclassification of income tax assets from current to Non current - Subsidiary NeML
6	Other current assets	2,189	(44)	2,145	Regrouping of MAT Credit from Other current assets to Deferred tax assets - Subsidiary NeML
7	Other equity	38,715	270	38,985	Restated due to changes in statement of profit and loss & change in accounting policy on Investor Service Fund (ISF)
8	Deferred tax liabilities (net)	404	(178)	226	Deferred tax liabilities reversed on unrealized profit eliminated in consolidaton
9	Other Current Liabilities	1,058	14	1,072	Restated due to change in accounting policy on Investor Service Fund (ISF) (Refer Note-2 below)

Statement of Profit & Loss

S. No	Particulars	Previously Reported Amount	Prior period impact	Restated amount	Remarks
1	Finance cost	17	(17)	-	Regrouping of finance cost to other expenses
2	Depreciation & amortization	1,942	11	1,953	correction of amortisation impact - refer 1 above
3	Other expenses	8,812	(43)	8,769	1. Impact due to changes in accounting policy of Investor service fund (Refer Note-2 below) 2. Correction of elimination of Expenses between NeRL and NEML in Previous year. 3. Regrouping of finance cost to other expenses
4	Profit / (loss) before share of Net profit of Joint venture and income tax	(869)	49	(820)	Resultant changes due to the above
5	Share of net profit from Joint venture accounted for using equity method	279	11	290	Restatement of financial statements of component REMS (JV of subsidiary NeML) (Refer Note-1 below)
6	Deferred tax	(22)	(178)	(200)	Deferred tax liability on unrealized profit eliminated on consolidaton now reversed
7	Profit / (Loss) for the year	(1,384)	238	(1,146)	Resultant changes due to the above
8	Total comprehensive income for the year	(1,390)	238	(1,152)	Resultant changes due to the above
9	Earning per share	(3)	0	(2)	Resultant changes due to the above

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

Notes forming part of Note 49

1 In case of subsidiary NCDEX e Markets Ltd (NeML), during the year the Financial Statement of Joint Venture company of NeML has been restated for FY 2017-18 due to changes in accouting estimates in recognising revenue & expenses. As mentioned below line item of the Financial Statement figures have been restated for FY 2017-18 wherever required in order to be in line with IND AS 8.

Impact of Equity of the Joint Venture

Particulars	31st March 2018 (₹ in Lakhs)
Trade Receivables	-130
Total Assets	**-130**
Other current Liabilities	-52
Short Term Provision	-102
Total Liabilities	**-154**
Impact on Equity	**24**

Impact on the Statement of Profit and Loss Account of the Joint Venture

Particulars	31st March 2018 (₹ in Lakhs)
Revenue from Operations	-130
Operating Expenses	52
Income Tax Expenses	102
Net Impact on the profit for the year	**24**
Impact on EPS (Basic) of the Joint Venture	0.24
Impact on EPS (Diluted) of the Joint Venture	0.24
Share of Profits in the Joint venture	**50%**
Imapct on the Consolidation Financial Statements	**12**

2 SEBI vide its circular CIR/CDMRD/DEICE/CIR/P/2017/53 dated June 13, 2017 has mandated to set up Investor Service Fund (ISF) for providing basic minimum facilities at various Investor Service Centers. Accordingly, the ISF was set up during the year 2017-18 with a contribution of ₹ 46 lakhs, by debiting it to retained earnings and crediting "ISF reserves" in Statement of Changes in Equity. Subsequently, during the year 2018-19 further contribution of ₹ 58 lakhs was made by the Exchange by debiting it to Statement of Profit & Loss and creating a liability for the same. Accordingly, the contribution during the year 2017-18 of ₹ 46 lakhs has been restated and debited to Statement of Profit & Loss instead of Retained Earnings. The amount utilized out of this fund during the year amounting to ₹ 25 lakhs (March 18 ₹ 32 lakhs) is debited to ISF liability.

Notes to Consolidated Financial Statements for the year ended March 31, 2019

(₹ in Lakh unless otherwise stated)

50 Additional information required by Schedule III

Particulars	Nature of Relationship	As % of Total net assets	For Year Ended March 31, 2019	As % of consolidated net assets	For Year Ended March 31, 2018 *
Net assets (total assets minus total liabilities)					
National Commodity & Derivatives Exchange Ltd (NCDEX)	Parent Company	**62%**	**44,938**	70%	47,833
NCDEX e Markets Ltd. (NeML)	Subsidiary	**7%**	**4,750**	5%	3,474
National E-Repository Limited (NERL)	Subsidiary	**11%**	**7,732**	12%	7,953
National Commodity Clearing Limited (NCCL)	Subsidiary	**21%**	**15,484**	15%	10,432
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	**0%**	**(189)**	0%	(168)
Power Exchange India Limited	Associates	**0%**	**(112)**	-1%	(951)
Total		**100%**	**72,603**	**100%**	**68,573**

Particulars	Nature of Relationship	As % of Total Profit or loss	For Year Ended March 31, 2019	As % of consolidated net assets	For Year Ended March 31, 2018 *
Share in profit or (loss)					
National Commodity & Derivatives Exchange Ltd (NCDEX)	Parent Company	**-1033%**	**(2,698)**	-62%	2,449
NCDEX e Markets Ltd. (NeML)	Subsidiary	**543%**	**1,420**	-11%	434
National E-Repository Limited (NERL)	Subsidiary	**-82%**	**(215)**	2%	(81)
National Commodity Clearing Limited (NCCL)	Subsidiary	**159%**	**416**	-3%	107
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	**-8%**	**(22)**	0%	(13)
Power Exchange India Limited	Associates	**321%**	**839**	-27%	1,069
Total		**-100%**	**(261)**	**-100%**	**3,965**

Particulars	Nature of Relationship	As % of Total OCI	For Year Ended March 31, 2019	As % of consolidated net assets	For Year Ended March 31, 2018 *
Share in other comprehensive income					
National Commodity & Derivatives Exchange Ltd (NCDEX)	Parent Company	**39%**	**(14)**	727%	23
NCDEX e Markets Ltd. (NeML)	Subsidiary	**10%**	**(3)**	-722%	(23)
National E-Repository Limited (NERL)	Subsidiary	**17%**	**(6)**	-194%	(6)
National Commodity Clearing Limited (NCCL)	Subsidiary	**34%**	**(12)**	0%	-
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	**0%**	**-**	0%	-
Power Exchange India Limited	Associates	**0%**	**-**	89%	3
Total		**100%**	**(36)**	**-100%**	**(3)**

(₹ in Lakh unless otherwise stated)

Particulars	Nature of Relationship	As % of Total comprehensive income	For Year Ended March 31, 2019	As % of consolidated net assets	For Year Ended March 31, 2018 *
Share in total comprehensive income					
National Commodity & Derivatives Exchange Ltd (NCDEX)	Parent Company	**-919%**	**(2,712)**	-62%	2,472
NCDEX e Markets Ltd. (NeML)	Subsidiary	**480%**	**1,417**	-10%	411
National E-Repository Limited (NERL)	Subsidiary	**-75%**	**(221)**	2%	(87)
National Commodity Clearing Limited (NCCL)	Subsidiary	**137%**	**404**	-3%	107
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	**-7%**	**(22)**	0%	(13)
Power Exchange India Limited	Associates	**284%**	**839**	-27%	1,072
Total		**-100%**	**(295)**	**-100%**	**3,961**

51 Events after reporting period

The Board of Directors have recommended the payment of final dividend of ₹ 0.50 per fully paid equity shares (FV ₹10 each) (March 31, 2018 : ₹ 0.30/- 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 ₹ 253 lakhs excluding Corporate Dividend Tax of ₹ 52 Lakhs.

* Restated (Refer note 49)

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

Harish Kumar
Company Secretary
Membership No. -20844

Atul Roongta
Chief Financial Officer

Place : Mumbai
Date : May 22 2019

NOTES

Pragati ka Solid Exchange

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