ANNUAL REPORT

2022-23

NCDEX

Pragati ka Solid Exchange

Building an Inclusive

Commodity Ecosystem

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Year at a Glance

Commodity Offered For Trading

23 / Agricultural Commodities

1 / Non-Agri (Non-Precious Metals)

1 / Indices

6 / Options in Agricultural Commodities as on March 31, 2023

309 / Members

53,68,028 Million / Client Base

3,611 / Terminals

138 / WRDA Approved Warehouses

56 / Pledgees Banks

4.08 Lakhs MT / Storage Capacity (MT)

39 / FPO's Traded

95 / FPO Registered

Other Salient Highlights for FY 2022-23

₹1,931.10 Crores / Highest Turnover Achieved in a Day (April 1, 2022)

₹834.31 Crores / Average Daily Trade Value (ADTV)

₹2,068.91 Crores / Average Daily Open Interest (ADOI)

2.47 Lakhs / Tonnes Commodities Deposited

2.28 Lakhs / Tonnes Commodities Delivered

MD & CEO's Message

Our commitment to innovation remains strong, and we will continue to explore new avenues, leverage emerging technologies, and develop groundbreaking solutions that redefine the future of commodity trading. Beyond policy hurdles, we seek to focus our efforts in developing products like Isabgol, Groundnut, Rubber, and Carbon Credits, among others. In the year ahead we would work extensively with value chain to develop these new additions to our product offering.

Dear Shareholders,

In the backdrop of worsening economic stress due to geo-political environment, de-globalization and Government interventions, the FY 2022-23 has been a year full of uncertainties. Commodity derivatives segment in India continued to face a cascading impact of ongoing suspensions of key agricultural derivatives contracts. The value chain of Agri commodities including farmers/FPOs, large corporates, and industry associations, among others. understood that such challenging times require resilience with enhanced communication and robust industry support to a policy push for commodities derivatives.

In 2022, almost 9% of the global population faced hunger which is 8% more than pre-pandemic era. Global inflation surged 8.8% which is nearly 100% jump from 2021. This led to extreme price volatility in commodity markets, and a sentiment shift leading to exits that has taken out approx. USD129 Billion from the global commodity markets. Add to it high interest rates and increased borrowing costs that brought about further liquidity crunch. Large corporates have shied away from the extreme crests and troughs Agri commodities have shown. Weather related shifts in crops and consequent price disruptions have added to economies looking inwards and resorting to trade restrictions to ensure domestic sustainability.

In a dynamic external environment, the exchange has been able to maintain its leadership position in the Agri derivatives ecosystem. Our share in Agri commodity derivatives increased to 97% from 86% in the last financial year. We aligned our efforts with the Honorable. Prime Minister's vision of 'Aapda Mein Avsar' with a dynamic and positive outlook. Our efforts and focused approach has enabled the exchange to register a 6% increase in average daily open interest (ADOI) from ₹ 1,947 Crores to ₹ 2,069 Crores. The average daily traded volume was ₹ 834 Crores for the same period.

> **The challenges from loss of our key contracts have only reinforced our resolve to foray into new product offerings and further deepen our connects with the market participants. We not only created a footprint in the non-agri space by launching Steel Futures, but have established ourselves by consistently growing the open interest and facilitating physical settlement for BIS grade Steel.**

The challenges from loss of our key contracts have only reinforced our resolve to foray into new product offerings and further deepen our connects with the market participants. We not only created a footprint in the non-Agri space by launching Steel Futures, but have established ourselves by consistently growing the open interest and facilitating physical settlement for BIS grade Steel.

Apart from growth in the product offerings, we also ensured that our efforts to empower the farmers grow by collaborating with agriculture universities, financial institutions, and relevant government departments. These efforts have resulted in reaching out to 1,300 new FPOs creating avenues to connect new participants. This year we mark a new milestone by connecting 500 plus FPOs to the commodity derivatives segment. We are exploring opportunities to support the primary producer in managing e-commodity price risk using put options, on the lines of the pilot program supported by SEBI.

Policy advocacy has been a large part of our engagements. Research-backed representations have been made to all relevant ministries. Creating awareness and connecting with our stakeholders through research-based and value-added engagements have been a continuous endeavor at the exchange. Connecting the value chain with market experts on weather, Agri information systems and enhancing awareness on price risk management will be our key focus in the current year. We also successfully implemented a college connect program to educate youth in commodities derivatives segment.

Our commitment to innovation remains strong, and we will continue to explore new avenues, leverage emerging technologies, and develop groundbreaking solutions that redefine the future of commodity trading. Beyond policy hurdles, we seek to focus our efforts in developing products like Isabgol, Groundnut, Rubber, and Carbon Credits, among others. In the year ahead we seek to work extensively with the value chain to develop these new additions to our product offerings.

As we encapsulate our journey over the past year, we also prepare to strengthen our partnerships with all our stakeholders whom we thank for their unwavering support and trust. Our efforts and collaborations will be instrumental in creating milestones that mark the transformative chapters of the next financial year.

With best regards,

Arun Raste

Managing Director & Chief Executive Officer

FPO Highlights
FY 2022-23

1

113

Total number of promoting/ resource institutions engaged

2

10,67,790

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

3

States Covered **16**

(Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Andhra Pradesh, Karnataka, Telangana, Kerala, Bihar, Jharkhand, Chhattisgarh, Uttar Pradesh, Punjab, Odisha, Tamil Nadu, West Bengal)

4

166

Farmer producer organizations participated on NCDEX platform

5

4,33,769

Number of farmers represented

6

334

FPOs who have opened accounts but are yet to trade

7

Traded in 18 Commodities

Commodities traded by the farmer collectives on the exchange platform in the current financial year

8

1,19,690 MT

Quantity traded

9

13,577

Delivery-based trade

Company Information

Board of Directors	Mr. Ashish Bahuguna	Chairman and Public Interest Director
	Mr. Hemant Adarkar	Public Interest Director
	Mr. Prem Kumar Malhotra	Public Interest Director
	Dr. Purvi Mehta	Public Interest Director
	Mr. R. Amalorpavanathan	Public Interest Director
	Mr. Venkat Nageswar Chalasani	Public Interest Director
	Mr. B. Venugopal	Shareholder Director
	Mr. Manikumar S.	Shareholder Director
	Mr. Rakesh Kapur	Shareholder Director
	Mr. Srinath Srinivasan (upto March 01, 2023)	Shareholder Director
	Mr. Arun Raste	Managing Director & Chief Executive Officer
Chief Financial Officer	Mr. Atul Roongta	
Company Secretary	Mr. Hoshi D. Bhagwagar	
Statutory Auditor	K. S. Aiyar & Co., Chartered Accountants (upto 19th Annual General Meeting held on September 26, 2022) F-7, Laxmi Mills, Shakti Mills Lane (Off Dr. E. Moses Road), Mahalaxmi, Mumbai – 400 011.	
	Khandelwal Jain & Co., Chartered Accountants (from 19th Annual General Meeting held on September 26, 2022) 6-B&C, PIL Court, 6th Floor, 111, M. Karve Road, Churchgate, Mumbai – 400 020.	
Secretarial Auditor	Makarand M. Joshi & Co., Practicing Company Secretaries Ecstasy, 803/804, 9th Floor, City of Joy, J.S.D. Road, Mulund (West), Mumbai – 400 080.	
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
	State Bank of India	
Registered Office	1st Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Road, Kanjurmarg (West), Mumbai – 400 078.	
Branch Offices	Ahmedabad: 12th Floor, 1201-B, BVR-EK, Opp. Inder Residency Hotel, Ellisbridge, Ahmedabad – 380 006. Indore: 4th Floor, 401, Gold Arcade, Opp. Curewell Hospital, New Palasiya Road #1, Pent House, Indore – 452 001. Jaipur: Vinayak Heights, 5th Floor, Plot No 105/106, Gom Defence Colony, Gautam Marg, Vaishali Nagar, Jaipur – 302 021. Kolkata: Shrachi Tower, Mezzanine Floor, 686 Anandapur, E.M. Bypass Ruby, Kolkata – 700 107. New Delhi: 18th Floor, Ambadeep Building, 14 Kasturba Gandhi Marg, New Delhi – 110 001. Hyderabad: Unit No-8-2-120/112/P/9/D, Park View Estate, 4th Floor, Banjara Hills Road No. 2, Opp KBR Park Hyderabad, Telangana- 500034.	
Registrar and Share Transfer Agents	Link Intime India Private Limited C-101, 24*7 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.	

Board of Directors

Mr. Ashish Bahuguna
Chairman and Public Interest Director

Mr. Hemant Adarkar
Public Interest Director

Mr. Prem Kumar Malhotra
Public Interest Director

Mr. B. Venugopal
Shareholder/Non-Independent Director

Mr. Manikumar S.
Shareholder/Non-Independent Director

Mr. Rakesh Kapur
Shareholder/Non-Independent Director

Dr. Purvi Mehta
Public Interest Director

Mr. R. Amalorpavanathan
Public Interest Director

Mr. Venkat Nageswar Chalasani
Public Interest Director

Mr. Srinath Srinivasan
Shareholder Director
(upto March 01, 2023)

Mr. Arun Raste
Managing Director & Chief Executive Officer

DIRECTORS' REPORT

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Twentieth Annual Report and Audited Financial Statements of the National Commodity & Derivatives Exchange Limited (hereinafter called NCDEX/the Exchange) for the financial year ended March 31, 2023 (FY 2022-23).

PERFORMANCE

The following table shows the summary of financial performance of the Exchange on standalone as well as consolidated basis for the FY 2022-23:

(₹ in Lakhs)

Particulars	Standalone (the Exchange)		Consolidated (NCDEX Group)	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Total income	4,884	8,060	13,557	15,437
Total expenses	10,302	9,916	19,624	17,689
Profit before exceptional items and tax	**(5,418)**	**(1,856)**	**(6,067)**	**(2,252)**
Share of net profit from joint venture and associate	-	-	799	564
Exceptional item including contribution to core SGF	487	-	533	-
Profit before tax	**(5,905)**	**(1,856)**	**(5,801)**	**(1,688)**
Tax expenses	(1,460)	(480)	(1,564)	(461)
Profit after tax	**(4,445)**	**(1,376)**	**(4,237)**	**(1,226)**
Other comprehensive income	(134)	(41)	(149)	(40)
Total comprehensive income for the year	**(4,579)**	**(1,417)**	**(4,386)**	**(1,266)**

Summary of financial performance of the Exchange on standalone and consolidated basis for the FY 2022-23

i. Standalone Results

The total income of the Exchange for FY 2022-23 was ₹ 4,884 Lakhs, reflecting a decrease of 39% over FY 2021-22. This is primarily on account of lower average daily traded value (ADTV) of ₹ 834 Crores in FY 2022-23, as compared to ₹ 1,851 Crores in FY 2021-22.

The total expenses of the Exchange for FY 2022-23 were ₹ 10,302 Lakhs, 4% higher than ₹ 9,916 Lakhs for FY 2021-22.

Profit/(loss) before exceptional item and tax during FY 2022-23 was ₹ (5,418) Lakhs as compared to ₹ (1,856) Lakhs for FY 2021-22.

Profit/(loss) after tax was of ₹ (4,445) Lakhs for FY 2022-23 as compared to ₹ (1,376) Lakhs for FY 2021-22.

ii. Consolidated Results

The total income of the NCDEX Group for FY 2022-23 was ₹ 13,557 Lakhs, reflecting a decrease of 12% over that of FY 2021-22.

The total expenses of the NCDEX Group stood at ₹ 19,624 Lakhs, which was 11% higher than that in FY 2021-22.

The share in net profit from the Rashtriya e Market Services Private Limited (ReMS), a 50:50 joint venture between the State Government of Karnataka and NCDEX e Markets Limited (NeML) for FY 2022–23, was ₹ 49 Lakhs as compared to ₹ 18 Lakhs in FY 2021-22. The share in net profit from Power Exchange India Limited (PXIL) for FY 2022-23, was ₹ 750 Lakhs as compared to ₹ 546 Lakhs in FY 2021-22.

Profit/(loss) after tax was ₹ (4,237) Lakhs during FY 2022-23, as compared to ₹ (1,226) Lakhs during FY 2021-22.

REVIEW OF OPERATIONS

Highlights

- The highest turnover achieved in a day during FY 2022-23 was ₹ 1,931 Crore.
- The top five traded commodities on the Exchange were Guar Seed, Guar Gum, Cotton Cake, Jeera and Castor Seed.

- The Average Daily Traded Volume ('ADTV') in FY 2022-23 stood at ₹ 834 Crore vis- a-vis ₹ 1,851 Crore in FY 2021-22.

While the Financial year had been dynamic and challenging in many ways, it was also a year that promoted collaboration wherein all stakeholders worked together for promoting the relevance of agri commodity derivatives. The Exchange continued to face challenges as suspension of some of our key commodity derivatives contracts was extended for a year. While this made the situation more challenging, it did not deter us from exploring and expanding our activities, be it with existing products or new offerings. The Exchange continues to be a market leader in agri derivatives trading with the market share going up from 86% in 2021-22 to 97% in FY 2022-23. The Exchange successfully ventured into non-agri sector by activating India's largest metal steel contract in the derivatives segment.

The major highlights of the FY 2022-23 are given below:

Business:

The FY 2022-23 started under the shadow of suspensions of key commodities, which had an adverse effect on the overall Exchange performance. The Exchange recorded an ADTV (Average Daily Traded Value) of ₹ 834 Crores in FY 2022-23 and a ADOI (Average Daily Open Interest) of ₹ 2069 Crores. While ADTV in the continuing contracts has seen a marginal reduction, Open Interest has experienced a six percent growth from ₹ 1947 Crores in the last financial year. This is surely a testimony to the strong support from value chain participants in these instruments. Suspended commodities contributed to 70% of the Exchange volumes and loss of these contracts would have had a major impact on deposits and deliveries as well, but the impact has been contained to only 20% loss in deposits and deliveries.

The Exchange has had flawless physical settlement of contracts with no delivery concerns in the last financial year.

Apart from business development initiatives, the Exchange's advocacy efforts with the policy makers have been backed with active research and this has strengthened our relationship with the entire value chain that have stood strong with us during these trying times.

FPO Connect

It is time to honour Indian farmers and scientists who, starting in the middle of the 1960s, changed the country's food situation from "ship to mouth" to become one of the biggest exporters of food grains in the world as the country celebrates its 75th anniversary of Independence and moves towards Arit Kaal by the year 2047.

The Indian agricultural sector, which accounts for 17% of the country's GDP, has undergone a number of significant reforms since Independence, the bulk of which have been aimed at increasing crop output and productivity. Focus now has been shifting towards making the agriculture market work for the farming community. The establishment of FPOs and push towards electronic platforms and modernization of markets being the government's primary focus.

By providing a modern and efficient market, NCDEX continues its responsibility to help achieving the success of these reforms. NCDEX collaborates with farmers and FPOs and other relevant stakeholders to spread awareness on price transparency, and managing price risks. The Exchange takes pride in connecting FPOs to efficient marketplace, create awareness on produce quality and empower them to take an informed decision on their crop planting and marketing.

In the FY 2022-23, NCDEX's FPO program on boarded 95 FPOs, representing over 47,876 farmers, bringing the total to 500 FPOs from 16 states, representing more than 10,67,700 farmers. This year NCDEX widened its footprint by on boarding FPOs from the state of West Bengal and Tamil Nadu.

In FY 2022-23, 39 FPOs from seven states hedged eight commodities with a cumulative volume of 13,114 metric ton of produce worth ₹ 13,063 Lakh. Delivery was made by 15 FPOs in five commodities for a volume of 1,295 MT worth almost ₹ 1,146 Lakh. Since 2016, 166 FPOs have traded in 18 commodities and hedged about 1,19,690 Lakh ton of their produce.

For farmers to make informed decisions, they must be knowledgeable of current and future pricing. The Exchange fills this gap by sending farmers price reports through Short Messaging Services (SMS) without any subscription cost to the receivers. Till date, the facility has seen registration of 25,169 farmers for this service. These prices are further disseminated by the FPOs and lead farmers within their network increasing the reach and awareness.

For the benefit of FPOs, SEBI provided guidance for utilization of regulatory fee imposed on the Exchange. The Exchange utilizes the fees foregone by SEBI, by subsidizing the cost for delivering goods on Exchange platform under various heads. In FY 2022-23, a total of ₹ 31.94 Lakhs was reimbursed to 11 FPOs from five states for delivering 6 commodities for a total volume of 1,136.34 metric ton on the Exchange platform.

The concept of managing price risks through futures contracts and options is a difficult and novel topic for FPOs. Thus, NCDEX designs its education initiatives and follow-ups such that farmers may easily understand them. Investor education programs (IEPs), trainings, and webinars are all part of raising awareness. In FY 2022–23, NCDEX ran more than 362 of such initiatives in 17 states. The initiative helped NCDEX to reach to 1,299 new FPOs with a shareholder base of 13,742. In addition, Krishi Vigyan Kendras (KVKs), agriculture universities, NABARD officials, financial Institutions, State Rural Livelihood Mission (SRLM) officials and relevant state government departments are part of the awareness initiatives. With the ecosystem partners, more such training and educational activities were also conducted.

The Exchange will continue to engage proactively to the agriculture ecosystem, especially the FPOs, along with their promoting and supporting institutions to bring the positive change and make Indian farmers more resilient.

Technology Updates

The Exchange takes pride to announce that the uptime of the Trading system was 100%, and there were no outages during the year. In addition to offering a smooth trading experience, some of the other developments were:

- **Strengthening of BCP / DR capabilities**

  The Exchange has further optimized its process and failover mechanism to be able and successfully demonstrated the capabilities to restore operations (RTO) from the Disaster Recovery Site within 35 minutes of the declaration of 'Disaster' in the event of disruption of one or more critical systems.

- **Digitization of member grievance and documentation interface**

  Sharpening the focus on digitization of customer and investor services, the Exchange has launched two key services namely NEST—a user-friendly application offering complete online solution on investors' grievances against members. Our endeavour is to offer a customer experience that is digitized and easy to operate. The Exchange also launched a fully digitized process for key documentation for members and authorized persons, which will smoothen member interfaces with the Exchange.

Awards & Recognition

People are our strength and so is technology. And both these result in helping the Exchange get recognition in the External World, be it for excellence in Tech or for HR. Some prestigious awards that the Exchange teams won in the last financial year are as follows:

- Smart Innovator Awards 2022 for extraordinary efforts in Technology Innovation from Enterprise Innovation Summit 2022
- Insights CXO Awards under category Cloud Champs by CIOAXIS 2022
- World Cloud Show Awards for exemplary Tech Initiatives and Innovations
- Digital Transformation Digital Awards for Cloud Initiatives
- Innovator Awards for Tech initiatives and Innovations
- CIO Summit and Awards for Innovative Use of Cloud Technology
- CIO 100 Award for Foundry (IDG – India)
- Digital Genius Award 2022 for Data Modernization
- People First HR Excellence Award 2022 for "Best HR Team" & "Leading Practices in Pandemic Response"
- Business World People HR Excellence Award 2022 for "Excellence in Learning & Development" & "Excellence in Health & Safety Initiatives"

The path ahead

A tough year required whole-hearted efforts to counter bias and uphold the sanctity of derivatives market. Relentless outreach backed by research initiatives have fueled our resilience. Our core markets and core products continue to be our key focus alongside developing new product lines like Isabgol, Groundnut and Carbon Credits. The Exchange continues to focus on non-agri commodities like steel where support from the value chain is growing stronger. Overall our bond with associations and value-chain participants will provide necessary momentum for the next financial year. Our deep engagement with policy makers on advisory and awareness side will continue to grow. The year ahead will be full of challenges, but we are better equipped to face them, and are confident that we would convert some of these challenges into opportunities. The Exchange believes its long-term association with stakeholders will help achieve many more milestones in the coming days and hopes to get their continued support.

CAPITAL STRUCTURE

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

MEMBERSHIP

As on the March 31, 2023, there were 309 members on the Exchange platform across the country.

CUSTOMER SERVICE GROUP

The Customer Service Group (CSG) has initiated numerous programs to improve customer experience. These initiatives were in addition to the internal process improvements, which have helped the Exchange in providing better service to the market participants. Several initiatives were also taken during this year to enhance customer experience and optimization of operational processes. Training videos on NEXTRA and on other important topics were created and uploaded on the Exchange website, to increase the member awareness and adopt a self-serve approach. To enhance customer experience, the Exchange has also incorporated the CTCL and Lease Line forms on the Website, which have reduced the calls and emails drastically related to empanelment process.

CUSTOMER SERVICE UPDATES:

Digitization of documentation for Authorized person: For the smooth and efficient process of Authorized Person (AP) registration, Exchange has permitted the AP's to use the option of E-Signature or Digital Signature for signing their application documents. Additionally, the processes related to authorized person transfer / shifting for sale of business, pursuant to integration and business transfer (registered member companies) has been simplified. AP details are now shared with the members on a weekly basis through the Web Extranet portal, which has significantly reduced calls and emails received at the Exchange.

Further the entire process of AP registration is being revamped to optimize the turnaround time and improve operational efficiency at both Exchange & Member's end.

Improving process efficiency through a bulk emailing facility: The Exchange has procured a bulk emailing facility, which has significantly reduced efforts of sending emails in large quantity to the market participants. This has reduced the dependency on CSG as the Exchange has now empowered other departments on its usage, as well as trained them to manage and maintain their own data with regards to Exchange compliances.

Online secured interactive forms: The Exchange has migrated to a new and secure full-feature online form builder enterprise solution that makes it easy to create robust forms and collect important data which is trusted by over 15M users worldwide. Customer Service Group has now migrated JOT forms to new secured Jot form enterprise which has eliminated the dependency from CSG as IDs are created for other teams/departments and access rights given to create and maintain the Online jot forms related to Exchange compliances. The Jot forms are now linked with WEB NCFE to obtain various compliances from the market participants.

Uploading of NISM Certificate: This feature would be enabled on WEB NCFE wherein members would be able to upload the copy of 12 Digit CTCL Terminal IDs alongwith the certificate details.

DIVIDEND AND APPROPRIATIONS

For the FY ended March 31, 2023, your Directors have not recommended any dividend on the equity shares issued by the Exchange due to the loss incurred.

DIVIDEND DISTRIBUTION POLICY

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

TRANSFER TO RESERVES

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

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, 2023.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Exchange during the FY 2022-23.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Mr. Rakesh Kapur retired by rotation at the Nineteenth Annual General Meeting held on September 26, 2022 and was re-appointed subject to approval of SEBI. SEBI vide its letter dated October 17, 2022, approved the appointment of Mr. Rakesh Kapur as a Shareholder Director.

It may be noted that The National Bank for Agriculture and Rural Development (NABARD) vide its letter dated June 15, 2023, has nominated Mr. Sanjeev Rohilla, Chief General Manager, NABARD, as the Shareholder Director on the Board of the Exchange in place of Mr. Manikumar S., Chief

General Manager, NABARD. Further, NABARD vide its letter dated June 19, 2023, has intimated the Exchange that Mr. Manikumar S. shall continue as the Shareholder Director on the Board of the Exchange representing NABARD, till the process of appointment of Mr. Sanjeev Rohilla is completed. In view of the same, pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Manikumar S. (DIN: 08956660) will be retiring by rotation at the ensuing Annual General Meeting and will not be seeking re-appointment. The matter relating to appointment of Mr. Sanjeev Rohilla forms part of the Notice of Annual General Meeting. The Board recommends the name of Mr. Sanjeev Rohilla for appointment as Director of the Exchange in the "Shareholder/ Non-independent Director" category. His appointment is subject to approval of SEBI.

No new Directors were appointed during the year.

Mr. Srinath Srinivasan resigned as the Shareholder Director with effect from March 02, 2023. The Board wishes to place on record its sincere appreciation for the valuable advice and guidance provided by Mr. Srinath Srinivasan.

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

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Exchange has received declarations from all the Independent Directors confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations'). All the Independent Directors have also given the declarations that they satisfy "fit & proper" criteria as stipulated under Regulation 20 of Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations, 2018'). The Board is of the opinion that the Independent Directors of the Exchange collectively possess requisite qualifications, experience and expertise in the fields of law and regulatory, technology, finance and accounting, capital/ securities market, risk management, administration, economics, management, financial market, market infrastructure, co-operatives, agriculture markets, agriculture economics, macroeconomics, post-harvest technologies, international development; and they hold highest standards of integrity. Skills/ expertise/ competence of the Board of Directors is provided in the Corporate Governance Report, which forms part of the Annual Report. All the Independent Directors have also given declarations that they have registered themselves with Indian Institute of Corporate Affairs (IICA) in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. Further, in terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of two years from the date of inclusion of their names in the data bank. The said online proficiency self-assessment test will be undertaken by the Independent Directors of the Exchange, within the prescribed timelines, unless exempted under the said Rules.

ANNUAL EVALUATION

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

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2022-23

During the FY 2022-23, five meetings of the Board of Directors were held. Details of the meetings of the Board of Directors are provided in the Corporate Governance Report, which forms part of the Annual Report.

BOARD COMMITTEES

Details of the composition of Committees of the Board, meetings held, terms of reference and attendance of the Directors at such meetings during the FY 2022-23 are provided in the Corporate Governance Report, which forms part of the Annual Report.

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

The Exchange has constituted the Nomination and Remuneration Committee as per the provisions of the

Companies Act, 2013 and SECC Regulations, 2018. The composition and terms of reference of the Nomination and Remuneration Committee are provided in the Corporate Governance Report, which forms part of the Annual Report. The Exchange has in place a Nomination and Remuneration Policy. The policy deals with matters like Directors' appointment and their remuneration, criteria for determining qualifications, positive attributes and independence of director, remuneration of Key Managerial Personnel and other employees. The Nomination and Remuneration Policy is available on Exchange's website at https://ncdex.com/about/disclosures

DETAILS OF MEETING OF SHAREHOLDERS

The Nineteenth Annual General Meeting of the Exchange was held on September 26, 2022. The Twentieth Annual General Meeting of the Exchange will be held on Tuesday, September 26, 2023 in Mumbai.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

The Exchange is a public limited Company, whose securities are not listed on any of the stock exchanges. In terms of Regulation 33 of SECC Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognized stock exchange. Pursuant to Schedule V of Listing Regulations, a report on Corporate Governance for the FY 2022-23 is forming part of the Annual Report. Further, a Corporate Governance Compliance Certificate from Makarand M. Joshi & Co., Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance is forming part of the Corporate Governance report.

CORPORATE SOCIAL RESPONSIBILITY

As per Section 135(5) of the Companies Act, 2013, the Board of Directors of a company shall ensure that the Company, in every financial year spends at least 2% (two percent) of average net profits of the company made during 3 (three) immediately preceding financial years in pursuance to the CSR Policy. Since 2% of average net profits of the Exchange made during 3 immediately preceding financial years has a negative balance, the Exchange is not mandatorily required to spend any amount on CSR activities for FY 2022-23. Accordingly, the Exchange was neither required to nor has undertaken any CSR activities for the FY 2022-23. Consequently, the annual report on CSR activities, as required under Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, is not forming part of the Directors' Report.

AUDITORS/AUDIT

A. STATUTORY AUDITORS

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

As required under the provisions of section 139 (1) of the Companies Act, 2013, the Exchange has received a Certificate from Khandelwal Jain & Co. to the effect that their appointment is within the prescribed limit under Section 141 of the Companies Act, 2013 and that they are not disqualified for such appointment. There is no qualification, reservation or adverse remarks or disclaimer in the report given by Khandelwal Jain & Co. on the Financial Statements of the Exchange for the year ended March 31, 2023.

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

B. SECRETARIAL AUDITOR

In terms of section 204(1) of Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Exchange appointed Makarand M. Joshi & Co., Practicing Company Secretaries, as Secretarial Auditor for FY 2022-23. In terms of sub-section (3) of section 134 of the Companies Act, 2013, Secretarial Audit Report issued by Makarand M. Joshi & Co. in Form MR-3 is attached as **Annexure 1**. There is no qualification, reservation or adverse remarks or disclaimer in the report given by Makarand M. Joshi & Co. in Form MR-3. Further, in compliance with the Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Form MR-3 of material unlisted subsidiaries of the Exchange namely NCDEX e Markets Limited, National Commodity Clearing Limited

DIRECTORS' REPORT (Contd.)

and National E-Repository Limited are enclosed as **Annexure 2**.

C. INTERNAL AUDITOR

The Board upon the recommendation of the Audit Committee has appointed "KPMG Assurance and Consulting Services LLP" as Internal Auditors of the Exchange for a period of one year up to March 31, 2023 under Section 138 of the Companies Act, 2013, as per the scope approved by the Audit Committee.

D. COST RECORDS AND COST AUDIT

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Exchange has placed a copy of the Annual Return as at March 31, 2023 on its website at https://ncdex.com/about/annual-reports

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

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

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

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

PARTICULARS OF EMPLOYEES

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

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

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

RISK MANAGEMENT

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

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

INFORMATION SECURITY

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

SUBSIDIARY AND ASSOCIATE COMPANIES

The Exchange has four subsidiary companies namely, NCDEX e Markets Limited, National Commodity Clearing Limited, NCDEX Institute of Commodity Markets and Research and National E-Repository Limited. NCDEX e Markets Limited, the subsidiary of the Exchange, also has 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 statements of the above companies is given in Form AOC-1, which is enclosed as **Annexure 5**. The Financial statements of the subsidiary companies have been displayed on the website of the Exchange. In addition, the Exchange has an associate Company namely, Power Exchange India Limited.

NCDEX e Markets Limited ('NeML')

According to the Reserve Bank of India (RBI) in its "State of Economy" report released in the Monthly Bulletin for March 2023, while global growth is expected to weaken or enter recession in 2023, the Indian economy is likely to continue its pace of expansion observed in FY 2022-23. RBI estimates of India's real GDP growth in FY 2023-24, in the range from 6.0 to 6.5%.

The government's supportive policy towards farmers has led to a similar revival in the Indian agricultural industry. The Second Advance Estimates report for the FY 2022-23 agricultural year confirms this positive trend, with a projected record high of 3,235.54 Lakhs tonnes in total food grain production, which is 79.38 LMT higher than the previous year's production in FY 2021-22.

NeML is observing the green offshoot of this economic resurgence in our business operations as well. NeML is maintaining the same level of dedication towards state-level mandates as it did in the previous year and are aiming to expand on our success as the leading provider of delivery based online platform in the country for robust and transparent price discovery across agricultural commodities and intangibles from last year.

State & Central Government agencies

Currently, NeML is engaged with multiple State and Central Government organizations for their various procurement and disposal remits. During the course of these responsibilities, a total of more than 2.4 Crores MT of food grains amounting to over ₹ 92 thousand Crores have been procured on behalf of the Central Government across 25 different commodities, via various NeML platforms from more than 1.2 Crores farmers who have been registered in the past five years (as of March 2023). Likewise in terms of disposals, NeML has auctioned over 97.5 Lakh MT of food grains totalling ₹ 43 thousand Crores across 35 different commodities for various Central Government agencies during the same period. Similarly, for various State Governments organizations, transactions of over 74 Lakh MT of food grains grossing over ₹ 18,000 Crores has been successfully concluded via NeML e-markets services over the past five years.

Enhanced mandates with State Governments

As a hedge against the Central and State Governments procurement/disposal mandates, NeML is looking to diversify and enhance these transactional mandates and look for more long-term and value-added relationships with these Government agencies. Some of the key achievements in this space include NeML winning comprehensive mandates from State Governments of Jharkhand and Maharashtra in spite of tough competition. The Jharkhand mandate is an all-encompassing and wide-ranging one. This includes NeML bringing to fore its dominant leadership and expertise to help the State Government introduce and develop the agricultural ecosystem in the State and enhance market linkages to benefit its farmers. NeML has similarly received a mandate from the State of Maharashtra to partner it in the implementation of its One District One Product (ODOP).

The highlight of both these mandates by the State Governments are the long-term nature of their tenure which means that NeML will receive steady stream of income over a long term. NeML management continues to scout for similar opportunities, since consistent and reliable sources of revenue for an extended period allows them to plan for the future with greater certainty and stability.

Flower auctions

This year also saw successful delivery of the Dutch auction online platform at the IFAC – Hosur (International Flower Auction Center) in the State of Tamil Nadu by NeML. The IFAC-Hosur is a Greenfield project of the Tamil Nadu State Agriculture Marketing Board. The IFAC auctioning system aims to address the long-standing demand of State farmers for stable prices, immediate payment, and open opportunities to explore new markets.

Trade finance

As part of NeML business strategy to expand into related areas of expertise, NeML has integrated its platform to offer easy lending options to its members participating in state government reverse auctions. NeML is delighted to announce that it has already completed nine such trade funding cycles and extended credit worth over ₹ 50 Crores in the fiscal year 2023. NeML aims to build on this success and collaborate with top banks and non-banking financial companies (NBFCs) to provide hassle-free funding to borrowers. Borrowers undergo an independent due diligence process to assess their credit worthiness, while NeML offers past trade data to enhance their credit profile, leading to lower interest rates. Loan sizes typically range from ₹ 20-40 Lakh.

Private trade

NeML also continues to actively pursue expanding its private bilateral trades and increasing liquidity on its newly launched Krishivedh platform. The Krishivedh app is the first of its kind app-based online spot delivery platform for private buyers and sellers of agri-commodities in the country. Since its soft launch in May 2021, the online marketplace has received enthusiastic and encouraging response from the Indian agri commodities ecosystem. Since its commencement of operations so far, it has successfully concluded more than 1200 trades till March 2023. The value of these trades exceeds ₹ 225 Crores and the traded quantity is more than One Lakh MT. These trades were spread over 60 Agri-commodities and involved buyers and sellers in over 200 locations, which indicates the pan-India popularity and wide-spread acceptance of the Krishivedh platform.

ESG initiatives

In addition to the opportunity in the Private Trade segment, NeML has also identified ESG as a key driver of its growth for the future. Having identified the ESG opportunity early in 2019, NeML has a first mover advantage as it has developed the world's first Emissions Permit Trading System (EPTS) for suspended particulate matter to tackle industrial air pollution for the state of Gujarat. It has similar pioneering initiatives in the space of end-of-life vehicle (ELV), e-waste and plastic waste.

In order to leverage this opportunity NeML has formed a joint venture called Meta Materials Circular Markets Pvt. Limited (MMCM) to exploit opportunities in the ELV, plastic scrap trade, e-waste trade and the EPR trade. NeML has teamed for a 50-50 joint venture with MTC Business Private Limited (MTC Group). The MTC Group is one of the leading players in the field of scrap trading and processing in India.

Business outlook

Despite the challenges posed by increased competition, NeML remains confident in its ability to achieve growth and increase market share. This is due to its strong and varied product portfolio that extends beyond Agri-commodities. NeML continues to generate strong revenues and maintain its core profitability by becoming the preferred platform for both Central and State government agencies. NeML's efforts to diversify into newer areas / sectors are starting to yield positive results and NeML is optimistic about its future prospects.

National Commodity Clearing Limited ('NCCL')

NCCL was granted recognition by SEBI to act as a Clearing Corporation on September 10, 2018 for a period of one year subject to certain conditions prescribed therein. Subsequently, the renewal of recognition was granted by SEBI to act as a Clearing Corporation for a further period of three years commencing on September 10, 2019 and ending on September 09, 2022 subject to certain conditions prescribed therein. Further, SEBI has granted renewal of recognition to act as a Clearing Corporation to NCCL for a further period of three years commencing on September 10, 2022 and ending on September 09, 2025 subject to certain conditions prescribed therein.

The summary statistics of trading, settlement and collaterals processed during the FY 2022-23 is given below:

Particulars	2022-23	2021-22
Number of trades	3,531,114	7,370,509
Traded quantity	30,536,080 (MTs)	68,062,279 (MTs)
	5,319,954 (Lots)	11,071,310 (Lots)
Traded value (₹ in Crores)	204,961	456,703

DIRECTORS' REPORT (Contd.)

Settlement

Particulars	2022-23	2021-22
MTM Settlement (₹ in Crores)	2,530.81	5,148.73
Physical Settlement (₹ in Crores)	1,310.13	2,020.17

Management of collateral instruments

Instrument Processed	2022-23		2021-22	
	Count	Amount (₹ In Crores)	Count	Amount (₹ In Crores)
Bank Guarantees	328	575.38	394	706.21
Fixed Deposit Receipts	1,170	1,315.48	2,242	2,555.58

National E-Repository Limited ('NERL')

Background

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

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

Exchange and Emerging Business:

FY 2022-23 was the 5th full year of operations for NERL after receiving the Permanent Certificate of Registration from WDRA. NERL also completed four years of operations in Emerging Business (non-exchange business). NERL closed the year with more than 7,855 customers (over 1,840 customers added in FY 2022-23), 56 pledgee Banks/ NBFCs, 2 CM Pledgees, 402 unique Warehouses issuing eNWR/eNNWR and 81 Repository Participants ('RPs') across 15 states and 1 UT in India. NERL has issued more than 490,000 eNWRs (Exchange + Emerging Business) for commodities in excess of 47.91 Lakhs MT (Exchange + Emerging Business) deposited in registered warehouses of WDRA.

A new milestone was achieved in FY 2022-23 as Banks crossed ₹ 4,000 Crores finance against eNWR since inception, a clear indication of confidence amongst the banks in eNWR.

Clients, banks and warehouses kept showing interest in the eNWR ecosystem, thus helping in achieving 55.75% growth in Pledge finance as compared to FY 2021-22. NERL saw upwards of ₹ 2,000 Crores worth of pledge finance against eNWR on its platform in FY 2022-23. The Emerging Business saw a growth of 74% in deposits (deposits in eNWR & eNNWR) in FY 2022-23 as compared to FY 2021-22.

The result for FY 2022-23 is as below:

	Quantity of eNWR (MT)			Value (₹ in Crores)		
	FY 2022-23	FY 2021-22	Growth %	FY 2022-23	FY 2021-22	Growth %
Exchange Business	2,40,770	5,09,192	(52.71)	664.71	2,781	(76.09)
Emerging Business*	4,26,019	2,75,330	54.73	2,108.34	1,543	36.63
Total	6,66,789	7,84,522	(15.00)	2773.05	4,324	(35.86)
	Quantity of eNNWR (MT)					
Emerging Business*	31,122	1,08,233	247.77			

Loan against eNWR (₹ in Crores) for FY 2022-23

	FY 2022-23	FY 2021-22	Growth %
Exchange Business	456.31	492.23	(7.29)
Emerging Business	1,793.97	952.30	88.38
Total	2,250.28	1,444.53	55.77

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

DIRECTORS' REPORT (Contd.)

Since inception (as on March 31, 2023)

	FY 2022-23	FY 2021-22
RPs (account maintenance)	96	92
RPs (pledgee)	56	42
CM Pledgee	2	0
Number of active depositors/ client accounts	7,855	4,600

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

NICR is a wholly owned subsidiary of NCDEX and is registered under Section 25 of the erstwhile Companies Act, 1956. To enhance awareness in the commodity ecosystem, it offers a variety of certification courses and customized education and training programmes along with consultancy and research to various stakeholders.

In FY 2022-23, NICR realigned its focus on major thematic areas of CoRE, i.e., Consultancy, Research, and Education & Awareness, with enhanced efforts towards consulting and research. Towards these efforts, NICR was able to secure a project on "Ground truthing and validation of data insights for DiCRA platform" from United Nation Development Programme (UNDP), India. This 3-month project required field survey of 3,000 farms across Odisha and Jharkhand. NICR also secured a study project from Pulse Australia (https://www.pulseaus.com.au/) – an association of pulse growers and traders in Australia. The study was named "Overview of Grain Production in Gujarat, India".

There is requirement by industry to know what is happening at farm level. Taking that into cognizance and as business opportunity, NICR approached various corporates with its offering of research such as crop surveys and market intention surveys. In addition, NICR as a subcontractor to Deloitte Touche Tohmatsu, India submitted its final report to the World Bank-assisted livelihood project named the State of Maharashtra's Agribusiness and Rural Transformation Programme (SMART) and was appreciated by the state nodal agency on the content of the report. NICR also finalized a report on "Deepening farmers' engagement in commodity derivatives market through farmer producer organizations" under the guidance of Indian Council for Research on International Economic Relations (ICRIER). The report will be used as part of a book.

Continuing the effort on bringing knowledge and awareness amongst agri commodity supply chain stakeholders including students, NICR continues to offer six online certification courses in self-learning mode. Two of those are also offered in English and Hindi. All courses are available in digital form with an online test assessment partner. However, registration for these courses still remained a challenge. Apart from offering online courses, NICR successfully engaged with Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM), Pune and is now delivering a 30-hours onsite course on derivatives for their MBA students. NICR also keeps delivering lectures to the Indian Institute of Foreign Trade (IIFT), New Delhi. External agencies like NSE Academy Limited ('NAL') and Kredent Infoedge Private Limited, a Kolkata-based online educational firm continue to partner with NICR to host NICR's commodity certification courses and pay small fees for each certificate.

In FY 2022-23, successful efforts were also made to host onsite awareness programmes on the importance and use of the commodity derivatives market with institutions such as Balasaheb Thackeray Agribusiness and Rural Transformation (SMART), Maharashtra; NABARD's National Bank Staff College (NBSC) in Lucknow; and for institutes such as College of Agri-business Management, Pantnagar and ISAB, Noida.

Social media has become one of the leading platforms to reach out to the young audience. Keeping this in mind, NICR has increased its social media presence during the year by reaching over 4,000 followers on LinkedIn and Twitter via different articles with market updates and underlining the importance of risk management in an increasingly volatile market.

NICR continued to produce research reports covering various commodities. The reports are generated on different frequencies viz., monthly commodity reports covering fundamentals of various exchange-traded commodities; fortnightly reports covering fundamentals over the fortnight; weekly monsoon reports during the monsoon season and daily commodity performance reports providing a glimpse of performances of not only commodities traded on NCDEX but also liquid commodities on other exchanges and equity indices.

The industry involving commodity derivatives has been growing steadily over the last two decades. Envisaging the requirement for skilled manpower NICR aims at grooming talent for the industry right at the graduation level. For this, taking help with the learnings from the "Commodity Connect Programme" an initiative of NCDEX, it has approached various partners to facilitate regular education to Undergraduate students in colleges across the country. This initiative will start showing results in the coming year.

Rashtriya e Market Services Private Limited ('ReMS')

Having found several inadequacies in marketing operations in the Regulated Agricultural markets (APMCs) of the state, Government of Karnataka, in the year 2013, initiated steps to modernize and revolutionize trading practices in APMCs for the benefit of farmers and to enhance transparency & efficiency in all marketing operations. Accordingly, the Government constituted an Agricultural Marketing Reforms Committee under the chairmanship of the Additional Secretary, Co-operation department to study the deficiencies plaguing in the agricultural marketing system and to submit its report and recommendations. Accordingly, the Committee went through the marketing processes, highlighted the problems in the operations and recommended interventions that were necessary for undertaking the reform agenda.

On submission of the Report, in August 2013 the State Cabinet accepted the recommendations, approved the Karnataka Agricultural Marketing Policy 2013 to bring Reforms in the Agricultural markets through introduction of electronic auctioning system. In order to implement the recommendations of the Committee, Government also approved creation of a Special Purpose Vehicle under public-private partnership model. NCDEX e Markets Limited (NeML), a subsidiary of NCDEX Limited, Mumbai was chosen as a Joint venture technology partner with 50-50 percent shareholding. Accordingly, the Joint venture company (JVC) namely Rashtriya e Market Services Private Limited (ReMS) was incorporated under Companies Act, 1956, on January 20, 2014.

The objective of ReMS is to conceive a blend of public interest with the initiative of a private enterprise for establishing, operating, managing a specialized electronic trading platform called Unified Market Platform (UMP). The platform provides a complete technology and management solutions for restructuring of agricultural marketing operations in Karnataka state. UMP integrates all markets in the State with a single registration in any one market and provides opportunity to the buyers to trade, in any/all markets through the UMP online portal.

ReMS has, over three years, progressively introduced its UMP in 162 regulated markets in the State for competitive price discovery of the produce brought by farmers in to markets. On ReMS's UMP, from inception till March 2023, cumulatively, 31.61 Lakhs lots of 36.88 Lakhs metric tons valued at ₹ 26,292 Crores were transacted.

Introduction of electronic platform in the Agricultural markets paved the way for elimination of opaque and fraudulent trade practices that were prevailing earlier in the open cry auctions in APMCs and thus brought in transparent trading operations and competitive price discovery to the commodities brought by farmers for sale. Electronic trading has improved the efficiency in the trading-operations manifold and facilitated farmers coming to markets to complete the sale process within a day. Farmers are benefitted with competitive price discovery system. Traders can access information about the type and quantity of commodities available at various markets in the state, and can quote their best prices online, from any place.

Government of India studied this Model and adopted it in the form of e-NAM (e-National Agricultural Market) platform which is in operation in other states of the Country.

Power Exchange India Limited ('PXIL')

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

The trading in electricity on PXIL happens under two product categories: The first is the collective segment in which buyers and sellers submit their bids on a Day-Ahead basis for meeting their next day's power requirements and in Real Time Market ('RTM') for meeting power requirement for half-hour (30-minute) duration an hour prior to delivery. The auctions are conducted separately at pre-defined time periods, Day Ahead Market ('DAM') is single auction conducted between 10:00 to 12:00 hours, whereas, in case of RTM 48 separate auctions are conducted during even time blocks of each hour. In case of DAM, separate prices are discovered for clearing conventional power and green power comprising of Solar, Wind, Hydro and other type of renewable sources. The second product category is the Term-Ahead segment, in which electricity is traded bilaterally between buyer(s) and seller(s) for different delivery periods. The Term-Ahead segment comprises six products, viz. 24*7 Intra-Day, Day-Ahead Contingency, Daily, Weekly, Monthly and Any Day Products for transacting in conventional power and green power for durations upto 90-days / 12-Weeks / 3-Months ahead. During FY 2022-23, the longer tenure Contracts, e.g. Daily, Weekly, Monthly and Any Day Single Sided with Reverse Auction Contracts were introduced from September 26, 2022 after receipt of approval from CERC.

In all Green transaction, purchase of Renewable energy enables buyer to meet Renewable Purchase Obligation ('RPO') of the year.

DIRECTORS' REPORT (Contd.)

In FY 2022-23, against market size of 101.5 Billion Units ('BUs'), the volume traded on PXIL was 9.5 BU providing a market share of 9.38%, during the year PXIL market volume increased by nearly 61% from 5.9 BU in FY 2021-22.

In REC segment, CERC introduced the new REC Regulation 2022 by aboliting floor and forbearance price applicable for transacting in REC. This provided for fungibility across different types of RECs. During the year vide Order dated December 20, 2022, the Hon'ble Delhi High Court suspended transaction in RECs issued prior to October 30, 2022. During the year nearly 21.01 Lakhs RECs were transacted at PXIL providing for market share of 26% when compared to transaction volume of 26.05 Lakhs providing market share of 29% in FY 2021-22.

Similarly, vide BEE notification dated January 10, 2023 transactions in ESCerts resumed from January 24, 2023, during the year nearly 1.09 Lakhs ESCerts were transacted at PXIL platform providing market share of 33%.

Hon'ble CERC notified implementation of CERC (Power Market) Regulation 2021 from August 15, 2021. Regulation 15 of PMR 21 prescribes ownership structure of power exchange. PXIL has submitted Petition at CERC seeking grant of additional time till 31.03.2025 to meet prescribed shareholding norms.

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

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

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

VIGIL MECHANISHM

Pursuant to the provisions of 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 and improper practices being followed in the organization.

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

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

No material changes and commitments affecting the financial position have occurred subsequent to the close of the FY ended March 31, 2023 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 regulator or court 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 (Ind ASs),

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

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

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

These financial controls were operating effectively as of March 31, 2023.

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

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

The Regulatory departments of the Exchange comprising multiple divisions, details of which are given below, take care of various critical aspects of regulatory compliances.

Each Regulatory department is headed by a senior official of the Exchange, reporting to the Managing Director & Chief Executive Officer, who reports to the Board of Directors. The total salary cost paid to employees of the Regulatory department, during the FY 2022-23 was ₹ 10,47,16,875/-

The employee count in Regulatory departments closing March 31, 2023 was as under:

Department	Employee Count
Membership	7
Member Inspection	14
Compliance, PML & Investor Services Cell	10
Enforcement	2
Sub-Total 1	**33**
Market Watch	12
Sub-Total 2	**12**
Surveillance & Investigation	
Market Intelligence	5
Surveillance & Warehouse Audit	10
Investigation & Spot polling	9
Sub-Total 3	**24**
Grand Total	**69**

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

Neither an application was made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the FY 2022-23.

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

Not Applicable

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

There are no such agreements.

STATUTORY DISCLOSURES

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

Conservation of Energy

The Exchange has initiated various measures for conserving energy. Out of these measures, migration of Data Centre and installing digital Uninterrupted Power Supply ('UPS') which was successfully completed in FY 2021-22. This has helped in sustaining continuation of energy conservation. The other ongoing measures for conserving energy undertaken by the Exchange include regular servicing, periodic maintenance of all electrical equipment and prompt switching off of equipment when not required.

Technology Absorption

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

Further Strengthening of BCP / DR capabilities

The Exchange has further optimized its process and failover mechanism to be able and successfully demonstrated the capabilities to restore operations (RTO) from the Disaster Recovery Site within 35 minutes of the declaration of 'Disaster' in the event of disruption of one or more critical systems.

Leveraging Technology for internal efficiencies and Cost optimizations

1. As a part of improving operational efficiency in end of day processing, the Exchange has successfully achieved the following:

- End of day processing time for loading data from various sources to the enterprise data warehouse has been reduced from 2.5 hours to 12 minutes.
- Data refresh time on the Analytics platform has been reduced from 9.5 hours to 2.3 hours.
- Operation checklist has been optimized with automating the processes which has helped to reduce the time from 2 hours to 15 minutes.
- Through various optimization initiatives, Exchange has successfully reduced Analytics licensing cost by 50%.

2. Automated the failover of Privileged Identity Management System to Disaster Recovery Site thus mitigating the risks associated with manual failover process.
3. Consolidation of Microsoft SQL licenses thus giving an annual cost savings of 36%.

NCDEX electronic system for tracking grievances (NEST)

To enhance the reach and the ease of use of grievance redressal mechanism, the Exchange has developed an online grievance management application named, 'NEST' (NCDEX electronic system for tracking grievances).

NEST is designed with a simple and user-friendly interface for online grievance management. This online platform will help investors and members to e-file their grievances, Arbitration and Appellate Arbitration complaints and track the status of redressal of such complaints.

Some of the salient features of the portal are as follows:

1. Registration of Complaints, Arbitration, Appellate Arbitration and Claims against defaulter members through the portal
2. Tracking status of complaints
3. Submission of documents through the portal

From the Exchange perspective, NEST allows ease of storage and retrieval of documents related to each complaint, including emails, letters and other communications between the investors, members and the Exchange. This helps maintain a comprehensive record of each complaint and facilitates transparency in the resolution process.

NEST, is yet another step of the Exchange, in its continuous endeavor to strengthen the investor services and promote investor protection measures.

Foreign Exchange Earnings and Outgo

During the FY 2022-23, there has been a foreign exchange inflow to the extent of ₹ 261 Lakhs. There has been foreign exchange outgo to the extent of ₹ 838 Lakhs on account of technology expenses, professional and consultation fees, and other expenses.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. that in the preparation of accounts for the FY ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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

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

d. that the Directors have prepared the accounts for the FY ended March 31, 2023 on a 'going concern' basis.

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

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

ACKNOWLEDGEMENTS

Your Directors express their gratitude for the support and advice received from SEBI, the Ministry of Finance and other

ministries of the Government of India and various State Governments. The Directors also acknowledge the immense contribution made by the employees of the Exchange.

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

By order of the Board of Directors

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

Place: Mumbai

Date: August 11, 2023

Annexure 1

FORM NO. MR.3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2023

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

To,

The Members,

National Commodity & Derivatives Exchange Limited

1st Floor, Akruti 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 & Derivatives Exchange Limited** (hereinafter called **'the Company'**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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 from April 01, 2022 to March 31, 2023 (hereinafter called 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 and in the manner 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 March 31, 2023 according to the provision 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 thereunder to the extent of Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investments **(Not Applicable to the Company during the Audit Period);**

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

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

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

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

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

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

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

ANNEXURE 1 (Contd.)

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

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

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

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the SECC Regulations, 2018).

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 audit period were carried out in compliance with the provisions of the Act and SECC Regulations, 2018.

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period:

Two shareholders of the Company namely Indian Farmers Fertiliser Cooperative Limited ('IFFCO') and Oman India Joint Investment Fund ('OIJIF') have not complied with the mandated shareholding limits as specified in Regulation 17(2) SECC Regulations, 2018 read with SEBI Circular dated November 26, 2015 within mandated time that is May 05, 2019. Hence as per the directions of SEBI vide its letter dated May 23, 2019 and February 05, 2020, the Company has freezed and restricted the voting rights and corporate benefits of the above-mentioned non-compliant shareholders till compliance with aforesaid SECC Regulations, 2018. Further SEBI has also given extension vide its letter/e-mail dated August 03, 2020, June 09, 2020, April 19, 2021, December 14, 2021, February 10, 2022 and January 20, 2023 to comply with shareholding requirement as per SECC Regulations, 2018, till December 31, 2023 for both IFFCO and OIJIF, with the condition that other directions issued with respect to the excess shareholding will remain in force till compliance with the SECC Regulations, 2018.

For Makarand M. Joshi & Co.
Company Secretaries

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
PR: 640/2019
UDIN: F005533E000784949

Date: August 11, 2023
Place: Mumbai

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 & Derivatives Exchange Limited

1st Floor, Akruti 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the 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.
Company Secretaries

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
PR: 640/2019
UDIN: F005533E000784949

Date: August 11, 2023
Place: Mumbai

Annexure 2

FORM NO MR-3

SECRETARIAL AUDIT REPORT

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

FOR THE PERIOD 01-04-2022 TO 31-03-2023

To,

Members,

NCDEX E MARKETS LIMITED

Unit No.101 & 101 T, First Floor, Ackruti

Corporate Park, L.B.S Marg, Next to

GE Garden, Kanjurmarg (W) Mumbai ,400079

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

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering 1st April, 2022 to 31st March, 2023 (''The Reporting Period'') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period 1st April, 2022 to 31st March, 2023 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ANNEXURE 2 (Contd.)

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

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

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

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

- Rules, Regulations, circulars, directives, conditions and guidelines applicable to the Company and issued by following state Agriculture Produce Market Committee's with which the Company is registered.

  1) Maharashtra
  2) Karnataka
  3) Orissa
  4) Rajasthan
  5) Gujarat
  6) Andhra Pradesh
  7) Himachal Pradesh
  8) Telangana

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

We further report that

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

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

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

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

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

1) Change in designation of Mr. Arun Raste from Additional Director to Non-Executive Director
2) Cessation of Directorship of Mr. Arun Balkrishnan as an Independent Director of the Company on expiry of his term.
3) Re-appointment of Mr. Puneet Gupta as an Independent Director of the Company for the 2nd term.
4) Appointment of Mr. Ramaswamy Jagannathan as an Independent Director of the Company.
5) Appointment Mr. Siddharth Shekar Singh as an Independent Director of the Company.
6) Incorporation of the Joint Venture Company Meta Materials Circular Markets Private Limited.
7) Alteration to Memorandum of Association of the Company by insertion of 2 new clauses in Clause 3(B) of Memorandum of Association of the Company.
8) Adoption of new set of Articles of Association of the Company.

FOR RAGINI CHOKSHI & CO

UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 #CP No: 11161
UDIN: - A022133E000353761

Date: 22-05-23 ICSI Unique Code: P1988MH05 6900
Place: Mumbai Peer Review Certificate No -659/2020

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

Annexure A

To,

Members,

NCDEX E MARKETS LIMITED

Unit No.101 & 101 T, First Floor, Ackruti

Corporate Park, L.B.S Marg, Next to GE Garden,

Kanjurmarg (W) Mumbai, 400079

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

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

FOR RAGINI CHOKSHI & CO

UMASHANKAR HEGDE

(PARTNER)

M.No: A22133 #CP No: 11161

UDIN: - A022133E000353761

Date: 22-05-2023

Place: Mumbai

ICSI Unique Code: P1988MH05 6900

Peer Review Certificate No -659/2020

Annexure 2

FORM NO MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

To,

The Members,

NATIONAL COMMODITY CLEARING LIMITED

First Floor, Ackruti Corporate Park,

L. B. S. Marg, Kanjurmarg West, Mumbai - 400078.

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

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company **for the financial year ended March 31, 2023** according to the provisions of:

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

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

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

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

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

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

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

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

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

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable as the Company has not issued any debt securities during the Audit Period)**

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

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

ANNEXURE 2 (Contd.)

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

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

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

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

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

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors of the Company during the Audit Period.

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

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

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

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

1. Re-appointment of Mr. Atul Roongta as a Shareholder Director of the Company w.e.f. August 29, 2022.
2. Renewal of recognition to act as a Clearing Corporation for a period of 3 years commencing from September 10, 2022.
3. Allotment of 15,00,000 equity shares of ₹ 10/- each at ₹ 10/- per equity share on rights basis to the Holding Company i.e. National Commodity & Derivatives Exchange Limited on December 30, 2022.
4. Cessation of Ms. Sylvia Fernandez as a Compliance Officer of the Company w.e.f close of business hours of December 30, 2022.
5. Appointment of Mr. Suresh Nair as a Chief Compliance Officer & Head - Legal and Key Managerial Personnel of the Company w.e.f February 01, 2023.
6. Cessation of Mr. Ruchit Chaturvedi as a Chief Risk Officer of the Company w.e.f close of business hours of March 09, 2023.

FOR RAGINI CHOKSHI & CO

UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 #CP No: 11161
UDIN: - A022133E000319320

Date: 17/05/2023 ICSI Unique Code: P1988MH05 6900
Place: Mumbai Peer Review Certificate No -659/2020

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members

NATIONAL COMMODITY CLEARING LIMITED

CIN: U74992MH2006PLC163550

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

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

FOR RAGINI CHOKSHI & CO

UMASHANKAR HEGDE

(PARTNER)

M.No: A22133 #CP No: 11161

UDIN: - A022133E000319320

ICSI Unique Code: P1988MH05 6900

Peer Review Certificate No -659/2020

Date: 17/05/2023

Place: Mumbai

Annexure 2

FORM NO MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

To,

The Members,

NATIONAL E-REPOSITORY LIMITED

First Floor, Ackruti Corporate Park,

L. B. S. Marg, Kanjurmarg West, Mumbai - 400078.

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

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company **for the financial year ended March 31, 2023** according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

ANNEXURE 2 (Contd.)

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

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

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

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

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

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

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

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

We further report that:

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

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

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

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

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

1) Re-appointment of Mr. Siraj Hussain as an Independent Director

2) Appointment of Mr. Bibuti Pattanaik as an Independent Director

3) Resignation of Ms. Meghna Jain as a Compliance Officer

4) Appointment of Mr. Kedar Deshpande as a Chief Operating Officer.

5) Re-appointment of Mr. P.K. Bindlish as an Independent Director

6) Resignation of Ms. Sarita Magar as a Company Secretary

8) Appointment of Mr. Ankit Shah as a Company Secretary

9) Appointment of Mr. Shivani Singh Yadav as a Compliance Officer

10) Cessation of Mr. Kedar Deshpande as Managing Director & Chief Executive Officer

11) Cessation of Mr. Avijit Saha as a Director

12) Cessation of Mr. Navneet Arora as a Director

FOR RAGINI CHOKSHI & CO
Company Secretary

UMASHANKAR HEGDE
(PARTNER)
M.No: A22133 #CP No: 11161
UDIN: - A022133E000523854
ICSI Unique Code: P1988MH05 6900
Peer Review Certificate No -659/2020

Date: 30/06/2023
Place: Mumbai

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members,

NATIONAL E-REPOSITORY LIMITED

First Floor, Ackruti Corporate Park,

L. B. S. Marg, Kanjurmarg West, Mumbai - 400078

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company

FOR RAGINI CHOKSHI & CO

UMASHANKAR HEGDE

(PARTNER)

M.No: A22133 #CP No: 11161

UDIN: - A022133E000523854

Date: 30/06/2023

Place: Mumbai

ICSI Unique Code: P1988MH05 6900

Peer Review Certificate No -659/2020

Annexure 3

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

Sr. No.	Employee's Name	Designation	Remuneration received during the FY 2022-23 (in ₹)	Nature of employment	Qualifications	Total Experience as on March 31, 2023	Date of commencement of employment	Age (Years)	Name of the previous employer
1	Mr. Arun Raste @	Managing Director & CEO	1,80,20,520	Full Time	MA (Economics), PDCJ (Comm.& Journalism), PGDM (Marketing)	38 Years	June 07, 2021	61	National Dairy Development Board
2	Mr. Atul Roongta @ $	Chief Financial Officer	1,84,78,258	Full Time	CA, B.Com	29 Years	July 03, 2017	52	Boi Axa Investment Managers Private Limited
3	Ms. Seema Nayak @ $	Chief Compliance Officer	1,04,33,166	Full Time	MBA (Marketing)	23 years	October 10, 2016	48	National Stock Exchange of India Limited
4	Mr. Viral Davda @ $	Chief Technology Officer	90,59,609	Full Time	PGDIT, B.Com	20 years	December 29, 2008	43	Datamatics Limited
5	Mr. Kapil Dev @ $	Chief Business Officer	78,42,771	Full Time	MBA (Agri Business)	16 years	May 19, 2018	38	Glencore Limited
6	Mr. Hitesh Savla @ $	Chief - Trading Operation and Process Excellene	76,11,129	Full Time	CA, B.Com	25 years	April 25, 2005	45	BSE Limited
7	Mr. Avinash Mohan @ $	Chief - Enterprise Risk, Surveillance & Investigation	75,78,729	Full Time	MMS, B.Com	23 years	May 17, 2005	45	National Stock Exchange of India Limited
8	Mr. Aleen Mukherjee	Executive Vice President & Head – Farmer Producer Organization	68,44,640	Full Time	MSc (Agri)	28 years	December 18, 2009	54	IGNA Farms Ghana Limited
9	Ms. Aditi Mukherjee @	Executive Vice President & Head -Human Resources	67,71,506	Full Time	PGPM, EPHRM, B.Sc.	23 years	September 18, 2019	48	Tata Steel Limited
10	Mr. Sanjay Jain	Senior Vice President & Chief Information Security Officer	59,33,650	Full Time	BE	23 Years	August 05, 2021	46	Reserve Bank Information Technology Private Limited.
11	Mr. Hoshi Bhagwagar @	Senior Vice President & Company Secretary	44,39,952	Full Time	CS, LLB	35 Years	February 17, 2021	58	Bombay Burmah Trading Corporation Limited

Notes:

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

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

C. All employees mentioned above except for Mr. Sanjay Jain are Key Management Personnel under SECC Regulations, 2018 of SEBI. The remuneration of employees marked with '@' excludes 50% of their Variable Pay to be paid on a deferred basis after 3 years, as applicable. For employees marked with

ANNEXURE 3 (Contd.)

'$', remuneration received includes 50% variable pay pertaining to previous period with accrued interest on withheld Performance Based Incentive/Variable Pay.

D. As on March 31, 2023, there were 209 employees on the rolls of the Company.

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

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

INFORMATION REQUIRED UNDER REGULATION 27 (5) & (6) OF SECC REGULATIONS, 2018, FOR THE PERIOD FROM APRIL 01, 2022 TO MARCH 31, 2023

Sr. No.	Name of Key Management Personnel	Designation	Compensation (in ₹)	Ratio of the Compensation of Key Management Personnel to median Compensation (x)
1	Mr. Arun Raste	Managing Director & CEO	1,80,20,520	26.35
2	Mr. Atul Roongta	Chief Financial Officer	1,84,78,258	27.02
3	Ms. Seema Nayak	Chief Compliance Officer	1,04,33,166	15.26
4	Mr. Viral Davda	Chief Technology Officer	90,59,609	13.25
5	Mr. Kapil Dev	Chief Business Officer	78,42,771	11.47
6	Mr. Hitesh Savla	Chief - Trading Operation and Process Excellence	76,11,129	11.13
7	Mr. Avinash Mohan	Chief - Enterprise Risk, Surveillance & Investigation	75,78,729	11.08
8	Mr. Aleen Mukherjee	Executive Vice President & Head – Farmer Producer Organization	68,44,640	10.01
9	Ms. Aditi Mukherjee	Executive Vice President & Head -Human Resources	67,71,506	9.90
10	Mr. Hoshi Bhagwagar	Senior Vice President & Company Secretary	44,39,952	6.49

Annexure 4

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

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

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

The periodic exercise of reviewing and amending the Exchange Rules and Bye Laws (2023) has been initiated in line with SEBI circulars/ guidelines and Gazette Notification dated on February 28, 2023 notifying the Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) (Amendment) Regulation, 2023.

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

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

Mr. Srinath Srinivasan resigned as the Shareholder Director of the Exchange with effect from March 02, 2023.

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

The following are the Committees of the Exchange as on March 31, 2023:

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

Changes in the composition of the Committee

1. Audit Committee

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Mr. Venkat Nageswar Chalasani	Mr. Venkat Nageswar Chalasani
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. Rakesh Kapur	Mr. Rakesh Kapur

ANNEXURE 4 (Contd.)

2. Nomination and Remuneration Committee

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Mr. R. Amalorpavanathan	Mr. R. Amalorpavanathan
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
4	Dr. Purvi Mehta	Dr. Purvi Mehta

3. Risk Management Committee

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Dr. Purvi Mehta	Dr. Purvi Mehta
2	Mr. Hemant Adarkar	Mr. Hemant Adarkar
3	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
4	Mr. Venkat Nageswar Chalasani	Mr. Venkat Nageswar Chalasani
5	Mr. Sanjeev Shukla	Mr. Sanjeev Shukla

4. Standing Committee on Technology

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Mr. Hemant Adarkar	Mr. Hemant Adarkar
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. Venkat Nageswar Chalasani	Mr. Venkat Nageswar Chalasani
4	Mr. Anand Iyer	Mr. Anand Iyer
5	Mr. Dhananjaya Tambe	Mr. Dhananjaya Tambe

5. Public Interest Directors' Committee

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
2	Mr. Hemant Adarkar	Mr. Hemant Adarkar
3	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
4	Dr. Purvi Mehta	Dr. Purvi Mehta
5	Mr. R. Amalorpavanathan	Mr. R. Amalorpavanathan
6	Mr. Venkat Nageswar Chalasani	Mr. Venkat Nageswar Chalasani

6. Corporate Social Responsibility Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Mr. Srinath Srinivasan	Mr. Hemant Adarkar
2	Mr. Hemant Adarkar	Mr. Manikumar S.
3	Mr. Manikumar S.	Mr. Arun Raste
4	Mr. Arun Raste	-

*re-constituted w.e.f. March 02, 2023

ANNEXURE 4 (Contd.)

7. Regulatory Oversight Committee

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
2	Mr. Hemant Adarkar	Mr. Hemant Adarkar
3	Dr. Purvi Mehta	Dr. Purvi Mehta
4	Mr. Jayant Nalawade	Mr. Jayant Nalawade

8. Stakeholders Relationship Committee

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
2	Mr. Hemant Adarkar	Mr. Hemant Adarkar
3	Mr. Manikumar S.	Mr. Manikumar S.

9. Member and Core Settlement Guarantee Fund Committee

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. Venkat Nageswar Chalasani	Mr. Venkat Nageswar Chalasani
4	Mr. Arun Raste	Mr. Arun Raste

10. Advisory Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
2	Dr. Purvi Mehta	Dr. Purvi Mehta
3	Mr. B. Venugopal	Mr. B. Venugopal
4	Mr. Kapil Mittal – Raghunandan Industries Private Limited	Mr. Kapil Mittal - Raghunandan Industries Private Limited
5	Mr. Nitin Shahi - Findoc Investmart Private Limited	Mr. Nitin Shahi - Findoc Investmart Private Limited
6	Mr. Pritam Kumar Patnaik - Axis Securities Limited	Mr. Pritam Kumar Patnaik - Axis Securities Limited
7	Mr. Suresh Arora - Share India Securities Limited	Mr. Suresh Arora - Share India Securities Limited
8	Mr. Viren Mayani - Kotak Securities Limited	Mr. Kalpesh Rathi - Nine Star Broking Private Limited

*re-constituted w.e.f. February 10, 2023

11. Business Strategy Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Mr. Rakesh Kapur	Mr. Rakesh Kapur
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. R. Amalorpavanathan	Mr. R. Amalorpavanathan
4	Mr. B. Venugopal	Mr. B. Venugopal
5	Mr. Manikumar S.	Mr. Manikumar S.
6	Mr. Srinath Srinivasan	Mr. Arun Raste
7	Mr. Arun Raste	-

*re-constituted w.e.f. March 02, 2023

ANNEXURE 4 (Contd.)

12. Capital Raising Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Mr. Srinath Srinivasan	Mr. Ashish Bahuguna
2	Mr. Ashish Bahuguna	Mr. Venkat Nageswar Chalasani
3	Mr. Venkat Nageswar Chalasani	Mr. B. Venugopal
4	Mr. B. Venugopal	Mr. Manikumar S.
5	Mr. Manikumar S.	Mr. Rakesh Kapur
6	Mr. Rakesh Kapur	Mr. Arun Raste
7	Mr. Arun Raste	-

*re-constituted w.e.f. March 02, 2023

13. Farmer Engagement Group

Sr. No.	MEMBERS AS ON MARCH 31, 2022	MEMBERS AS ON MARCH 31, 2023
1	Mr. Manikumar S.	Mr. Manikumar S.
2	Mr. R. Amalorpavanathan	Mr. R. Amalorpavanathan
3	Dr. Purvi Mehta	Dr. Purvi Mehta
4	Mr. Rakesh Kapur	Mr. Rakesh Kapur
5	Mr. Rohtash Mal	Mr. Rohtash Mal
6	Mr. Srinivas Rao	Mr. Srinivas Rao
7	Mr. Arun Raste	Mr. Arun Raste

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

Details for FY 2022-23 are given below:

	Total	Trading cum Clearing Member (TCM)	Trading Member (TM)	Strategic Trading cum Clearing Member (STCM)
Members as on March 31, 2022	339	130	203	6
Surrendered/ Expelled/ Defaulter/ Ceased during the year	34	12	22	0
New members added	4	3	1	0
Members as on March 31, 2023	309	121	182	6

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

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

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

I) Status of Arbitration of cases for the FY 2022-23:

1	**Type of cases – Arbitration**
	1) Non-payment of dues by clients
	2) Non refund of money by Member
	3) Service Related
	4) Unauthorized Trades related

ANNEXURE 4 (Contd.)

1	**Type of cases – Arbitration**	
2	Number of cases referred in Arbitration	0
3	Number of Cases of non-payment of dues by clients	0
4	Number of Cases of non-refund of money by Member	0
5	Number of Service related disputes referred to Arbitration	0
6	Number of unauthorized trades related disputes referred to Arbitration	0
7	Number of Cases in which Award is passed in Arbitration	2
8	Number of Cases in which case is withdrawn before Award	0
9	Number of Cases in progress on March 31, 2023 in Arbitration	0

II) Status of Appellate Arbitration of cases for the FY 2022-23:

1	**Type of cases – Appellate Arbitration**	
	1) Grievance in relation to Award passed in Arbitration	
2	Number of cases referred for Appellate arbitration	0
3	Number of Cases of Non-payment of dues by clients	0
4	Number of Cases of Non refund of money by Members	0
3	Number of Cases in which Award is passed	0
4	Number of Cases in which case is withdrawn before Award	0
5	Number of Cases in progress on March 31, 2023 in Appellate Arbitration	0

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

Physical Delivery Default:

Following are the instances of default in physical delivery obligation during the FY 2022-23:

Expiry Month	Symbol	Shortages	Unit
May-22	STEEL	40	MT
Nov-22	GUARGUM5	5	MT
Nov-22	DHANYA	55	MT
Dec-22	CASTOR	15	MT
Dec-22	COCUDAKL	90	MT

MTM Settlement Default:

None of the members had defaulted in meeting their MTM settlements during the FY 2022-23.

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

There was no incident of any emergency in trade during the Financial Year 2022-23.

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

Not Applicable

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

Not Applicable

Annexure 5

Form AOC-I

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

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

Part "A": Subsidiaries

(Amount in Lakhs)

Name of the subsidiary	NCDEX e Markets Limited (Consolidated)	National Commodity Clearing Limited	National E-Repository Limited	NCDEX Institute of Commodity Markets and Research
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.	N.A.	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	N.A.
Share capital	3,560	12,275	8,100	207
Other Equity	2,536	13,278	(2,564)	(167)
Total Liabilities	12,374	16,586	1,133	63
Total Assets	18,470	42,139	6,669	103
Investments (including Fixed deposits)	11,787	36,047	3,674	-
Turnover (Revenue from operations)	5,527	1,089	742	215
Profit before taxation	127	(467)	(731)	40
Provision for taxation	30	(114)	(180)	-
Profit after taxation	97	(353)	(550)	40
Other Comprehensive Income	20	(29)	(7)	-
Total Comprehensive Income	117	(381)	(558)	40
Proposed Dividend	-	-	-	-
% of shareholding	99.73%	100%	67.22%	100%

Notes:

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

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

ANNEXURE 5 (Contd.)

Part "B": Associates and Joint Ventures

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

Name of Associates/Joint Ventures	Power Exchange India Limited
1. Latest audited Balance Sheet date	March 31, 2023
2. Shares of Associate/Joint Ventures held by the Company on the year end	
No.	Equity shares - 2,00,00,000 Preference shares – NIL
Amount of Investment in Associates/Joint Venture	Equity shares – ₹ 200,000,000 Preference shares – NIL
Extent of Holding %	Equity shareholding - 34.21% Preference shareholding – NIL
3. Description of how there is significant influence	Significant influence is due to equity shareholding which is more than 20% of the total paid up share capital.
4. Reason why the associate/joint venture is not Consolidated	Not applicable - Consolidation as per Equity method as prescribed under Ind AS 28
5. Networth attributable to Shareholding as per latest audited Balance Sheet (Exchange Share of Net Worth)	₹ 2,392 Lakhs (Audited figure as on March 31, 2023)
6. Profit / Loss for the year	Audited figure as on March 31, 2023 Profit/Loss for the year after Tax is ₹ 2,161 Lakhs (Exchange's share of profit after tax is ₹ 739 Lakhs)
i. Considered in Consolidation	₹ 739Lakhs (Exchange share of profit)
ii. Not Considered in Consolidation	NIL

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

By order of the Board of Directors

Arun Raste
Managing Director & Chief Executive Officer
DIN: 08561128

Ashish Bahuguna
Chairman
DIN: 02224776

Place: Mumbai
Date: August 11, 2023

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Another record year of Agricultural production

Backed by the government's efforts and the hard work of Indian farmers, the country's food grain production has risen to a new record of 330.5 Million tonnes (MT) for the 2022-23 crop year. The country's wheat production touched a new record of 112.74 MT in the year. Pulses production of the current crop year is estimated at a record 27.5 MT, which is marginally higher than the production during the previous year. The production of Chana (gram), which has a share of more than 50% in the pulse output, has been estimated at the same level as last year at 13.5 MT in the current crop year.

Total oilseeds production for the current year is estimated at a record 40.99 MT, which is higher by 3 MT than the production of 37.96 MT reported in 2021-22. India imports about 55% of its annual edible oil consumption. Sugarcane production in 2022-23 is estimated at 49.4 MT, higher than the production estimate of 43.94 MT for the previous year.

Gross domestic product (GDP) Performance during 2022-23

According to a World Bank report, India's growth continues to be resilient despite some signs of initial moderation in growth during the second half of the year. The GDP growth for 2022-23 was 7.2% backed by strong investment activity bolstered by the government's capex push and buoyant private consumption.

The contribution of the agriculture sector to the Gross Domestic Product (GDP) has gone down slightly. According to the estimates, released by the Ministry of Statistics & Programme Implementation (MoSPI), the Gross Value Added (GVA) of agriculture and allied sectors came down to 18.3% in 2022-23 from 19% in 2021-22. However, farmers' income is steadily growing.

Union Budget 2023-24

Union Budget 2023-24 continued its growth focus led by a capex push, aiming at a positive multiplier impact for the economy. It gave more importance to bringing stability to the economy and increased the capital expenditure to ₹ 10.01 Lakh Crores from ₹ 7.50 Lakh Crores in the previous budget. The thrust on areas like transport connectivity projects and green projects will create new opportunities for the private sector and uplift demand.

With a continued focus on uplifting the farmer community and a strong thrust on the Agriculture sector and rural development, the Budget announced a slew of policies and outlays aimed at skilling, technology infusion, and infrastructure. The agriculture credit target was increased to ₹ 20 Lakh Crores giving more focus on animal husbandry, dairy and fisheries. A new Ministry of Cooperation was formed with a mandate to realize the vision of 'Sahakar Se Samriddhi' to enable a cooperative-based economic development for farmers, especially small and marginal ones. To realize this vision, computerisation of 63,000 Primary Agricultural Credit Societies (PACS) with an investment of ₹ 2,516 Crores has been initiated.

Other focus areas have been on improving the storage infrastructure in the country through promoting massive decentralized storage capacity aiming the producers to store their produce and realize remunerative prices through sale at appropriate times.

Overall, the Budget 2023 attempted to achieve the objectives of increasing the farmers' income, accelerating the growth of the agricultural sector and achieving nutritional security through enhanced focus on investments and financial support, augmenting infrastructure, research and development, skilling of youth, and impetus to green farming practices.

MSP for all mandated crops fixed higher

The Government with a vision of providing farmers MSP of at least one and a half times the cost of production, revised MSPs upwards during this year also. The Government has been increasing the MSP for 22 foodgrains, oilseeds and other commercial crops since it was first announced in Budget 2018-19. Given nutritional requirements and changing dietary patterns and to achieve self-sufficiency in pulses and oilseeds production, the Government has fixed relatively higher MSP for pulses and oilseeds.

2023, the International Year of Millets

The United Nations General Assembly, in its 75th session during March 2021, declared 2023 the International Year of Millets (IYM). Millets are Smart Food with high nutritional value, are climate resilient, and align with several UN Sustainable Development Goals (SDGs). India produces more than 50 Million tonne of millets which accounts for 80 per cent of Asia's and 20 per cent of global production. The global average of millets is 1229 kg/ha, whereas India has a higher average yield of 1239 kg/ha. In India, millets are primarily a Kharif crop mostly grown in rainfed conditions, requiring less water and agricultural inputs than other staple crops. Given the nutritional value of the millets, the Government notified Millets as Nutri-cereals in April 2018. Under the National Food Security Mission (NFSM), millets have been introduced to provide nutritional support. A sub-mission on Nutri-cereals is being implemented since 2018-19 in 212 districts of 14 States. India has more than 500 start-ups working in the millet value chains, while the Indian Institute of Millets Research has incubated 250 start-ups under Rashtriya Krishi Vikas Yojana – Remunerative Approaches for Agriculture and Allied Sectors Rejuvenation (RKVYRAFTAAR).

OPPORTUNITIES AND THREATS

The last FY began with the dampening legacy of derivatives contract suspension, but the physical side of the agricultural market kept on flourishing thanks to the record production across agri commodities. The Budget allocation for Ministry of Agriculture & FW was increased to ₹ 1,24,000 Crores in 2022-23. Food grain production increased from 308.65 Million tonnes in January 2022 to 315.72 Million tonnes in December 2022 (as per 4th advance estimates) which was the highest ever food grain production in one calendar year.

However, due to the continued global disruptions like Russia-Ukraine war, and subsequent reactionary government policies of banning exports and imposing stock limits in many widely traded commodities, we saw extreme price volatility throughout the year. For example, prices of mustard which were at the level of ₹ 7,500-8,000 per quintal at time of sowing in Nov-Dec 2022, slid below MSP of ₹ 5450 by the time of harvesting. Soybean and some other edible oils also showed same kind of price trend during the year. Unfortunately, the physical players including physical traders, processors, farmers and exporters, who play a vital role in securing the supply chain for the commodities' markets of the country had very little avenues left to hedge their price risk in absence of derivatives contracts in these commodities.

Nevertheless, the Exchange innovated new ideas and ways to engage with all possible stakeholders and followed the Hon. Prime Minister's vision of 'aapda ko avsar' with a dynamic and positive outlook. This has resulted in the Exchange cornering 97 percent of the total Indian agri derivatives trade in 2022-23. The same was 86 percent last year. It shows the resilience on part of the Exchange as well as an unprecedented support and confidence in the Exchange platform on part of the commodity ecosystem. While the Exchange had registered an average ADOI of ₹ 1,947 Crores in FY 2021-22, it increased by 6 percent to ₹ 2,069 cr the last financial year. The ADTV in the period was at ₹ 834 Crores. The data gains more significance considering the continuation in the current year, of suspension of 7 commodities that occurred in December, 2021 as they used to contribute around 70 percent of the total Exchange volume.

Farmer Producer Organizations (FPOs) have been at the forefront of most of the awareness campaigns undertaken by the Exchange. Due to the continuous efforts by NCDEX, there are Lakhs of farmers in many agrarian states, who know the benefits and risks associated with derivatives markets; they are also contributing to the development of physical agri markets through farm gate quality improvement and use of eNWR (electronic negotiable warehousing receipt).

The government of India is striving hard to increase the income levels of farmers. Continuous increase in the MSP for all mandated Kharif, Rabi and other commercial crops with a return of at least 50 per cent over all India weighted average cost of production from 2018-19 has supported farmers. Deliberations have started about using put options as complementary to MSP system where farmers may lock their price right at the time of sowing using derivatives platform. The government can leverage the tool as a universal price guarantee scheme with much lower logistical cost and infrastructural requirements. NCDEX under the guidance of regulator SEBI (Securities and Exchange Board of India) has already showed the way by taking 41 FPOs on board through a pilot program. But due to the suspension of mustard, chana and soybean derivatives contract, this highly successful experiment couldn't be extended to this year. Throughout 2022-23, FPOs from Gujarat, Maharashtra, MP and Rajasthan sent around 50 individual letters and one group letter with the sign of 120 FPOs representing 30,000 farmers to the government requesting the revocation of the suspension on commodity derivatives.

India is vulnerable to climate change, which can lead to erratic weather patterns, droughts, floods, and crop failures. These factors pose a threat to agricultural production and marketing activities. Commodity prices in the agriculture sector are often subject to fluctuations due to factors like global demand, supply disruptions, and government policies. Agri-marketers need to be prepared to manage price volatility and its impact on their profitability. Fluctuating prices can affect the profitability and stability of agricultural marketing. In such a scenario, agri derivatives Exchange in general, and NCDEX with 97 percent market share in particular, does provide a special opportunity to the value chain participants (VCPs) to hedge.

The Exchange went beyond the policy bottlenecks to explore new products and territories for trade opportunities. Its foray into non agri segment has been successful, through the establishment of steel futures contract as a benchmark for the industry, garnering participation from value chain, retail participants and immense support from the member fraternity. New products that are less sensitive in nature from policy intervention perspective have been launched like Isabgol, Groundnut, and Rubber. Striving to grow options as a strong commodity derivative risk management tool for the industry would also be one of key agenda items that would be driven by the Exchange in the coming year.

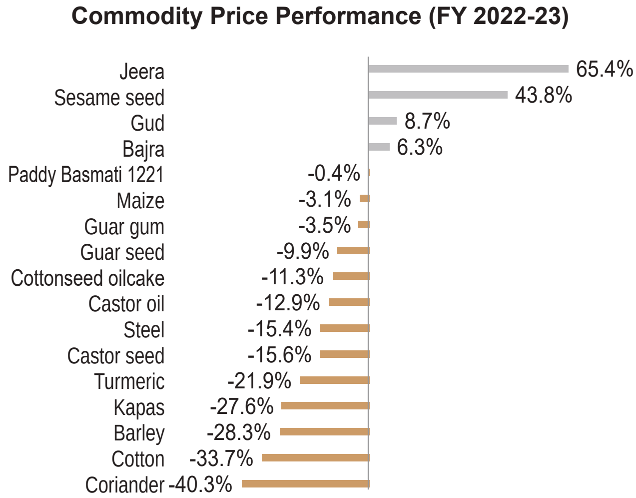
The next financial year would see these products strengthen their foothold amongst the value-chain and with continuous purported efforts on advocacy, we will enhance the understanding amongst the policymakers. All these efforts of exploring new products and establishing policy support will further reinforce market confidence and open a plethora of opportunities for the Exchange.

SEGMENT-WISE, PRODUCT-WISE PERFORMANCE

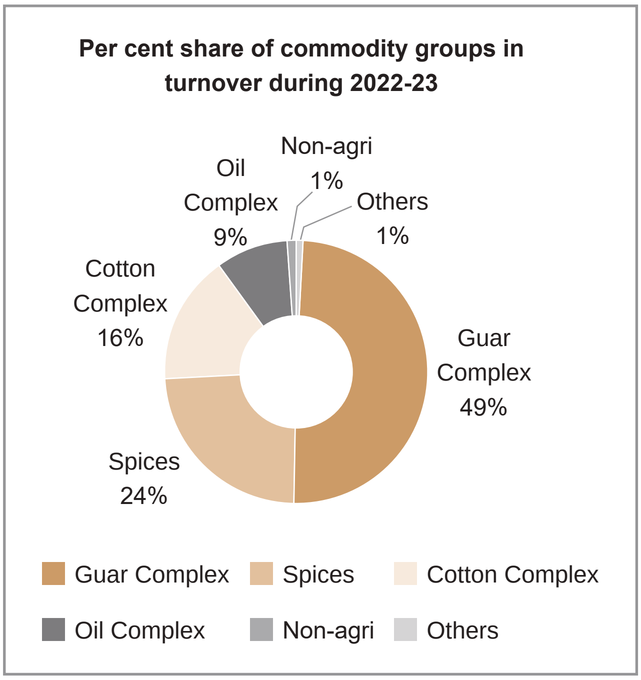
While the global economy recovered from COVID-19 led shocks, Russia-Ukraine crisis greatly affected the commodity supply chain during the year, which in turn led to the general price rise of many commodities during initial quarters of the year. However, the prolonged implementation of China's strict zero-COVID policy played a strong role in curtailing consumer confidence. Further, the global monetary tightening caused a cooling of global demand, particularly during the second half of the year. This caused moderation of food and energy prices and shedding of the major part of gains across various commodities that had been registered during initial quarters.

Following the global trend, domestic market also witnessed a majority of the Exchange traded agri-commodities shedding their initial gains and even reaching levels lower than the previous year's prices. Major exception to this remained Jeera, which witnessed robust international demand from different countries. Other commodities with positive performances were Sesame seed, Bajra and Gur.

A commodity wise performance (based on the Futures prices) of major commodities during FY 2022-23 is given in the chart below:



Source: NCDEX



Source: NCDEX

On NCDEX, the guar complex has seen robust performance contributing 50% to the total turnover of the Exchange during FY 2022-23. Individually, Guar Seed and Guar Gum contributed 26% and 24%, respectively to the total turnover.

The global cotton market has cooled down after reaching at peak of last eleven years in early 2022. India is one of the largest producer of cotton globally. According to 3rd advance estimates of production of commercial crops, the country is expected to produce over 340 Lakh bales (170 kg each) of cotton in 2022-23 as against 311 Lakh bales during the previous year. Also, it is one of the largest exporters in the world. However, India's cotton exports faced a heat of poor demand from importing nations in view of the economic slowdown in US and Europe. Cotton seed oilcake, a processed commodity from Cotton, is used as feed and fertilizer in India. Cotton seed oilcake futures has consistently been one of the most liquid contracts at the Exchange. This year also Cotton seed oilcake futures, with a share of 14% to the total turnover, remained the third largest contributor on the Exchange.

With a 24% share in turnover, spices complex remained the second largest contributor to the Exchange turnover during the year. Individually, Jeera futures contributed around 14% to the Exchange turnover. This year, the Exchange diversified the spices basket with the launch of Option in Goods in three spices viz., Turmeric, Jeera and Coriander offering a lot of opportunities to the spice value chain. The turnover of Coriander and Jeera increased sharply by 71% and 90%, respectively, as compared to the turnovers during the previous year. The peak open interest of Coriander and Jeera was also higher by 28% and 7%, respectively, as compared to peak open interest during the previous year.

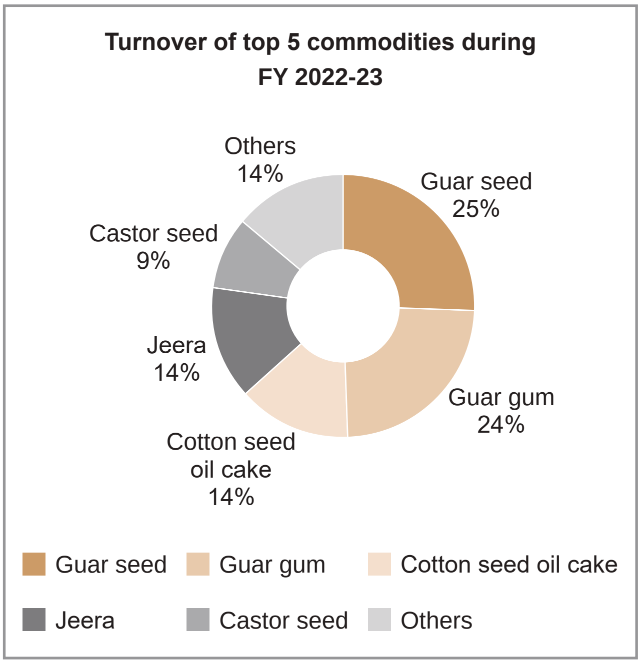
Post discontinuation of major edible oilseeds contracts in 2021, Castor seed and Sesame seed were the only oilseeds available for trading on the Exchange. Castor seed futures remained the fifth largest contributor to the overall turnover in value terms during 2022-23.

The Exchange further diversified its basket of commodities with the launch of futures contracts in Robusta Cherry AB Coffee this year. India is the world's sixth-biggest coffee producing country in the world and the futures contract in coffee will enable the producers and other intermediaries in the coffee supply chain to effectively hedge their price risks.

Turnover of top five commodities during FY 2022-23

In the absence of edible oil, oilseeds and pulses, the Exchange traded commodity basket has shrunk to a large extent and adversely impacted the overall turnover of the Exchange. A few of these commodities were among the most traded commodities on the Exchange. The Exchange witnessed an average daily turnover of around ₹ 834 Crores in FY 2022-23, down by around 55% from ₹ 1,851 Crores during FY 2021-22.

The segment-wise performance of commodities traded at the Exchange was as follows:



Source: NCDEX

OUTLOOK

Risk and uncertainty continues to remain, in the backdrop of ongoing Geo-political tension due to Russia-Ukraine conflict. Also, higher inflation compelled many of the global economies to keep their interest rates high. Therefore, both supply and demand risks are expected to remain elevated in 2023. At the same time, renewal of the Black Sea Grain Initiative to help grain exports from Ukraine reach global markets, better harvests in other major grain-producing countries, and lower energy prices have helped reduce agricultural commodity prices from their early-2022 peaks. With reopening of Chinese economy and unwinding of supply-chain disruptions, the global economy has started a gradual recovery from the powerful blows of the pandemic and of Russia-Ukraine crisis.

According to a Morgan Stanley report, despite a potential slowdown in global demand, inflationary pressures and continued monetary policy tightening, India is expected to continue its growth backed by sustained strength in domestic demand. The World Bank has also estimated the Indian economy to continue showing strong resilience to external shocks and estimated its GDP forecast at 6.3 percent for FY 2023-24. The International Monetary Fund (IMF) expects India to grow by 5.9% in FY 2023–24 and by an average rate of 6.1% over the next five years.

However, the possibility of trade restrictions by several countries, intensification of geopolitical tensions, and unfavorable weather conditions such as the emerging El Niño weather condition in 2023 can cause an upside risks in global food prices. The monsoon would remain a crucial factor in deciding the production prospects for year 2023-24. On the other hand, rising borrowing costs and slower income growth might weigh on the consumption side and bring its own set of challenges to the economy.

RISK AND CONCERNS

The Exchange business is largely dependent on strong fundamentals in the economy particularly in the Agri-sector. Adverse economic conditions including market trends and other factors beyond our control could have an adverse impact on 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. The Exchange operations are almost entirely technology-driven and our systems require continuous upgrading and technology costs form a significant portion of total costs for the Exchange. The Exchange operates in a highly regulated environment and increase in compliance and regulatory costs are beyond its control. Further, as the Exchange operates predominantly in the agri space, the Exchange is vulnerable to changes in Government policies that could significantly affect trading volumes. The Exchange has seen several regulatory interventions this year as well, by prolonging the suspension of important contracts that make up a significant amount of the value of the Exchange. Nonetheless, the Exchange is actively collaborating with government organizations to promote the growth of commodities markets in general, which would favorably affect the operations of the Exchange.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED

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

Leadership Communications

The leadership team communicates with employees to keep them abreast of progress on various matters through Town-Halls and informal connect sessions.

Employees were appreciated vide PRAGATI Awards (Team and Individual) for contribution to projects over and above regular responsibilities. These awards were announced during leadership Town-Halls.

Workforce Demographics

The Exchange is an equal opportunity employer and hires talent, through diverse sourcing channels, with domain and industry knowledge. The Exchange workforce comprised of 209 regular employees as on March 31, 2023.

Majority of the employees belong to the age group of 31 to 40 years with a healthy female diversity of 34% across the organization. The Exchange maintained a skilled workforce with more than 50% of Post Graduates and focuses on hiring qualified candidates.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Gender Diversity

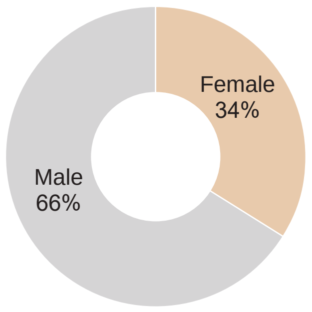


Fig. 3a: Gender Diversity

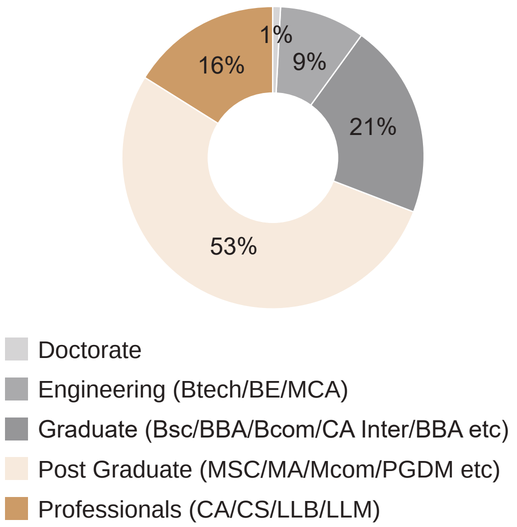


Fig. 3b: Education Diversity

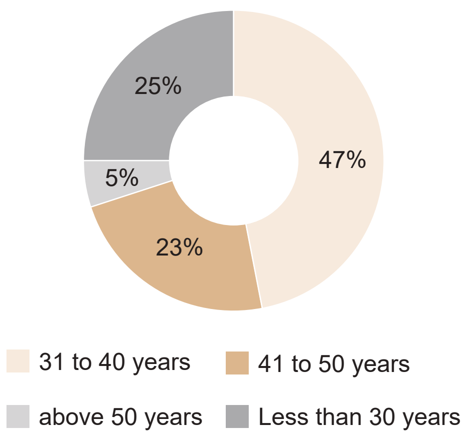


Fig. 3c: Generational Diversity

Talent Acquisition

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

The Exchange has a process driven approach towards recruitment and on-boarding. We encourage referral programs and internal job postings to fulfil our talent needs. Campus hiring is a key focus area, which enables the Exchange to build an academic partnership with agri business education institutions in India. During the FY 2022-23, about 16 Management Trainees (FTE), including 4 Interns who were offered regular full time employment; joined the Exchange in various functions from reputed institutes. Online assessments are conducted as part of recruitment process for certain levels/job roles as a supplement to personal interviews thereby enhancing quality of talent intake.

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

The number of employees, as on March 31, 2023 was 209. The breakup of employees in the Exchange is, as under.

Group/Department	Number of Employees	
	As on March 31, 2023	As on March 31, 2022
Business Group	47	43
Quant and Market structure	5	5
Farmer Producer Organization	10	9
Corporate Office	2	2
Corporate Services	26	25
Enterprise Risk & Information Security	4	3
Human Resources	6	5
Internal Audit	0	1
Regulatory Group	69	73
Technology	34	35
Polling Operations	2	2
NICR	4	5
Total	**209**	**208**

Break-up of the number of employees at the Exchange

HR Policies and Framework

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

Health, Safety & Well-Being

The internal HR policies of the Exchange cover a wide range of benefits associated with health, wellness, death and disability.

During the FY 2022-23, Exchange took a holistic approach on health and safety and combined existing benefits such as Group Mediclaim Policy, Group Personnel Accident Insurance Policy, Group Term Life Policy, Preventive Health Checks with additional round the year Wellness Initiatives. This was done under one single comprehensive framework termed as **'Health+' – NCDEX Total Health & Life Solutions**, with a complete digital adoption through 24*7 mobile application availability for smooth implementation and access.

Since then various programs such as 'Summer Fitness Challenge, wellness session 'Stress-full to Stress-free', various initiatives under 'The Art of Retreating Your Body to the Soul', Mental Health through Experiential Activities, Life Saving Skills, Taking Care of Your Heart', etc. were conducted during the year.

Desktop & Laughter Yoga Session on the Occasion of International Women's Day 2023

Live demo Session on Life Saving Skills

Summer Fitness Challenge under Health+ ~ Testimonials & Prize Distribution as a token of encouragement to the Active Participants

Talent Management

A. Performance Management

The Exchange has a structured process of performance evaluation, which is driven through system named as "MyUnnati". The performance management process (PMS) is automated and captures goals, targets, achievements and development needs. The Exchange follows a top down approach for goal setting. The departmental goals are based on organizational goals, while individual goals are based on the departmental goals.

B. Career Management

As an outcome of the fair performance assessment process, career growth of employees is addressed through promotions and internal rotations. Promotions at senior level are based on feedback received from a cross-functional leadership panel of career development interviews of eligible nominees.

C. **Talent Development**

NCDEX Group Academy enabled by a digital learning platform drives the capabilities and competency development of NCDEX and Group employees.

- To enable the closure of Individual Development Plans, a Learning campaign named "NCDEX Learning Superheroes" was organized to keep the employees enthusiastic towards learning and development.

  The quarterly training calendar covers both functional and behavioral competency based learning programs. The top 5 skills covered through the NCDEX Group Academy were Business Communication, Business Planning and Analysis, Team Management, Leadership Essentials and Business Strategy. Across all Grades and Levels, 83% of the employees were covered in some form of learning.

Prize Distribution ~ NCDEX Learning Superheroes

- An Initiative of knowledge sharing sessions (RISE) was taken under the Internal NCDEX Collaborative learning club that helped the employees in understanding the functioning of every division of the Exchange better.

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

The Exchange has undertaken several leadership development initiatives during FY 2022-23 to cater to the varied managerial needs at each level such as 'I-Lead' program for first time managers, 'Leader as a Coach' program for vertical leaders, Management Development Programs (MDPs) for High Potential employees in critical roles, etc. Most of them were executed at a Group level to have a uniform approach to leadership building skills at a NCDEX Group level. A few key initiatives undertaken are as under:

I-Lead Program: Journey from a Manager to a Leader

1. **I-Lead Program:** The program was conducted for employees who stepped into Team Lead role for the first time. The program was specifically designed and customized to make the journey as a Manager smooth, fulfilling and successful.

2. **The Leader The Coach Program:** This training framework used a proprietary coaching approach that uniquely blended the science of Positive Leadership to achieve better results. The Vertical Leaders learned how to use a coaching style of management and not the conventional approach of telling or instructing that has limited effectiveness.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

MD & CEO encouraging the Leaders

3. **Management Development Programs (MDP):** Employees were also nominated for various MDPs offered by the top institute like IIM, ISB, TISS, XLRI, etc. based on their role and responsibilities.

4. **Women Mentoring for Enrichment:** With focus on career development of women at middle and senior management, certain employees are undergoing "Mentoring for Enrichment" a Bombay Chamber of Commerce & Industry (BCCI) collaboration program – a initiative that connect female professionals with the well-known industry Mentors of their forte.

The total learning hours achieved during FY 2022-23 is 4,536 learning hours (567 Man-days) which is 77% higher than the last year.

Industry Recognition & Accolades:

In FY 2022-23, our Exchange was recognized with multiple HR Excellence Awards from People First and Business World.

- **People First HR Excellence Award 2022:** Awards won in "Best HR Team" and "Leading Practice in Pandemic Response"
- **Business World People HR Excellence Award 2022:** The Exchange recognized in Excellence of Learning & Development" and "Excellence in Health & Safety Initiatives"
- Individual Recognitions were accorded to Head of Human Resources as "Emerging L&OD Champion" and "CHRO Leader of the Year"

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Key Highlights of FY 2022-23 ~ Celebrations/ Engagement Programs/ New Initiatives, etc.

Diwali Celebration 2022

Annual Day Celebration 2022

People's Choice Award

Celebration of International Women's Day 2023

TATA Mumbai Marathon 2023

Independence Day Celebration 2022

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Exchange has recorded an ADTV of ₹ 834 Crores for FY 2022–23. The top five performing commodities in the Financial Year 2022–23 were Guar Seed, Guar Gum, Cotton Cake, Jeera and Castor Seed.

The Exchange has ended FY 2022-23 with profit/ (loss) after tax of ₹ (4,445) Lakhs. The total income for FY 2022-23 was ₹ 4,884 Lakhs as compared to ₹ 8,060 Lakhs in FY 2021–22. The total expenditure was ₹ 10,302 Lakhs in FY 2022-23 as compared to ₹ 9,916 Lakhs in FY 2021–22.

Income

The income from transaction charges for FY 2022-23 was ₹ 2,373 Lakhs as compared to ₹ 4,606 Lakhs in FY 2021-22, which is a decrease of 48.5% primarily attributable to decrease in ADTV at ₹ 834 Crore in FY 2022-23 from ₹ 1,851 Crore in FY 2021-22.

The income from investments for FY 2022–23 was ₹ 533 Lakhs as compared to ₹ 1,266 Lakhs (includes ₹ 532 Lakhs dividend received from subsidiary) in FY 2021–22.

The other income for FY 2022–23 was ₹ 1,977 Lakhs (includes ₹ 332 Lakhs interest on income tax refund) as compared to ₹ 2,188 Lakhs (includes ₹ 549 Lakhs interest on income tax refund) in FY 2021–22.

Expenditure

The total personnel expense for FY 2022-23 was ₹ 3,982 Lakhs as compared to ₹ 3,645 Lakhs in FY 2021–22, an increase of 9.2%.

Other operating expenses for FY 2022-23 were ₹ 4,784 Lakhs as compared to ₹ 4,716 Lakhs in FY 2021–22.

Disclosure on Accounting Treatment

The Exchange has followed Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 to the extent applicable, in the preparation of Financial statements for the FY 2022-23. There is no deviation from Ind AS.

Details of significant changes in Key Financial Ratios

Key Financial Ratios	Standalone	
	FY 2022-23	FY 2021-22
Debtors Turnover	6.4	7.7
Current ratio	1.5	2.3
Net Profit Margin ratio	(148%)	(26%)
Return on Net worth	(12%)	(3%)

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE – EXCHANGE'S PHILOSOPHY

Introduction

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

Exchange philosophy on Corporate Governance

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

As per Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for a listed company are mutatis mutandis applicable to the Exchange. The Exchange is also committed to adopting best and transparent practices in letter and spirit. Towards this end, the information given in this section constitutes the report on Corporate Governance for the Financial Year 2022-23.

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 ten Directors, of whom four are Shareholder Directors including Managing Director & Chief Executive Officer and six are Public Interest Directors. The profiles of the Directors can be viewed on https://www.ncdex.com/board_of_directors.

Board Meetings held during the Financial Year 2022-23 and attendance record

During the Financial Year 2022-23, five meetings of the Board were held on May 20, 2022, August 12, 2022, November 11, 2022, December 02, 2022 and February 10, 2023. Apart from these meetings, the Board of Directors also considered and approved certain matters by way of circular resolutions. The following table gives the composition of the Board, the category of the Directors and the meetings attended by them.

Name of Director	Number of Board Meetings held during the FY	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships in Board Committees of the Exchange including Voluntary Committees	Number of Directorships in other Indian public Companies as on March 31, 2023	Number of shares held in the Exchange as on March 31, 2023	Number of Committee positions held in other Public Companies*	
							Chairman	Member
Non-executive, Public Interest Directors								
Mr. Ashish Bahuguna	5	5	Yes	9	Nil	Nil	Nil	Nil
Mr. Hemant Adarkar	5	5	Yes	6	1	Nil	Nil	1
Mr. Prem Kumar Malhotra	5	5	Yes	7	1	Nil	Nil	Nil
Dr. Purvi Mehta	5	5	No	6	Nil	Nil	Nil	Nil
Mr. R. Amalorpavanathan	5	5	Yes	4	1	Nil	Nil	1
Mr. Venkat Nageswar Chalasani	5	5	Yes	6	2	Nil	Nil	1

Name of Director	Number of Board Meetings held during the FY	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships in Board Committees of the Exchange including Voluntary Committees	Number of Directorships in other Indian public Companies as on March 31, 2023	Number of shares held in the Exchange as on March 31, 2023	Number of Committee positions held in other Public Companies*	
							Chairman	Member
Non-executive, Shareholder/Non Independent Directors								
Mr. B. Venugopal	5	5	No	3	3[2]	Nil	1	2[2]
Mr. Manikumar S.	5	5	No	5	Nil	Nil	Nil	Nil
Mr. Rakesh Kapur	5	4	No	4	7[3]	Nil	Nil	2
Mr. Srinath Srinivasan[1]	5	5	No	3	1	Nil	Nil	Nil
Executive Director, Managing Director & CEO								
Mr. Arun Raste	5	5	Yes	6	4	Nil	Nil	2

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

Notes

1. Mr. Srinath Srinivasan resigned as the Shareholder Director with effect from March 02, 2023.
2. Includes directorship and committee membership in State Bank of India (SBI) (though not considered as a public company pursuant to provisions of the Companies Act, 2013).
3. Includes directorship in Indian Farmers Fertiliser Cooperative Limited (though not considered as a public company pursuant to provisions of the Companies Act, 2013).

Directorship of Directors in Listed Entities other than the Exchange as on March 31, 2023

Name of Director	Directors in Listed Entities other than the Exchange	Category of Directorship held in listed entities other than the Exchange
Mr. B. Venugopal	State Bank of India	Shareholder Director

Other disclosures

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

Skills/expertise/competence of the Board of Directors

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

Name of Director	Primary	Secondary	Other Skills/ expertise/ competence
Mr. Ashish Bahuguna	Law and Regulatory	Administration	Agriculture Markets, Economics, Market Infrastructure, Risk Management, Co-operatives
Mr. Hemant Adarkar	Technology	Others	System development, Architecture, Technology Consulting, Outsourcing & Off-shoring primarily in banking and financial services and Digital Transformation
Mr. Prem Kumar Malhotra	Law & Regulatory	Administration	Management
Dr. Purvi Mehta	Technology	Others	Economics, Market Infra, Cooperatives, International Development, Post-Harvest Technologies and other relevant experience
Mr. R. Amalorpavanathan	Capital/ Securities Market	Administration	Finance & accounting, Management, Economics, Agriculture Marketing, Risk Management, Banking, Treasury Management, Project finance & Management, Cooperatives and Agri & Rural Infrastructure designing
Mr. Venkat Nageswar Chalasani	Finance & Accountancy	Risk Management	Banking, Treasury Operations, Financial Markets, Retail Operations, Credit Operations, Economics, Management & Administration
Mr. B. Venugopal	Finance & Accountancy	Administration	Economics, Management, Risk Management, Financial Market and Information Technology
Mr. Manikumar S.	Finance & Accountancy	Administration	Management, Co-operatives, HR & Organizational Development and Agriculture Markets
Mr. Rakesh Kapur	Finance & Accountancy	Administration	Economics, Management, Risk Management, Financial Markets, Agriculture Markets and Cooperatives
Mr. Srinath Srinivasan[1]	Capital/ Securities Market	Administration	Economics, Finance & Accounting, Management, Risk Management, Financial Market and Market Infra
Mr. Arun Raste	Capital/ Securities Market	Administration	Agriculture, Economics, Management, CSR, Corporate Communication and Marketing, Finance & Accountancy

[1] Mr. Srinath Srinivasan resigned as the Shareholder Director with effect from March 02, 2023.

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 2022-23.

COMMITTEES OF THE BOARD

The Board Committees focus on specific areas as per their terms of reference and take informed decisions. Each Committee functions within the terms of reference, scope and powers as per the delegation of powers by the Board of Directors, applicable provisions of the Companies Act, 2013, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and SEBI (Listing 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors of any significant findings and follow up there on;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the whistle blower mechanism
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
- Carrying out any other function as is mentioned in the terms of reference of the audit committee

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

During the Financial Year 2022-23, four meetings of the Committee were held on May 19, 2022, August 11, 2022, November 11, 2022 and February 09, 2023. The composition and attendance of the Members is given below:

Name of the Committee Member	Number of meetings held during the relevant period	Number of meetings attended
Mr. Venkat Nageswar Chalasani, Chairman of the Committee	4	4
Mr. Ashish Bahuguna	4	4
Mr. Rakesh Kapur	4	3

II. NOMINATION AND REMUNERATION COMMITTEE

The Committee consists of four Public Interest Directors. During the Financial Year 2022-23, four meetings of the Committee were held on April 12, 2022, May 19, 2022, November 10, 2022 and February 09, 2023. The terms of reference of the Nomination & Remuneration Committee, inter alia, are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of performance of independent directors and the board of directors
- Devising a policy on diversity of board of directors
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- To lay down policy for compensation of KMP under SECC Regulations, 2018 in terms of the compensation norms prescribed by SEBI.

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

The composition and attendance of the Members is given below:

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

III. RISK MANAGEMENT COMMITTEE

The Committee consists of Dr. Purvi Mehta, Chairperson of the Committee, Mr. Prem Kumar Malhotra, Mr. Hemant Adarkar, Mr. Venkat Nageswar Chalasani and Mr. Sanjeev Shukla. During the Financial Year 2022-23, four meetings of the Committee were held on May 18, 2022, August 11, 2022, November 09, 2022 and February 08, 2023. The terms of reference of the Risk Management Committee, inter-alia, are as under:

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

IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee consists of Mr. Hemant Adarkar, Mr. Manikumar S. and Mr. Arun Raste. During the

Financial Year 2022-23, one meeting of the Committee was held on August 11, 2022. The terms of reference of the CSR Committee, inter-alia, are as under:

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

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of Mr. Prem Kumar Malhotra, Chairman of the Committee, Mr. Hemant Adarkar and Mr. Manikumar S. During the Financial Year 2022-23, one meeting of the Committee was held on November 10, 2022. The terms of reference of the Stakeholders Relationship Committee, inter-alia, are as under:

- To approve transfer, transmission, dematerialization, rematerialization, 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 AND CORE SETTLEMENT GUARANTEE FUND COMMITTEE

The Member and Core Settlement Guarantee Fund Committee consists of Mr. Prem Kumar Malhotra, Chairman of the Committee, Mr. Ashish Bahuguna, Mr. Venkar Nageswar Chalasani and Mr. Arun Raste. The terms of reference of the Member and Core Settlement Guarantee Fund Committee, inter-alia, are as under:

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

VII. ADVISORY COMMITTEE

The Advisory Committee consists of Mr. Ashish Bahuguna, Chairman of the Committee, Dr. Purvi Mehta, Mr. B. Venugopal, Mr. Kapil Mittal, Mr. Pritam Kumar Patnaik, Mr. Nitin Shahi, Mr. Suresh Arora and Mr. Kalpesh Rathi. The terms of reference of the Advisory Committee, inter-alia, are as under:

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

VIII. STANDING COMMITTEE ON TECHNOLOGY

The Standing Committee on Technology consists of Mr. Hemant Adarkar, Chairman of the Committee, Mr. Ashish Bahuguna, Mr. Venkat Nageswar Chalasani, Mr. Anand Iyer and Mr. Dhananjaya Tambe. 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. Ashish Bahuguna, Chairman of the Committee, Mr. Hemant Adarkar, Mr. Prem Kumar Malhotra, Dr. Purvi Mehta, Mr. R. Amalorpavanathan and Mr. Venkat Nageswar Chalasani. The terms of reference of the Public Interest Directors' Committee, inter-alia are as under:

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

- To assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties
- To review claim(s) of the client(s) of defaulter Trading Member(s) (second review), in case an application for second review has been received from the client who is not satisfied with the review of the claim by the Member and Core Settlement Guarantee Fund Committee of the Exchange (first review)
- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority

X. REGULATORY OVERSIGHT COMMITTEE

The Regulatory Oversight Committee consists of Mr. Prem Kumar Malhotra, Chairman of the Committee, Mr. Hemant Adarkar, Dr. Purvi Mehta and Mr. Jayant Nalawade. The terms of reference of the Regulatory Oversight Committee, inter-alia, are as under:

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

- Review the fees and charges levied by the Exchange
- The head(s) of department(s) handling above matters shall report directly to the committee and also to the Managing Director. Any action against the head(s) of dept. shall be subject to an appeal to the committee, within such period as may be determined by the Board of the Exchange
- Such other functions as may be specified by SEBI or any other Statutory or Regulatory Authority

PERFORMANCE EVALUATION CRITERIA OF THE BOARD

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

(i) Board as a whole

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

(iii) Various Committees of the Board

(iv) Chairperson of the Board

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

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

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

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

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

guidance, reviews the level of independence of management from the Board to ensure that the level of independence is adequate, the Board and the management are able to actively access each other and exchange information, the Board ensure that an appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board, there is a good focus of the Board with the Management on the few high impact subjects, the Board is receiving information particularly on new laws, regulations, etc from time to time

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

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

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

(iii) Performance evaluation of various Committees of the Board

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

(iv) Performance evaluation of Chairperson of the Board

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

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

Public Interest Directors

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

Shareholder Directors

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

Managing Director & Chief Executive Officer

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

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. The Exchange also bears/reimburses expenses incurred by Non-Executive Directors for attending meetings of the Board and its Committees at actuals.

The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and Committees during the Financial Year 2022-23 is as follows:

Name of the Director	Sitting Fees (Amount in ₹)		
	Board Meetings	Committee Meetings	Total
Mr. Ashish Bahuguna	3,00,000	11,20,000	14,20,000
Mr. Hemant Adarkar	3,00,000	6,40,000	9,40,000
Mr. Prem Kumar Malhotra	3,00,000	7,60,000	10,60,000
Dr. Purvi Mehta	3,00,000	7,20,000	10,20,000
Mr. R. Amalorpavanathan	3,00,000	2,40,000	5,40,000
Mr. Venkat Nageswar Chalasani	3,00,000	9,20,000	12,20,000
Mr. B. Venugopal	3,00,000	2,80,000	5,80,000
Mr. Manikumar S.	3,00,000	2,00,000	5,00,000
Mr. Rakesh Kapur	2,40,000	3,40,000	5,80,000
Mr. Srinath Srinivasan[1]	3,00,000	2,00,000	5,00,000

[1]Mr. Srinath Srinivasan resigned as the Shareholder Director with effect from March 02, 2023.

The details of remuneration paid to Managing Director & CEO during the Financial Year 2022-23 is given below:

Sr. No.	Particulars of Remuneration	Name of Managing Director & Chief Executive Officer
		Mr. Arun Raste
1.	Gross salary	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(a) ₹ 1,50,00,804/-
(b)	NPS contribution, Motor Car Expense Reimbursement and Value of perquisites u/s 17(2) Income-tax Act, 1961	(b) ₹ 21,48,830/-
(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	Nil
	- others, specify...	Nil
5.	Others, please specify	Nil
Total (A)		₹ 1,71,49,634/-
Ceiling as per the Act		The Exchange has obtained approval from the shareholders for the payment of above remuneration.

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

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.

Senior Management

The definition of Key Management Personnel under the SECC Regulations, 2018 is quite broad and includes Key Managerial Personnel under the Companies Act, 2013 and also Senior Management as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). The name and designation of the Key

Management Personnel of the Exchange is provided hereunder. Other particulars of the Key Management Personnel of the Exchange are included in Annexure 3 of the Directors' Report forming part of the Annual Report.

Sr. No.	Name of Key Management Personnel	Designation
1	Mr. Arun Raste	Managing Director & CEO
2	Mr. Atul Roongta	Chief Financial Officer
3	Ms. Seema Nayak	Chief Compliance Officer
4	Mr. Hitesh Savla	Chief - Trading Operation and Process Excellence
5	Mr. Avinash Mohan	Chief - Enterprise Risk, Surveillance & Investigation
6	Mr. Viral Davda	Chief Technology Officer
7	Mr. Kapil Dev	Chief Business Officer
8	Ms. Aditi Mukherjee	Executive Vice President & Head -Human Resources
9	Mr. Aleen Mukherjee	Executive Vice President & Head – Farmer Producer Organization
10	Mr. Hoshi Bhagwagar	Senior Vice President & Company Secretary

There were no changes in the Key Management Personnel of the Exchange during the FY 2022-23.

Stakeholders' Grievance Committee:

The Exchange has a Stakeholders Relationship Committee which considers and resolves the grievances of the security holders.

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

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

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

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

e) Number of pending complaints: Nil

DETAILS OF GENERAL MEETINGS

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

Financial Year	Date of AGMs	Time	Venue	Special resolutions adopted
2019-20	September 25, 2020	11:00 a.m.	Video Conferencing/ Other Audio Visual Means (Deemed venue: First Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Marg, Kanjurmarg (West), Mumbai 400078)	No
2020-21	September 27, 2021	11:00 a.m.	Video Conferencing/ Other Audio Visual Means (Deemed venue: First Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Marg, Kanjurmarg (West), Mumbai 400078)	No
2021-22	September 26, 2022	11.00 a.m.	Video Conferencing/ Other Audio Visual Means (Deemed venue: First Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Marg, Kanjurmarg (West), Mumbai 400078)	No

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

MEANS OF COMMUNICATION

The Financial Statements are displayed on the website of the Exchange – www.ncdex.com and Extract of Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2023 were published in the newspapers. Other disclosures and announcements are also displayed on the website of the Exchange.

GENERAL INFORMATION FOR SHAREHOLDERS

(i) **Annual General Meeting**

The Twentieth Annual General Meeting will be held on Tuesday, September 26, 2023 at 11:00 a.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

(ii) **Financial Year:** April 01, 2022 to March 31, 2023.

(iii) **Dividend Payment Date:** The Board has not recommended any dividend for the FY 2022-23.

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

(v) Registrar to an issue and share transfer agents:

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

Share transfer system: The transfer of equity shares of the Exchange is as per the provisions of the Companies Act, 2013 and the provisions of the Articles of Association of the Exchange and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations 2018. The transfer requests are placed for the consideration of the Stakeholders Relationship Committee.

(vi) **Distribution of shareholding:**

Categories	Shareholding	Percentage
Individuals	3,632,459	7.17
Corporates	1,63,74,176	32.31
Financial Institutions	1,12,50,000	22.20
Banks	67,49,965	13.32
Venture Capital	76,01,400	15.00
Any Other (specify) - (Co-Operative Society)	50,68,000	10.00
Total	**50,676,000**	**100.00**

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

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

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

(x) Plant locations: Nil

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

(xii) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant Financial Year, for all debt instruments of such entity or any fixed deposit 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. Weblink where policy on Whistle Blower Policy is disclosed: https://ncdex.com/about/disclosures

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

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

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

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

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

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

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

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

(₹ in Lakhs)

As Auditors (including limited review)	44
For tax audit	8
For tax matters	14
For other services	1
For reimbursement of expenses	1
Total	**68**

(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	Nil	Nil	Nil

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

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

(xv) Code of Conduct: The Exchange has framed and adopted a Code of Conduct Policy, which is approved by the Board. Affirmation of compliance with the Code of Conduct/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

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

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

1. **National Commodity Clearing Limited**

   Date of incorporation - August 04, 2006

   Place of Incorporation - Mumbai

   Name of Statutory Auditor - Khandelwal Jain & Co., Chartered Accountants

   Date of Appointment of Statutory Auditor - September 24, 2018 (For Five years)

2. **National E-Repository Limited**

   Date of Incorporation - February 10, 2017

   Place of Incorporation - Mumbai

   Name of Statutory Auditor - Khandelwal Jain & Co., Chartered Accountants

   Date of Appointment of the Statutory Auditors - December 28, 2018 (For Five years)

3. **NCDEX e Markets Limited**

   Date of Incorporation - October 18, 2006

   Place of Incorporation - Mumbai

   Name of Statutory Auditor - K. S. Aiyar & Co

   Date of Appointment of the Statutory Auditors - July 31, 2020 (For Five years)

Annexure 1

To,

The Members of **National Commodity & Derivatives Exchange Limited**

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

L. B. S. Road, Kanjurmarg (West), Mumbai 400078

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **National Commodity & Derivatives Exchange Limited having CIN U51909MH2003PLC140116** and having registered office at 1st Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Road, Kanjurmarg (West), Mumbai 400078 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from to time). In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of Company for the Financial Year ended March 31, 2023, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	Designation	DIN	Date of Appointment
1.	Mr. Ashish Bahuguna	Chairman & Public Interest Director	02224776	15-06-2020
2.	Mr. Hemant Adarkar	Public Interest Director	03127893	13-04-2021
3.	Mr. Prem Kumar Malhotra	Public Interest Director	07731762	09-08-2018
4.	Dr. Purvi Mehta	Public Interest Director	01596457	11-01-2018
5.	Mr. R. Amalorpavanathan	Public Interest Director	06941432	03-01-2022
6.	Mr. Venkat Nageswar Chalasani	Public Interest Director	07234179	01-05-2021
7.	Mr. Rakesh Kapur	Shareholder Director	00007230	26-04-2008
8.	Mr. Srinath Srinivasan *	Shareholder Director	00107184	24-02-2014
9.	Mr. Sivaramakrishnan Manikumar	Shareholder Director	08956660	21-12-2020
10.	Mr. Venugopal Nayar Bhaskaran	Shareholder Director	02638597	11-01-2018
11.	Mr. Arun Raste	Managing Director & CEO	08561128	07-06-2021

* **Resigned w.e.f March 2, 2023**

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

For U. HEGDE & ASSOCIATES,
Company Secretaries

Umashankar K. Hegde
Proprietor
C.P. No- 11161 # M.No- ACS 22133
ICSI UDIN: A022133E000507442
ICSI Unique Code: S2012MH18 8100
Peer Review Certificate No - 1263/2021

Date: 27/06/2023
Place: Mumbai

Annexure 2

Compliance with the Code of Conduct by the Directors & Members of the Senior Management of the Exchange for the Financial Year 2022-23

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.

Arun Raste
Managing Director & Chief Executive Officer

Place: Mumbai
Date: August 11, 2023

Annexure 3

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members,

National Commodity & Derivatives Exchange Limited

1st Floor, Akruti Corporate Park,

Near G. E. Garden, L.B.S. Road,

Kanjurmarg (West) Mumbai - 400078

We have examined all relevant records of National Commodity & Derivatives Exchange Limited (the Company) for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended March 31, 2023. In terms of Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognized Stock Exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance 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 Makarand M. Joshi & Co
Practicing Company Secretaries

Makarand Joshi
Partner
FCS No. F5533
CP No. 3662
UDIN: F005533E000785048
Peer Review No: 640/2019

Date: 11-08-2023
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of

National Commodity & Derivatives Exchange Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **National Commodity & Derivatives Exchange Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 33 to the standalone financial statements regarding the matters relating to the future contracts of pepper, the Company had paid in earlier years total amount including taxes towards cleaning of the pepper stock in warehouses and other related costs of ₹ 1,696 lakhs (net of recovery of ₹ 9 lakhs till March 31, 2023) and these payments are considered as receivable and shown under "other financial assets". The order of Hon'ble High Court of Kerala dated August 28, 2014, has allowed the Company to clean the pepper stock in warehouses with a right to recover the aforesaid estimated pepper- cleaning costs and applicable taxes, associated with the same however the Hon'ble High Court of Kerala in a Writ Petition filed by the holders, passed an interim order dated April 13, 2018, restricting the Exchange from taking any coercive actions against the holder and the said order is currently in force.

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

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

Key Audit Matter

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Matter	How our audit addressed the key audit matter
Litigation, Claims and Contingent Liabilities **(Refer Notes 31(a), 32 & 33, to be read along with Emphasis of Matter in Independent Auditor's Report of the standalone financial statements)** As of March 31, 2023, the Company has various ongoing litigations on legal and proceedings with tax authorities involving uncertain direct and indirect tax positions. There are various direct and indirect tax cases against the Company, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc. The Company has assessed the above pending matters related to litigations and has disclosed the contingent liabilities, wherever applicable, and certain legal matters, in its standalone financial statements. This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the standalone financial statements.	Our audit procedures related to legal and uncertain tax positions included– • Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters; • Obtaining details of litigations on legal and uncertain direct and indirect tax positions. • Reviewing orders and management responses thereto. • Inspecting the supporting documents to evaluate management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the standalone financial statements; and • Reviewing expert's legal advice/opinion obtained by the Company's management for evaluating certain legal and tax matters; Based on the above procedure, we noted that the Company has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, and certain legal matters, in its standalone financial statements. (Refer Notes 31(a), 32 & 33 to the standalone financial statements)

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key

INDEPENDENT AUDITOR'S REPORT (Contd.)

audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its standalone financial statements – Refer Note 31(a), 32 & 33 to the standalone financial statements.

   ii. The Company did not have any long-term contracts including derivatives contracts as at March 31, 2023 for which there were any material foreseeable losses - Refer Note 47 to the standalone financial statements.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023 - Refer Note 48 to the standalone financial statements.

   iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; - Refer Note 37(x) to the standalone financial statements

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; - Refer Note 37(x) to the standalone financial statements

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 13 to the standalone financial statements

a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

b) According to information & explanation given to us, the Company has not proposed dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Narendra Jain
Partner
Membership Number: 048725
UDIN: 23048725BGYVQQ5216

Place: Mumbai
Date: May 26, 2023

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

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

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

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

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

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

(b) The Company has physically verified the Property, Plant and Equipment and right-of-use assets in accordance with a program of verification which in our opinion provides for physical verification of all Property, Plant and Equipment and right-of-use assets at reasonable intervals. We have been informed that no material discrepancies were noticed on such verification.

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

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

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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

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

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of clause 3(iii)(a), (c) to (f) of Companies (Auditor's Report) Order, 2020 are not applicable to the Company.

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

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

v. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified. Hence, reporting under clause 3(v) of the Order is not applicable. 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. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, goods and service tax (GST), duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities. According to the records of the Company, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service-tax, GST, duty of custom, duty of excise, value added tax, cess and other statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

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

Amount (₹ in Lakhs)

Name of the Statute (Nature of the Dues)	Period to which the amount relates	Forum where dispute is pending	Amount Disputed	Amount Paid/ Adjusted	Amount Unpaid
Income Tax Act, 1961 (Tax / Interest)	FY 2006-07	High Court	171	-	171
Income Tax Act, 1961 (Tax / Interest)	FY 2007-08		113	-	113
Income Tax Act, 1961 (Tax / Interest)	FY 2010-11		123	-	123
Income Tax Act, 1961 (Tax / Interest)	FY 2008-09		11	11	-
Income Tax Act, 1961 (Tax / Interest)	FY 2010-11	Commissioner of Income Tax (Appeals) - Mumbai	13	13	-
Income Tax Act, 1961 (Tax / Interest)	FY 2011-12		456	456	-
Income Tax Act, 1961 (Tax / Interest)	FY 2012-13		201	201	-
Income Tax Act, 1961 (Tax / Interest)	FY 2013-14		236	236	-
Income Tax Act, 1961 (Tax / Interest)	FY 2015-16		541	541	-
Income Tax Act, 1961 (Tax / Interest)	FY 2016-17		321	321	-
Income Tax Act, 1961 (Tax / Interest)	FY 2017-18		28	28	-
Income Tax Act, 1961 (Tax / Interest)	FY 2017-18		2	2	-
Income Tax Act, 1961 (Tax / Interest)	FY 2020-21		17	17	-
Finance Act, 1994 (Service Tax) *	Nov 2013 – July 2016	Customs, Excise & Service Tax Appellate Tribunal	814	61	753
Finance Act, 1994 (Service Tax) *	Oct 2014 – June 2017		1464	110	1354

* excluding interest & penalty

viii. According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The company has not defaulted in repayment of loan or in the payment of interest thereon to banks.

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

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT (Contd.)

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

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

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

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary and hence, reporting on clause 3(ix)(f) of the Order is not applicable.

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

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

xi. (a) We hereby confirm that to the best of our knowledge and belief, there are no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

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

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

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

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

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

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

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

xvii. The Company has incurred cash loss in business of ₹ 4,826 lakhs during the financial year 2022-23 covered

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT (Contd.)

by our audit and ₹ 389 lakhs for the immediately preceding financial year 2021-22.

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

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) The Provision of section 135 of the act in respect to Expenses on Corporate Social Responsibility is not applicable to Company. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

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

Narendra Jain
Partner
Membership Number: 048725
UDIN: 23048725BGYVQQ5216

Place: Mumbai
Date: May 26,2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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

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

1. We have audited the internal financial controls over financial reporting of **National Commodity and Derivative Exchange Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT (Contd.)

override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Narendra Jain
Partner
Membership Number: 048725
UDIN: 23048725BGYVQQ5216

Place: Mumbai
Date: May 26, 2023

STANDALONE BALANCE SHEET
AS AT MARCH 31, 2023

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	590	704
Right to use assets	41	951	1,201
Intangible assets	3	2,635	3,121
Intangible assets under development	3	62	24
Investment in subsidiaries, associates and joint ventures	4	21,753	23,455
Financial assets			
- Other financial assets			
- Bank balances	5(a)	689	757
- Others	5(b)	192	209
Deferred tax assets (net)	15	4,141	2,652
Income tax assets (net)	6	1,717	1,922
Other non-current assets	7	19	27
Total non-current assets		**32,749**	**34,072**
Current Assets			
Financial assets			
- Investment	8	2,627	2,440
- Trade receivables	9	382	559
- Cash and cash equivalents	10	43	36
- Bank balances other than cash and cash equivalents	11	3,563	9,021
- Others	5(b)	2,240	2,717
Other current assets	7	895	466
Total current assets		**9,750**	**15,239**
Investments held for sale- in subsidiary and associate	4(a)	**1,852**	**-**
TOTAL ASSETS		**44,351**	**49,311**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	5,068	5,068
Other equity	13	30,725	35,558
Total Equity		**35,793**	**40,626**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Deposits	16	769	874
- Lease Liabilities	18	736	965
Provisions	14	345	248
Total non-current liabilities		**1,850**	**2,087**
Current liabilities			
Financial liabilities			
- Deposits	16	3,438	3,585
- Trade payables			
Total Outstanding dues of micro enterprises and small enterprises	17 (a)	42	15
Total Outstanding dues of other than micro enterprises and small enterprises	17 (b)	543	583
- Lease Liabilities	18	283	257
- Others	18	770	473
Other current liabilities	19	829	931
Provisions	14	803	754
Total current liabilities		**6,708**	**6,598**
TOTAL LIABILITIES		**8,558**	**8,685**
TOTAL EQUITY AND LIABILITIES		**44,351**	**49,311**
Summary of significant accounting policies	1		

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

As per our report of even date

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

NARENDRA JAIN
Partner
Membership No. 048725

Place : Mumbai
Date : May 26, 2023

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	20	3,001	5,205
Other Income	21	1,883	2,855
Total income		**4,884**	**8,060**
EXPENSE			
Employee benefits expense	22	3,982	3,645
Finance cost	23	88	107
Depreciation & amortization expense	24	1,448	1,448
Technology Expenses	25 (a)	3,019	2,950
Other expenses	25 (b)	1,765	1,766
Total expenses		**10,302**	**9,916**
Profit / (loss) before exceptional items and income tax		**(5,418)**	**(1,856)**
Exceptional item (Refer note 43)	26	487	-
Profit / (Loss) before tax		**(5,905)**	**(1,856)**
TAX EXPENSE			
Current tax	27	-	-
Deferred tax expense/ (credit)	27	(1,460)	(480)
Profit / (Loss) for the year (A)		**(4,445)**	**(1,376)**
Other Comprehensive Income:			
Items that will not be reclassified to the Statement of profit and loss;			
Remeasurement of post-employment benefit obligations		(77)	(59)
Income tax impact on above		20	15
Item that will be reclassified to the Statement of profit and loss;			
Debt instruments through Other Comprehensive Income		(86)	(18)
Income tax impact on above		9	2
Previous year Income Tax impact		0	19
Other comprehensive income for the Period, net of taxes (B)		**(134)**	**(41)**
Total comprehensive income for the Period (A+B)		**(4,579)**	**(1,417)**
Earnings per share (Face Value of ₹ 10 each)	28		
(1) Basic (₹)		(8.77)	(2.72)
(2) Diluted (₹)		(8.77)	(2.72)

Summary of significant accounting policies 1

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

As per our report of even date

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

NARENDRA JAIN
Partner
Membership No. 048725

Place : Mumbai
Date : May 26, 2023

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

STANDALONE CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(5,905)	(1,856)
Adjustments for:		
Depreciation & amortization	1,448	1,448
(Profit) / Loss on sale of fixed asset	(1)	(3)
(Profit) / Loss on sale of investments	(30)	(41)
Ind AS Fair value impact of mutual fund	(11)	(9)
Interest income	(503)	(693)
Dividend Income	-	(532)
Profit on lease rent concession/ termination	-	(48)
Balances Written Back	-	(35)
Interest expenses on lease liability	88	107
Operating profit before working capital changes	**(4,913)**	**(1,662)**
Movements in working capital:		
Decrease / (Increase) in trade receivables	177	238
Decrease / (Increase) in other current assets	(429)	208
Decrease / (Increase) in other non current assets	8	9
Decrease / (Increase) in other financial assets	384	175
Increase / (Decrease) in trade payables	(12)	23
Increase / (Decrease) in financial liabilities	244	(14)
Increase / (Decrease) in deposits	(253)	(295)
Increase / (Decrease) in provisions	69	(67)
Increase / (Decrease) in other current liabilities	(128)	(147)
Cash generated / (used) from operations	**(4,853)**	**(1,532)**
Direct taxes (paid) / refund (net)	205	(264)
Net cash generated / (used) in operating activities	**(4,648)**	**(1,796)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(544)	(562)
Proceeds from sale / disposal of fixed assets	22	95
Purchase of current investments	(9,606)	(9,900)
Proceeds from sale of current investments	9,373	11,132
Dividend received from subsidiary	-	532
Interest received	608	743
Investment in fixed deposits (original maturity of more than three months)	(4,438)	(11,235)
Redemption / Maturity of fixed deposits (original maturity of more than three months)	9,965	10,649
Net cash generated / (used) in investing activities	**5,380**	**1,453**

STANDALONE CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Investment in NCCL, Subsidiary company	(150)	-
Dividend paid	(228)	(241)
Payment of lease Liabilities (Net off lease rent concession)	(347)	(348)
Interest paid	(0.4)	-
Net cash generated / (used) from financing activities	**(725)**	**(589)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**8**	**(932)**
Cash and cash equivalents at the beginning of the year	**36**	**968**
Cash and cash equivalents at the end of the year	**43**	**36**
Components of cash and cash equivalents		
Cash and cheques on hand	0.06	-
With Banks		
- on current accounts	41	36
- on fixed deposits (Original maturity being three months or less)	2	-
Total	**43**	**36**

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

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

Summary of significant accounting policies - Note 1

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

As per our report of even date

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

NARENDRA JAIN
Partner
Membership No. 048725

Place : Mumbai
Date : May 26, 2023

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023

(A) Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at April 01, 2021	5,068
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	5,068
Changes in equity share capital during the year	-
Balance as at April 01, 2022	**5,068**
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2023	**5,068**

(B) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General reserve	Retained Earnings	FVTOCI Debt instrument	
Balance as at April 01, 2021	**13,956**	**1,110**	**22,047**	**115**	**37,228**
Loss for the year	-	-	(1,376)	-	(1,376)
Items of Other Comprehensive Income for the year, net of tax	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	(44)	-	(44)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	3	3
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	(253)	-	(253)
Transitional Impact Lease accounting	-	-	-	-	-
Balance as at March 31, 2022	**13,956**	**1,110**	**20,374**	**118**	**35,558**
Loss for the year	-	-	(4,445)	-	(4,445)
Items of Other Comprehensive Income for the period, net of tax	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	(57)	-	(57)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	(77)	(77)
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	(253)	-	(253)
Balance as at March 31, 2023	**13,956**	**1,110**	**15,618**	**41**	**30,725**

Summary of significant accounting policies - Note 1

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

As per our report of even date

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

NARENDRA JAIN
Partner
Membership No. 048725

Place : Mumbai
Date : May 26, 2023

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Background

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

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, 2023 and March 31, 2022 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 26, 2023.

b Historical Cost Convention

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

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

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

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

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

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

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

c Foreign Currencies

Items included in the Financial Information of the Exchange are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Information is presented in Indian currency (₹), which is the Exchange's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the Statement of profit and loss as income or expense.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in OCI or Statement of profit and loss are also recognized in OCI or Statement of profit and loss, respectively).

d 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

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

Contingent liabilities

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

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Exchange makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Exchange considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Exchange's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

e Current and Non-current classification

The Exchange presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i. Expected to be realized or intended to be sold or consumed in normal operating cycle i.e. twelve months

ii. Held primarily for the purpose of trading, or

iii. Expected to be realized within twelve months after the reporting period other than for (i) above, or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

v. Current assets also includes current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle i.e. twelve months

ii. It is held primarily for the purpose of trading

iii. It is due to be settled within twelve months after the reporting period other than for (i) above, or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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 Exchange issues financial guarantees on behalf of subsidiaries, initially it measures the financial guarantees at their fair value and subsequently measures at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

The Exchange records the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as deferred revenue. Such deemed investment is added to the carrying amount of investment in subsidiaries.

Deferred revenue is recognized in the Statement of profit and loss over the remaining period of financial guarantee issued.

g Asset for sale and discontinued operations

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

As mandated by Ind AS 105, assets and liabilities would not be reclassified or re-presented for prior period.

h Fair Value Measurement

The Exchange measures financial instruments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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The Exchange uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Exchange categorizes assets and liabilities measured at fair value into one of three levels as follows:

• Level 1 — Quoted (unadjusted)

This hierarchy includes financial instruments measured using quoted prices.

• Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include the following:

a) quoted prices for similar assets or liabilities in active markets.

b) quoted prices for identical or similar assets or liabilities in markets that are not active.

c) inputs other than quoted prices that are observable for the asset or liability.

d) Market – corroborated inputs.

• Level 3

They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Exchange's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

i Revenue Recognition

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

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

Transaction charges

Transaction charges are recognized as income on trade date basis.

Annual subscription charges

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

Admission fees

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

Interest Income

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

Dividends

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

j Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Exchange will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the Statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of profit and loss over the period in which depreciation of the related assets will be charged to the statement of profit and loss.

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 balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone Financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amount will be available to utilize those temporary differences and losses. At each reporting date the Exchange reassesses unrecognized deferred tax assets and recognizes the same to the extent it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Current and deferred tax is recognized in Statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Exchange recognizes MAT credit available as an asset only to the extent it is probable that the Exchange will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Exchange recognizes MAT credit as an asset on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of profit and loss and shown as "MAT Credit Entitlement". The Exchange reviews the " MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is not probable that the Exchange will pay normal tax during the specified period.

I Property, Plant and Equipment (PPE)

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

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

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

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

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

Leasehold improvement is amortized over the lease term i.e. the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

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

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

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

The estimated useful life and residual values are 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

i. Intangible assets

Recognition of intangible assets

a. Computer software

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

Costs capitalized are amortized on a straight line basis over its expected useful life based on management’s estimate.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Exchange are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends & has ability to complete the software and use or sell it
- software will be able to generate probable future economic benefits
- the expenditure attributable to the software during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use. The estimated useful life (5-10 years) of subsequent development of already capitalized intangible assets is evaluated independent of the estimated life of the original assets.

The carrying value of computer software costs is reviewed for impairment annually when the asset is not in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of profit and loss when the asset is derecognized.

Intangible assets under development

All costs incurred in development, are initially capitalized as Intangible assets under development

- till the time these are either transferred to Intangible Assets on completion or expensed as Software Development cost (including allocated depreciation) as and when determined of no further use.

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 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.

Effective April 01, 2019, the Exchange adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Exchange assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

(1) the contract involves the use of an identified asset

(2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and

(3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the Exchange recognizes a right to use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Exchange recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right to use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right to use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right to use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right to use asset reflects that the Exchange expects to exercise a purchase option, the related right to use asset is depreciated over the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are

NOTES TO STANDALONE FINANCIAL STATEMENTS
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discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right to use asset if the group changes its assessment if whether it will exercise an extension or a termination option. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability and Right to use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Lease income from operating leases where the Exchange is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Statement of Assets and Liabilities based on their nature.

Transition

Effective April 1, 2019, the Exchange adopted Ind AS 116 “Leases” and applied to all lease contracts existing on April 01, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Exchange recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right to use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee’s incremental borrowing rate at the date of initial application.

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 capitalized as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

p Provisions, Contingent liabilities and Contingent assets

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using current pre tax rate that reflects, when appropriate, the risk specific to the liability.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Exchange or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent liabilities are not recognized but disclosed in the Financial Statements, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not recognized but disclosed in the Financial Statements when an inflow of economic benefits is probable.

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 recognized in Statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the Standalone Balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of profit and loss.

The obligations are presented as current liabilities in the Standalone Statement of Assets and Liabilities since the Exchange does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Exchange operates the following post-employment schemes:

a. defined benefit plans such as gratuity, and

b. defined contribution plans such as provident fund.

Defined benefit Plan

- **Gratuity obligations**

  The Exchange has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognized in the Standalone Statement of Assets and Liabilities in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

Measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of profit and loss as past service cost.

Defined Contribution Plan

- **Provident fund**

  Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when

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the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.

Leave Encashment

Leave encashment is measured on the basis of actuarial report.

r Cash and cash equivalents

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

s Impairment of non-financial assets

The Exchange assesses, on annual basis, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Exchange estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

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

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

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

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

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

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

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

Subsequent measurement

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

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

Debt 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 Exchange recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

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 Exchange 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 Exchange may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Exchange makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Exchange decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to the Statement of profit and loss, even on sale of investment. However, the Exchange may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Trade receivables

Trade Receivables are recognized initially at fair value, plus in the case of trade receivables not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the trade receivable. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Cash and Cash equivalents

The Exchange 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 :

i. The Exchange has transferred the rights to receive cash flows from the financial asset or

ii. Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Exchange has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Exchange has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Exchange has not retained control of the financial asset. Where the Exchange retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Exchange applies expected credit loss (ECL) model for measurement and recognition of Impairment loss on the following financial assets and credit risk exposure:

i. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

ii. Financial assets that are debt instruments and are measured as at FVTOCI.

iii. Lease receivables under Ind AS 17

iv. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

v. Loan commitments which are not measured as at FVTPL

vi. Financial guarantee contracts which are not measured as at FVTPL

The Exchange follows 'simplified approach' for recognition of impairment loss allowance on:

i. Trade receivables or contract revenue receivables; and

ii. All lease receivables resulting from transactions within the scope of Ind AS 17.

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

Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Exchange are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the Statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Exchange prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the Statement of profit and loss when the liabilities are derecognized. Interest expenses on these financial liabilities is included in finance cost using EIR method.

Financial guarantee contracts

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

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

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)

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

w Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

x Cash flow statement

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

y Application of new and revised Ind -AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 to the extent applicable have been considered in preparing these financial statements.

z Recent accounting pronouncements:-

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

1. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

2. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

3. **Ind AS 12 – Income Taxes**

   The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

2. PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Computer Hardware	Improvement to Lease hold Property	Telecommunication Equipments	Office Equipments	Electrical Installations	Furniture and Fixtures	Motor Car	Total	Capital work-in-progress
Cost or Deemed Cost									
Opening as at April 01, 2021	1,817	181	1,108	48	116	85	33	3,389	-
Additions	190	-	12	1	1	2	-	206	-
Disposals / Adjustments	3	38	-	1	-	-	33	75	-
Closing gross carrying amount	**2,004**	**143**	**1,120**	**48**	**117**	**87**	**-**	**3,520**	**-**
Accumulated depreciation and impairment									
Opening as at April 01, 2021	1,331	160	817	33	48	38	22	2,449	-
Depreciation for the year	247	9	146	6	6	8	2	423	-
Disposals / Adjustments	3	30	-	1	-	-	24	59	-
Closing accumulated depreciation	**1,575**	**139**	**963**	**38**	**54**	**46**	**-**	**2,815**	**-**
Net carrying amount as at March 31, 2022	**429**	**4**	**157**	**10**	**63**	**41**	**-**	**704**	**-**
Cost or Deemed Cost									
Opening as at April 01, 2022	2,004	143	1,120	48	117	87	-	3,520	-
Additions	190	3	98	6	-	-	-	297	-
Disposals / Adjustments	584	-	76	-	38	3	-	701	-
Closing gross carrying amount	**1,610**	**146**	**1,142**	**54**	**79**	**84**	**-**	**3,115**	**-**
Accumulated depreciation and impairment									
Opening as at April 01, 2022	1,575	139	963	38	54	46	-	2,815	-
Depreciation for the year	266	3	100	6	8	7	-	390	-
Disposals / Adjustments	565	-	75	-	38	2	-	680	-
Closing accumulated depreciation	**1,276**	**142**	**988**	**44**	**24**	**51**	**-**	**2,525**	**-**
Net carrying amount as at March 31, 2023	**334**	**4**	**154**	**10**	**55**	**33**	**-**	**590**	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

3. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software	Total	Intangible assets under development	Total
Cost or Deemed Cost				
Opening as at April 01, 2021	6,693	6,693	337	337
Additions	363	363	170	170
Disposals / Adjustments	23	23	120	120
Capitalized during the year	-	-	363	363
Closing gross carrying amount	**7,033**	**7,033**	**24**	**24**
Accumulated amortization and impairment losses				
Opening as at April 01, 2021	3,190	3,190	-	-
Amortization for the year	722	722	-	-
Disposals / Adjustments	-	-	-	-
Closing accumulated amortization	**3,912**	**3,912**	**-**	**-**
Net carrying amount as at March 31, 2022	**3,121**	**3,121**	**24**	**24**
Cost or Deemed Cost				
Opening as at April 01, 2022	7,033	7,033	24	24
Additions	263	263	304	304
Disposals / Adjustments	-	-	3	3
Capitalized during the year	-	-	263	263
Closing gross carrying amount	**7,296**	**7,296**	**62**	**62**
Accumulated amortization and impairment losses				
Opening as at April 01, 2022	3,912	3,912	-	-
Amortization for the year	749	749	-	-
Disposals / Adjustments	-	-	-	-
Closing accumulated amortization	**4,661**	**4,661**	**-**	**-**
Net carrying amount as at March 31, 2023	**2,635**	**2,635**	**62**	**62**

3. INTANGIBLE ASSETS UNDER DEVELOPMENT

a Intangible Assets under development ageing

Ageing for Intangible Assets under development as on March 31, 2023 is as follows:

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	62	-	-	-	62
Projects temporarily suspended	-	-	-	-	-
Total	**62**	**-**	**-**	**-**	**62**

Any of the projects completion is not overdue & neither any cost is exceeded as compared to original plans.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Ageing for Intangible Assets under development as on 31st Mar 2022 is as follows:

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	18	5	1	-	24
Projects temporarily suspended	-	-	-	-	-
Total	**18**	**5**	**1**	**-**	**24**

Any of the projects completion is not overdue & neither any cost is exceeded as compared to original plans.

4. NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	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	20,75,000	207	20,75,000	207
Aggregate provision for diminution in value of unquoted investments		(207)		(207)
Equity shares of ₹10/- each fully paid up in National Commodity Clearing Limited	12,27,50,000	12,610	12,12,50,000	12,460
Equity shares of ₹10/- each fully paid up in National E-Repository Limited *	4,13,12,124	4,131	5,44,51,000	5,445
(ii) In Associates				
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited **	1,46,15,609	1,462	2,00,00,000	2,000
Total		**21,753**		**23,455**
Aggregate amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate amount of unquoted investments		**21,753**		**23,455**

4. (a) INVESTMENTS HELD FOR SALE - IN SUBSIDIARY AND ASSOCIATE

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Quantity	Amount	Quantity	Amount
Investments Held for Sale				
Equity shares of ₹10/- each fully paid up in National E-Repository Limited *	1,31,38,876	1,314	-	-
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited **	53,84,391	538	-	-
Total		**1,852**		-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

*The Exchange was permitted to hold up to 74% of the paid up share capital of NERL and to reduce it to 51% or below by December 21, 2018 as per letter 16/5-15/A&F-1959 dated December 8, 2016 and letter of intent dated December 23, 2016 of Warehousing Development and Regulatory Authority (WDRA). Since the shareholding of the Exchange (67.22%) was not in line with the above guidelines, the Exchange has sought and recieved permission from WDRA to continue to hold 67.22% in NERL. As per latest WDRA letter no. D-24015/2/2018-O/o US (A and F)/2363 dated December 08, 2022, WDRA has allowed the Exchange time till December 21, 2023 to reduce its shareholding in NERL to 51% or below. During the year, the Board has accorded its in-principle approval for sale of investment in subsidiary namely NERL, to the extent of regulatory requirement. The management has classified the investments held in NERL as 'Asset held for sale', to the extent of regulatory requirement.

**As per shareholding pattern norms prescribed under Regulations 19(1) of the Central Electricity Regulatory Commission (CERC) (Power Market) Regulations, 2010, dated January 10, 2010, applicable to Power Exchange of India Limited (PXIL), the shareholder (except for the member of Power Exchanges) can hold maximum upto 25% of paid up share capital. The power exchange was granted 3 years time from the date of notification to comply with the said norms. Since the shareholding of the Exchange (34.21%) was not in line with the above regulations, PXIL has sought and recieved permission from CERC to allow the Exchange to continue to hold 34.21% in PXIL. As per latest CERC order dated April 26,2022 CERC has allowed the Exchange additional time till March 31, 2023 to reduce its shareholding in PXIL to 25% or below.The petition seeking extension of timelines for meeting the compliances as required under Power Market Regulations, 2021 has been filed by PXIL on March 03, 2023. CERC order on the same is awaited. During the year, the Board has accorded its in-principle approval for sale of investment in associate namely PXIL, to the extent of regulatory requirement. The management has classified the investments held in PXIL as 'Asset held for sale', to the extent of regulatory requirement.

5. OTHER FINANCIAL ASSET

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(a) Non-current bank balances				
Deposits with bank - original maturity more than 12 months	689	757	-	-
Total (a)	**689**	**757**	**-**	**-**
(b) Others				
Considered Good- Unsecured				
Recoverable from subsidiaries	-	-	366	346
Recoverable from Selling Shareholders	-	-	-	407
Interest accrued on fixed deposits	7	27	178	264
Security Deposit	185	182	-	-
Other assets (Refer note 33)*	-	-	1,696	1,700
Receivables - credit impaired				
Others receivables - credit impaired	32	32	-	-
Less: Allowance for expected credit loss	(32)	(32)	-	-
Total (b)	**192**	**209**	**2,240**	**2,717**

* Other receivables of ₹ 1700 Lakhs as at March 31, 2022 regrouped from 'Other Current Assets' to 'Other Financial Assets'

6. INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax paid including tax deducted at source receivable (net of provision)	1,717	1,922
Total	**1,717**	**1,922**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

7. OTHER ASSETS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured, Considered Good				
Prepaid Expenses	19	27	269	248
Balances with Government authorities	-	-	610	207
Other Receivables*	-	-	16	11
Total	**19**	**27**	**895**	**466**

* Other receivables of ₹ 1700 Lakhs as at March 31, 2022 regrouped from 'Other Current Assets' to 'Other Financial Assets'

8. CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
	Units	Amount	Units	Amount
A) Investment in bonds				
Bonds (Quoted) - Refer Note 1				
NHAI Bonds 2015 Tax Free Bonds Maturity dated January 08, 2030 Tranche I Series II A for 15 years @ 7.35% p.a.	57,140	672	57,140	681
7.35% NABARD Tax free bonds Maturity dated March 23, 2031@ annualized YTM 6.01%	67,475	763	67,475	813
8.48% NTPC Tax free bonds Maturity dated December 16, 2028 at 6.005% p.a.	44,799	526	44,799	553
Total Bonds (a)		**1,961**		**2,047**
B) Investment in mutual funds				
Mutual Funds (Unquoted)				
Aditya Birla Sunlife Liquid fund- growth -Direct Plan *	8,359	30	8,359	29
Axis Liquid Fund Direct Growth **	1,402	35	5	0
HDFC- Overnight Fund -Direct Plan -Growth	4,507	150	-	-
HDFC- Liquid Fund -Direct Plan -Growth Option *	700	31	1,093	46
ICICI Prudential Overnight Fund - Direct Plan Growth Option	17,672	214	-	-
ICICI Prudential Money Market Fund- Direct Plan-Growth Option	-	-	19,455	60
Kotak Overnight Fund- Direct Plan- Growth Option ***	3,409	41	483	21
SBI Overnight Fund - Direct Growth	4,531	165	290	10
SBI Saving Fund - Direct Plan Growth Option	-	-	6,38,723	228

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
	Units	Amount	Units	Amount
Total - Current Investments (b)		**666**		**393**
Aggregate amount of total investments(a+b)		**2,627**		**2,440**
Aggregate provision for diminution in value of unquoted investments		-		-
* Represents investment earmarked for Investor Service Fund				
** Represents Investment earmarked for Regulatory fee forgone by SEBI				
*** Represents investment earmarked for Base Minimum Capital				
Aggregate amount of quoted investments		1,961		2,047
Aggregate market value of quoted investments		1,961		2,047
Aggregate amount of unquoted investments		666		393

9. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
a) Trade Receivables considered good - Secured*	241	363
b) Trade Receivables considered good - Unsecured	141	196
c) Trade Receivables which have significant increase in Credit Risk	-	-
d) Trade Receivables - credit impaired	-	-
	382	**559**
Less: Expected credit loss allowance	-	-
Total	**382**	**559**

* Secured by deposits received from members

Trade Receivables Ageing as at March 31, 2023

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	345	2	4	-	30	382
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Sub Total	345	2	4	-	30	382
Less : Allowance for bad and doubtful debts	-	-	-	-	-	-
Total	**345**	**2**	**4**	**-**	**30**	**382**

Trade Receivables Ageing as at March 31, 2022

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	416	18	9	92	25	559
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables –credit impaired	-	-	-	-	-	-
Sub Total	416	18	9	92	25	559
Less : Allowance for bad and doubtful debts	-	-	-	-	-	-
Total	**416**	**18**	**9**	**92**	**25**	**559**

10. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash in hand	0.06	-
Balances with bank*		
In current accounts	41	36
Deposits with original maturity of three months or less	2	-
Total	**43**	**36**

* Balances with bank of ₹ 4,435 Lakhs as at March 31, 2022 regrouped from 'Cash and cash equivalent' to 'Bank balances other than cash and cash equivalents'

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Unpaid Dividends	104	78
Earmarked Flexi deposit balances*	72	61
Earmarked bank balances**	2	16
Deposits with original maturity for more than 3 months but less than 12 months***	1,729	4,381
Deposits with maturity of less than 12 months at the balance sheet date	1,656	4,486
Total #	**3,563**	**9,021**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Balances with bank of ₹ 4,435 Lakhs as at March 31, 2022 regrouped from 'Cash and cash equivalent' to 'Bank balances other than cash and cash equivalents'

* Earmarked Flexi deposit balances
  - Includes ₹ 19 Lakhs (March 31, 2022 ₹ NIL) represents funds collected on behalf of defaulter member as per SEBI directions
  - Includes ₹ 53 Lakhs (March 31, 2022 ₹ 61 Lakhs) represents earmarked for Base Minimum Capital.

** Earmarked bank balances
  - Includes ₹ 0.90 Lakhs (March 31, 2022 : ₹ 0.18 Lakhs) for Investor Service Fund.
  - Includes ₹ 0.35 Lakhs (March 31, 2022 ₹ 5 Lakhs) for Base Minimum Capital.
  - Includes ₹ 0.53 Lakhs (March 31, 2022 ₹ 0.03 Lakhs) for SEBI Regulatory fees
  - Includes ₹ NIL (March 31, 2022 ₹ 11 Lakhs) for SAT order.

*** Includes Fixed Deposits of ₹ 315 Lakhs (March 31, 2022 : ₹ 398 Lakhs) lien marked for Overdraft facility

12. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
70,000,000 Equity shares of ₹ 10/- each (Previous Years : 70,000,000 Equity shares of ₹ 10/- each)	7,000	7,000
Issued, subscribed and fully paid up shares		
50,676,000 Equity shares of ₹ 10/- each fully paid up (Previous Years: 50,676,000 equity shares of ₹ 10/- each fully paid up)	5,068	5,068
Total	**5,068**	**5,068**

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

Equity Shares of ₹ 10 each fully paid	March 31, 2023		March 31, 2022	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
At the beginning of the year	7,00,00,000	7,000	7,00,00,000	7,000
Addition during the year	-	-	-	-
Outstanding at the end of the year	7,00,00,000	7,000	7,00,00,000	7,000

b. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

Equity Shares of ₹ 10 each fully paid	March 31, 2023		March 31, 2022	
	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

c. Terms / Rights attached to equity share

The Exchange has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Exchange declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

d. Details of shareholders holding more than 5% share in the Exchange

Equity Shares of ₹ 10 each fully paid	**March 31, 2023**		**March 31, 2022**	
	No. of Shares	**% holding**	**No. of Shares**	**% holding**
Equity Shares of ₹ 10 each fully paid				
National Stock Exchange of India Limited	76,01,377	15.00%	76,01,377	15.00%
Life Insurance Corporation of India	56,25,000	11.10%	56,25,000	11.10%
National Bank for Agriculture and Rural Development	56,25,000	11.10%	56,25,000	11.10%
Indian Farmers Fertiliser Cooperative Limited (IFFCO) *	50,68,000	10.00%	50,68,000	10.00%
Oman India Joint Investment Fund (OIJIF) *	50,67,600	10.00%	50,67,600	10.00%
Punjab National Bank	36,94,446	7.29%	36,94,446	7.29%
Build India Capital Advisors LLP	25,33,799	5.00%	25,33,799	5.00%
Canara Bank	30,55,519	6.03%	30,55,519	6.03%
Investcorp Private Equity Fund - I (previously known as IDFC Private Equity Fund III)	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 Exchange, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

*SEBI vide letters dated May 23, 2019 and February 05, 2020 and thereafter vide e-mail dated June 09, 2020 had directed the Exchange to freeze voting rights and restrict entitlement to any corporate benefits, including dividend over and above 5% of the paid up capital of the Exchange, of two shareholders, namely, Indian Farmers Fertiliser Cooperative Limited (IFFCO) and Oman India Joint Investment Fund (OIJIF), till Initial Public Offering of the Exchange takes place or in case the two shareholders are not able to offload their shareholding through Offer for Sale in IPO, an additional time of three months' had been accorded by SEBI to the two shareholders for complying with the SECC Regulations, 2018, with the condition that the other directions issued shall remain in force till compliance of SECC Regulations, 2018. Thereafter, SEBI vide e-mails dated April 19, 2021, December 14, 2021, February 10, 2022 and January 31, 2023, further extended the timelines to comply with shareholding requirement as per SECC Regulations, 2018, by the said shareholders till December 31, 2023.

e. Shareholding of promoter

Shares held by promoters at March 31, 2023

	No. of Shares	**% of total shares**	**% change during the year**
Promoter	NIL		
Promoter Group	NIL		

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

13. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General reserve	Retained Earnings	FVTOCI Debt instrument	
Balance as at April 01, 2021	**13,956**	**1,110**	**22,047**	**115**	**37,228**
Loss for the year	-	-	(1,376)	-	(1,376)
Items of Other Comprehensive Income for the year, net of tax					
Remeasurement benefit of defined benefit plans	-	-	(44)	-	(44)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	3	3
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	(253)	-	(253)
Balance as at March 31, 2022	**13,956**	**1,110**	**20,374**	**118**	**35,558**
Loss for the year	-	-	(4,445)	-	(4,445)
Items of Other Comprehensive Income for the period, net of tax					
Remeasurement benefit of defined benefit plans	-	-	(57)	-	(57)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	(77)	(77)
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	(253)	-	(253)
Balance as at March 31, 2023	**13,956**	**1,110**	**15,618**	**41**	**30,725**

1. The Board of Directors in the meeting held on May 20, 2022, proposed a final dividend of ₹ 0.50 per equity share which has been approved by the shareholders at the Annual General Meeting held on September 26, 2022. The total dividend debited to other equity during the year ended March 31, 2023 amounts to ₹ 253 Lakh.
2. The Board of Directors in the meeting held on June 09, 2021, proposed a final dividend of ₹ 0.50 per equity share which has been approved by the shareholders at the Annual General Meeting held on September 27, 2021. The total dividend debited to other equity during the year ended March 31, 2022 amounts to ₹253 Lakh.

Description of nature and purpose of reserve

Securities Premium Reserve

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

General Reserve

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

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Retained Earnings

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

Reserve for debt instruments through other comprehensive income

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

14. PROVISIONS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Employee benefits obligation				
a) Provision for gratuity	176	108	115	100
b) Provision for leave encashment	48	46	22	18
c) Provision for performance based Incentive*	121	94	406	376
Other Provisions (Refer note 33)**	-	-	260	260
Total	**345**	**248**	**803**	**754**

* Provisions for performance based Incentive (Non current) of ₹ 94 Lakhs and (current) of ₹376 Lakhs as at March 31, 2022 regrouped from 'Other Financial Liabilities' to 'Provisions'

**Provision of ₹ 260 Lakhs as at March 31, 2022 regrouped from 'Trade payable' to 'Current provisions'

15. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets components		
Employee benefits	94	71
Unabsorbed loss including unabsorbed depreciation	4,122	2,764
Deferred tax assets on SEBI Regulatory Fees	20	15
Deferred tax assets on ISF liabilities	11	20
MAT Credit Entitlement	206	206
Cumulative catch-up lease accounting Ind AS 116	-	2
Gross deferred tax asset	**4,453**	**3,077**
Deferred tax liabilities components		
Depreciation and amortization	287	395
Financial assets at fair value through P&L	2	2
Financial assets at fair value through OCI	5	14
Rent Expenses IND AS 116	18	15
Gross deferred tax liabilities	**312**	**426**
Net deferred tax asset/(liability)	**4,141**	**2,652**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

16. DEPOSITS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Base Minimum Capital	769	874	884	915
Deposit from members	-	-	2,554	2,670
Total	**769**	**874**	**3,438**	**3,585**

* Base Minimum Capital of ₹ 50 Lakhs as at March 31, 2022 regrouped from 'Non current deposits' to 'Current deposits'

17. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Total outstanding due of micro and small enterprises	42	15
b) Total outstanding dues of creditors other than micro and small enterprises	543	583
Total	**585**	**598**

* Provision of ₹ 260 Lakhs as at March 31, 2022 regrouped from 'Trade payable' to 'Current provisions'

Trade Payable Ageing as at March 31, 2023

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	42	-	-	-	-	42
Others	540	1	0.03	2	0.33	543
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - others	-	-	-	-	-	-
Total	**582**	**1**	**0.03**	**2**	**0.33**	**585**

Trade Payable Ageing as at March 31, 2022

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	15	-	-	-	-	15
Others	549	31	3	-	-	582
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - others	-	-	-	-	-	-
Total	**564**	**31**	**3**	**-**	**-**	**598**

18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
a) Payable towards purchase of PPE / Intangible Assets	-	-	92	39
b) Dues to members	-	-	415	421
c) Other payable*	-	-	14	11

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
d) Interest payable to MSME	-	-	-	2
e) Payable to member/ customer	-	-	249	-
	-	**-**	**770**	**473**
f) Lease Liabilities	736	965	283	257
Total	**736**	**965**	**1,053**	**730**

* Provision for performance based Incentive (Non current) of ₹ 94 Lakhs and (current) of ₹376 Lakhs as at March 31, 2022 regrouped from 'Other Financial Liabilities' to 'Provisions'

19. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Revenue received in advance	345	313
b) SEBI turnover and regulatory fees payable	77	57
c) Investor protection fund*	36	131
d) Investor Service fund	42	76
e) Statutory dues payable	210	260
f) Unpaid dividend	104	78
g) Others	15	16
Total	**829**	**931**

* Includes ₹ 19 Lakhs (March 31, 2022 : ₹ 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) Private Limited. However, Forward Market Commission(FMC) has directed that NCDEX shall get the freeze order lifted by the police authorities and reimburse the amount to the Trust towards settlement of award and arbitration cost which the Trust has paid.

20. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of services		
Transaction charges	2,373	4,606
Annual subscription fees	93	103
Admission fees	20	5
Warehouse charges	11	16
Data, Analytics and Technology Sales	409	375
Other Operating Revenues		
Computer to computer link charges	33	33
Port charges	62	67
Total	**3,001**	**5,205**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

21. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on Bank deposits	373	563
Interest on Bonds	130	130
Interest on financial asset measured at amortized cost	11	9
Dividend Income	-	532
Profit on sale / Fair Value of Mutual funds	30	41
Interest on Income Tax Refund	332	549
Profit on Lease termination	-	48
Exchange charges	8	29
Recovery of charges from subsidiaries	705	640
Profit on sale/scrap of PPE (net)	1	3
Leaseline charges income	258	260
Sundry balances written back (net)	20	-
Others (miscellaneous income)	15	51
Total	**1,883**	**2,855**

22. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, bonus and allowances	3,557	3,256
Contribution to Provident and other funds	302	290
Staff welfare expenses	123	99
Total	**3,982**	**3,645**

23. FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liability	88	107
Interest on bank overdraft	0.4	-
Total	**88**	**107**

24. DEPRECIATION & AMORTIZATION EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation	391	425
Amortization	749	718
Amortization of right to use assets	308	305
Total	**1,448**	**1,448**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

25 (a) TECHNOLOGY EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Repairs & Maintenance computer and software	2,079	1,828
Annual Maintenance charges	337	378
Networking Expenses	206	210
Data Centre Expenses	201	334
Other Technology Expenses	196	200
Total	**3,019**	**2,950**

25 (b) OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Legal and Professional Charges	293	319
Electricity Charges	119	201
Polling Expenses	25	196
Research Expenses	149	143
Repairs and Maintenance	98	101
Directors Sitting Fees	84	90
Committee Sitting Fees	12	22
Board and Committee meeting expenses	15	0
Travelling and Conveyance expenses	93	76
Liquidity Enhancement Scheme expenses	397	74
Insurance Expenses	69	62
SEBI Regulatory Fees	2	2
Contribution towards SEBI Regulatory Fund	52	49
Rent	47	48
Contribution to Investor Protection Fund	23	46
Contribution to Investor Service Fund	28	47
Security Charges	37	36
Advertisement and Publicity	47	31
Corporate social responsibility expenses	-	25
Printing and stationery	16	23
Communication Expenses	22	22
Recruitment Expenses	12	16
Books Periodicals & Subscription	12	12
Payment to Auditors		
- For Audit (including limited review)*	20	19
- For tax audit	4	-
- For tax advice	9	-
- For other services	-	1
- For reimbursement of expenses	0.4	1
Bad Debts	-	1

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
IPO expenses	-	5
Rates & Taxes	1	3
Other Expenses	80	95
Total	**1,765**	**1,766**

*Includes ₹ 7 Lakhs (March 31, 2022 : ₹ 3 Lakhs) for Limited review fees.

26. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Exceptional Items		
Capital raising expenses written off (Refer note 43)	487	-
Total	**487**	**-**

27. CURRENT AND DEFERRED TAX

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	-	-
Deferred Tax	(1,460)	(480)
Total	**(1460)**	**(480)**

28. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit / (Loss) after tax as per Statement of Profit and Loss	(4,445)	(1,376)
Less: Preference dividend and tax thereon	-	-
Net Profit for calculation of EPS **(A)**	(4,445)	(1,376)
Weighted average no. of equity shares for calculating EPS **(B)**	5,06,76,000	5,06,76,000
Basic earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	(8.77)	(2.72)
Diluted earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	(8.77)	(2.72)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Weighted average number of equity shares for calculating EPS	5,06,76,000	5,06,76,000

29 During the year, Exchange has recognized the following amounts in the financial statements as per Ind AS 19 “Employees Benefits” :

a) **Defined Contribution Plan**

Contribution to Provident Fund and Employee State Insurance Scheme

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

The Exchange makes contribution, determined as percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Exchange has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Employer’s Contribution to Provident Fund	155	137

b) **Defined Benefit Plan**

The Exchange has a defined benefit gratuity plan. Every employee who has completed five years or more and less than or equal to nine years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Every employee who has completed more than ten years of service gets a gratuity on departure at 26 days salary (last drawn salary) for each completed year of service.

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

(₹ in Lakhs)

Particulars	**Gratuity (funded)**	
	As at March 31, 2023	**As at March 31, 2022**
Expected Rate of Return on plan assets	7.29%	5.66%
Discount rate (per annum)	7.29%	5.66%
Rate of increase in Compensation levels	8.00% p.a. for the next 2 years, 6.00% p.a. for the next 5 years, starting from the 3rd year 5.00% p.a. thereafter, starting from the 8th year	8.00% p.a. for the next 3 years, 6.00% p.a. for the next 5 years, starting from the 4th year 5.00% p.a. thereafter, starting from the 9th year
Rate of Employee turnover	25.00%	25.00%
Mortality Rate during Employment	Indian Assured Lives Mortality (2012-14) Ult	Indian Assured Lives Mortality (2012-14) Ult
Mortality Rate after Employment	N.A.	N.A.

Table showing changes in present value of obligations :

(₹ in Lakhs)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Present value of obligation as at the beginning of the year	454	354
(Liability Transferred In / Acquisitions)	-	-
(Liability Transferred Out / Divestments)	-	-
Interest Cost	26	20

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Service Cost	49	48
Benefits paid	(39)	(29)
Actuarial (gain) / loss on obligations	66	61
Present value of obligation as at the end of the year	**556**	**454**

Table showing changes in the fair value of plan assets :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of the year	246	213
(Liability Transferred In / Acquisitions)	-	-
(Assets Transferred Out / Divestments)	-	-
Interest income	14	12
Employer contribution	55	48
Benefits paid	(39)	(29)
Return on Plan Assets, Excluding Interest Income	(11)	2
Fair value of plan assets at year end	**265**	**246**

The amounts to be recognized in Balance Sheet :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the end of the year	(556)	(454)
Fair value of plan assets as at the end of the year	265	246
Funded Status (Surplus / (Deficit))	(291)	(208)
Unrecognized actuarial (gains) / losses	-	-
Net asset / (liability) recognized in Balance Sheet	**(291)**	**(208)**

Expenses recognized in Statement of Profit and Loss :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current service cost	49	48
Past service cost (Vested Benefit)	-	-
Net Interest Income	12	8
Expected return on plan assets	-	-
Curtailment and settlement cost / (credit)	-	-
Expenses recognized in the Statement of Profit and Loss	**60**	**56**

Expenses recognized in Other Comprehensive Income :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Actuarial (Gains) / Losses on Obligation for the year	66	61
Return on Plan Assets, excluding Interest Income	11	(2)
Change in Asset Ceiling	-	-
Net (Income) / Expense For the year Recognized in Other Comprehensive Income	**77**	**59**

Maturity profile of defined benefit obligation :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Projected benefits payable in future years from the date of reporting		
1st Following year	144	102
2nd Following year	108	85
3rd Following year	91	72
4th Following year	79	61
5th Following year	64	52
Sum of Years 6 to 10	162	135
Sum of Years 11 and above	52	43

Investment Details :

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ in Lakhs)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Investments with insurance fund	100%	100%

Sensitivity :

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

(₹ in Lakhs)

Gratuity	Change in Assumption	For the year ended March 31, 2023		For the year ended March 31, 2022	
		Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1% / -1%	(14)	15	(13)	14
Salary Escalation Rate	+1% / -1%	15	(14)	13	(13)
Employee Turnover	+1% / -1%	(1)	0	(2)	2

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the defined benefit obligation as recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note-1: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Note-2: The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

30. DISCLOSURE REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (THE ACT) ARE GIVEN AS FOLLOWS :

(₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
a.	Principal amount remaining unpaid to any supplier as at the year end	42	15
	Interest due thereon :	-	-
b.	Amount of interest paid during the year	-	-
c.	Amount of payments made to the supplier beyond the appointed day during the accounting year.	-	-
d.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the (year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006.	-	-
e.	Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
f.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006.	-	2

Note: The above information and that given in Note. 17 ‘ Trade Payables’ regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Exchange and has been relied upon by the auditors.

31. COMMITMENTS AND CONTINGENCIES

(a) Contingent Liabilities not provided for:

(₹ in Lakhs)

	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	On account of Income taxes (Refer Note 1 below)	2,234	2,191
(ii)	On account of Legal claim (Refer Note 2 below)	185	185
(iii)	On account of payment of Bonus for the F.Y. 2014-15 (Refer Note 3 below)	11	11
(iv)	On account of Service tax (Refer Note 4 below)	2,278	2,278

Note 1

(₹ in Lakhs)

Particulars	Assessment Year	As at March 31, 2023	As at March 31, 2022	Forum before which case is pending
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 07-08	171	171	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 08-09	113	113	High Court
Short TDS credit granted by AO	AY 09-10	11	-	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 11-12	123	123	High Court
Short TDS credit granted by AO	AY 11-12	13	-	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 12-13	456	456	CIT

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	Assessment Year	As at March 31, 2023	As at March 31, 2022	Forum before which case is pending
Disallowance u/s 14A and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 13-14	201	201	CIT
Disallowance u/s 14A and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 14-15	236	236	CIT
Disallowance u/s 14A, Other disallowances and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 16-17	541	541	CIT
Disallowance u/s 14A, Other disallowances and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 17-18	321	321	CIT
Disallowance u/s 14A and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 18-19	28	28	CIT
Interest on Income Tax Refund	AY 18-19	2	-	AO
Addition u/s 41	AY 21-22	17	-	CIT
Total		**2,234**	**2,191**	

Note 2

A legal suit was filed jointly against the Exchange and National Collateral Management Services Limited by a party claiming a sum of ₹ 185 Lakhs for loss on sale of goods, loss of profit, interest etc.

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

Note 3

Due to the retrospective amendment in "The Payment of Bonus Act,1965" which is deemed to have come into force from April 01, 2014. Kerala and Karnataka High Courts have passed stay on it's implementation and the matter is pending in Court of Law for hearing. Considering that books of FY 2014-15 have been closed, return of bonus filed for said period and the matter is under litigation, the same is considered as contingent.

Note 4

The Exchange has received adverse order on the issue of non-payment of service tax on liquidated damages amounting to ₹ 814 Lakhs along with interest u/s 75 & Penalty u/s 78, as per Finance Act, 1994. The Exchange has filed an appeal with CESTAT against the same. The Exchange has also pre deposited 7.5% of the tax amount i.e. ₹ 61 Lakhs at the time of filing appeal with CESTAT.

The Exchange has received adverse order on the issue of Inadmissible Cenvat credit as per rule 6(3)(i) of the Cenvat Credit Rule, 2004 amounting to ₹ 1464 Lakhs along with interest u/s 75 & Penalty u/s 78, as per Finance Act, 1994. During the year, the Exchange has filed an appeal with CESTAT against the same and the Exchange has pre deposited 7.5% of the tax amount i.e. ₹ 110 Lakhs at the time of filing appeal with CESTAT.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(b) Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	74

(c) Other Commitments

i The Exchange, vide its letter dated September 5, 2018, has given an undertaking to National Commodity Clearing Limited (NCCL) for infusion of capital to the extent required to enable compliance with SEBI directives on net worth of NCCL and for increasing the Core Settlement Guarantee Fund (Core SGF) to ₹ 250 Crores by September 2021. The current Core SGF balance as at March 31, 2023 is ₹ 238.54 Crores (March 31, 2022 ₹ 225.25 Crores) . Accordingly, NCCL was required to have the Core SGF of ₹ 250.00 Crores as on September 30, 2021, for which NCCL, vide its letter dated September 2, 2021 to SEBI, sought an extension of time till March 31, 2022. SEBI has vide it's letter dated September 13, 2021 granted an extension of time to increase the Core SGF till March 31, 2022. Further, NCCL vide its letter dated February 02, 2022 to SEBI, sought an extension of time till March 31, 2023. SEBI has vide it's letter dated March 08, 2022 granted an extension of time to increase the Core SGF till December 31, 2022. Further the Company vide its letter dated December 05, 2022 to SEBI, sought an extension of time till June 30, 2023. SEBI has vide it's letter dated December 15, 2022 granted an extension of time to increase the Core SGF till June 30, 2023.

ii The Exchange has invested ₹ 207 Lakhs (₹ 207 Lakhs March 31, 2022) in NCDEX Institute of Commodity Markets and Research(NICR), incorporated under section 25 of the Companies Act, 1956 (now section 8 of Companies Act, 2013) on September 18, 2007. The main object of the Institute is to operate as a charitable statistical research institute to promote knowledge and research relating to commodity markets, associated derivatives and disseminate information for the benefit of the participants in markets for products, goods, commodities, currency bonds, fixed income, intangibles, indices etc.

NICR has made a profit of ₹ 40 Lakhs for the year ended March 31, 2023 (₹ 11 Lakhs for the year ended March 31, 2022) and accumulated losses as on March 31, 2023 is ₹ 167 Lakhs (₹ 207 Lakhs for the year ended March 31, 2022). The financial statements of NICR have been prepared on the assumption of a going concern in view of the ability to continue its operations for the foreseeable future with the continued support by the Exchange.

32. A legal suit was filed against the Exchange and two Warehouse Service Providers (WSP) jointly by three parties claiming liquidated damages, penalties, interest cost, re-processing and re-testing charges and other incidental costs etc. As per the legal opinion received, the management believes that possibility of any outflow is remote and the outcome of the said pending litigation will not have a material adverse effect on the Exchange's financial position and the results of operations.

33. Based on complaints of presence of "Mineral Oil"' in some of the stocks, warehouses having pepper stock of approximately 6853 MT were sealed by Food Safety and Standard Authority of India, Kerala (FSSAI) and deliveries were stopped from the warehouses, till further notice. In the meantime, the Commissioner of Food Safety, Kerala passed Orders for release of pepper stocks free of mineral oil of approximately 463 MT. The presence of mineral oil was not a part of the National Commodity & Derivatives Exchange Limited ("Exchange") specifications and therefore any liability arising on account of the same cannot be under the settlement process of the Exchange. However, in order to retain market integrity, the Exchange had offered to facilitate improvement of pepper stock, subject to recovering the costs of improvement and accordingly prayed before the Hon'ble High Court of Kerala to allow the same. Based on this, the Hon'ble High Court of Kerala vide its order dated August 28, 2014, allowed the Exchange to clean the pepper stock lying in the warehouse with a right to recover the costs associated with the same. Subsequently, some of the holders of the stocks had requested Food Safety Authorities, Kerala to permit the reference of a second sample to the referral laboratory viz. The Central Food Laboratory, Kolkata. Further, Hon'ble High Court of Kerala, vide its order dated May 12, 2015 had directed the release of such quantity of pepper which is found free from impurities and contamination. Based on this, approximately 4,376 MT of pepper stock which was found free of mineral oil on testing by Central Food Laboratory, Kolkata, has been released to the holders & approximately 1,015 MT was further released after cleaning. In the earlier years, the Exchange had paid the total amount including taxes towards cleaning and other related costs of ₹ 1,696 Lakhs (Net of recovery of ₹ 9 Lakhs till March 31, 2023). These payments are considered as receivable and shown under "other financial assets". As on March 31, 2023 the balance stock of Pepper pending at various stages of release under the custody of Food Safety Authority, Kerala is approximately 998 MT. Further the Hon'ble High Court of Kerala, in a Writ Petition filed by the holders, passed an interim order dated April 13, 2018, restricting the Exchange from taking any coercive actions against the holder and the said order is currently in force. In terms of the legal opinion obtained, the management is of the view that it has a fair chance of recovery of the costs incurred by it, since the same is backed by orders of the Hon'ble Court which provide a constructive lien on the goods lying with the Exchange approved warehouses. Accordingly, the Exchange has considered, the said receivable as good and recoverable and is of the opinion that there is no requirement to make further provision with respect to these cost in Exchange's account apart from a provision of ₹ 260 Lakhs which was made in earlier years towards the cleaning of pepper stocks. The said provision is shown under the head "current provisions".

34. AS REQUIRED BY IND AS - 24 "RELATED PARTY DISCLOSURES

(i) Name and description of related parties

Relationship	Name of related party
(a) Subsidiaries	NCDEX e Markets Limited (NeML)
	National E-Repository Limited (NERL)
	National Commodity Clearing Limited (NCCL)
	NCDEX Institute of Commodity Markets and Research (NICR)
(b) Associates	Power Exchange India Limited (PXIL)
(c) Joint Venture	Rashtriya e Market Services Private Limited (Joint venture with subsidiary NeML)
	Meta Materials Circular Markets Private Limited (Joint venture with subsidiary NeML)
(d) List of Key Management Personnel	Mr Arun Raste (Managing Director and Chief Executive Officer) (w.e.f. June 07,2021)
	Mr Ashish Bahuguna (Chairman and Public Interest Director) (Chairman w.e.f. August 13, 2021 and Public Interest Director w.e.f. June 15, 2020 respectively)
	Dr. Purvi Mehta (Public Interest Director) (re-appointed w.e.f. January 11, 2021)
	Dr. Ashok Gulati (Public Interest Director) (upto January 03, 2022)
	Mr Bhaskaran Nayar Venugopal (Shareholder Director) (re-appointed with effect from September 27, 2021)

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FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Relationship	Name of related party
	Mr Rakesh Kapur (Shareholder Director)
	Mr Srinath Srinivasan (Shareholder Director) (resigned w.e.f March 02, 2023)
	Mr Manikumar S. (W.e.f December 21, 2020)
	Mr Nirmalendu Jajodia (Public Interest Director) (upto April 13, 2021)
	Mr Prem Kumar Malhotra (Public Interest Director) (re-appointed with effect from August 09, 2021)
	Mr Venkat Nageswar Chalasani (Public Interest Director) (with effect from May 01, 2021)
	Mr Vijay Kumar V. Managing Director & Chief Executive Officer (upto April 18, 2021)
	Mr Chaman Kumar ((Public Interest Director and chairman) (W.e.f. April 10, 2018 and May 04, 2020 respectively up to April 10, 2021)
	Mr Hemant Adarkar (Public Interest Director) (W.e.f. April 13, 2021)
	Mr R. Amalorpavanathan (Public Interest Director) (with effect from January 03, 2022)

(ii) Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at March 31, 2023 are as under:

(₹ in Lakhs)

Particulars	Subsidiaries								Associates		Key Management Personnel					
	NeML		NICR		NERL		NCCL		PXIL		Vijay Kumar V.		Arun Raste		Directors	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
Remuneration*	-	-	-	-	-	-	-	-	-	-	13	4	200	161	-	-
Recovery of expenses	55	26	133	120	74	48	443	439	-	-	-	-	-	-	-	-
Expenses paid on behalf of subsidiaries/associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses paid by subsidiaries / associates on NCDEX behalf	-	-	-	-	-	-	-	0.04	-	-	-	-	-	-	-	-
Expenses paid (including rent)	20	21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Research and training expenses paid to subsidiaries	-	-	147	143	-	-	-	-	-	-	-	-	-	-	-	-
Investment in equity shares	-	-	-	-	-	-	150	-	-	-	-	-	-	-	-	-
Income collected by subsidiaries on NCDEX behalf	-	-	-	-	-	2	-	4	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of leasehold improvements from Subsidiaries		-		-		-		8	-	-	-	-	-	-	-	-
Sitting fees paid to directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	84	90
Loan conversion to Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for dimunition in value of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Income	-	532	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of NCDEX dues from Members deposit with subsidiaries	-	-	-	-	-	-	3	24	-	-	-	-	-	-	-	-
Amount paid towards FPO subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid for loss, incurred during the liquidation of member open position	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note

As the liabilities for defined benefit plan viz. gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

* Remuneration to MrVijaykumar V for FY 2021-22 includes ₹. 8.31 Lakhs paid towards Gratuity directly from NCDEX Employees Gratuity Cum Life Insurance Scheme

Balance outstanding at the year end	Subsidiaries								Associates		Key Management Personnel					
	NeML		NICR		NERL		NCCL		PXIL		Vijay Kumar V.		Arun Raste		Directors	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
Investments in equity shares	3,550	3,550	207	207	5,445	5,445	12,610	12,460	2,000	2,000	-	-	-	-	-	-
Provision for diminution in the value of investment	-	-	207	207	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	37	32	38	12	10	270	261	-	-	-	-	-	-	-	-
Trade payables / Other payable	6	-	-	-	-	-	-	-	-	-	31	43	75	46	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

35. SEGMENT REPORTING :

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

36. CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Amount required to be spent by the company during the year	-	-
2	Amount of expenditure incurred during the year	-	25
3	Excess of previous year adjusted	-	-
4	(Excess) / Shortfall at the end of the year	-	-
5	Total of previous years shortfall / (Excess)	-	-
6	Reason for shortfall	-	-
7	Nature of CSR activities	N.A.	Support RIs/POPIs and their FPCs through Seed graders and grain assaying kits
8	Details of related party transactions	N.A.	N.A.
9	Provision made in current financial period due to any contractual obligation	N.A.	N.A.

37. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

i Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iii Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iv Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

v Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vi Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

vii Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

viii Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

ix Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

x Utilization of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

38. DISCLOSURE OF FINANCIAL RATIOS

Sr No.	Particulars	March 31, 2023	March 31, 2022	% Variance	Explanation for Variance above 25%
1	Current Ratio (In times)	1.5	2.3	-0.4	Due to cash loss in current year, current assets have reduced
2	Debt-Equity Ratio (In times)	NA	NA	NA	Not applicable
3	Debt Service Coverage Ratio (In times)	-8.4	0.5	-17.3	Due to current year loss
4	Return on Equity Ratio (in %)	-11.6%	-3.3%	-250.5%	Current year loss is higher as compared to previous year
5	Inventory Turnover ratio	NA	NA	NA	Not applicable
6	Trade receivables turnover ratio (in times)	6.4	7.7	-0.2	Not applicable
7	Trade payables turnover ratio (in times)	8.1	6.6	0.2	Not applicable
8	Net Capital turnover ratio (in times)	1.0	0.6	0.6	Due to reduction in working capital
9	Net profit ratio (in %)	-148.1%	-26.4%	-460.3%	Current year loss is higher as compared to previous year
10	Return on capital employed (in %)	-15.8%	-4.2%	-278.1%	Current year loss is higher as compared to previous year
11(a)	Return of FD Investment (%)	5.6%	5.5%	2.7%	
11(b)	Return on Liquid Mutual Fund (%)	5.3%	3.5%	52.0%	Increase in Interest rate
11 (c)	Return on Fixed Maturity Plan (FMP) (%)	NA	4.1%	100.0%	No FMP Investment
11(d)	Return on Bond Investments (%)	7.0%	7.0%	0.6%	

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Exchange's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Exchange's senior management has the overall responsibility for the establishment and oversight of the Exchange's risk management framework. The Exchange has constituted a Risk Management Committee, which is responsible for developing and monitoring the Exchange's risk management policies.

Management of Liquidity Risk

Liquidity risk is the risk that the Exchange will face in meeting its obligations associated with its financial liabilities. The Exchange's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when they become due without incurring unacceptable losses.

The Exchange's finance department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any surplus cash available, over and above the amount required for management and other operational requirements, is retained as cash and cash equivalents (to the extent required), highly marketable debt

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

investments, and interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Exchange's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

(₹ in Lakhs)

Particulars	Note Nos.	Carrying amount	Payable on demand	Less than 12 months	More than 12 months	Total
As at March 31, 2023						
Deposits	16	4,207	3,438	-	769	4,207
Trade payables	17	585	-	585	-	585
Lease Liabilities	41	1,019	-	283	736	1,019
Other financial liabilities	18	770	-	770	-	770
		6,581	**3,438**	**1,638**	**1,505**	**6,581**
As at March 31, 2022						
Deposits	16	4,459	3,585	-	874	4,459
Trade payables	17	598	-	598	-	598
Lease Liabilities	41	1,222	-	257	965	1,222
Other financial liabilities	18	473	-	473	-	473
		6,752	**3,585**	**1,328**	**1,839**	**6,752**

Management of Credit Risk

Credit risk is the risk of financial loss to the Exchange if a customer or counter-party fails to meet its contractual obligations.

Trade Receivables :

Concentrations of credit risk with respect to trade receivables are limited, due to the Exchange's customer base being large and diverse and also on account of member's deposits kept by the Exchange as collaterals which can be 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.

Out of the total trade receivable of ₹ 382 Lakhs (March 31, 2022 ₹ 559 Lakhs), the receivable amounting to ₹ 37 Lakhs (March 31, 2022 ₹ 138 Lakhs) are outstanding for more than 180 days.

One customer accounted for 11% (March 31, 2022 ₹ NIL) of the receivables and none of the customers accounted revenue of more than 10% for the year ended March 31, 2023 and for the year ended March 31, 2022.

Other financial assets :

The Exchange maintains exposure in cash and cash equivalents, term deposits with banks, investments in debt mutual funds and bonds. The Exchange limits its exposure to credit risk by making investment as per the investment policy. The Exchange addresses credit risk in its investments by mandating a minimum rating of the security / institution where the amounts are invested and is further strengthened by mandating additional requirements like Net Worth Criteria and Capital Adequacy Ratio (CAR) for term deposits with banks and Minimum Average Assets Under Management (AAUM) of the Asset Management Companies (AMCs) and Assets Under Management (AUM) of the schemes for investments in debt mutual funds. Further the Investment Committee of the Exchange reviews the investment portfolio on a periodic basis and recommends or provides suggestions to the management. The Exchange does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Management of Market Risk

The Exchange's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of commodities traded, the number of contracts and liquidity and similar factors.

In addition to the above risk, Market risk also includes the risk of loss of future earnings, fair values of future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Exchange's control. Changes in the general level of interest rates can affect the profitability by affecting the spread between, amongst other things, income the Exchange receives on investments in debt securities, the value of interest-earning investments, it's ability to realise gains from the sale of investments.

Foreign currency risk

The Exchange periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the Exchange has not entered into foreign exchange forward exchange contracts.

Capital management

The Exchange's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Exchange monitors the return on capital as well as the level of dividends on its equity shares. The Exchange's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Exchange is predominantly equity financed which is evident from the capital structure. Further, the Exchange has always been a net cash company with cash and bank balances along with investment which is predominantly invested in liquid mutual funds and fixed deposits with scheduled banks, being far in excess of financial liabilities.

Regulatory Net worth

Regulation 14 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, prescribes the net worth requirements for Stock Exchanges. In terms of this regulation, the Exchanges shall have a minimum networth rupees one hundred Crores at all times. The Company is in compliance with said SEBI directives.

40. FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Exchange uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- **Level 1**

This hierarchy includes financial instruments measured using quoted prices.

- **Level 2**

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Level 2 inputs include the following:

a) quoted prices for similar assets or liabilities in active markets.

b) quoted prices for identical or similar assets or liabilities in markets that are not active.

c) inputs other than quoted prices that are observable for the asset or liability.

d) Market – corroborated inputs.

• **Level 3**

They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Exchange's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(₹ in Lakh)

Particulars	Levels	As at March 31, 2023	As at March 31, 2022
1) Financial Assets			
Financial assets measured at fair value through profit or loss			
A) Investment in Mutual Funds	Level 1	666	393
Financial assets measured at fair value through other comprehensive income			
A) Investment in Bonds	Level 1	1,961	2,047
Financial assets measured at Amortized Cost			
A) Bank deposits		4,251	9,778
B) Trade receivables		382	559
C) Cash and Cash equivalents		43	36
D) Other Financial Asset		2,432	2,926
Total financial assets		**9,735**	**15,739**
2) Financial liabilities			
Financial liabilities measured at Amortized Cost			
A) Deposits from members		4,207	4,459
B) Trade payables		585	598
C) Lease Liabilities		1,019	1,222
d) Other Financial liabilities		770	473
Total Financial liabilities		**6,581**	**6,752**

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

41 LEASES

1 The effect of depreciation and interest related to Right to Use Asset and Lease Liability are reflected in the Profit & Loss Account under the heading "Depreciation and Amortisation Expense" and "Finance costs" respectively under Note 23 and 24.

2 The weighted average incremental borrowing rate applied to lease liabilities is 8.38%.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

3 Following are the changes in the carrying value of right to use assets for the year ended March 31, 2023.

(₹ in Lakhs)

Particulars	Category of Right to use Assets	Total
	Office Space	
Balance as of April 01, 2021	518	518
Additions	1,395	1,395
Deletions	406	406
Depreciation	306	306
Balance as of March 31, 2022	**1,201**	**1,201**
Balance as of April 01, 2022	**1,201**	**1,201**
Additions	58	58
Deletions	-	-
Depreciation	308	308
Balance as of March 31, 2023	**951**	**951**

4 The following is the break-up of current and non-current lease liabilities as of March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Lease liabilities	283	257
Non-current lease liabilities	736	965
Total	**1,019**	**1,222**

5 The following is the movement in lease liabilities during the year ended March 31, 2023 :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	1,222	559
Additions	55	1,342
Deletions	-	438
Finance cost accrued during the year	88	107
Payment of lease liabilities	347	348
Balance as at end of the year	**1,019**	**1,222**

6 The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2023 on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	425	345
One to five years	989	1,085
More than 5 years	-	-
Total	**1,414**	**1,430**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

42 TAX RECONCILIATION

a A reconciliation of Income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before income taxes	(5,905)	(1,856)
Enacted tax rates in India (%)	26.00	26.00
Computed expected tax expense	(1,535)	(483)
Tax impact due to non-deductible expenses for tax purposes	127	12
Tax impact on exempt income	(34)	(34)
Capital gain taxed at different rate & Other Income (Net of business losses)	(13)	(3)
Others	(5)	29
Income tax expense	**(1,460)**	**(480)**

b The following table provides the details of income tax assets and income tax liabilities as of March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income tax assets	9,371	9,576
Income tax liabilities	7,654	7,654
Net Non current income tax assets / (liability) at the end	**1,717**	**1,922**

c The gross movement in the current income tax asset / (liability) for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net current income tax asset/ (liability) at the beginning	1,922	1,658
Add:- Income tax paid	518	267
Less:-Income tax refund received	(724)	(3)
Less:- Provision for income tax	-	-
Net current income tax asset/ (liability) at the end	**1,717**	**1,922**

d **Deferred tax (liabilities) / assets (net)**

Movements in deferred tax assets

(₹ in Lakh)

Particulars	Employee benefit	Financial Assets at Fair Value through OCI	MAT Credit Entitlement	Lease	Unabsorbed loss including unabsorbed depreciation	ISF liabilities & SEBI Regulatory fee	Total
As at March 31, 2021	**53**	**-**	**206**	**24**	**2,362**	**33**	**2,678**
Charged/(credited)							
- to profit or loss	33	-	-	(22)	402	1	414
- to other comprehensive income	(15)	-	-	-	-	-	(15)

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakh)

Particulars	Employee benefit	Financial Assets at Fair Value through OCI	MAT Credit Entitlement	Lease	Unabsorbed loss including unabsorbed depreciation	ISF liabilities & SEBI Regulatory fee	Total
- Retained Earning	-	-	-	-	-	-	-
As at March 31, 2022	**71**	**-**	**206**	**2**	**2,764**	**34**	**3,077**
Charged/(credited)							
- to profit or loss	43		-	(2)	1,358	(4)	1,397
- to other comprehensive income	(20)	-	-	-	-	-	(20)
- Retained Earning	-	-	-		-	-	-
As at March 31, 2023	**94**	**-**	**206**	**-**	**4,122**	**31**	**4,453**

Movements in deferred tax liabilities

(₹ in Lakh)

Particulars	Depreciation	Financial Assets at Fair Value through profit or loss	Financial Assets at Fair Value through OCI	Lease	Total
As at March 31, 2021	**465**	**36**	**34**	**7**	**542**
Charged/(credited)					
- to profit or loss	(69)	(34)	0	7	(96)
- to other comprehensive income	-	-	(21)	-	(21)
As at March 31, 2022	**395**	**2**	**14**	**15**	**426**
Charged/(credited)					
- to profit or loss	(108)	1	-	3	(104)
- to other comprehensive income	-	-	(9)	-	(9)
As at March 31, 2023	**287**	**2**	**5**	**18**	**312**

43. The Exchange had filed a draft red herring prospectus (DRHP) on February 11, 2020 with the Securities and Exchange Board of India (SEBI) and stock exchanges for the proposed initial public offering (IPO) of its equity shares, comprising of fresh issue and Offer for Sale of Equity Shares by the Selling Shareholders. On April 09, 2020 SEBI issued its final observations on the DRHP. The Exchange has not launched its IPO, hence 25% of the IPO related expenses were debited to statement of profit and loss account under other expenses during the FY 2020-21 and remaining amount (75%) amounting to ₹318 Lakhs was considered as recoverable from selling shareholders and shown under other current financial assets. Subsequently the Exchange has spent ₹ 106 Lakhs towards corporate restructuring, which was also shown as recoverable. During the year ended March 31, 2023, the Exchange had written off the said recoverable amount of ₹ 424 Lakhs along with GST recoverable thereon of ₹ 63 Lakhs and debited it to the statement of profit & loss account shown as exceptional item.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

44. As per SEBI directives, the Exchange has issued circulars informing the market participants that no fresh positions and launch of new contracts are allowed in Chana and Rapeseed-Mustard with effect from August 17, 2021 and October 08, 2021 respectively. In addition to this, the Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-124/2021 dated December 20, 2021 wherein no fresh positions and launch of new contracts are allowed for a period of one year in respect of certain commodities prescribed in the said circular including major commodities like Soyabean and Refined Soy Oil as well as earlier suspended commodities viz. Chana and Rapeseed-Mustard. Subsequently, the suspension of these commodities was extended for a further period of one year i.e. till December 20, 2023, the Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-092/2022 dated December 21, 2022 to that effect. Accordingly, the revenue of the Exchange from transaction charges of these commodities has been impacted. As the suspension of these commodities is for a period of one year, the management is of the view that there is no impact on the carrying value of its assets. Therefore, no adjustments are made in the results for the year ended March 31, 2023.

45. Other Income includes Interest on Income Tax refund for the year ended March 31,2023 ₹ 332 Lakhs received/recognized. (₹549 Lakhs for the previous year ended March 31, 2022).

46. The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on September 28, 2020 and the said Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Exchange will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

47. In accordance with the relevant provisions of the Companies Act, 2013, the Exchange does not have long term contracts as of March 31, 2023 and March 31, 2022 for which there were no material forseeble losses. The Exchange did not have any derivative contracts as at March 31, 2023 and March 31, 2022.

48. For the year ended March 31, 2023 and March 31, 2022, the Exchange is not required to transfer any amount into the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.

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

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

NARENDRA JAIN
Partner
Membership No. 048725

Place : Mumbai
Date : May 26, 2023

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To The Members of

National Commodity & Derivatives Exchange Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **National Commodity & Derivatives Exchange Limited** ("the Parent" or "the Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as "the Group"), its associate company and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records, (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entities as at March 31, 2023, and its consolidated loss, its consolidated total comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in 'Other Matter' paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 32 to the consolidated financial statements regarding the matters relating to the future contracts of pepper, the Holding Company had paid in earlier years total amount including taxes towards cleaning of the pepper stock in warehouses and other related costs of ₹ 1,696 lakhs (net of recovery of ₹ 9 lakhs till March 31, 2023) and these payments are considered as receivable and shown under "other financial assets". The order of Hon'ble High Court of Kerala dated August 28, 2014, has allowed the Holding Company to clean the pepper stock in warehouses with a right to recover the aforesaid estimated pepper-cleaning costs and applicable taxes, associated with the same however the Hon'ble High Court of Kerala in a Writ Petition filed by the holders, passed an interim order dated April 13, 2018, restricting the Exchange from taking any coercive actions against the holder and the said order is currently in force.

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

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

Key Audit Matter

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key Audit Matter	How our audit addressed the key audit matter
Litigation, Claims and Contingent Liabilities **(Refer Notes 31(a), 32 & 46, to be read along with Emphasis of Matter in Independent Auditor's Report of the consolidated financial statements)** As of March 31, 2023, the Holding Company has various ongoing litigations on legal and proceedings with tax authorities involving uncertain direct and indirect tax positions. There are various direct and indirect tax cases against the Holding Company, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc. The Holding Company has assessed the above pending matters related to litigations and has disclosed the contingent liabilities, wherever applicable, and certain legal matters, in its consolidated financial statements. This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the consolidated financial statements.	Our audit procedures related to legal and uncertain tax positions included– • Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters; • Obtaining details of litigations on legal and uncertain direct and indirect tax positions; • Reviewing orders and management responses thereto; • Inspecting the supporting documents to evaluate management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the consolidated financial statements; and • Reviewing expert's legal advice/opinion obtained by the Holding Company's management for evaluating certain legal and tax matters; Based on the above procedure, we noted that the Holding Company has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, and certain legal matters, in its consolidated financial statements. (Refer Notes 31(a), 32 & 46 to the consolidated financial statements)

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

When we read the other information and the report of the other auditors as furnished to us [refer 'Other Matters' paragraph below], if we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the

Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(i) We did not audit the consolidated financial statements of a subsidiary included in the consolidated financial statements, whose consolidated financial statements, before consolidation adjustments, reflect total assets of ₹ 18,470 lakhs and net assets of ₹ 6,096 lakhs as at March 31, 2023 and total revenues ₹ 6,336 lakhs for the year ended March 31, 2023, net profit of ₹ 97 lakhs for the year ended March 31, 2023, total comprehensive income of ₹ 117 lakhs for the year ended March 31, 2023 and net cash outflows of ₹ 646 lakhs for the year ended March 31, 2023, as considered in the consolidated financial results.

These consolidated financial statements of the subsidiary company have been audited by other auditors whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid subsidiary are based solely on the report of the other auditors.

The above consolidated financial statements include the share of profit of ₹ 49 lakhs for the year ended March 31, 2023 and total comprehensive income of ₹ 50 lakhs for the year ended March 31, 2023, in respect of two joint venture companies of the above subsidiary company, whose financial statements have not been audited by its auditors and have been furnished to the auditors of the above subsidiary company's management. The opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of these joint venture companies, is based solely on such unaudited financial information. According to the information and explanations given to us by the Management, these unaudited financial information are not material to the consolidated financial statements of the Group.

(ii) We did not audit the financial statements of a subsidiary included in the consolidated financial statements, whose financial statements, before consolidation adjustments, reflect total assets of ₹ 103 lakhs and net assets of ₹ 40 lakhs as at March 31, 2023 and total revenues of ₹ 215 lakhs for the year ended March 31, 2023, net profit of ₹ 40 lakhs for the year ended March 31, 2023, total comprehensive income of ₹ 40 lakhs for the year ended March 31, 2023 and net cash inflows of ₹ 7 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements. These financial statements of the subsidiary company have been audited by other auditors whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid subsidiary are based solely on the report of the other auditors.

(iii) The consolidated financial statements also include the Group's share of net profit after tax of ₹ 750 lakhs for the year ended March 31, 2023 and total comprehensive income of ₹ 752 lakhs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of one associate company. This financial statements of an associate company have been audited by other auditors whose report have been furnished to us by the management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid associate company are based solely on the report of the other auditors.

(iv) In respect of Rashtriya e-Market Services Private Limited (ReMS), one jointly controlled entity, in the opinion of the ReMS, goods and services tax ('GST') is not applicable on the transaction charges billed by ReMS. Hence, the provision for GST has not been made in the ReMS books of accounts for the same. The financial impact, if any, due to applicability of GST on profit for the year ended March 31, 2023, of jointly controlled entity is ₹ 34 lakhs. Therefore, the financial impact on the consolidated financial statement for the year ended March 31, 2023, is ₹ 17 lakhs (50% of 34 lakhs) exclusive of interest and other imposition, if any. The cumulative financial impact as on March 31, 2023, if any, due to applicability of GST on the consolidated financial statements is ₹ 932 lakhs (50% of ₹ 1,864 lakhs) exclusive of interest and other impositions, if any.

(v) The comparative audited consolidated financial statements of the Company for the year ended March 31, 2022 were audited by the predecessor auditors, K. S. Aiyar & Co., Chartered Accountants, who had expressed an unmodified opinion on those consolidated financial statements.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

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

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

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group company incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure 'A'**.

   (g) 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 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 Auditor's) Rules, 2014,

INDEPENDENT AUDITOR'S REPORT (Contd.)

in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiary, as noted in the Other Matter paragraph:

(i) The consolidated financial statements has disclosed the impact of pending litigations on the consolidated financial position of the Group – refer Note 31(a), 32 & 46 to the consolidated financial statements.

(ii) The Group did not have any long-term contracts including derivatives contracts as at March 31, 2023 for which there were any material foreseeable losses - refer Note 58 to the consolidated financial statements

(iii) During the year ended March 31, 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India - refer Note 59 to the consolidated financial statements

(iv) (a) The Holding Company's Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; - refer Note 60(ix) to the consolidated financial statements

(b) The Holding Company's Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - refer Note 60(ix) to the consolidated financial statements

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) As stated in Note 12 to the consolidated financial statements

a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

b) According to information & explanation given to us, the Holding Company has not proposed dividend during the year.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and subsidiaries, which is incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company, its subsidiaries and associate company included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports. Further, since the financial statements of the jointly controlled entities (Rashtriya E Market Services Private Limited and Meta Materials Circular Markets Private Limited) are unaudited, we are unable to report on the same.

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

Narendra Jain
Partner
Membership Number: 048725
UDIN: 23048725BGYVQR5640

Place: Mumbai
Date: May26,2023

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **National Commodity & Derivatives Exchange Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies and one associate company, which are company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Further, since the financial statements of the jointly controlled entities (Rashtriya E Market Services Private Limited and Meta Materials Circular Markets Private Limited) are unaudited, our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements does not include the reporting of said jointly controlled entities whose audit reports are not available.

Our opinion is not modified in respect of this matter.

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

Narendra Jain
Partner
Membership Number: 048725
UDIN: 23048725BGYVQR5640

Place: Mumbai
Date: May26,2023

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2023

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	826	1,012
Right to use assets	50	1,544	2,030
Intangible assets	3	4,186	4,465
Intangible assets under development	3	501	624
Financial assets			
- Investments	4	4,726	4,581
- Bank balances	5(a)	8,242	7,241
- Others	5(b)	317	361
Deferred tax assets (net)	15	4,654	3,048
Income tax assets (net)	6	2,302	2,228
Other non-current assets	7	46	50
Total non-current assets		**27,344**	**25,639**
Current Assets			
Inventories under Corporate Buying Arrangement		-	-
Financial assets			
- Investments	8	4,092	3,630
- Trade receivables	9	3,174	2,891
- Cash and cash equivalents	10	6,366	7,183
- Bank balances other than cash and cash equivalents	11	39,383	48,168
- Others	5(b)	5,154	4,739
Income tax assets (net)	6	412	194
Other current assets	7	1,101	689
Total current assets		**59,682**	**67,494**
Investments held for sale in associate	4(a)	573	-
TOTAL ASSETS		**87,599**	**93,134**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12 (a)	5,068	5,068
Other equity	12 (b)	42,412	45,536
Equity attributable to Owners		**47,480**	**50,604**
Non Controlling Interest	12 (b)	1,824	2,001
Total Equity		**49,304**	**52,605**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Deposits	13	769	881
- Lease Liabilities	13	1,196	1,622
Provisions	14	789	725
Total non-current liabilities		**2,754**	**3,228**
Current Liabilities			
Financial liabilities			
- Deposits	16	14,688	15,133
- Trade payable			
Total Outstanding dues of micro enterprises and small enterprises	17	140	96
Total Outstanding dues of other than micro enterprises and small enterprises	17	763	797
- Lease Liabilities	18	479	465
- Other Financial liabilities	18	15,743	17,306
Other current liabilities	19	2,129	2,119
Provisions	14	1,384	1,386
Current Tax Liabilities (Net)		215	-
Total current liabilities		**35,541**	**37,302**
TOTAL LIABILITIES		**38,295**	**40,529**
TOTAL EQUITY AND LIABILITIES		**87,599**	**93,134**
Summary of significant accounting policies	1		

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

As per our report of even date

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

NARENDRA JAIN
Partner
Membership No. 048725

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

Place : Mumbai
Date : May 26, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from operations	20	10,393	11,533
Other Income	21	3,164	3,904
Total Income		**13,557**	**15,437**
EXPENSE			
Purchase under Corporate Buying Arrangement		1,101	-
Employee benefits expense	22	8,797	8,135
Finance cost	23	151	188
Depreciation & amortization expense	24	2,512	2,424
Technology expenses	25(a)	3,947	3,895
Other expenses	25(b)	3,116	3,047
Total expenses		**19,624**	**17,689**
Profit / (loss) before share of Net profit of Joint venture, exceptional items and income tax		**(6,067)**	**(2,252)**
Less : Exceptional items	26 & 52	533	-
Profit / (Loss) before share of Net profit of Joint venture and income tax		**(6,600)**	**(2,252)**
Share of net profit from Joint venture and associate accounted for using equity method		799	564
Profit / (Loss) before tax		**(5,801)**	**(1,688)**
TAX EXPENSE			
Current tax	27	11	184
Current tax for earlier years	27	(5)	-
Deferred tax (credit)	27	(1,570)	(645)
Total Tax expense		**(1,564)**	**(461)**
Profit / (Loss) for the year (A)		**(4,237)**	**(1,226)**
Other comprehensive Income (OCI) :			
Items that will not be reclassified to the Statement of profit and loss;			
(i) Changes in revaluation surplus;			
Remeasurement of post-employment benefit obligations		(101)	(58)
Income tax impact on above		27	15
Share of OCI from Joint venture accounted for using equity method		2	0.5
Item that will be reclassified to the Statement of profit and loss;			
(i) Exchange differences in translating to financial statements of a foreign operation;			
Debt instruments through Other Comprehensive Income		(86)	(18)
Income tax impact on above		9	2
Previous year Income tax impact		-	19
Other comprehensive income for the year net of tax (B)		**(149)**	**(40)**
Total comprehensive income for the year (A+B)		**(4,386)**	**(1,266)**
Profit attributable to:			
Owners of the Parent Company		(4,057)	(1,137)
Non-controlling interests		(180)	(89)
Total Profit after Tax		**(4,237)**	**(1,226)**
Other comprehensive income attributable to:			
Owners of the Parent Company		(147)	(38)
Non-controlling interests		(2)	(2)
Total other comprehensive income		**(149)**	**(40)**
Total comprehensive income attributable to:			
Owners of the Parent Company		(4,204)	(1,175)
Non-controlling interests		(182)	(91)
Total comprehensive income		**(4,386)**	**(1,266)**
Earnings per share attributable to the equity holders of the Parent Company			
Earnings per share (Face value of ₹ 10 each)			
(1) Basic (₹)	28	(8.01)	(2.24)
(2) Diluted (₹)	28	(8.01)	(2.24)
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the consolidated financial statements.
As per our report of even date

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

NARENDRA JAIN
Partner
Membership No. 048725

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

Place : Mumbai
Date : May 26, 2023

CONSOLIDATED CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31,2023	For the year ended March 31,2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(5,801)	(1,688)
Adjustments for:		
Depreciation & amortization	2,512	2,424
(Profit) / Loss on sale / scrap of fixed assets (net)	(1)	(1)
(Profit) / Loss on sale of investments	(312)	(115)
Interest income	(1,963)	(2,570)
Share of profit from Joint venture and associate	(799)	(564)
Interest on lease liabilities	150	186
Interest on bank overdraft	0.4	-
Employee stock option outstanding account	-	12
Net gain on sale of investments measured at Fair Value through Profit or Loss	(19)	(155)
Remeasurement of Lease Liabilities	-	(94)
Provision for doubtful debts	1	-
Provision for Impairment on Fixed Asset (Software)	7	-
Sundry balances written off/ (written back)	(24)	(46)
Expected credit loss	-	92
Operating profit before working capital changes	**(6,249)**	**(2,518)**
Movements in working capital:		
Decrease / (Increase) in trade receivables	(284)	128
Decrease / (Increase) in other current assets	(479)	165
Decrease / (Increase) in other non current assets	4	(6)
Decrease / (Increase) other financial assets	(603)	238
Increase / (Decrease) in trade payables	10	(499)
Increase / (Decrease) in provisions	(39)	69
Increase / (Decrease) in financial liabilities	(1,515)	(14,847)
Increase / (Decrease) in other current liabilities	(15)	(54)
Decrease / (Increase) in Deposits	(557)	(166)
Cash generated / (used) from operations	**(9,727)**	**(17,490)**
Contribution to Core SGF by Exchange and Settlement Penalties (net of funding from SGF)	122	231
Direct taxes (paid) / refund (net)	(84)	(803)
Net cash generated / (used) in operating activities	**(9,689)**	**(18,062)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,394)	(1,439)
Proceeds from sale / disposal of fixed assets	24	103
Purchase of current investments	(1,01,185)	(1,43,389)
Proceeds from sale of current investments	1,01,082	1,47,931
Interest received	3,401	3,785
Investment in Bonds	-	(370)
Investment in fixed deposits (original maturity of more than three months)	(2,11,144)	(5,78,659)
Redemption/Maturity of fixed deposits (original maturity of more than three months)	2,18,930	5,75,403
Net cash generated / (used) in investing activities	**9,714**	**3,365**

CONSOLIDATED CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	For the year ended March 31,2023	For the year ended March 31,2022
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares to non-controlling interest	5	3
Finance Cost Paid	(0.4)	-
Dividend paid	(228)	(242)
Repayment of lease Liabilities	(618)	(617)
Share application money pending allotment	-	31
Net cash generated / (used) from financing activities	**(841)**	**(825)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**(816)**	**(15,522)**
Cash and cash equivalents at the beginning of the year	7,183	22,704
Cash and cash equivalents at the end of the year	**6,366**	**7,183**
Components of cash and cash equivalents (Refer note - 10)		
Cash and cheques on hand	0.1	0.02
With Banks		
- on current accounts (Note-1)	1,458	1,702
- on fixed deposits (Original maturity being three months or less) (Note-2)	2,144	3,875
Investments in mutual funds (Highly Liquid Funds)	2,764	1,605
Total	**6,366**	**7,183**

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

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

Note-1 i) Includes current account for Core Settlement Guarantee Fund ₹ 0.3 Lakhs (March 31, 2022 : ₹ 0.5 Lakhs).

Note-2 i) Includes Fixed Deposit ₹ 412 Lakhs (March 31, 2022 : ₹ 400 Lakhs) lien marked against overdraft facility

ii) Includes margin money for bank gurantee ₹ 50 Lakhs (March 31, 2022 : ₹ 45 Lakhs)

iii) Includes Fixed Deposit for Core Settlement Guarantee Fund ₹ NIL (March 31, 2022 : ₹ NIL)

Summary of significant accounting policies 1

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

As per our report of even date

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

NARENDRA JAIN
Partner
Membership No. 048725

Place : Mumbai
Date : May 26, 2023

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

(A) Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at April 01, 2021	5,068
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2022	**5,068**
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2023	**5,068**

(B) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share Application Money	Share option Reserve	Risk Management Fund	General reserve	Core Settlement Guarantee Fund (Refer note - 37)	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the Parent Company	Attributable to Non-Controlling interest	Total
Balance at the April 01, 2021	**13,980**	**-**	**72**	**20**	**1,110**	**21,213**	**1**	**9,097**	**114**	**45,607**	**2,092**	**47,699**
Non controlling interest on account of reduction of of share in subsidiary										-	-	**-**
Addition in current year	3	31	12	-	-	1,312	-	(1,137)	-	222	(91)	**130**
Utilized / Converted during the year	-	-	(64)	-	-		-	64	-	(0)	-	**(0)**
Items of Other Comprehensive Income for the year, net of tax												
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-	(40)	-	(40)	-	**(40)**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	1	1	-	**1**
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(254)	-	(254)	-	**(254)**
Balance as at March 31, 2022	**13,983**	**31**	**20**	**20**	**1,110**	**22,525**	**1**	**7,730**	**115**	**45,536**	**2,001**	**47,537**
Non controlling interest on account of reduction of of share in subsidiary	-	-	-	-	-	-	-	-	-	-	5	**5**
Addition in current year	33		7	-	-	1,329	-	(4,057)	3	(2,685)	(182)	**(2,867)**
Utilized / Converted during the year	-	(31)	(8)	-	-		-	-	-	(39)	-	**(39)**
Items of Other Comprehensive Income for the year, net of tax												**-**
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-	(69)	-	(69)	-	**(69)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share Application Money	Share option Reserve	Risk Management Fund	General reserve	Core Settlement Guarantee Fund (Refer note - 37)	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the Parent Company	Attributable to Non-Controlling interest	Total
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	(77)	(77)	-	**(77)**
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(253)	-	(253)	-	**(253)**
Balance as at March 31,2023	**14,016**	**(0)**	**19**	**20**	**1,110**	**23,855**	**1**	**3,351**	**41**	**42,412**	**1,824**	**44,237**
Summary of significant accounting policies		1										

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

1. The above Core SGF amounting to ₹ 23,855 Lakhs has been considered by the management as a part of equity and is included under "Other Equity".
2. The Company, vide its letter dated September 05, 2018, had given an undertaking to SEBI for increasing the Core Settlement Guarantee Fund (Core SGF) to ₹ 250 Crores by way of equitable additions every 6 months over the period of 3 years i.e. by September 30, 2021. Accordingly, the Company was required to have the Core SGF of ₹ 250 Crores as on September 30, 2021, for which the Company, vide its letter dated September 02, 2021 to SEBI, sought an extension of time till March 31, 2022. SEBI has vide it's letter dated September 13, 2021 granted an extension of time to increase the Core SGF till March 31, 2022. Subsequently, the Company vide its letter dated February 02, 2022 to SEBI, sought an extension of time till March 31, 2023. SEBI has vide it's letter dated March 08, 2022 granted an extension of time to increase the Core SGF till December 31, 2022. Further the Company vide its letter dated December 05, 2022 to SEBI, sought an extension of time till June 30, 2023. SEBI has vide it's letter dated December 15, 2022 granted an extension of time to increase the Core SGF till June 30, 2023.

As per our report of even date

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

NARENDRA JAIN
Partner
Membership No. 048725

Place : Mumbai
Date : May 26, 2023

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Ashish Bahuguna
Chairman
DIN - 02224776

Atul Roongta
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Background

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

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

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, 2023 and year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provision of the act to the extent applicable.

The financial statements are approved for issue by the Exchange's Board of Directors on May 26, 2023.

Basis of preparation

b **Historical Cost Convention**

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

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

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

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

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

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

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

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

c **Principle of consolidation and equity accounting**

i) **Subsidiaries**

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

The group combines the financial statements of the parent company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and 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 recognized at cost and adjusted thereafter to recognize the group's share of the post - acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment. When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

d Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Parent Company. When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

e 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

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for control of the acquiree. Acquisition-related costs are generally recognized in consolidated statement of profit or loss as incurred.

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

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

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

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

Common control

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

f Foreign currency translation and transactions

1 Functional and presentation currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian currency (₹), which is the Group's functional and presentation currency.

2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the statement of profit and loss account as income or expense.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or Statement of profit and loss are also recognized in OCI or Statement of profit and loss, respectively).

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 exercize judgment in applying the accounting policies. Changes in the estimates are accounted for in the year when actual figures are known and not as a restatement to the comparable figures. Application of accounting policy that require critical accounting estimates and assumptions having the most significant effect on the amounts recognized in the financial statements are:

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

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

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

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

- **Recognition of deferred tax assets**

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

- **Contingent liabilities**

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

- **Share Based Payments**

  The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

- **Leases**

  Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain

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that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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 realized or intended to be sold or consumed in normal operating cycle i.e. twelve months

ii. Held primarily for the purpose of trading, or

iii. Expected to be realized within twelve months after the reporting period other than for (i) above, or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

v. Current assets also includes current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle i.e. twelve months

ii. It is held primarily for the purpose of trading

iii. It is due to be settled within twelve months after the reporting period other than for (i) above, or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

i Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

As mandated by Ind AS 105, assets and liabilities would not be reclassified or re-presented for prior period.

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

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

Transaction charges

Transaction charges are recognized as income on trade date basis.

Annual subscription charges

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

Admission fees

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

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.

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Dividends

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

Risk Management Fees

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

Comtrack / Repository charges

Comtrack charges are recognized when a transaction for Fresh deposit, Ownership transfer, Client negotiated Trade (Off market transaction), Pledge creation / closure / invocation is entered by client .

Warehouse Charges

Warehouse charges are recognized when a new location is accredited by a warehouse service provider (WSP) and when WSP information is processed.

Software service charges

Software rental charges are recognized as income on the basis of agreement with parties and in respect of agreements with the joint controlled, claims are accounted on actual receipts.

Registration Fees

Registration fee is recognized fully as one time income for the financial year.

Reactivation Fees

Reactivation fees is charged when client agrees to reactivate the account and pays the same and It is recognized on receipt basis.

Interest Income on trade financing

Interest income on Trade Finance is recognized on accrual basis taking into account the amount outstanding and the interest rate applicable as per agreement.

Corporate Buying arrangements

Revenue from sale of goods is recognised at point in time as control passes as and when goods are sold to customer. Interest income on Corporate buying is recognized on accrual basis taking into account the amount outstanding and the interest rate applicable as per agreement. The purchase of agricultural commodities (GST exempted commodities) made by the subsidiary company under the corporate buying arrangement is on the basis of the purchase order/ specifications placed by the client. The subisidiary company does not hold commodities for self-consumption nor for trading purpose. The subsidiary company pays full amount of consideration to suppliers for purchase of commodities and receives 25% amount as advance from client. The commodities purchased are in title of the subsidiary company to protect the client failure to pay until the outstanding dues is received from client. The price risk is not with the subsidiary company as it monitors price movement on daily basis and makes mark to market calls if there is a fall in price and consequent margin beyond amount threshold limits. Further it receives monthly fixed consideration in form of Interest from Corporate Buying Arrangement (CBA) on outstanding dues and reimbursement of expenses incurred (warehouse charges, insurance charges etc) till commodities is transferred to client. In the event of default by client, the subsidiary company has the right to sell the commodity and recover it's outstanding dues along with pending dues such as interest from CBA/ expense reimbursement if any and transfer the balance consideration if any to client.

Annual Membership Fees/Lot creation charges/Penalty/E-Pledge Fees/Ticker Board Charges/Other charges

Annual subscription charges are recognized as income when there is reasonable certainty of ultimate realization.

Business Support Services

Income from business support services are recognized on the basis of agreement with parties.

The billing schedules agreed with customers include periodic performance-based billing and / or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as "unearned revenues").

All other revenue is recognized in the period in which the performance obligation is satisfied over a period of time or point in time.

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l Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the Statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of profit and loss over the period in which depreciation of the related assets will be charged to the Statement of profit and loss.

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 balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amount will be available to utilize 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 realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the Statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Group reviews the " MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is not probable that the Group will pay normal tax during the specified period.

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

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in the manner intended by the Management. It includes professional fees and borrowing costs for qualifying assets.

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

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

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

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

Leasehold improvement is amortized over the lease term i.e. the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

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

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

Asset Class

Improvement to Lease hold Property

Furniture & Fixtures

Electrical Installations

Computer Hardware

Office Equipment

Motor Car

Tele Communication Equipment's

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or over the shorter of the assets useful life and the lease term if there is an uncertainty that the Group will obtain ownership at the end of the lease term.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arize 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.

Costs capitalized are amortized on a straight line basis over its expected useful life based on management's estimate.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends & has ability to complete the software and use or sell it
- software will be able to generate probable future economic benefits
- the expenditure attributable to the software during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use. The estimated useful life (4-10 years) of subsequent development of already capitalized intangible 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 capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) Operating Leases

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.

Effective April 01, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

(1) the contact involves the use of an identified asset

(2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and

(3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes

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the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Statement of Assets and Liabilities based on their nature.

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 capitalized as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

r Provisions, Contingent liabilities and Contingent assets

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using current pre tax rate that reflects, when appropriate, the risk specific to the liability.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent liabilities are not accounted but disclosed in the Consolidated Financial Statements, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not accounted but disclosed in the Consolidated Financial Statements when an inflow of economic benefits is probable.

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.

The obligations are presented as current liabilities in the balance sheet since the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

a. defined benefit plans such as gratuity, and

b. defined contribution plans such as provident fund.

Defined benefit Plan

- **Gratuity obligations**

  The Group has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of profit and loss as past service cost.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

Subsequent measurement

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Debt instrument at FVTOCI

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the 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, plus in the case of trade receivables not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the trade receivable. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

De-recognition

A financial asset is de-recognized only when :

- The Group has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de- recognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of Impairment loss on the following financial assets and credit risk exposure:

i. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

ii. Financial assets that are debt instruments and are measured as at FVTOCI.

iii. Lease receivables under IND AS 116.

iv. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

v. Loan commitments which are not measured as at FVTPL.

vi. Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of IND AS 116.

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

Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized. Interest expenses on these Financial liabilities are included in Finance cost using EIR method.

Financial guarantee contracts

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27,2014 every recognized clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognized Commodity exchange. The Clearing Corporation shall have a fund called Core SGF for each segment of each Recognized Commodity Exchange to guarantee the settlement of trades executed in the respective segment of the Commodity Exchange. In the event of a clearing member (member) failing to honor settlement commitments, the Core SGF shall be used to fulfill the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Exchange and National Commodity Clearing Limited (NCCL) and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments is credited to the respective contributor's funds and adjusted towards incremental requirement of Minimum Required Corpus (MRC). Settlement related penalties are transferred to Core SGF.

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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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.

aa Dividends

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

ab 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:-

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

1. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The group does not expect this amendment to have any significant impact in its financial statements.

2. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The group does not expect this amendment to have any significant impact in its financial statements.

3. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The group is evaluating the impact, if any, in its financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

2. PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Computer Hardware	Improvement to Lease hold Property	Telecommunication Equipment's	Office Equipment's	Electrical Installations	Furniture and Fixtures	Motor Car	Total	Capital work-in-progress
Cost or Deemed Cost									
Opening as at April 01, 2021	2,469	322	1,132	149	137	132	67	4,408	-
Additions	276	20	18	11	2	9	-	336	-
Disposals / Adjustments	25	38	-	2	-	1	57	123	-
Closing gross carrying amount	**2,720**	**304**	**1,150**	**158**	**139**	**140**	**10**	**4,621**	**-**
Accumulated depreciation and impairment									
Accumulated depreciation as at April 01, 2021	1,834	258	828	79	52	51	39	3,142	-
Depreciation for the year	338	21	150	27	8	14	3	563	-
Disposals / Adjustments	24	30	-	1	-	1	40	96	-
Closing accumulated depreciation	**2,148**	**249**	**978**	**105**	**60**	**64**	**2**	**3,609**	**-**
Net carrying amount as at March 31, 2022	**572**	**55**	**172**	**53**	**79**	**76**	**8**	**1,012**	**-**
Cost or Deemed Cost									
Opening as at April 01, 2022	2,720	304	1,150	158	139	140	10	4,622	-
Additions	224	3	98	10	-	1	-	336	-
Disposals / Adjustments	663	-	78	2	38	3	-	784	-
Closing gross carrying amount	**2,281**	**307**	**1,170**	**166**	**101**	**138**	**10**	**4,174**	**-**
Accumulated depreciation and impairment									
Opening as at April 01, 2022	2,148	249	978	105	60	64	2	3,606	-
Depreciation for the year	329	17	105	28	11	13	1	503	-
Disposals / Adjustments	643	-	77	2	38	2	-	761	-
Closing accumulated depreciation	**1,834**	**266**	**1,006**	**131**	**33**	**75**	**3**	**3,348**	**-**
Net carrying amount as at March 31, 2023	**447**	**41**	**164**	**35**	**68**	**63**	**7**	**826**	**-**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

3. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software	Total	Intangible assets under development	Total
Cost or Deemed Cost				
Opening as at April 01, 2021	10,196	10,196	753	753
Additions	897	897	606	606
Disposals / Capitalized during the year	23	23	735	735
Impairment	-	-	-	-
Closing gross carrying amount	**11,070**	**11,070**	**624**	**624**
Accumulated amortization and impairment losses				
Opening as at April 01, 2021	5,288	5,288	-	-
Amortization for the year	1,316	1,316	-	-
Disposals / Adjustments	-	-	-	-
Closing accumulated amortization	**6,604**	**6,604**	**-**	**-**
Net carrying amount as at March 31, 2022	**4,465**	**4,465**	**624**	**624**
Cost or Deemed Cost				
Opening as at April 01, 2022	11,070	11,070	624	624
Additions	1,219	1,219	694	694
Disposals/ Capitalized during the year	-	-	781	781
Impairment	-	-	36	36
Closing gross carrying amount	**12,289**	**12,289**	**501**	**501**
Accumulated amortization and impairment losses				
Opening as at April 01, 2022	6,604	6,604	-	-
Amortization for the year	1,466	1,466	-	-
Disposals / Adjustments	33	33	-	-
Closing accumulated amortization	**8,103**	**8,103**	**-**	**-**
Net carrying amount as at March 31, 2023	**4,186**	**4,186**	**501**	**501**

Intangible assets under development categories ageing as at March 31, 2023

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	212	72	185	32	501
Projects temporarily suspended	-	-	-	-	-
Total	**212**	**72**	**185**	**32**	**501**

Any of the projects completion is not overdue & neither any cost is exceeded as compared to original plans.

Intangible assets under development categories ageing as at March 31, 2022

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	282	257	84	-	624
Projects temporarily suspended	-	-	-	-	-
Total	**282**	**257**	**84**	**-**	**624**

Any of the projects completion is not overdue & neither any cost is exceeded as compared to original plans.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

4. NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Quantity	Amount	Quantity	Amount
a) Investment in associates / joint ventures accounted for using the equity method				
Investments in Unquoted equity Shares				
(i) In Associates				
Equity Shares of ₹ 10/- each fully paid up in Power Exchange India Limited	1,46,15,609	1,462	2,00,00,000	2,000
Add/(less): Cumulative share of Profit		346		(403)
		1,808		**1,597**
(ii) In Joint Venture				
Rashtraya e Market Services Private Limited		500		500
Add: Share of Profit		2,163		2,114
		2,663		**2,614**
Total		**4,471**		**4,211**
b) Other non current investments				
Investments in Unquoted equity Shares				
Equity share of ₹ 10/- each fully paid up in National Warehousing Corporation Private Limited	98,900	-	98,900	-
Investments in Bond (unquoted)				
8.82% Rural Electrification Corporation Limited Bonds 2023	-	-	11	115
9.25% Power Finance Corporation Limited 2024	6	64	6	64
9.64% Power Grid Corporation of India Limited 2024	14	191	14	191
Total		**255**		**370**
		4,726		**4,581**
Aggregate amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate amount of unquoted investments		4,726		4,581

4. (a) INVESTMENT HELD FOR SALE IN ASSOCIATE

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Quantity	Amount	Quantity	Amount
Investments Held for Sale				
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited *	53,84,391	538	-	-
Add/(less): Cumulative Share of Profit		35		
		573		
Total		**573**		**-**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

*As per shareholding pattern norms prescribed under Regulations 19(1) of the Central Electricity Regulatory Commission (CERC) (Power Market) Regulations, 2010, dated January 10, 2010, applicable to Power Exchange of India Limited (PXIL), the shareholder (except for the member of Power Exchanges) can hold maximum upto 25% of paid up share capital. The power exchange was granted 3 years time from the date of notification to comply with the said norms. Since the shareholding of the Exchange (34.21%) was not in line with the above regulations, PXIL has sought and recieved permission from CERC to allow the Exchange to continue to hold 34.21% in PXIL. As per latest CERC order dated April 26,2022 CERC has allowed the Exchange additional time till March 31, 2023 to reduce its shareholding in PXIL to 25% or below.The petition seeking extension of timelines for meeting the compliances as required under Power Market Regulations, 2021 has been filed by PXIL on March 03, 2023. CERC order on the same is awaited. During the year, the Board has accorded its in-principle approval for sale of investment in associate namely PXIL, to the extent of regulatory requirement. The management has classified the investments held in PXIL as 'Asset held for sale', to the extent of regulatory requirement.

5. OTHER FINANCIAL ASSET

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(a) Non-current bank balances				
Deposits with bank - original maturity more than 12 months*	7,716	7,226	-	-
Earmarked Deposits with bank - original maturity more than 12 months #	526	15	-	-
Total (a)	**8,242**	**7,241**	**-**	**-**
(b) Others				
Secured, Considered Good				
Recoverable from Selling Shareholder	-	-	-	407
Interest accrued on fixed deposits **	47	101	1,178	1,345
Interest accrued on earmarked fixed deposits	17	0	-	-
Interest accrued on bonds	14	24	-	-
Security Deposits	239	235	78	57
Unbilled revenue	-	-	800	627
Receivable against sale of Mutual Funds	-	-	300	400
Trade Money receivable from members	-	-	13	11
Trade Financing	-	-	1,037	140
Earnest Money deposit	-	-	-	48
Other assets***	-	-	1,748	1,704
Others receivables considered good	-	-	-	0.1
Others receivables considered doubtful	32	32	-	-
Less: Allowance for expected credit loss	(32)	(32)	-	-
Total (b)	**317**	**361**	**5,154**	**4,739**

* Fixed Deposit for Core Settlement Guarantee Fund (Core SGF) ₹ 6530 Lakhs (March 31, 2022 : ₹ 2203 Lakhs).

** Includes interest on Core SGF - Non Current ₹ 32 Lakhs (March 31, 2022 : ₹ 1 Lakhs) and Current ₹ 472 Lakhs (March 31,2022 : ₹ 373 Lakhs)

*** Other receivables of ₹ 1700 Lakhs as at March 31, 2022 regrouped from 'Other Current Assets' to 'Other Financial Assets'

Earmarked deposits are restricted. Deposits of ₹ 511 Lakh are earmarked against performance guarantee of ₹ 500 Lakh given to WDRA as per their guidelines and deposits ₹ 15 Lakh are earmarked for Corporate Credit Card limit of ₹ 9 Lakhs issued by ICICI Bank Limited.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

6. INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Advance income tax paid including tax deducted at source receivable (net of provision) *	2,302	2,228	412	194
Total	**2,302**	**2,228**	**412**	**194**

* Includes TDS on Core SGF `₹ 218 Lakhs (March 31, 2022 : ₹ 218 Lakhs)

\# Income tax assets of ₹ 2228 Lakhs as at March 31, 2022 regrouped from 'Current Income tax Assets' to 'Non current Income tax Assets'

7. OTHER ASSETS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	39	40	429	397
Deferred Rent	7	10	3	3
Balances with government authorities	-	-	641	209
Other receivables *	-	-	28	79
Advance to employee	-	-	0.2	-
Total	**46**	**50**	**1,101**	**689**

* Other receivables of ₹ 1700 Lakhs as at March 31, 2022 regrouped from 'Other Current Assets' to 'Other Financial Assets'

8. CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
	Units	Amount	Units	Amount
A) Investment in bonds				
Bond (Quoted)				
NHAI Bonds 2015 Tax Free Bonds Maturity dated January 08,2030 Tranche I Series II A for 15 years @ 7.35% p.a.	57,140	672	57,140	681
7.35% NABARD Tax free bonds Maturity date March 23, 2031,@ annualized YTM 6.01%	67,475	763	67,475	813
8.48% NTPC Tax free bonds Maturity date December 16, 2028, at 6.005% p.a.	44,799	526	44,799	553
8.82% Rural Electrification Corporation Limited Bonds 2023	11	115	-	-
Total Bonds (a) - Refer note1 below		**2,076**		**2,047**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2023 Units	As at March 31, 2023 Amount	As at March 31, 2022 Units	As at March 31, 2022 Amount
B) Investment in mutual funds				
Mutual Funds (Unquoted)				
Aditya Birla Sunlife Cash Plus Growth Direct Plan *	8,359	30	8,359	29
Axis Liquid Fund Direct Growth **	1,402	35	-	-
Axis Overnight Fund -Direct Plan-Growth	25,308	300	22,248	250
HDFC- Overnight Fund -Direct Plan -Growth	4,507	150	-	-
HDFC- Liquid Fund -Direct Plan -Growth *	700	31	1,093	45
HSBC Overnight Fund-Direct Plan-Growth	38,369	450	-	-
ICICI Prudential Overnight Fund - Direct Plan Growth Option	17,672	214	-	-
ICICI Prudential Money Market Fund-Direct Plan-Growth Option	-	-	19,455	60
Kotak Overnight Fund Direct-Growth Option ***	3,409	41	483	21
Kotak Overnight Fund -Direct Plan-Growth	50,193	600	-	-
Nippon Overnight Fund -Direct Plan-Growth	-	-	8,23,945	940
SBI Overnight Fund - Direct Growth	4,531	165	290	10
SBI Saving Fund - Direct Plan Growth Option	-	-	6,38,723	228
Total - Current Investments (b)		**2,016**		**1,583**
Aggregate amount of investments (a+b)		**4,092**		**3,630**
* Represents investment earmarked for Investor Service Fund				
** Represents Investment earmarked for Regulatory fee forgone by SEBI				
*** Represents investment earmarked for Base Minimum Capital				
Aggregate amount of quoted investments		2,076		2,047
Aggregate market value of quoted investments		2,076		2,047
Aggregate amount of unquoted investments		2,016		1,583

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

9. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
a) Trade Receivables considered good - Secured	291	594
b) Trade Receivables considered good - Unsecured	1,105	519
c) Trade Receivables which have significant increase in Credit Risk	1,778	1,778
d) Trade Receivables - credit impaired	824	833
	3,998	**3,724**
Less: Expected credit loss allowance	(824)	(833)
Total	**3,174**	**2,891**

Trade Receivables Ageing as at March 31, 2023

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	949	322	64	2	59	1,396
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	0.06	0.01	0	0.1
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk *	-	-	-	-	1,778	1,778
Disputed Trade Receivables –credit impaired	-	-	41	48	735	824
Sub Total	**949**	**322**	**105**	**50**	**2,572**	**3,998**
Less : Allowance for bad and doubtful debts	-	-	(41)	(48)	(735)	(824)
Total	**949**	**322**	**64**	**2**	**1,837**	**3,174**

* No provision is made since there is corresponding liability as “Payable to Core SGF” as referred in Note-18

Trade Receivables Ageing as at March 31, 2022

(₹ in Lakhs)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	284	40	642	93	54	1,113
Undisputed Trade Receivables – which have significant increase in credit risk	0.2	-	-	-	-	0
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk *	-	-	-	1,778	-	1,778
Disputed Trade Receivables –credit impaired	-	-	93	739	1	833
Sub Total	284	40	735	2,610	55	3,724
Less : Allowance for bad and doubtful debts	-	-	(98)	(734)	(1)	(833)
Total	**284**	**40**	**637**	**1,876**	**54**	**2,891**

* No provision is made since there is corresponding liability as “Payable to Core SGF” as referred in Note-18

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

10. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash in hand	0.1	-
Balances with bank#		
On current accounts *	1,458	1,692
Deposits with original maturity of three months or less **	2,144	3,886
Others		
Investments in mutual funds (Highly Liquid Funds)		
MF-Birla Liquid Fund - Growth	-	544
MF-Tata Liquid Plan - Growth	-	504
MF-Nippon Liquid Fund - Growth	-	306
MF-Nippon Overnight Fund - Growth	1,352	-
MF-Axis Liquid Fund - Growth	-	252
MF-Axis Overnight Fund - Growth	1,012	-
MF-Aditya Birla Overnight Fund - Direct Growth option	400	-
Total	**6,366**	**7,183**

Balances with bank of ₹ 4,435 Lakhs as at March 31, 2022 regrouped from 'Cash and cash equivalent' to 'Bank balances other than cash and cash equivalents'

* Includes current account for Core Settlement Guarantee Fund ₹ 0.3 Lakhs (March 31, 2022 : ₹ 0.5 Lakhs).

** Includes Fixed Deposit for Core Settlement Guarantee Fund ₹ NIL (March 31, 2022 : ₹ NIL)

Includes Fixed Deposit ₹ 412 Lakhs (March 31, 2022 : ₹ 400 Lakhs) lien marked against overdraft facility Includes margin money for bank gurantee ₹ 50 Lakhs (March 31, 2022 : ₹ 45 Lakhs)

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2023	As at March 31, 2022
Unpaid Dividends	104	78
Earmarked Flexi deposit balances*	72	61
Earmarked bank balances**	2	16
Deposits with original maturity for more than 3 months but less than 12 months ***	6,797	9,602
Deposits with original maturity of less than 12 months at the balance sheet date	15,805	18,681
Fixed Deposits - Core Settlement Guarantee Fund		
Deposits with original maturity for more than 3 months but less than 12 months	1,140	3,505
Deposits with original maturity of less than 12 months at the balance sheet date	15,463	16,225
Total #	**39,383**	**48,168**

* Earmarked Flexi deposit balances

- Includes ₹ 19 Lakhs (March 31, 2022 ₹ NIL) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ 53 Lakhs (March 31, 2022 ₹ 61 Lakhs) represents earmarked for Base Minimum Capital.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

** Earmarked bank balances

- Includes ₹ 0.90 Lakhs (March 31, 2022 : ₹ 0.18 Lakhs) for Investor Service Fund.
- Includes ₹ 0.35 Lakhs (March 31, 2022 ₹ 5 Lakhs) for Base Minimum Capital.
- Includes ₹ 0.53 Lakhs (March 31, 2022 ₹ 0.03 Lakhs) for SEBI Regulatory fees
- Includes ₹ NIL (March 31, 2022 ₹ 11 Lakhs) for SAT order.

*** Includes Fixed Deposits of ₹ 880 Lakhs (March 31, 2022 : ₹ 824 Lakhs) lien marked for Overdraft facility Includes margin money for bank gurantee of ₹ 608 Lakhs (March 31, 2022 : ₹ 436 Lakhs)

12. (a) EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorized		
70,000,000 Equity shares of ₹ 10/- each (Previous Years : 70,000,000 Equity shares of ₹ 10/- each)	7,000	7,000
Issued, subscribed and fully paid up shares		
50,676,000 Equity shares of ₹ 10/- each fully paid up (Previous Years: 50,676,000 equity shares of ₹ 10/- each fully paid up)	5,068	5,068
Total	**5,068**	**5,068**

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

Equity Shares of ₹ 10 each fully paid	March 31, 2023		March 31, 2022	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
At the beginning of the year	7,00,00,000	7,000	7,00,00,000	7,000
Conversion of Preference share into equity share capital	-	-	-	-
Outstanding at the end of the year	7,00,00,000	7,000	7,00,00,000	7,000

ii. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period.

Equity Shares of ₹ 10 each fully paid	March 31, 2023		March 31, 2022	
	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
Addition during the period/year	-	-	-	-
Outstanding at the end of the year	5,06,76,000	5,068	5,06,76,000	5,068

iii. Terms/Rights attached to equity share

The Exchange has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Exchange declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

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

Equity Shares of ₹ 10 each fully paid	March 31, 2023		March 31, 2022	
	No. of Shares	% holding	No. of Shares	% holding
National Stock Exchange of India Limited	76,01,377	15%	76,01,377	15%
Life Insurance Corporation of India	56,25,000	11%	56,25,000	11%
National Bank for Agriculture and Rural Development	56,25,000	11%	56,25,000	11%
Indian Farmers Fertiliser Cooperative Limited (IFFCO) *	50,68,000	10%	50,68,000	10%
Oman India Joint Investment Fund (OIJIF) *	50,67,600	10%	50,67,600	10%
Punjab National Bank	36,94,446	7%	36,94,446	7%
Build India Capital Advisors LLP	25,33,799	5%	25,33,799	5%
Canara Bank	30,55,519	6%	30,55,519	6%
"Investcorp Private Equity Fund - I (previously known as IDFC Private Equity Fund III)"	25,33,800	5%	25,33,800	5%
Shree Renuka Sugars Limited	25,33,700	5%	25,33,700	5%

As per records of the Exchange, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

*SEBI vide letters dated May 23, 2019 and February 05, 2020 and thereafter vide e-mail dated June 09, 2020 had directed the Exchange to freeze voting rights and restrict entitlement to any corporate benefits, including dividend over and above 5% of the paid up capital of the Exchange, of two shareholders, namely, Indian Farmers Fertiliser Cooperative Limited (IFFCO) and Oman India Joint Investment Fund (OIJIF), till Initial Public Offering of the Exchange takes place or in case the two shareholders are not able to offload their shareholding through Offer for Sale in IPO, an additional time of three months' had been accorded by SEBI to the two shareholders for complying with the SECC Regulations, 2018, with the condition that the other directions issued shall remain in force till compliance of SECC Regulations, 2018. Thereafter, SEBI vide e-mails dated April 19, 2021, December 14, 2021, February 10, 2022 and January 31, 2023, further extended the timelines to comply with shareholding requirement as per SECC Regulations, 2018, by the said shareholders till December 31, 2023.

v. Shares reserved for issue under options

For details of shares issued under the employee stock option (ESOP) plan of the Company, please refer note 42

vi. Shareholding of promoter

Shares held by promoters at March 31, 2023 and as at March 31, 2022

	No. of Shares	% of total shares	% change during the year
Promoter	NIL		
Promoter Group	NIL		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

12. (b) OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share Application Money	Share option Reserve	Risk Management Fund	General reserve	Core Settlement Guarantee Fund (Refer note - 37)	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the Parent Company	Attributable to Non-Controlling interest	Total
Balance at the April 01, 2021	**13,980**	**-**	**72**	**20**	**1,110**	**21,213**	**1**	**9,097**	**114**	**45,607**	**2,092**	**47,699**
Non controlling interest on account of reduction of of share in subsidiary										-		**-**
Addition in current year	3	31	12	-	-	1,312	-	(1,137)	-	222	(91)	**130**
Utilized / Converted during the year	-	-	(64)	-	-		-	64	-	(0)	-	**(0)**
Items of Other Comprehensive Income for the year, net of tax												
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-	(40)	-	(40)	-	**(40)**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	1	1	-	**1**
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(254)	-	(254)	-	**(254)**
Balance as at March 31, 2022	**13,983**	**31**	**20**	**20**	**1,110**	**22,525**	**1**	**7,730**	**115**	**45,536**	**2,001**	**47,537**
Non controlling interest on account of reduction of of share in subsidiary										-	5	**5**
Addition in current year	33	-	7	-	-	1,329	-	(4,057)	3	(2,685)	(182)	**(2,867)**
Utilized / Converted during the year	-	(31)	(8)	-	-		-	-	-	(39)	-	**(39)**
Items of Other Comprehensive Income for the year, net of tax										-		**-**
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-	(69)	-	(69)	-	**(69)**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	(77)	(77)	-	**(77)**
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(253)	-	(253)	-	**(253)**
Balance as at March 31, 2023	**14,016**	**(0)**	**19**	**20**	**1,110**	**23,855**	**1**	**3,351**	**41**	**42,412**	**1,824**	**44,237**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

1. The Board of Directors in the meeting held on May 20, 2022, proposed a final dividend of ₹ 0.50 per equity share which has been approved by the shareholders at the Annual General Meeting held on September 26, 2022. The total dividend debited to other equity during the year ended March 31, 2023 amounts to ₹ 253 Lakh.
2. The Board of Directors in the meeting held on June 09, 2021, proposed a final dividend of ₹ 0.50 per equity share which has been approved by the shareholders at the Annual General Meeting held on September 27, 2021. The total dividend debited to other equity during the year ended March 31, 2022 amounts to ₹254 Lakh.
3. The above Core SGF amounting to ₹ 23,855 Lakhs (March 31,2022 ₹ 22,525 Lakhs) has been considered by the management as a part of equity and is included under "Other Equity".
4. The Company, vide its letter dated September 05, 2018, had given an undertaking to SEBI for increasing the Core Settlement Guarantee Fund (Core SGF) to ₹ 250.00 Crores by way of equitable additions every 6 months over the period of 3 years i.e. by September 30, 2021. Accordingly, the Company was required to have the Core SGF of ₹ 250.00 Crores as on September 30, 2021, for which the Company, vide its letter dated September 2, 2021 to SEBI, sought an extension of time till March 31, 2022. SEBI has vide it's letter dated September 13, 2021 granted an extension of time to increase the Core SGF till March 31, 2022. Subsequently, the Company vide its letter dated February 02, 2022 to SEBI, sought an extension of time till March 31, 2023. SEBI has vide it's letter dated March 08, 2022 granted an extension of time to increase the Core SGF till December 31, 2022. Further the Company vide its letter dated December 05, 2022 to SEBI, sought an extension of time till June 30, 2023. SEBI has vide it's letter dated December 15, 2022 granted an extension of time to increase the Core SGF till June 30, 2023.

Description of nature and purpose of reserve

1 Securities Premium Reserve

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

2 General Reserve

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

3 Settlement Guarantee Fund

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

4 Retained Earnings

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

5 Reserve for debt instruments through other comprehensive income

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

6 Share Option Reserve (Refer Note 42)

7 Risk Management Fund

Risk Management Fund (RMF) as constituted by the subsidiary company (NeML) is the amount earmarked for completion of the settlement, in case of a default by a member. Company has not utilized any amount in FY 2022-23 and in previous year from the fund. As considered by the Management of the Company the Contribution made is appropriate and sufficient to cover member defaults, if any.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

13. NON-CURRENT DEPOSITS AND OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current deposits		
Base Minimum Capital *	769	881
	769	**881**
Lease Liabilities	1,196	1,622
Total	**1,965**	**2,503**

* Base Minimum Capital of ₹ 50 Lakhs as at March 31, 2022 regrouped from 'Non current deposits' to 'Current deposits'

14. PROVISIONS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Employee benefits obligation				
a) Provision for gratuity	377	342	173	147
b) Provision for leave encashment	205	214	60	41
c) Provision for Performance based incentives*	207	169	891	938
Other Provisions (Refer Note 32)**	-	-	260	260
Total	**789**	**725**	**1,384**	**1,386**

* Provisions for performance based Incentive (Non current) of ₹ 169 Lakhs and (current) of ₹ 938 Lakhs as at March 31, 2022 regrouped from 'Other Financial Liabilities' to 'Provisions'

** Provision of ₹ 260 Lakhs as at March 31, 2022 regrouped from 'Trade payable' to 'Current provisions'

15. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets components		
Employee benefits	260	209
Provision For Expected Credit Loss	227	229
Unabsorbed losses / depreciation	4,249	2,719
MAT Credit Entitlement	206	206
Deferred tax assets on ISF liabilities and SEBI Regulatory Fees	31	34
Cumulative catch-up lease accounting Ind AS 116	-	7
Ind AS 116- ROU and Lease Liability	20	9
Other items	5	6
Gross deferred tax asset	**4,998**	**3,420**
Deferred tax liabilities components		
Depreciation and amortization	217	341
Financial Assets at Fair Value through P&L	2	2
Financial Assets at Fair Value through OCI	5	14

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Ind AS 116- ROU and Lease Liability	18	15
Share of unditributed profits of Associate	102	-
Gross deferred tax liabilities	**344**	**372**
Net deferred tax asset / (liability)	**4,654**	**3,048**
Deferred tax assets	**4,998**	**3,420**
Deferred tax liabilities	**344**	**372**

16. DEPOSITS

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Base Minimum Capital*	884	915
	884	**915**
Deposit from members **	7,853	8,059
Deposits from clearing banks	4,700	4,900
Deposits from comtrack participants	879	885
Deposits from warehouse service providers	372	374
Total	**14,688**	**15,133**

* Base Minimum Capital of ₹ 50 Lakhs as at March 31, 2022 regrouped from 'Non current deposits' to 'Current deposits'

** Deposit from members of ₹ 7,877 Lakhs as at March 31, 2022 regrouped from 'Non current deposits' to 'Other Financial liabilities'

17. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Total outstanding due of Micro and Small Enterprises	140	96
b) Total outstanding dues of creditors other than Micro and Small Enterprises *	763	797
Total	**903**	**893**

* Provision of ₹ 260 Lakhs as at March 31, 2022 regrouped from 'Trade payable' to 'Current provisions'

Trade Payable Ageing as at March 31, 2023

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	140	-	-	-	140
Others	718	0.2	2	43	763
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
Total	**859**	**0**	**2**	**43**	**903**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Trade Payable Ageing as at March 31, 2022

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	113	-	-	-	113
Others	754	3	-	23	780
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
Total	**868**	**3**	**-**	**23**	**893**

18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Creditors for Capital Expenditure	118	78
b) Creditors for Capital Expenditure Micro and Small Enterprises	7	4
c) Interest Payable	0	2
d) Dues to members	415	421
e) Payable - Members/Customers	249	-
f) Payable to Core SGF	1,778	1,778
g) Dividend Payable	-	-
h) Other payable *	50	34
i) Margin money from members **	13,126	14,988
	15,743	**17,306**
Lease Liabilities	479	465
Total	**16,222**	**17,771**

* Provision for performance based Incentive (current) of ₹ 938 Lakhs as at March 31, 2022 regrouped from 'Other Financial Liabilities' to 'Provisions'

** Deposit from members of ₹ 7,877 Lakhs as at March 31, 2022 regrouped from 'Non current deposits' to 'Other Financial liabilities'

19. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Revenue received in advance	317	294
b) Investor protection fund *	36	131
c) Investor Service fund	42	260
d) Unpaid dividend	104	78
e) SEBI turnover and regulatory fees payable	77	57
f) Statutory dues payable	1,507	1,298
g) Others	46	1
Total	**2,129**	**2,119**

* Includes ₹ 19 Lakhs (March 31, 2022 : ₹ 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) Private Limited 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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

20. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products		
Sale of services		
Transaction charges	5,689	7,465
Annual subscription fees	199	243
Admission fees	70	94
Risk Management Fees	434	854
Delivery Charges	512	810
E-Repository services	707	938
Warehouse charges	108	144
Data, Analytics and Technology Sales	409	375
Sales under Corporate Buying Arrangement	1,101	-
Interest Income under Corporate Buying Arrangement	51	-
Other Operating Revenues		
Software Services	848	489
Computer to computer link charges	33	33
Corporate Buying Processing fees and warehousing Income	49	-
Port charges	62	67
Others	121	21
Total	**10,393**	**11,533**

21. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on Bank deposits	1,801	2,420
Interest on Bonds	162	149
Profit on sale / Fair Value of MF Units	312	261
Net gain/(loss) on financial assets measured at Fair Value through Profit or Loss	19	17
Profit on lease rent concession	-	94
Interest income on trade financing	75	-
Lease Line charges	258	260
Interest on Income Tax Refund (Refer Note 55)	352	562
Exchange charges	8	29
Profit on sale/scrap of fixed assets (net)	2	3
Sundry balances written back	91	10
Others	84	99
Total	**3,164**	**3,904**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

22. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, bonus and allowances	7,739	7,259
Contribution to Provident and other funds	640	585
Staff welfare expenses	411	279
Share based payments to Employees	7	12
Total	**8,797**	**8,135**

23. FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Finance Costs:		
Interest on lease liability	150	186
Other Interest	0.3	2
Interest on bank overdraft	0.4	-
Total	**151**	**188**

24. DEPRECIATION & AMORTIZATION

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation	503	563
Amortization	1,466	1,316
Amortization of right to use assets	543	544
Total	**2,512**	**2,424**

25 (a) TECHNOLOGY EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Repairs & Maintenance computer and software	2,826	2,603
Annual Maintenance charges	451	507
Networking Expenses	288	287
Data Centre Expenses	319	467
Other Technology Expenses	63	29
Total	**3,947**	**3,895**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

25 (b) OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Legal and Professional Charges	777	940
Polling Expenses	25	196
Rent	78	69
Electricity Charges	164	228
Travelling and Conveyance Expenses	302	199
Repairs and Maintenance	112	113
Directors Sitting Fees**	173	188
Committee member sitting fees	22	33
Board and Committee meeting expenses	16	-
LES Incentive	397	74
Security Charges	80	72
Insurance Expenses	68	62
Regulatory Fees	12	12
Contribution towards SEBI regulatory fees	52	49
Advertisement and Publicity	74	58
Corporate Social Responsibility Expenses	21	58
Communication Expenses	66	57
Contribution to Investor Service Fund	28	47
Contribution to Investor Protection Fund	23	46
Payment to Auditors		
- For audit (including limited review) *	44	42
- For tax audit	8	4
- For tax matters	14	6
- For other services	1	3
- For reimbursement of expenses	1	1
License Fees	51	41
Printing and stationery	31	36
Books Periodicals & Subscription	31	18
Recruitment Expenses	43	16
Rates and Taxes	8	11
Research expenses	11	10
IPO Expenses	-	5
Loss on sale/scrap of fixed assets (net)	0.5	2
Provision for doubtful debts	0.8	0
Bad Debts	-	16
Provision for Impairment on Fixed Asset (Software)	7	-
Sundry balances w/off	67	-
Assaying and Warehousing Charges-Corporate Buying	42	-
Other Expenses	266	336
Total	**3,116**	**3,047**

*Includes ₹ 14 Lakhs (March 31, 2022 : ₹ 10 Lakhs) for Limited review fees.

** Including fees paid by the subsidiary companies

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

26. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Exceptional Items		
Capital raising expenses written off (Refer Note 52(a))	487	-
Provision for Pre-incorporation expense of JV and other expense (Refer Note 52(b))	46	-
Total	**533**	**-**

27. CURRENT AND DEFERRED TAX

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current tax	11	184
Current Tax for earlier years	(5)	-
Deferred Tax	(1,570)	(645)
Total	**(1,564)**	**(461)**

28. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit / (Loss) after tax as per Statement of Profit and Loss	(4,057)	(1,137)
Less: Preference dividend and tax thereon	-	-
Net Profit for calculation of EPS (A)	(4,057)	(1,137)
Weighted average no. of equity shares for calculating EPS (B)	5,06,76,000	5,06,76,000
Basic earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	(8.01)	(2.24)
Diluted earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	(8.01)	(2.24)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
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

29 During the year, Group has recognized the following amounts in the financial statements as per Ind AS 19 "Employees Benefits" :

a) Defined Contribution Plan

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

Contribution to Defined Contribution Plan, recognized are charged off for the period as under :

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

The Group makes contribution, determined as percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Group has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to Provident Fund	379	326

b) Defined Benefit Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more and less than or equal to nine years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Every employee who has completed more than ten years of service gets a gratuity on departure at 26 days salary (last drawn salary) for each completed year of service.

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

(₹ in Lakhs)

Actuarial assumptions	Gratuity (funded)	
	As at March 31, 2023	As at March 31, 2022
Expected Rate of Return on plan assets	7.29% to 7.31%	5.66% to 7.51%
Discount rate (per annum)	7.29% to 7.31%	5.66% to 7.51%
Rate of increase in Compensation levels	8% to 10% for the first 2 years 6% to 7% for the next 5 years starting from the 3rd year 5% p.a. thereafter, starting from the 8th year	8% to 10%
Rate of Employee Turnover	15% to 25%	5% to 25%
Mortality Rate during Employment	Indian Assured lives mortality (2012-14) ultimate	Indian Assured lives mortality (2012-14) ultimate
Mortality Rate after Employment	N.A.	N.A.

Table showing changes in present value of obligations :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the beginning of the year	953	816
Liability Transferred In / Acquisitions	-	-
(Liability Transferred Out / Divestments)	-	-
Interest Cost	60	52
Past service cost (Vested Benefit)	-	-
Current Service Cost	152	141
Benefits paid	(93)	(112)
Actuarial (gain) / loss on obligations	85	57
Present value of obligation as at the end of the period	**1,157**	**954**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Table showing changes in the fair value of plan assets :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at beginning of the year	465	424
Assets Transferred In / Acquisitions	-	-
(Assets Transferred Out / Divestments)	-	-
Interest Income	30	
Expected return of plan assets	1	25
Employer contribution	219	128
Benefits paid	(93)	(112)
Actuarial gain / (loss) on plan assets	(16)	(1)
Fair value of plan assets at year end	**606**	**464**

The amounts to be recognized in Balance Sheet :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the end of the period	(1,157)	(954)
Fair value of plan assets as at the end of the period	606	464
Funded Status (Surplus / (Deficit))	**(550)**	**(490)**
Unrecognized actuarial (gains) / losses	-	-
Net asset / (liability) recognized in Balance Sheet	**(550)**	**(490)**

Expenses recognized in Statement of Profit and Loss :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	151	141
Past service cost (Vested Benefit)	-	-
Interest Cost	31	26
Expected return on plan assets	-	-
Expenses recognized in the Statement of Profit and Loss	**182**	**167**

Expenses recognized in Other Comprehensive Income :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (Gains) / Losses on Obligation For the Period	85	58
Return on Plan Assets, Excluding Interest Income	16	0
Change in Asset Ceiling	-	-
Net (Income) / Expense For the Period Recognized in OCI	**101**	**58**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Maturity profile of defined benefit obligation :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Projected benefits payable in future years from the date of reporting		
1st Following year	232	148
2nd Following year	193	132
3rd Following year	187	119
4th Following year	157	116
5th Following year	136	96
Sum of Years 6 to 10	405	323
Sum of Years 11 & above	**268**	**773**

Investment Details :

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ in Lakhs)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Investments with insurance fund	100%	100%

Sensitivity :

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

(₹ in Lakhs)

Gratuity	Change in Assumption	Year ended March 31, 2023		Year ended March 31, 2022	
		Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1% / -1%	(10)	10	(13)	13
Salary Escalation Rate	+1% / -1%	10	(10)	13	(13)
Employee Turnover	+1% / -1%	(1)	1	(2)	2

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognized in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

30. DISCLOSURE REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (THE ACT) ARE GIVEN AS FOLLOWS :

(₹ in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
a.	Principal amount remaining unpaid to any supplier as at the year end	147	100
	Interest due thereon :		
b.	Amount of interest paid during the year	-	-
c.	Amount of payments made to the supplier beyond the appointed day during the accounting year.	-	-
d.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the (year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006.	0.1	0.1
e.	Amount of interest accrued and remaining unpaid at the end of the accounting year.	0.1	0.2
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.	-	2.0

Note: The above information and that given in Note No. 17 and 18 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.

31. COMMITMENTS AND CONTINGENCIES

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

(₹ in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
(i)	On account of Income taxes (Refer Note - 1 below)	2,234	2,191
(ii)	On account of Legal claim (Refer Note - 2 below)	185	185
(iii)	On account of payment of Bonus for the F.Y. 2014-15 (Refer Note - 3 below)	11	11
(iv)	On account of Service tax (Refer Note 4 below)	2,278	2,278
(v)	National E-Repository Limited (NERL) - On account of Bank Guarantee (Refer Note - 5 below)	509	509
(vi)	NCDEX Institute of Commodity Markets & Research - On account of Income taxes (Refer Note - 6 below)	0.08	0.08
(vii)	NCDEX e Markets Limited (NeML) - On account of Service tax (Refer Note - 7 below)	390	390
(viii)	Power Exchange India Ltd (PXIL) - On account of Income Tax and Service Tax (Refer Note 8- below)	17.65	17.65

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Note 1

(₹ in Lakhs)

Particulars	Assessment Year	As at March 31, 2023	As at March 31, 2022	Forum before which case is pending
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 07-08	171	171	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 08-09	113	113	High Court
Short TDS credit granted by AO	AY 09-10	11	-	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 11-12	123	123	High Court
Short TDS credit granted by AO	AY 11-12	13	-	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 12-13	456	456	CIT
Disallowance u/s 14A and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 13-14	201	201	CIT
Disallowance u/s 14A and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 14-15	236	236	CIT
Disallowance u/s 14A, Other disallowances and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 16-17	541	541	CIT
Disallowance u/s 14A, Other disallowances and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 17-18	321	321	CIT
Disallowance u/s 14A and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 18-19	28	28	CIT
Interest on Income Tax Refund	AY 18-19	2	-	AO
Addition u/s 41	AY-21-22	17	-	CIT
Total		**2,234**	**2,191**	

Note 2

A legal suit was filed jointly against the Exchange and National Collateral Management Services Limited by a party claiming a sum of ₹ 185 Lakhs for loss on sale of goods, loss of profit, interest etc.

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

Note 3

Due to the retrospective amendment in "The Payment of Bonus Act,1965" which is deemed to have come into force from April 01, 2014. Kerala and Karnataka High Courts have passed stay on it's implementation and the matter is pending in Court of Law for hearing. Considering that books of FY 2014-15 have been closed, return of bonus filed for said period and the matter is under litigation, the same is considered as contingent.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Note 4

The Exchange has received adverse order on the issue of non-payment of service tax on liquidated damages amounting to ₹ 814 Lakhs along with interest u/s 75 & Penalty u/s 78, as per Finance Act, 1994. The Exchange has filed an appeal with CESTAT against the same. The Exchange has also pre deposited 7.5% of the tax amount i.e. ₹ 61 Lakhs at the time of filing appeal with CESTAT. The Exchange has received adverse order on the issue of Inadmissible Cenvat credit as per rule 6(3)(i) of the Cenvat Credit Rule, 2004 amounting to ₹ 1464 Lakhs along with interest u/s 75 & Penalty u/s 78, as per Finance Act, 1994. During the year, the Exchange has filed an appeal with CESTAT against the same and the Exchange has pre deposited 7.5% of the tax amount i.e. ₹ 110 Lakhs at the time of filing appeal with CESTAT.

Note 5

In case of subsidiary National E-Repository Limited (NERL) , NERL had given bank guarantee to the Warehousing Development and Regulatory Authority (WDRA) for ₹ 500 Lakhs (March 31, 2022 ₹ 500 Lakhs) and deposits are earmarked towards Corporate Credit Card limit of ₹ 9 Lakhs (March 31, 2022 ₹ 9 Lakhs) issued by ICICI Bank Limited

Note 6

In case of subsidiary NCDEX Institute of Commodity Markets & Research (NICR), for Financial year 2013-14 relevant to Assessment year 2014-15, the Assessing Officer had disallowed the computation of total income as per Section 11 and 12 of the Income tax Act and raised a demand of ₹ 0.08 Lakhs (March 31, 2022 ₹ 0.08 Lakhs). The Company had filed an appeal before Commissioner of Income tax (Appeals) and is hopeful of getting a favourabe decision in view of the ITAT decision in Company's own case for Asst Year 2009-10, restoring the registration under Section 12 of the Act and allowing the taxation as applicable to public charitable trusts.

Other than stated above, the NICR has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statement. The NICR does not expect the outcome of these proceedings to have a material impact on its financial statements.

Note 7

In case of Jointly Controlled company (ReMS) of our subsidiary NCDEX e Markets Limited (NeML), during the year claims not acknowledged as debts in respect of Service Tax Matters amounted to ₹ 780 Lakhs (March 31, 2022 : ₹ 780 Lakhs) .These matters are pending before the appellate authorities. On conclusion of the personal hearing, the Adjudicating authority revized the demand amount from ₹ 1314.47 Lakhss to ₹780 Lakhss. The department has contested the revision of the demand before the Appellate Tribunal. On receipt of the orders of the Adjudicating authority, the Jointly Controlled Company (ReMS) filed an appeal before the Customs Excize and Service Tax Appellate Tribunal (CESTAT) against the Orders, by depositing a sum of ₹59.16 Lakhss being 7.5% of the tax demanded. The ReMS 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 ReMS's financial position and results of operations. The Group share is 50% i.e ₹ 390 Lakhs (previous year ₹ 390 Lakhs) in case of liability is crystallized.

Note 8

In case of Associate Power Exchange India Limited (PXIL), there is a disputed demand of income tax amounting to ₹ 35.96 lakh (March 31, 2023 : ₹ 35.96 lakh) and disputed service tax demand of ₹ 15.66 lakh for the peiod 1st October 2016 till 30th June 2017 (March 31, 2023 - ₹ 15.66 lakh). The Group share is 34.21% i.e. ₹ 17.65 lakh (previous year ₹ 17.65 lakh) in case of liability is crystallised.

(b) Capital Commitments

(₹ in Lakhs)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	76

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(c) Other Commitments

The Exchange, vide its letter dated September 5, 2018, has given an undertaking to National Commodity Clearing Limited (NCCL) for infusion of capital to the extent required to enable compliance with SEBI directives on net worth of NCCL and for increasing the Core Settlement Guarantee Fund (Core SGF) to ₹ 250 Crores by September 2021. The current Core SGF balance as at March 31, 2023 is ₹ 238.54 Crores (March 31, 2022 ₹ 225.25 Crores). Accordingly, NCCL was required to have the Core SGF of ₹ 250.00 Crores as on September 30, 2021, for which NCCL, vide its letter dated September 2, 2021 to SEBI, sought an extension of time till March 31, 2022. SEBI has vide it's letter dated September 13, 2021 granted an extension of time to increase the Core SGF till March 31, 2022. Further, NCCL vide its letter dated February 02, 2022 to SEBI, sought an extension of time till March 31, 2023. SEBI has vide it's letter dated March 08, 2022 granted an extension of time to increase the Core SGF till December 31, 2022. Further the Company vide its letter dated December 05, 2022 to SEBI, sought an extension of time till June 30, 2023. SEBI has vide it's letter dated December 15, 2022 granted an extension of time to increase the Core SGF till June 30, 2023.

32. Based on complaints of presence of "Mineral Oil"' in some of the stocks, warehouses having pepper stock of approximately 6853 MT were sealed by Food Safety and Standard Authority of India, Kerala (FSSAI) and deliveries were stopped from the warehouses, till further notice. In the meantime, the Commissioner of Food Safety, Kerala passed Orders for release of pepper stocks free of mineral oil of approximately 463 MT. The presence of mineral oil was not a part of the National Commodity & Derivatives Exchange Limited ("Exchange") specifications and therefore any liability arising on account of the same cannot be under the settlement process of the Exchange. However, in order to retain market integrity, the Exchange had offered to facilitate improvement of pepper stock, subject to recovering the costs of improvement and accordingly prayed before the Hon'ble High Court of Kerala to allow the same. Based on this, the Hon'ble High Court of Kerala vide its order dated August 28, 2014, allowed the Exchange to clean the pepper stock lying in the warehouse with a right to recover the costs associated with the same. Subsequently, some of the holders of the stocks had requested Food Safety Authorities, Kerala to permit the reference of a second sample to the referral laboratory viz. The Central Food Laboratory, Kolkata. Further, Hon'ble High Court of Kerala, vide its order dated May 12, 2015 had directed the release of such quantity of pepper which is found free from impurities and contamination. Based on this, approximately 4,376 MT of pepper stock which was found free of mineral oil on testing by Central Food Laboratory, Kolkata, has been released to the holders & approximately 1,015 MT was further released after cleaning. In the earlier years, the Exchange had paid the total amount including taxes towards cleaning and other related costs of ₹ 1,696 Lakhs (Net of recovery of ₹ 9 Lakhs till March 31, 2023). These payments are considered as receivable and shown under "other financial assets". As on March 31, 2023 the balance stock of Pepper pending at various stages of release under the custody of Food Safety Authority, Kerala is approximately 998 MT. Further the Hon'ble High Court of Kerala, in a Writ Petition filed by the holders, passed an interim order dated April 13, 2018, restricting the Exchange from taking any coercive actions against the holder and the said order is currently in force. In terms of the legal opinion obtained, the management is of the view that it has a fair chance of recovery of the costs incurred by it, since the same is backed by orders of the Hon'ble Court which provide a constructive lien on the goods lying with the Exchange approved warehouses. Accordingly, the Exchange has considered, the said receivable as good and recoverable and is of the opinion that there is no requirement to make further provision with respect to these cost in Exchange's account apart from a provision of ₹ 260 Lakhs which was made in earlier years towards the cleaning of pepper stocks. The said provision is shown under the head "current provisions".

33. In case of subsidiary NCDEX e Markets Limited (NeML), NeML is required to maintain an amount of ₹ 1 lakh in Settlement Guarantee Fund (SGF) as the NeML holds Spot Exchange registration under State Agricultural Produce Market Committee (APMC) Regulations to mitigate market risks. Under the Regulatory framework (APMC regulations) a spot exchange is required to maintain Settlement Guarantee Fund (SGF) to mitigate the risks attached with defaults in a trade. The NeML holds APMC registrations in the states of Karnataka, Maharashtra, Gujarat, Odisha, Telangana and Andhra Pradesh. The APMC license for the state of Odisha is currently under renewal.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

34. AS REQUIRED BY IND AS - 24 “RELATED PARTY DISCLOSURES

(i) Name and description of related parties

(a) Associates	Power Exchange India Limited (PXIL)
(b) Joint venture	Rashtriya e Market Services Private Limited (ReMS)
	Meta Materials Circular Markets Private Limited (Joint venture with subsidiary NeML) w.e.f. July 08, 2022
(c) List of Key Management Personnel	Mr Vijay Kumar V. Managing Director & Chief Executive Officer (upto April 18, 2021)
	Mr Ashish Bahuguna (Public Interest Director and Chairmam) (W.e.f. June 15, 2020 and W.e.f August 13,2021)
	Dr. Purvi Mehta (Public Interest Director) (W.e.f. January 11, 2018)
	Dr. Ashok Gulati (Public Interest Director) (upto January 03, 2022)
	Mr Bhaskaran Nayar Venugopal (Shareholder Director) (re-appointed with effect from September 27, 2021)
	Mr Rakesh Kapur (Shareholder Director) (w.e.f April 26, 2008)
	Mr Srinath Srinivasan (Shareholder Director) (resigned w.e.f March 02, 2023)
	Mr Manikumar S. (W.e.f December 21, 2020)
	Mr Nirmalendu Jajodia (Public Interest Director) (upto April 13, 2021)
	Mr Prem Kumar Malhotra (Public Interest Director) (re-appointed with effect from August 09, 2021)
	Mr Venkat Nageswar Chalasani (Public Interest Director) (with effect from May 01, 2021)
	Mr Chaman Kumar ((Public Interest Director and chairman) (W.e.f. April 10, 2018 and May 04, 2020 respectively up to April 10, 2021)
	Mr Hemant Adarkar (Public Interest Director) (W.e.f. April 13, 2021)
	Mr R. Amalorpavanathan (Public Interest Director) (with effect from January 03, 2022)
	Mr Arun Raste (Managing Director and Chief Executive Officer) (w.e.f. June 07, 2021)

(ii) Nature of transactions - The transactions entered into with the related parties during the period along with related balances as at March 31, 2023 are as under:

(₹ in Lakhs)

Particulars	Associates		Joint venture		Key Management Personnel					
	PXIL		ReMS		Vijay Kumar V.		Mr Arun Raste		Directors	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
Remuneration*	-	-	-	-	13	4	200	161	-	-
UMP Software Maintaence charges	-	147	85	85	-	-	-	-	-	-
Dividend Received	-	-	-	-	-	-	-	-	-	-
Sitting Fees Paid to Directors**	-	-	-	-	-	-	-	-	90	90
Conversation of Preference Shares into equity shares	-	-	-	-	-	-	-	-	-	-

Note

As the liabilities for defined benefit plan viz. gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

* Remuneration to Mr Vijaykumar V for FY 2021-22 includes ₹ 8.31 Lakhs paid towards Gratuity directly from NCDEX Employees Gratuity Cum Life Insurance Scheme

** Fees paid to the holding company directors

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	Associates		Joint venture		Key Management Personnel					
	PXIL		ReMS		Vijay Kumar V.		Mr Arun Raste		Directors	
	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22	Mar-23	Mar-22
Investments in Joint Venture	-	-	500	500	-	-	-	-	-	-
Investments in Associate (Equity shares)	2,000	2,000	-	-	-	-	-	-	-	-
Trade Payables / Other Payable	-	-	-	-	31	43	75	46	-	-

35. SEGMENT INFORMATION FOR CONSOLIDATED FINANCIALS FOR THE YEAR ENDED MARCH 31,2023

The MD & CEO of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources. The disclosure in respect of Segment information as per INDAS 108 - "Operating Segments" for the year ended March 31, 2023 is given as follows:

Particulars	Year ended							
	March 31, 2023				March 31, 2022			
	Total Income	Inter-segment Income	External Income	Segment Result	Total Income	Inter-segment Income	External Income	Segment Result
Commodity Exchange Services	4,884	(705)	4,178	(5,433)	8,060	(1,172)	6,888	(1,895)
Commodity Clearing Services	2,072	-	2,072	(442)	3,068	-	3,068	669
Repository Services	958	(35)	923	(731)	1,196	(35)	1,161	(361)
Research and Education Services	215	(147)	68	40	161	(143)	18	11
E-Market Service	4,007	(21)	3,986	657	3,625	(46)	3,579	(388)
Software Service	888	-	888	(37)	489	-	489	(294)
Corporate Buying/Trade Finance	1,276	-	1,276	(47)	-	-	-	-
Unallocable	165	-	165	-	234	-	234	-
Total	**14,465**	**(908)**	**13,557**	**(5,992)**	**16,834**	**(1,396)**	**15,437**	**(2,257)**
Unallocable (net off expenses)				(411)				194
Less: Finance Charge				151				188
Add / (Less): Share of profit (net) of associate(s)				799				564
Profit before exceptional items				**(5,756)**				**(1,688)**
Less: Exceptional items				46				-
Profit before tax				**(5,801)**				**(1,688)**
Tax Expenses				(1,564)				(461)
Profit after tax and before minority interest and share of profit of associate				**(4,237)**				**(1,226)**
Add / (Less): Non-controlling interests				(180)				(89)
Profit after tax (owners')				**(4,057)**				**(1,137)**

(₹ in Lakhs)

Particulars	Year ended			
	March 31, 2023		March 31, 2022	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Commodity Exchange Services	23,016	8,460	27,109	8,647
Commodity Clearing Services	42,123	16,309	41,795	18,047

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(₹ in Lakhs)

Particulars	Year ended			
	March 31, 2023		March 31, 2022	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Repository Services	3,915	1,121	5,467	1,127
Research and Education Services	103	31	45	7
e-Market Platform Services	9,680	10,411	12,719	10,355
Software Service	825	119	701	-
Corporate Buying/Trade Finance	1,047	61	-	-
Unallocable	6,890	1,783	5,299	2,345
Total	**87,599**	**38,295**	**93,134**	**40,529**

In case of subsidiary NEML, the company has identified and disclosed “E-market service” ,“Software Services and “Corporate Buying/ Trade Finance” as reportable segments. The operating segment has been identified and reported taking into account its internal financial reporting and performance evaluation of its operations. Operating Segment is reported in the manner evaluated by Board under Ind AS 108 “Operating Segment”.

36. CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

Gross amount required to be spent by the Group as per section 135 of the Companies Act 2013 on Corporate Social Responsibility activities is ₹ 20 Lakhs (March 31, 2022 ₹ 33 Lakhs) and actual spend during the year ended March 31, 2023 is ₹ 21 Lakhs (March 31, 2022 ₹ 58 Lakhs).

Details of amount spent during the year are as follows:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Amount required to be spent by the Company during the year	20	33
Amount of expenditure incurred	21	58
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Nature of CSR activities	Promoting education to the underpriveleged children, Environment sustainability and promoting gender equality	Support RIs/POPIs and their FPCs in MP through Seed graders and grain assaying kits, Promoting education to the handicapped, the poor and the marginalized children in rural areas, tribal villages and urban slums and covid care centre and promoting education.
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

37. CORE SETTLEMENT GUARANTEE FUND

Securities and Exchange Board of India (SEBI) vide letter no. SEBI/HO/CDMRD/DEA/OW/P/2018/025765/1 dated September 12, 2018 granted recognition to the Company as a 'Clearing Corporation' under Regulation 4 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 for one year. Subsequently, the Company made application for grant of renewal of recognisation as a clearing corporation and SEBI vide letter no. SEBI/HO/CDMRD/DRMP/OW/P/2019/22794/1 dated September 05, 2019 granted renewal of recognisation to the Company as a "Clearing Corporation" for a period of three years commencing from September 10, 2019. Further, the Company has made an application for grant of renewal of recognition as a clearing corporation and SEBI vide letter no. SEBI/HO/MRD/RAC-1/P/OW/2022/47300/1 dated September 09, 2022 granted renewal of recognition to the Company as a "Clearing Corporation" for a period of three years commencing from September 10, 2022.

SEBI, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, has issued norms related to the computation and Minimum Required Contribution (MRC) to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%) from its own fund, Stock Exchange (minimum 25%) and members (maximum 25%). Based on this the Company has created the Core Settlement Guarantee Fund.

The details of Core Settlement Guarantee Fund as on March 31, 2023 is as given below:

Particulars	Settlement penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
Balance as at April 01, 2021	**3,818**	**13,863**	**3,532**	-	**21,212**
Contribution to Core Settlement Guarantee Fund					
Add : Additional Contribution (a)	231	-	-	-	231
Add : Interest on income tax refund	0	3	1	-	4
Add : Income on investment of SGF (as on respective dates of contribution) adjusted towards contribution (b)	-	-	-	-	-
Add : Income on investment of SGF (other than stated in (b) above) (c)	**198**	**703**	**176**	-	1,078
Balance as at March 31, 2022	**4,248**	**14,569**	**3,709**	**-**	**22,525**
As on April 01, 2022	**4,248**	**14,569**	**3,709**	**-**	**22,525**
Add : Additional Contribution (a)	122	-	-	-	122
Add : Interest on income tax refund	1	4	1	-	7
Add : Income on investment of SGF (as on respective dates of contribution) adjusted towards contribution (b)	-	-	-	-	-
Add : Income on investment of SGF (other than stated in (b) above) (c)	234	768	198	-	1,200
As on March 31, 2023	**4,605**	**15,342**	**3,908**	**-**	**23,855**

The above Core SGF amounting to ₹ 23,855 Lakhs (March 31, 2022 : ₹ 22,525 Lakhs) has been considered by the group as a part of equity and is included under "Other Equity".

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Details of earmarking of funds towards Core SGF as on March 31, 2023 are as under:

(₹ in Lakhs)

Particulars	Settlement Penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
Fixed deposits included under 'Cash and cash equivalent'	-	-	-	-	-
Fixed deposits included under 'Bank balances other than cash and cash equivalents'	3,590	9,963	3,050	-	**16,602**
Fixed deposits included under 'Non-current bank balances'	878	4,907	745	-	**6,530**
Accrued Interest on Fixed Deposits	106	333	65	-	**504**
TDS on Interest/Income	31	139	48	-	**218**
Current Account	0	0.3	-	-	**0.3**
Total	**4,605**	**15,342**	**3,908**	**-**	**23,855**

Details of earmarking of funds towards Core SGF as on March 31, 2022 are as under:

(₹ in Lakhs)

Particulars	Settlement Penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
Fixed deposits included under 'Cash and cash equivalent'	-	-	-	-	-
Fixed deposits included under 'Bank balances other than cash and cash equivalents'	3,865	12,258	3,607	-	**19,730**
Fixed deposits included under 'Non-current bank balances'	174	2,029	-	-	**2,203**
Funds in transit (for fixed deposit)	89	227	59	-	**374**
Accrued Interest on Fixed Deposits	21	152	45	-	**218**
TDS on Interest/Income	1	-	-	-	**1**
Total	**4,150**	**14,666**	**3,710**	**-**	**22,525**

38. In case of subsidiary NCCL, the amounts recoverable from members as on March 31, 2023 include amounts recoverable from two members who have failed to honor their pay-in obligations in September 2019 and the amounts continue to be due from them as on date. NCCL has declared these two members as defaulters. The amount recoverable from them as on the date of signing the financials, after adjustment of their collaterals and margin money is ₹ 2,504 Lakhs (previous year ₹ 2,504 Lakhs) (including ₹ 681 Lakhs towards penalties and GST thereon). As the penalties will be transferred to Core SGF only on collection from members, the Company has funded net amount of ₹ 1,823 Lakhs for pay-out to counter parties, as follows.

(₹ in Lakhs)

Particulars	March 31, 2023	March 31, 2022	Remarks
Clearing Corporation's own resources	622	622	5% of MRC of SGF ₹ 12,437 Lakhs (maximum as per SEBI provisions)
Core SGF	1,201	1,201	Net amount funded from Core SGF
Total	**1,823**	**1,823**	

NCCL is in the process of following due processes (including legal course of action) for recovery from members as well as from insurance. Considering the recovery of the amount funded and SEBI guidelines for utilisation of Core SGF, during previous year a provision had been made for ₹ 622 Lakhs funded from NCCL's own resources as per conservative accounting principle

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

and a provision of ₹ 25 Lakhs was also made towards NCCL dues from these members. In addition to the above, during the FY 2020-21 a provision of ₹ 103.85 Lakhs was made with respect to GST on penalties recoverable from two defaulting members earlier it was funded by Core SGF.

39. In case of subsidiary NCDEX e Markets Limited (NeML), Risk Management Fund (RMF) as constituted by the NeML is the amount earmarked for completion of the settlement, in case of a default by a member. NeML has not utilised any amount in FY 2022-23 and in previous year from the fund. As considered by the Management of the NeML the Contribution made is appropriate and sufficient to cover member defaults, if any.

40. (a) INVESTMENT IN JOINT VENTURE OF SUBSIDIARY NCDEX E MARKETS LIMITED

NCDEX e Markets Limited (NeML) has a 50% interest in Rashtriya e Market Services Private Limited (ReMS), 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. Summarized financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Summarized Balance Sheet as at March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Assets	5,471	5,372
Non-current Assets	108	110
Current Liabilities	(231)	(224)
Non-current liabilities	(22)	(31)
Equity	5,326	5,227
Proportion of groups ownership	50%	50%
Carrying Amount of investment	**2,663**	**2,614**

Summarized Statement of profit and loss for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue from Operations	190	190
Other Income	277	323
Employee benefit expenses	(118)	(143)
Operating Expenses	(100)	(103)
Administration & general expenses	(76)	(78)
Depreciation and amortization expenses	(12)	(12)
Other Expenses	(33)	(121)
Profit Before Tax	**128**	**56**
Tax Expense	31	20
Profit for the year	**97**	**36**
Other Comprehensive Income	1	2
Dividend Distribution Tax	-	-
Total comprehensive income for the period	**98**	**38**
Groups Share of profit for the year	**49**	**19**

The above figures of ReMS for F.Y 2022-23 are management certified.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

(b) Investment in associate Power Exchange India Limited (PXIL)

The Exchange, jointly with National Stock Exchange of India Limited (NSE), promoted Power Exchange India Limited (PXIL) in 2008, in order to provide an electronic platform for facilitation of trading of electricity at national level. Summarized financial information of the joint venture are set out below:

Summarized Balance Sheet as at :

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Assets	15,457	18,010
Non-current Assets	1,941	2,531
Current Liabilities	(10,211)	(15,447)
Non-current liabilities	(196)	(269)
Equity	**6,991**	**4,825**
Proportion of groups ownership	34.21%	34.21%
Carrying Amount of investment before intercompany elimination	**2,392**	**1,651**
Intercompany elimination	10	54
Carrying Amount of investment	**2,381**	**1,597**

Summarized Statement of profit and loss for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations	4,816	3,523
Other Income	734	492
Employee benefit expenses	(841)	(787)
Finance Cost	(47)	(44)
Depreciation and amortization expenses	**(309)**	**(286)**
Other Expenses	(1,440)	(1,051)
Exceptional item - Dividend distribution tax written back	-	-
Profit Before Tax	**2,914**	**1,847**
Tax Expense	(753)	(273)
Profit for the year	**2,161**	**1,574**
Other Comprehensive Income	5	1
Total comprehensive income for the period	**2,166**	**1,575**
Groups Share of profit for the year before intercompany elimination	**742**	**539**
Intercompany elimination	10	7
Groups Share of profit for the year	**752**	**546**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

41. INTERESTS IN JOINT VENTURES AND ASSOCIATE

(₹ in Lakhs)

Name of the Entity	Place of business / country of incorporation	Relationship	Proportion of Interest (%)		Accounting Method	Carrying Value		Share of Profit / (Losses)	
			March 31, 2023	March 31, 2022		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Rashtriya e Market Services Private Limited	Bangalore	Joint Venture	50%	50%	Equity	2,663	2,614	49	19
Meta Materials Circular Markets Private Limited	Mumbai	Joint Venture	50%	50%	Equity	-	-	-	-
Power Exchange India Limited	Mumbai	Associate	34.21%	34.21%	Equity	2,381	1,597	750	546

42. EMPLOYEE STOCK OPTION PLAN / EMPLOYEE STOCK OPTION SCHEME OF SUBSIDIARY NCDEX E MARKETS LIMITED

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

(₹ in Lakhs)

Granted	Vesting %	ESOP Vested
28-Mar-17	100%	6,94,944

(₹ in Lakhs)

Vesting Dates	Vesting %	ESOP Vested (less Lapsed)
28-Mar-18	40%	2,50,355
28-Mar-19	30%	1,62,926
28-Mar-20	30%	1,32,798

The exercise price of ESOP vested ₹ 59.72 as per FMV report by an independent valuer.

The Black Scholes Valuation method is applied for valuation of ESOP by an independent valuer.

The Vested Options can be exercised by the Option grantees only in connection with or upon happening of a Liquidity Event within such period as prescribed by the Board in this regard or within 5 years from date of grant of options. (Special Resolution dt 12th Nov 2021).

Employee Stock Option Activity under Scheme 2017

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Outstanding at the Beginning of the period	-	5,06,450
Vested during the year	-	-
Lapsed during the year	-	4,50,975
Exercised During the period	-	55,475
Outstanding at the end of the period	-	-
Exercisable at the end of the period	-	-

In FY 2021-22, 55,475 No of Option have been exercised. The remaining No of option 4,50,975 stands lapsed as per terms of Clause 8.2 (a) of the Policy amended in EGM dated November 12, 2020.

Share Application Money received in March 2022 for exercise of Option is ₹ 31 Lakhs (51,275 shares) which were alloted on May 16, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

b NCDEX e Markets Limited, the Company has created an Employee Stock Option - “ESOP 2020” for the benefits of employees

The table given below summarizes the ESOP granted and vesting details.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
No of ESOPs outstanding at the beginning of the year	93,913	93,913
Vested during the year	24652	-
Lapsed during the year	3522	-
Exercised during the year	-	-
Outstanding at the end of the year	65,738	-
Exercisable at the end of the year	24652	-

Valuation Date	13-May-21
Grant Date	13-May-21

Vesting (%)	30% vesting (May 13, 2022)	30% vesting (May 13, 2023)	40% vesting (May 13, 2024)
Number of Options vested	28,174	28,174	37,565

Weighted Average Call Price	**26.19**

The exercise price of ESOP vested ₹ 106.01 as per FMV report by an independent valuer.

The Black Scholes Valuation method is applied for valuation of ESOP by an independent valuer.

43. The Exchange was permitted to hold up to 74% of the paid up share capital of NERL and to reduce it to 51% or below by December 21, 2018 as per letter 16/5-15/A&F-1959 dated December 8, 2016 and letter of intent dated December 23, 2016 of Warehousing Development and Regulatory Authority (WDRA). Since the shareholding of the Exchange (67.22%) was not in line with the above guidelines, the Exchange has sought and recieved permission from WDRA to continue to hold 67.22% in NERL. As per latest WDRA letter no. D-24015/2/2018-O/o US (A and F)/2363 dated December 8, 2022, WDRA has allowed the Exchange time till December 21, 2023 to reduce its shareholding in NERL to 51% or below. During the year,the Board has accorded its in-principle approval for sale of investment in subsidiary namely NERL, to the extent of regulatory requirement. The management has classified the investments held in NERL as ‘Asset held for sale’, to the extent of regulatory requirement.

44. In case of subsidiary NERL, WRDA vide its letter no. D-24015/2/2018-O/o US (A and F)-Part I/3533 dated March 31, 2023, advised expediting the process and completion of the appointment of MD & CEO of NERL, since WDRA guidelines require the process of appointment of new Managing Director to be completed within a period of 60 days of fall of a vacancy. During the year, on January 05, 2023, NERL has constituted a three-member committee of the Directors to discharge the function of the MD as an interim arrangement and the said committee is reporting to the Board of Directors. WDRA further advised that till such time as the process is completed, to follow guidelines on appointment of an interim Managing Director and till the new interim MD is appointed, all correspondence with WDRA should be only by a nominated member of the Committee constituted by NERL to over see the work of MD & CEO of NERL. Further, the Company has sent a letter to WDRA vide letter no. NERL/WDRA/2023-2024/002 dated April 18, 2023, recommending two names, as required, for approval of the Authority along with the report of the Nomination and Remuneration Committee, Minutes of the meeting of the Board where these two names have been recommended and requesting WDRA to accord the approval for the appointment of new MD&CEO of NERL.

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45. Regulation 14 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, prescribes the net worth requirements for Stock Exchanges. In terms of this regulation, the Exchanges shall have a minimum networth rupees one hundred Crores at all times. The Exchange is in compliance with said SEBI directives.

In subsidiary company NERL ,in terms of clause 12 (1) of the Guidelines on Repositories and Creation and Management of Electronic Negotiable Warehouse Receipts dated October 20, 2016 issued by Warehousing Development and Regulatory Authority, the subsidiary company is required to maintain a net worth of not less than Rupees twenty five Crores, at all times. At present the subsidiary company complies with this guidelines.

In subsidiary company NCCL, SEBI vide its circular dated April 10, 2019, has prescribed Risk based method to determine the net worth required for Clearing Corporation. In terms of this circular, the subsidiary company shall quarterly review their net worth requirement and ensure that the net worth does not fall below the prescribed threshold, applicable from first quarter of financial year 2019-20. The subsidiary company is in compliance with said SEBI directives.

46. LEGAL MATTERS

In case of holding company, a legal suit was filed against the Exchange and two Warehouse Service Providers (WSP) jointly by three parties claiming liquidated damages, penalties, interest cost, re-processing and re-testing charges and other incidental costs etc. As per the legal opinion received, the management believes that possibility of any outflow is remote and the outcome of the said pending litigation will not have a material adverse effect on the Exchange's financials position and the results of operations.

In respect of subsidiary NCCL, the subsidiary company has filed a case against two defaulting members seeking an order from the Hon'ble Court, directing the defendant to pay the amount against default. Further, writ petitions by two members have been filled against the Exchange and the subsidiary company NCCL in High Courts. The said matters are pending for disposal.

The subsidiary company NCCL had filed insurance claim with National Insurance company Limited(NIC). The subsidiary company has invoked arbitration, the outcome of which is pending.

The Group's pending litigations comprise claims against the Group and proceedings pending with Tax / Statutory/ Government Authorities and legal proceedings and claims, which have arisen in the ordinary course of business. After review of all its pending litigations and proceedings, the Group has made / updated adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for the establishment and oversight of the Group's risk management framework.

Management of Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Group's finance department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any surplus cash available, over and above the amount required for management and other operational requirements, is retained as cash and cash equivalents (to the extent required), highly marketable debt investments, and interest bearing term deposits with appropriate maturities to optimize 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.

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(₹ in Lakhs)

Particulars	Note Nos.	Carrying amount	Less than 12 months	Payable on demand	More than 12 months	Total
As at March 31, 2023						
Deposits	13 &16	15,457	8,938	5,750	769	15,457
Trade payables	17	903	903	-	-	903
Lease Liabilities	14 & 18	1,675	479	-	1,196	1,675
Other financial liabilities	18	15,743	15,743	-	-	15,743
As at March 31, 2022						
Deposits	13 &16	16,014	9,109	5,918	986	16,014
Trade payables	17	893	893	-	-	893
Lease Liabilities	14 & 18	2,087	465	-	327	792
Other financial liabilities	18	17,306	17,306	-	-	17,306

Management of Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Trade Receivables :

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse and also on account of member's deposits kept by the Group as collaterals which can be utilized in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

None of the customers accounted for more than 10% of the consolidated receivables and revenue for the year ended March 31, 2023 (March 31, 2022 : ₹ NIL) .

Other financial assets :

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in debt mutual funds and Bonds. The Group limits its exposure to credit risk by making investment as per the investment policy. The Group addresses credit risk in its investments by mandating a minimum rating against the security / institution where the amounts are invested and is further strengthened by mandating additional requirement like Capital Adequacy Ratio (CAR), for term deposits with banks and Minimum Average Assets Under Management (AAUM) of the Asset Management Companies (AMCs) and Assets Under Management (AUM) of the schemes for investments in debt mutual funds.Further the respective Investment Committee of the parent company and the subsidiaries reviews the investment portfolio on a periodic basis and recommend or provide suggestion to its management. The Group does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Management of Market Risk

The Group's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of commodities traded, the number of contracts and liquidity and similar factors.

In addition to the above risk, Market risk also includes the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Group's control. Changes in the general level of interest rates can affect the profitability by affecting the spread between, amongst other things, income the Group receives on investments in debt securities, the value of interest-earning investments, it's ability to realise gains from the sale of investments.

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Foreign currency risk

The Group periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the Group has not entered in foreign exchange forward exchange contracts.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Group. The clearing and settlement operations are conducted through a wholly owned subsidiary National Commodity Clearing Limited (NCCL). NCCL guarantees the settlement of trade executed on Group's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

Regulatory Risk

The Group requires a number of regulatory approvals, licenses, registrations and permissions to operate our business. For example, the group have licenses from SEBI in relation to, among others, introducing contracts on various commodities The group operations are subject to continued review and the governing derivatives regulations changes. The group regulatory team constantly monitors the compliance with these rules and regulations. There have been several changes to the form and manner in which deemed 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.

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.

48. FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(₹ in Lakhs)

Particulars	Levels	As at March 31, 2023	As at March 31, 2022
1) Financial Assets			
Financial assets measured at fair value through profit & loss			
A) Investment in Mutual Funds	Level 1	4,780	3,188
B) Investments in Unquoted equity Shares **	Level 3	-	-

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(₹ in Lakhs)

Particulars	Levels	As at March 31, 2023	As at March 31, 2022
Financial assets measured at fair value through other comprehensive income			
A) Investment in Bonds	Level 1	2,331	2,417
Financial assets measured at Amortized Cost			
A) Bank deposits		47,624	55,409
B) Trade receivables		3,174	2,891
C) Cash and Cash equivalents		3,602	5,578
D) Investment in Bonds		-	-
E) Other Financial Asset		5,471	5,100
Financial assets measured as per equity method			
A) Investment in associates / joint ventures accounted for using the equity method		5,044	4,211
Total financial assets		**72,028**	**78,795**
2) Financial liabilities			
Financial liabilities measured at Amortized Cost			
A) Deposits		15,457	16,014
B) Trade payables		903	893
C) Lease Liabilities		1,675	792
D) Other Financial liabilities		15,743	17,307
Total Financial liabilities		**33,778**	**35,005**

** Fair value of these instruments is determined using market approaches

49. TAX RECONCILIATION

a. A reconciliation of Income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before income taxes	(5,801)	(1,688)
Enacted tax rates in India	26%	26%
Computed expected tax expense	(1,830)	(532)
Tax impact on depreciation	(2)	48
Adjustments in respect of current income tax of previous years	6	3
Tax impact due to Non-deductible expenses for tax purposes	151	49
Tax impact on Exempt Income	(24)	(15)
Long term capital gain taxed at different rate	(13)	34
Tax impact on INDAS adjustments	(36)	8
Deferred tax expense	-	(133)
Share of unditributed profits of Associate	105	-
Changes in Tax rates	-	-
Difference in Tax rate of components	-	(2)
Deferred tax liabilities reversed on unrealized profit eliminated in consolidaton	-	-
Tax on Elimination of unrealized profit / Dividend	57	42
Others	(15)	-
Income tax expense	**(1,600)**	**(497)**

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b. The following table provides the details of income tax assets and income tax liabilities as of March 31, 2023

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Income tax assets	10,695	10,619
Income tax liabilities	8,196	8,197
Net Non current income tax assets/ (liability) at the end of financial year	**2,499**	**2,422**

c. The gross movement in the current income tax asset/ (liability) for the period ended March 31 2023

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
Net current income tax asset / (liability) at the beginning	2,423	1,796
Add : Income tax paid	803	812
Provision for tax of earlier years	(6)	(3)
Refund Received	(719)	(3)
Less : Provision for income tax	0	(184)
Net current income tax asset/ (liability) at the end	**2,499**	**2,422**

d. Deferred tax assets

Movements in deferred tax assets

(₹ in Lakhs)

Particulars	**Employee benefit**	**Provision For Expected Credit Loss**	**Financial Assets at Fair Value through OCI**	**Unabsorbed losses / depreciation**	**MAT Credit Entitlement**	**Lease Ind As 116**	**Other Items**	**Total**
As at March 31, 2021	214	211	-	2,197	206	31	39	2,898
Charged / (credited)								
- to profit or loss	(5)	19	-	522	(0)	(14)	1	523
- to other comprehensive income	-	-	-	-	-	-	-	-
- to Retained earning	-	-	-	-	-	-	-	-
As at March 31, 2022	**209**	**229**	**-**	**2,719**	**206**	**17**	**40**	**3,420**
Charged / (credited)								
- to profit or loss	51	(2)	-	1,530	-	4	(4)	1,578
- to other comprehensive income	-	-		-	-	-		-
- to Retained earning	-	-	-	-	-	-	-	-
As at March 31, 2023	**260**	**227**	**-**	**4,249**	**206**	**20**	**36**	**4,998**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

Movements in deferred tax liabilities

(₹ in Lakhs)

Particulars	Depreciation and amortization*	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	IND AS116 - ROU and Lease liability	Share of unditributed profits of Associate	Total
As at March 31, 2021	460	37	34	-	-	531
Charged / (credited)						
- to profit or loss	(119)	(35)	-	-	-	(154)
- to other comprehensive income	-	-	(21)	15	-	(6)
As at March 31, 2022	**341**	**2**	**14**	**15**	-	**372**
Charged / (credited)						
- to profit or loss	(124)	1	-	-	102	(22)
- to other comprehensive income	-	-	(9)	3	0	6
As at March 31, 2023	**217**	**2**	**5**	**18**	**102**	**344**

In case of subsidiary NCCL, company recognizes MAT credit available as an asset only to the extent there is reasonable certainty that the company will pay normal income tax during the specified period. Accordingly, MAT credit entitlement not recognized in books of accounts till March 31, 2023 is ₹365 Lakhs (March 31, 2022 : ₹ 264 Lakhs), which will be carried forward. Further, as and when the MAT credit will be recognized the same will be directly credited to retained earnings and not the statement to profit & loss account as the same is arising out of contribution to Core SGF, forming part of other equity. Deferred tax asset on loss on account of contribution to Core SGF till March 31, 2023 amounting to ₹ 3,319 Lakhs (March 31, 2022 : ₹ 3,319 Lakhs) will be recognized and credited directly to retained earnings when there is reasonable certainty.

The Group has not recognized deferred tax liability associated with respect to undistributed earnings of its subsidiaries as it can control the timing of the reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future.

50. LEASE

a The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Profit & Loss Account under the heading “Depreciation and Amortization Expense” and “Finance costs” respectively under Note No 23 and 24

b The weighted average incremental borrowing rate applied to lease liabilities is 8.38%.

c Following are the changes in the carrying value of right of use assets for the year ended March 31, 2023.

(₹ in Lakhs)

Particulars	Category of ROU		Total
	Office Space	Guest House	
Balance as of April 1, 2021	853	-	853
Reclassified on account of adoption of Ind AS 116	11	-	11
Additions	2,402	3	2,405
Deletions	693	-	693
Depreciation	542	3	545
Balance as of March 31, 2022	**2,030**	**-**	**2,030**

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(₹ in Lakhs)

Particulars	Category of ROU		Total
	Office Space	Guest House	
Balance as of April 1, 2022	2,030	-	2,030
Additions	58	-	58
Depreciation	543	-	543
Deletions	-	-	-
Balance as of March 31, 2023	**1,544**	**-**	**1,544**

d The following is the break-up of current and non-current lease liabilities as of March 31, 2023

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Lease liabilities	479	465
Non-current lease liabilities	1,196	1,622
Total	**1,675**	**2,087**

e The following is the movement in lease liabilities during the year ended March 31, 2023:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balance as at April 01	2,087	938
Additions	55	2,352
Additions through business combinations	-	-
Deletions	-	771
Finance cost accrued during the period	150	186
Payment of lease liabilities	618	617
Balance as of March 31	**1,675**	**2,087**

f The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2023 on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	667	586
One to five years	1,489	1,586
More than 5 years	-	-
Total	**2,156**	**2,172**

g The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023 (CONTD.)

51. ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total net assets	As at March 31, 2023	As % of Total net assets	As at March 31, 2022
Net assets (total assets minus total liabilities)					
National Commodity & Derivatives Exchange Limited (NCDEX)	Parent Company	25%	12,165	32%	16,810
NCDEX e Markets Limited (NeML)	Subsidiary	12%	6,068	11%	6,018
National E-Repository Limited (NERL)	Subsidiary	6%	2,794	8%	4,340
National Commodity Clearing Limited (NCCL)	Subsidiary	52%	25,814	45%	23,748
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	72	0%	38
Power Exchange India Limited	Associates	5%	2,392	3%	1,651
Total		**100%**	**49,304**	**100%**	**52,605**

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total Profit or loss	For the year ended March 31, 2023	As % of Total Profit or loss	For the year ended March 31, 2022
Share in profit or (loss)					
National Commodity & Derivatives Exchange Limited (NCDEX)	Parent Company	97%	(4,119)	129%	(1,563)
NCDEX e Markets Limited (NeML)	Subsidiary	-2%	97	34%	(410)
National E-Repository Limited (NERL)	Subsidiary	13%	(550)	22%	(270)
National Commodity Clearing Limited (NCCL)	Subsidiary	8%	(353)	-38%	460
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	-1%	40	-1%	11
Power Exchange India Limited	Associates	-15%	648	-45%	546
Total		**100%**	**(4,237)**	**100%**	**(1,226)**

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total OCI	For the year ended March 31, 2023	As % of Total OCI	For the year ended March 31, 2022
Share in other comprehensive income					
National Commodity & Derivatives Exchange Limited (NCDEX)	Parent Company	91%	(134)	104%	(41)
NCDEX e Markets Limited (NeML)	Subsidiary	-14%	20	-57%	22
National E-Repository Limited (NERL)	Subsidiary	5%	(7)	12%	(5)
National Commodity Clearing Limited (NCCL)	Subsidiary	19%	(29)	42%	(16)

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(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total OCI	For the year ended March 31, 2023	As % of Total OCI	For the year ended March 31, 2022
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	-	0%	-
Power Exchange India Limited	Associates	-1%	2	-1%	0
Total		**100%**	**(149)**	**100%**	**(40)**

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total comprehensive income	For the year ended March 31, 2023	As % of consolidated net assets	For the year ended March 31, 2022
Share in total comprehensive income					
National Commodity & Derivatives Exchange Limited (NCDEX)	Parent Company	97%	(4,254)	127%	(1,604)
NCDEX e Markets Limited (NeML)	Subsidiary	-3%	117	31%	(388)
National E-Repository Limited (NERL)	Subsidiary	13%	(558)	22%	(275)
National Commodity Clearing Limited (NCCL)	Subsidiary	9%	(381)	-35%	444
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	-1%	40	-1%	11
Power Exchange India Limited	Associates	-15%	650	-43%	546
Total		**100%**	**(4,386)**	**100%**	**(1,266)**

52. NOTE ON EXCEPTIONAL ITEM

(a) The Exchange had filed a draft red herring prospectus (DRHP) on February 11, 2020 with the Securities and Exchange Board of India (SEBI) and stock exchanges for the proposed initial public offering (IPO) of its equity shares, comprising of fresh issue and Offer for Sale of Equity Shares by the Selling Shareholders. On April 09, 2020 SEBI issued its final observations on the DRHP. The Exchange has not launched its IPO, hence 25% of the IPO related expenses were debited to statement of profit and loss account under other expenses during the FY 2020-21 and remaining amount (75%) amounting to ₹318 Lakhs was considered as recoverable from selling shareholders and shown under other current financial assets. Subsequently the Exchange has spent ₹ 106 Lakhs towards corporate restructuring, which was also shown as recoverable. During the year ended March 31, 2023 the Exchange had written off the said recoverable amount of ₹ 424 Lakhs along with GST recoverable thereon of ₹ 63 Lakhs and debited it to the statement of profit & loss account and shown as exceptional item.

(b) In case of subsidiary NCDEX e Markets Limited (NeML), NeML and another Joint Venturer outside the group (parent, subsidiary and associate of NCDEX) have incorporated a Joint Venture Company ('JV Company') MMCMPL during FY 2022-23 and both Joint Venturers have 50% share. No capital infusion has been made in the JV Company by either of JV partners as the approval for commencement of business is awaited from the relevant authority. The total expenses incurred for the JV Company by NeML of ₹ 46 Lakhs has been shown as an exceptional item for FY 2022-23. NeML has a right to reimbursement from the JV Company as and when relevant approvals are received.

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53. The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on September 28, 2020 and the said Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

54. As per SEBI directives, the Exchange has issued circulars informing the market participants that no fresh positions and launch of new contracts are allowed in Chana and Rapeseed-Mustard with effect from August 17, 2021 and October 08, 2021 respectively. In addition to this, the Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-124/2021 dated December 20, 2021 wherein no fresh positions and launch of new contracts are allowed for a period of one year in respect of certain commodities prescribed in the said circular including major commodities like Soyabean and Refined Soy Oil as well as earlier suspended commodities viz. Chana and Rapeseed-Mustard. Subsequently, the suspension of these commodities was extended for a further period of one year i.e. till December 20, 2023, the Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-092/2022 dated December 21, 2022 to that effect. Accordingly, the revenue of the Exchange from transaction charges of these commodities has been impacted. As the suspension of these commodities is for a period of one year, the management is of the view that there is no impact on the carrying value of its assets. Therefore, no adjustments are made in the financial statements for the year ended March 31, 2023.

55. Interest on Income Tax refund for the year ended March 31,2023 ₹ 352 Lakhs received/recognized. (₹562 Lakhs for the previous year ended March 31, 2022).

56. In case of subsidiary NEML, Members holding membership (Trading & Clearing Membership) for more than three years can terminate their membership and withdraw deposit. These deposits are payable on demand therefore membership deposit of such members is classified as current liability.

57. Group has been sanctioned working capital limits from banks on the basis of security of Fixed Deposits with banks. No quarterly returns or statements are required to be filed by the group with banks.

58. In accordance with the relevant provisions of the Companies Act, 2013, the Group and its associate does not have long term contracts as of March 31, 2023 and March 31, 2022 for which there were no material forseeble losses. The Group and its associates did not have any derivative contracts as at March 31, 2023 and March 31, 2022.

59. For the year ended March 31, 2023 and March 31, 2022, the Group and its associates is not required to transfer any amount into the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.

60. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

i Details of benami property held

No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii Wilful defaulter

The group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iii Relationship with struck off companies

The group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iv Compliance with number of layers of companies

The group has complied with the number of layers prescribed under the Companies Act, 2013.

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v Compliance with approved scheme(s) of arrangements

The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vi Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

vii Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

viii Valuation of PP&E, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

ix Utilization of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The group has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

x Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period of the group.

61. Previous year figures have been regrouped / reclassified wherever necessary to correspond to current year presentation.

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

NARENDRA JAIN
Partner
Membership No. 048725

Place : Mumbai
Date : May 26, 2023

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

NOTES

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NCDEX

Pragati ka Solid Exchange

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