# Annual Report 2018-2019







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## e-samridhi











#### **MESSAGE FROM MANAGING DIRECTOR & CEO**

Dear Shareholders,

FY 2019 has been a watershed year for NeML. Our aggressive growth during the year reflects our ambitious aspirations and bold execution plans. During the year, we have expanded our geographical footprint within the country and have focused on developing a fully agile workforce. We are re-skilling our workforce to meet the evolving requirements of our customers and company growth.

The company continues to evolve as a socially responsible corporate committed to retain and grow its relevance to key stakeholders including our employees, members, end-customers, partners and shareholders. During the year, we partnered with our members to make a positive difference in the lives of more than 10 million Smallholder Farmers (SHF) and more than 20 million below poverty line consumers (BPL) across the country. The e-market and services platform of the company remained the key catalytic tool to serve these segments through the Government and Government enterprises serving their target customers.

We are leveraging our existing strengths and building new capabilities to meet the emerging market requirements and building greater business model resilience. We have created new apps for ease of operations, significantly enhanced the features of our platforms to meet requirement of modern trade ecosystem.

Our partnership with the Karnataka State Government remains a shining example of public private partnership (PPP). Rashtriya e-Markets Services Private Limited (ReMS) continues to serve the farmers of the state who bring their produce to APMC markets/ Mandis. Leveraging Unified Market Platform (UMP), the initiative has helped better farmers' realizations. The initiative has further enhanced its integration with e National Agricultural Market (e-NAM), a national initiative adapted from the pioneering work done by ReMS in its initial years. The initiative has covered 165 markets out of a total of 168 in the state of Karnataka. Copenhagen consensus, a global think tank has appreciated the role of ReMS in helping realize better prices for the farmers of the state selling their produce through regulated APMC market in the country.

Our relevance with the dairy cooperatives and Fresh Fruit and Vegetable Growers increased due to better prices received by them using Dairy and Fresh trading platforms. Thus making them more competitive in the market.



The Company would continue to invest in its people and overall capability expansion in the coming year. As part of creating more resilient business model, the company would deepen its presence in the market services and non-agricultural segments.

Sd/-

Rajesh Sinha

**Managing Director & CEO** 



















e-Samriddhi Quantity Procured- 33.43 Lakh MT

**NeML e-Market** Quantity Traded- 51.9 Lakh MT

#### **Unified Procurement Platform (UPP)**

NeML UPP facilitated procurement of Government and Government Entities positively impacting 1.9 million Smallholder Farmers (SHF), growing Pulses and Oilseeds during FY18-19. Majority of the recorded produce was in e-Samriddhi – a dedicated procurement platform customized for National Agriculture Marketing and Cooperative Federation (NAFED), New Delhi covering 11 states including Andhra Pradesh, Telangana, Karnataka, Uttar Pradesh, Haryana, Madhya Pradesh, Rajasthan, Odisha, Gujarat, Maharashtra and Tamil Nadu.

Key commodities procured include "Chana (Black Gram) Tur (Red Gram), Masoor (Lentils), Urad, Moong (Green Gram); Mustard Seeds, Soybean seeds and Sunflower seeds.

The platform was also used by the Food Corporation of India (FCI) and the State Governments

Picture of the Dashboard with heading: e-Samriddhi Dashboard depicting procurement under Price Support Scheme (PSS)

#### NeML e-Auction Markets

NeML e Auction markets is an efficient, transparent, auditable and verifiable electronic trading platform for most competitive price discovery for Agri-commodities. Key commodities traded on the e market platform included Tur, Moong, Chana, Groundnut and Ripe Mustard Seed and Sunflower seed. More than 50,000 price discovery events were conducted wherein more than 4000 members from 21 states participated.





Mr. Rajesh Kumar Sinha Managing Director & CEO



Mr. Vijay Kumar Venkataraman Shareholder Director



Mr. Arun Balakrishnan Independent Director



Mr. Sanjeev Kumar Asthana Independent Director



Mr. Srinath Srinivasan Shareholder Director





### NCDEX e Markets Limited CIN: U93090MH2006PLC165172

A Subsidiary of National Commodity & Derivatives Exchange Limited ('NCDEX')

#### **Company Information**

Board of Directors	Mr. Rajesh Kumar Sinha	: Managing Director & CEO
	Mr. Sanjeev Asthana	: Independent Director
	Mr. Arun Balakrishnan	: Independent Director
	Mr. Srinath Srinivasan	: Shareholder Director
	Mr. Vijay Kumar Venkataran	nan: Shareholder Director
Registered Office	Unit No. 101 & 101 T, First F	Floor, Ackruti Corporate Park, L. B. S. Road,
	Kanjurmarg West, Mumbai 4	100 078.
Statutory Auditors	M/s. Chokshi & Chokshi LLF	P, Chartered Accountants
	15/17, Raghavji 'B' Building,	Ground floor, Raghavji Road, Gowalia Tank,
	Off Kemps Corner, Mumbai	400 036.
Bankers	Karur Vysya Bank Limited	HDFC Bank Limited
	Bank of India	Development Credit Bank Limited
	Axis Bank Limited	State Bank of India
	IndusInd Bank Limited	Punjab National Bank
	Central Bank of India	Canara Bank
	ICICI Bank	Kotak Mahindra Bank
	IDBI Bank Limited	Yes Bank
Managing Director & Chief	Mr. Rajesh Kumar Sinha	
Executive Officer		
Chief Financial Officer	Mr. Kartik Thakkar (up to September 03, 2018)	
	Mr. Nimesh Dedhia (w.e.f February 12, 2019)	
Company Secretary	Ms. Archana Tripathi	



#### **DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Twelfth Annual Report of the Company together with the audited accounts for the financial year ended March 31, 2019.

#### 1. FINANCIAL RESULTS

The summary of financial performance of the Company for the year ended March 31, 2019 is as under:

(Amount in Rupees)

	For the year ended	For the year ended
Particulars	<b>March 31, 2019</b> (As per IND AS)	<b>March 31, 2018</b> (As per IND AS)
Total income	62,31,50,475	41,11,27,004
Expenditure	42,76,95,607	36,04,22,098
Profit before interest, finance charges and depreciation	195,454,868	5,07,04,906
Interest and finance charges	-	6,33,629
Depreciation	5,22,26,262	3,89,26,232
Profit before tax	14,32,28,606	1,17,78,675
Profit after taxation	11,54,60,968	1,70,39,204
Balance brought forward from previous year	(15,90,61,275)	(-19,00,47,744)
Loss after taxation carried forward to Balance Sheet	(5,77,78,325)	(-15,90,61,275)

The consolidated performance of the Company along with the Joint Venture Company, Rashtriya e Market Services Pvt. Ltd. is as follows:

(Amount in Rupees)

Particulars	For the year ended March 31, 2019 (As per IND AS)	
Total income	61,71,50,475	40,61,27,004
Expenditure	42,76,95,607	36,04,22,098
Profit before interest, finance charges and depreciation	18,94,54,868	4,57,04,906
Interest and finance charges	-	6,33,629
Depreciation	5,22,26,262	3,89,26,232
Profit before tax	16,93,80,717	3,58,22,291



Profit after taxation	14,16,30,797	4,10,92,960
Balance brought forward from previous year	(75,97,088)	(6,26,37,310)
Loss after taxation carried forward to Balance Sheet	11,98,55,691	(75,97,088)

#### 2. STATE OF COMPANY'S AFFAIRS

Financial Year 2019 was a watershed year for NCDEX e Markets Limited (NeML). E-Samriddhi, the unified procurement portal for price support scheme (PSS) of the Government of India facilitated record procurement in pulses and oilseeds by NAFED for crop year 2018-19 impacting more than 4.2 million smallholder farmers. Later on, Food Corporation of India (FCI) also adapted the platform. Its joint initiative with the Karnataka Government - Rashtriya Market services worked markets continued its journey to impact further deepened its presence in e-spot markets for commodities during the year. Together with Rashtriya e-Markets and Services Limited (REMSL), NeML impacted lives of more than 10 million farmers through its Unified Market Platform (UMP) by creating a State Agricultural Market (SAM). The initiative is now rated one of the top three sustainable initiatives making a significant difference in the lives of farmers in various independent studies. As on March 31, 2018, the market turnover of the initiative crossed INR 70,000 crore since its inception in February 2014. During the financial year its market turnover cross INR 41,000 crore across commodities traded in regulated agricultural markets of the state.

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

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

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

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



#### 3. CHANGE IN AUTHORIZED CAPITAL AND PAID UP SHARE CAPITAL

During the financial year, the Authorised Share capital was Rs. 50 Crore divided into 3,80,00,000 (Three Crore and Eighty lakh) Equity Shares of Rs. 10/- each and 1,20,00,000 Preference shares of Rs. 10 each.

The Paid-up share capital was Rs. 35.51 crore divided into 3,55,17,229 number of equity shares of Rupees 10/- each to NCDEX and ESOP shareholders.

Below is the structure of share capital post allotment of ESOP to employees of the Company

Sr.	Name of the Shareholder	Existing	Revised
No		No. of Shares (Amount per share	No. of Shares (Amount per
		Rs. 10)	share Rs. 10)
1	National Commodity & Derivatives Exchange Limited	3,54,99,400	3,54,99,400
	TOTAL PAID UP EQUITY SHARES (A)	3,54,99,400	3,54,99,400
1	Others	600	<u>17,829</u>
	TOTAL OTHERS (B)	600	17,829
	GRAND TOTAL (A+B)	3,55,00,000	3,55,17,229

#### 4. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Company during the financial year 2018-2019.

#### 5. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The internal financial controls with reference to the Financial Statements are considered to be adequate.

#### 6. TRANSFER TO RESERVE

The Board of Directors of your company has decided to transfer Rs 15,00,000 to Risk Management Fund and Rs. 100,000 to Special Guarantees Fund for the year under review.

# 7. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION WHICH HAVE OCCURRED BETWEEN THE FINANCIAL YEAR ENDED MARCH 31, 2019 AND THE DATE OF THE REPORT

No material changes occurred subsequent to the close of the financial year ended March 31, 2019 and the date of this report.

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

### 8. SECRETERIAL STANDARD ON MEETINGS OF THE BOARD OF DIRECTORS AND GENERAL MEETINGS

The Company has complied with the requirements of SS-1 viz., Secretarial Standard on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India revised with effect from October 01, 2017.



#### 9. RISK MANAGEMENT POLICY

During the Financial Year 2017-18, the Company comprehensively reviewed the Risk Management Policy providing a definitive outline of risk appetite, assigning specific responsibility of risk management on Board, executives, managers, employees and contractors and integrating risk management of self-assessment and reporting principle throughout the organization. As part of the exercise, the Company has conducted detailed risk assessments of the existing and new businesses to ensure that any risks arising from these assessments were identified, analyzed and reported to the appropriate management level with an aim to mitigate or minimize such risks.

The Company has received - ISO 9001:2015 (Quality Management System), ISO/IEC 27001:2013 (Information Security Management System) & Standardization Testing and Quality Certification (STQC) for Vulnerability Assessment and Penetration Testing. Starting December 2017 the company has in a phased manner successfully and seamlessly migrated the IT Infrastructure to cloud (Amazon Web Services). The migration was completed in April 2018.

The Company has also implemented Internal Financial Controls as per Corporate Governance requirements of Companies Act, 2013. These process certifications have further streamlined & strengthened the risk management framework of the organization. Besides ISO, the statutory auditors of the Company also have given a detailed report on the internal financial controls of the company without any reservations/remarks.

#### 10.DIVIDEND AND APPROPRIATIONS

The Company has posted net profit of Rs. 11,54,60,968 /- for the financial year 2018-2019. As the profit is required to augment operational needs, your Directors do not recommend any dividend for the financial year 2018-2019.

#### 11.PUBLIC DEPOSITS

The Company has not accepted any public deposits and as such, no amount towards repayment of principal or payment of interest was outstanding as on March 31, 2019.

#### 12. REGULATION OF STATE LICENSES:

The Company has Licenses for states viz., Maharashtra, Karnataka, Orissa, Rajasthan, Gujarat, Andhra Pradesh, Himachal Pradesh and Telangana. The Company is complying all the state licenses requirements.

#### 13. DETAILS OF MEETINGS OF SHAREHOLDERS:

The Eleventh Annual General Meeting of the Company was held on August 28, 2018 at the Registered Office of the Company. The Twelfth Annual General Meeting of the Company will be held on August 02, 2019 at the Registered Office of the Company.



#### 14. AUDIT COMMITTEE

The Audit Committee consists of three Directors, which includes two Independent Directors and one Shareholder Director. The terms of reference are appointment and/ or replacement of auditors, approval of changes to accounting policies, approval or any subsequent modification of transactions of the company with related parties and other matters, which are prescribed under section 177 of the Companies Act, 2013.

During the financial year 2018-2019, five meetings of the Committee were held on April 10, 2018, May 16, 2018; August 28, 2018, November 02, 2018 and February 12, 2019. The composition and attendance of the Members is given below -

Name of the Committee Member	Number of meetings held during the relevant period	Number of meetings attended
Mr. Arun Balakrishnan	5	5
Mr. Sanjeev Asthana	5	5
Mr. Vijay Kumar Venkataraman	5	5

#### 15. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consists of three Directors, which includes two Independent Directors and one Shareholder Director. The terms of reference include matters like determining the amount of fees payable to the Directors, eligibility criteria for payment of performance bonus, the aggregate quantum of such bonus for the staff members, develop criteria for selection of Directors for appointment on the Board, shortlist and recommend names for filling vacancies on the Board that might occur from time to time and such other matters as prescribed under section 178 of Companies Act, 2013. The Company has in place a Nomination and Remuneration Policy. The policy contains provisions relating to Directors' appointment and their remuneration, criteria for determining qualifications, positive attributes, Independence of director, remuneration of Key Managerial Personnel, Senior Managerial Personnel and other employees.

During the financial year 2018-2019, two meetings of the Committee were held on May 16, 2018 and February 12, 2019. The composition and attendance of the Members is given below -

Name of the Committee Member	Number of meetings held during the relevant period	Number of meetings attended
Mr. Arun Balakrishnan	2	2
Mr. Sanjeev Asthana	2	2
Mr. Vijay Kumar Venkataraman	2	2



#### 16. CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2018-2019, the provisions of section 135 of the Companies Act, 2013 became applicable to the Company due to increase in net profit of INR. 50,000,000.00 (Rupees five crores). The Company also constituted Corporate Social Responsibility Committee

#### 17. SECRETARIAL AUDIT

During the financial year, the Company was not required to comply with the provisions of Secretarial Audit. However, as a matter of good governance practice, the Board appointed M/s. Bharat R. Upadhyay & Associates, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the FY 2018-2019.

M/s. Bharat R. Upadhyay & Associates conducts secretarial audit of the Company on quarterly basis. There were no qualification, reservation or adverse remark or disclaimer in all the four quarters reports given by M/s. Bharat R. Upadhyay & Associates.

As per As per SEBI circular CIR/CFD/CMD1/27/2019 dated February 08, 2019, SEBI Listing Obligation and Disclosure Requirement (LODR), every listed entity and its mat erial unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be prescribed with effect from the year ended March 31, 2019. The Company confirmed that it was a material subsidiary of NCDEX in the Financial Year 2017-18 based on Profit after Tax (PAT) and Revenue criteria. The Company appointed M/s N.L Bhatia & Associates, Practicing Company Secretary for conducting Secretarial Audit of the Company for Financial Year 2018-19.

### 18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

#### **Technology absorption**

The Company continues to develop the technology further to keep up with changes in the technology platforms as well as the needs of our customers. A new lot tracing, trip-tracking functionality has been developed to enhance Comlive.

A processor utilization based load-balancing feature has been developed for UMP. The mobile apps of the Company continue to develop. The mobile app now has gate entry, vehicle loading and weighing apps apart from bidding. The Company has not spent any amount on Research and Development.

#### Conservation of energy

The Company, through NCDEX, has taken steps for conserving energy such as optimising the air conditioning in data center, use of LED lights in office area, etc. Further, several other energies saving measures were undertaken such as regular servicing, periodic maintenance of all electrical equipment's, prompt switching off the equipment's when not required, etc.

The Company takes appropriate steps for utilizing alternate sources of energy.



#### Foreign exchange earnings and outgo

During the year under review, the Company did not have any foreign exchange inflow and outflow.

#### 19. BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2018-2019

During the financial year 2018-2019, six meetings of the Board were held on April 10, 2018, May 16, 2018, August 28, 2018, November 02, 2018, December 11, 2018 and February 12, 2019. The Composition and attendance of the Board of Directors are given below -

Name of Director	Number of Meeting held during	Number of meetings
	the relevant period	attended
Mr. Arun Balakrishnan	6	6
Mr. Sanjeev Kumar Asthana	6	6
Mr. Srinath Srinivasan	6	5
Mr. Rajesh Kumar Sinha	6	6
Mr. Vijay Kumar Venkataraman	6	6

#### 20. EXTRACT OF THE ANNUAL RETURN

The extract of annual return under sub section (3) of section 92 in Form MGT 9 as on the financial year ended March 31, 2019 is enclosed as **Annexure 1**.

## 21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

No loan or guarantee is given to any person during the financial year. The particulars of investments are disclosed in the Financials Statements.

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

All the transactions with related parties are in the ordinary course of business and on an arm's length basis. There are no material contracts or arrangements or transactions on arms' length basis. The details of related party transactions as required under the IND AS -24 "Related Party Disclosure" are set out in the Note no. 39 to the Standalone Financial Statements forming part of 'Notes to accounts'.

#### 23. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Nomination and Remuneration committee ("erstwhile Board Governance & Compensation Committee) has framed a policy for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel and their remuneration and other matters as provided under section 178 (3) of the Companies Act, 2013. The Company affirms that the remuneration paid to Directors is as per the remuneration policy of the Company.



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

The information pursuant to Rule 5 sub-rule (2) of The Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is provided as **Annexure 2** of this report.

#### 25. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Board of Directors of the Company includes Mr. Arun Balakrishnan, Mr. Sanjeev Asthana, Mr. Vijay Kumar Venkataraman and Mr. Rajesh Kumar Sinha.

Mr. Rajesh Kumar Sinha was as Managing Director & CEO of the Company with effect from April 01, 2017 after due approval from shareholders of the Company.

The remuneration paid to the Managing Director & CEO of the Company was in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 and section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the financial year, Mr. Vijay Kumar Venkataraman was appointed as an Additional Director on February 16, 2018 and were reappointed as Director in the Annual General Meeting (AGM) held on August 28, 2018.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vijay Venkataraman will be retiring by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment as director at that meeting. The Directors recommend the name of Mr. Vijay Venkataraman for reappointment as Director of the Company.

#### 26. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from Mr. Arun Balakrishnan and Mr. Sanjeev Asthana, Independent Directors, confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

#### 27. ANNUAL EVALUATION

The formal annual evaluation of the Board, its Committees and individual directors was conducted in accordance with the provisions of Companies Act, 2013. The Board of the Company elected Mr. Arun Balakrishnan, as the lead Director to review the performance of the Board, its Committees and individual Directors in consultation with the other Directors for the purpose of compliance with the provisions of the Companies Act 2013. The performance of the Board, its Committees, individual Directors and Independent Directors was found satisfactory.



#### 28. STATUTORY AUDITORS

M/s. Chokshi & Chokshi LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of five years at the Eighth Annual General Meeting (AGM) held on August 12, 2015. As per provisions of Section 139(2) of the Companies Act, 2013, their appointment for the above tenure is subject to ratification by members at every AGM. The shareholder at Eleventh Tenth Annual General Meeting held on August 28, 2018 considered the remuneration of M/s. Chokshi & Chokshi LLP as Statutory Auditors of the Company.

Further as per the third proviso of section 139 (1) of Companies Act, 2013, the Statutory Auditor has furnished a certificate to the Company that they satisfy the criteria provided in Section 141 of the Companies Act, 2013. The Company received mentioned certificate from the Statutory Auditor of the Company.

There is no qualification, reservation or adverse remark or disclaimer in the report given by M/s. Chokshi & Chokshi LLP, Statutory Auditors on the Standalone and consolidated financial statements of the Company for the year ended March 31, 2019.

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

The Company has complied with provisions relating to the constitution of Internal Complaint Committee (ICC) under the sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013

The disclosures required to be under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 are given in the following table: -

1	Number of complaints of sexual harassment received in the year	Nil	
2	Number of complaints disposed off during the year	Not applicable	
3	Number of cases pending for more than 90 days	Not applicable	
4	4 Whether workshops or awareness programs against sexual Yes. Aw		Awareness
harassment were carried out program was do		s done for all	
		employees	
5	Nature of action taken by the employer	Not applicable	le

#### 30. JOINT VENTURE COMPANY - RASHTRIYA e MARKET SERVICES PRIVATE LIMITED (ReMS)

ReMS is the joint venture company between the Company and the Government of Karnataka was incorporated with the primary objective of providing an electronic platform for auctioning of farmer produce in the regulated markets in Karnataka known as the Unified Market Platform (UMP). The platform provides, auctioning of the produce for efficient price discovery, material accounting, trade fulfilment and online funds settlement, etc.



NCDEX e Markets Limited (NeML) further deepened its presence in the spot markets for agricultural commodities during the year. Together with Rashtriya e-Markets and Services Limited (REMSL), NeML impacted the lives of more than 15 million farmers through its Unified Market Platform (UMP) by creating a State Agricultural Market (SAM). As per various independent studies, this initiative is now rated as one of the top three sustainable initiatives that has made a significant difference in the lives of farmers. The Commonwealth Association of Public Administration and Management) CAPAM, in its conference held in Guyana in October 2018, awarded the Golden Award for the UMP led intervention in Karnataka.

As on March 31, 2019, the market turnover of the initiative crossed INR 1.38 Lakh Crore since its inception in February 2014. Assaying facility has now been introduced in 40 major primary agricultural markets. About four lakh farmer lots were assayed during the year which represents 25 per cent of arrivals in the above markets. During the financial year 2018-19 the recorded market turnover crossed INR 45,000 crore across all commodities traded in the regulated agricultural markets of the state.

A statement containing the salient features of the financial statement of ReMS is given in Form AOC- I which is enclosed as **Annexure 3**.

#### 31. EMPLOYEE STOCK OPTION PLAN (ESOP)

The Board of Directors approved ESOP at its meeting held on March 27, 2017 and shareholders granted approval on March 28, 2017. The vesting period was over on March 27, 2018. The Company granted option to eligible employees of the Company under Employee Share Option Plan (ESOP Plan 2017). Following are details of the ESOP Plan 2017:

- 1. Total Options granted -6,94,944 number of shares
- 2. Options vested- 2,37,999 number of shares
- 3. Options exercised- 17,229 number of shares
- 4. The total number of shares arising as a result of exercise of option- 3,55,17,229
- 5. Options lapsed- 1,51,765
- 6. the exercise price- 59.72/- per share
- 7. variation of terms of options-NA
- 8. money realized by exercise of options-INR. 10,28, 915/-
- 9. total number of options in force-NA
- 10. Employee wise details of options granted to:

#### (i) Key managerial personnel;

Designation	Eligible for ESOP	Employee Name	Designation	No. of Shares
Managing Director & CEO	1	Rajesh Kumar Sinha	Managing Director & CEO	93,912

(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.-**NA** 



(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant-

NA

The Company is maintaining ESOP Register in form No. SH 6.

32. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Act with respect to Directors' Responsibility

Statement, it is hereby confirmed:

i. that in the preparation of accounts for the financial year ended March 31, 2019, the applicable

accounting standards have been followed along with proper explanation relating to material

departures.

ii. that the directors have selected such accounting policies and applied them consistently and made

judgement and estimates that were responsible and prudent to give a true and fair view of the

state of affairs of the Company at the end of the financial year and of the profit of the Company for

the year under review;

iii. that the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;

iv. that the Directors have prepared the accounts for the financial year ended March 31, 2019 on a

'going concern' basis.

v. that the directors have devised proper systems to ensure compliance with the provisions of all

applicable laws and that such systems are adequate and operating effectively.

33. ACKNOWLEDGEMENTS

The Directors gratefully acknowledge the support and guidance received from various State Governments in general and Karnataka Government in particular, ReMS, other government organizations and public-sector undertaking associated with the Company, NCDEX, the holding

Company and its employees. The Board also places on record its appreciation for the co-operation

extended by the Banks, Service providers and Members of the Company. The Board also

acknowledges the relentless efforts and contribution made by the employees of the Company.

By order of the Board of Directors,

Place: Mumbai

Date: August 01, 2019

Rajesh Kumar Sinha Managing Director DIN- 06798679 Vijay Kumar Venkataraman Director DIN - 06651068



**Annexure 3** 

#### Form AOC-I

## Part "B": Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

nt ventures
Rashtriya e Market Services Private Limited
March 31, 2019
5,000,000 Equity shares
50%
Significant influence is due to 20% or more of
total share capital
Not applicable
Rs. 17,76,34,016/-
Rs. 2,61,69,829/-
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

Place: Mumbai

**Date:** August 01, 2019

Rajesh Kumar Sinha Managing Director DIN- 06798679 Vijay Kumar Venkataraman Director DIN - 06651068

Nimesh Dedhia Chief Financial Officer



#### Annexure 1

### FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

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

#### I. REGISTRATION AND OTHER DETAILS:

- i) Corporate Identification Number (CIN) of the Company: U93090MH2006PLC165172
- ii) Registration Date: 18/10/2006
- iii) Name of the Company: NCDEX e Markets Limited
- iv) Category / Sub-Category of the Company: Category: Public Company/ Sub Category: Limited by Shares
- v) Address of the registered office and contact details: Unit No.101 & 101 T, 1st Floor, Ackruti Corporate Park, L.B.S. Marg, Kanjurmarg (W), Mumbai- 400079 Tel: -022- 4881 0500
- vi) Whether listed company Yes / No: -No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any: Not Applicable

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SI. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Transaction Charges on account of e-market services (Activities auxiliary to financial service activities)	661	78.09%
	Total		78.09%



#### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
1	National Commodity and Derivatives Exchange Limited	U51909MH2003PLC140116	Holding Company	99.99%	Sub section (46) of Section 2
	Add.: 1st Floor, Ackruti Corporate park, L.B.S. Marg, Kanjurmarg (W). Mumbai-400078				
2	Rashtriya e Market Services Private Limited	U01200KA2014PTC073119	Joint Venture Company	50%	Sub Section (6) of Section 2
	Add: No.16, Karnataka State Agricultural Marketing Board, 2nd Raj Bhavan Road, Bangalore – 560001				



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

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters (1) Indian a) Individual/ HUF b) Central Govt c) State Govt									
d) Bodies Corp.  National Commodity & Derivatives Exchange Limited		d) 3,54,99,400	d) 3,54,99,400	d) 99.99%	d) 3,54,99,400		d) 3,54,99,400	d) 99.94%	(0.05)
e) Banks/FI f) Any Other									
Sub-total (A) (1):-		3,54,99,400	3,54,99,400	99.99%	3,54,99,400		3,54,99,400	99.94%	(0.05)
(2) Foreign a) NRIs - Individuals		NA.	NA	NA	NA NA		NA NA	NA.	NA
b)Other - Individuals c) Bodies Corp. d) Banks / FI e) Any Other Sub-total (A) (2):- Total shareholding of			NA	NA	NA .				146



Category of Shareholders					ar	% Change during the year			
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Promoter (A) = (A)(1) +(A) (2)		3,54,99,400	3,54,99,400	99.99%	3,54,99,400		3,54,99,400	99.94%	(0.05)
B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks/Fl c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIIs h) Foreign Venture Capital Funds		NA	NA	NA	NA		NA	NA	NA
i) Others (specify) Sub-total (B)(1):- 2. Non-Institutions		NA	NA	NA	NA		NA	NA	NA
a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital upto Rs. 1 lakh		600	600	0%	2,008	300	2,308	0.0056	0.0064



Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh					15521	-	15521	0.0436	0.0436
Sub-total (B)(2):- Total Public Shareholding (B) = (B)(1) + (B)(2)		600	600	0%	17529	300	17829	0.0493	0.050
C. Shares held by Custodian for GDRs & ADRs		-	-	-	-		-	-	-
Grand Total (A+B+C)		3,55,00,000	3,55,00,000	100%	3,55,16,929	300	3,55,17,229	100%	0.00%



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#### (ii) Shareholding of Promoters (including Promoter Group)

SIN o.	Shareholder's Name	Shareholding at t	Shareholding at the beginning of the year			lding at the end of th	ne year	
		No. of Shares	% of total Shares of the company	%of Shares Pledge d/ encumb ered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	National Commodity & Derivatives Exchange Limited		Equity Shares 99.99%	NA	Equity Shares: 3,54,99,400	Equity Shares 99.94%	NA	(0.05)
	Total	3,54,99,400	99.99%	NA	3,54,99,400	99.94%	NA	(0.05)



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

SI. No.		Shareholding at the bo	eginning of the year	Cumulative Shareholding during the year		
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	At the beginning of the year	Equity Share- 3,54,99,400	Equity Shares 99.99%	Equity Shares: 3,54,99,400	Equity Shares- 99.94%	
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	-	-	Change in percentage due to ESOP allotment	-	
	At the End of the year	Equity Shares- <b>3,54,99,400</b>	Equity Shares 99.99%	Equity Shares: <b>3,54,99,400</b>	Equity Shares- 99.94%	

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

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholdi	ng during the year
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	1) Mr. Om Prakash Agarwal	-	-	10,838	0.030%
	(Allotted Shares under ESOP on 02/11/2018)				
	2) Mr. Manoj Kumar Godara		-	2,683	0.0075%
	(Allotted Shares under ESOP on 02/11/2018)	-			
	3) Mr. Ramesh Chand H.C	-	0%	1000	0.0028%



SI. No.		Shareholding at the	beginning of the year	Cumulative Shareholding during the year		
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	(Allotted Shares under ESOP 02/11/2018)					
	4) Mr. Manish Tripathi	-	0%	105	0.00029	
	(Allotted Shares under ESOP 02/11/2018)					
	5) Mr. Anand Chandra Jha	-	0%	102	0.00028	
	(Allotted Shares under ESOP 02/11/2018)			404		
	6) Mr. Sudhir Gupta (Allotted Shares under ESOP 28/08/2018)	-	0%	101	0.00028	
	7) Mr. Kapil Dev	-	0%	100	0.00	
	(Transferred shares from Mr. Rajendra Benhalkar on August 28, 2018)					
	8) Ms. Poornima Shetty ( <i>Transferred shares from Mr.</i> Sarat Chandra Muluktla on August 28, 2018)	-	0%	100	0.00	
	9) Ms. Seema Nayak	100	0%	100	0.00	
	10) Mr. Ankur Jain (Allotted Shares under ESOP on 02/11/2018)	-	0%	100	0.00	



SI. No.		Shareholding at the b	peginning of the year	Cumulative Shareholdi	ng during the year
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		Total: 100 Equity shares	0%	Total: 17,129 Equity shares	0.0482
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	(Transfer of 100 equity shares from Mr. Rajendra Prasad Benhalkar to Mr. Kapil Dev on August 28, 2018)	0%	-	0%
	Change in percentage due to ESOP allotment	(Transfer of 100 equity shares from Mr. Sarat Chandra Muluktla to Ms. Poornima Shetty on August 28, 2018)	0%	-	0%
	At the End of the year (or on the date of separation, if separated during the year)				
	Transfer of 100 equity shares from Mr. Rajendra Prasad Benhalkar to Mr. Kapil Dev on August 28, 2018)	i) 100	0%	i) -	0%
	(Transfer of 100 equity shares from Mr. Sarat Chandra Muluktla to Ms. Poornima Shetty on August 28, 2018)	ii) 100	0%	ii) -	0%



SI. No.		Shareholding at the b	peginning of the year	Cumulative Shareholding during the year		
	For Each of the Top 10 Shareholders	No. of shares % of total shares of the company		No. of shares	% of total shares of the company	
		Total: 200 Equity shares		Total: 200 Equity shares		



#### (v) Shareholding of Directors and Key Managerial Personnel:

SI. No.		Shareholding at the	e beginning of the year	Cumulative Shareholding during the year		
	For Each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company	
	At the beginning of the year  1) Mr. Rajesh Kumar Sinha – Managing Director & CEO	100 Equity shares	0.0%	2100 Equity shares	0.0059%	
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/sweat equity etc):			Change in percentage due to ESOP allotment		
	At the End of the year	100 Equity shares	0%	2100 Equity shares	0.0059%	



#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Amount in Rupees)

, , ,	2.51 Outstanding/accorded but not due for payment (Almount in reap				
	Secured Loans	Unsecured	Deposits	Total	
	excluding	Loans		Indebtedness	
	deposits				
Indebtedness at the beginning of the financial year					
i) Principal Amount	0	0	0	0	
ii) Interest due but not paid	0	0	0	0	
iii) Interest accrued but not due	0	0	0	0	
Total (i+ii+iii)	0	0	0	0	
Change in Indebtedness during the financial year					
Addition					
Reduction					
Net Change	-	•	-	-	
Indebtedness at the end of the financial year	0	0	0	0	
i) Principal Amount		· ·			
1)   Tillopal Alloulit	0	0	0	0	
ii) Interest due but not paid					
, ,	0	0	0	0	
iii) Interest accrued but not due					
Total (i+ii+iii)	0	0	0	0	



#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI. no.	Particulars of Remuneration	Rajesh Kumar Sinha Managing Director & CEO	Total Amount
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Rs. 1,06,19,594 - Rs. 10,00,000	Rs. 1,06,19,594 - Rs. 10,00,000
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	Rs.1,16,19,594	Rs.1,16,19,594
	Ceiling as per the Act		



#### B. Remuneration to other directors:

SI. no.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	Mr. Arun Balakrishnan Mr. Sanjeev Asthana		hana		
	<ul> <li>Fee for attending board /committee meetings</li> <li>Commission</li> <li>Others, please specify</li> </ul>	5,00,000/- Nil Nil		5,00,000/- Nil Nil		9,20,000/- Nil Nil
	Total (1)					10,00,000/-
2.	Other Non-Executive Directors	Mr. Vijay Kumar Venkataraman	Mr. Srinath	Srinivasan	Mr. Atul Roongta	
	Fee for attending board /committee meetings	Nil	2,00,000/-		Nil	2,00,000/-
	Commission	Nil	N	lil	Nil	
	Others, please specify	Nil	N	lil	Nil	
	Total (2)					2,00,000/-
	Total (B) = (1 + 2)					12,00,000/-
	Total Managerial Remuneration					12,00,000/-
	Overall Ceiling as per the Act	Rs. 1,00,000 per m	nember per meetir	ng		



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

SI.	Particulars of Remuneration		Key Managerial Personnel			
no.						
		Mr. Kartik Thakkar Chief Financial Officer (01.04.2018 to 03.09.2018)	Mr. Nimesh Dedhia Chief Financial Officer (01.02.2019 to 31.03.2019)	Ms. Archana Tripathi Company Secretary	Total	
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Rs. 15,59,542 /- - Nil	Rs. 3,82,200 /- - Nil	Rs. 11,18,001 /- - Nii	Rs. 30,59,743 /- Rs. Nil	
2.	Stock Option	Nil	Nil	Nil	Nil	
3.	Sweat Equity	Nil	Nil	Nil	Nil	
4.	Commission - as % of profit - others, specify	Nil	Nil	Nil	Nil	
5.	Others, please specify	Nil	Nil	Nil	Nil	
	Total	Rs. 15,59,542 /-	Rs.3,82,200 /-	Rs. 11,18,001 /-	Rs. 30,59,743 /-	



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## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Туре	Section of the Companies Act	Brief Description	Details of Penalty/ Punishm ent/ Compou nding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty				NIL	
Punishment					
Compounding					
B. DIRECTORS					
Penalty				NIL	
Punishment					
Compounding					
C. OTHER OFFICERS IN DE	FAULT				
Penalty				NIL	
Punishment					
Compounding					

#### For NCDEX e Markets Limited

Rajesh Kumar Sinha Managing Director & Chief Executive Officer DIN- 06798679 Vijay Kumar Venkataraman Director

Director DIN - 06651068

Place: Mumbai

Date: August 01, 2019



## INDEPENDENT AUDITORS' REPORT

To the Members,

NCDEX e Markets Limited

## **Report on the Audit of Financial Statements**

# **Opinion**

1. We have audited the accompanying standalone financial statements of NCDEX e Markets Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the statement of Profit and Loss (including Other Comprehensive income), the statement of Cash flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information(herein after referred to as "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 Standard 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 31st March, 2019, its Profit, the total comprehensive income, change in equity and its cash flows and the changes in equity for the year ended on that date.

# **Basis for Opinion**

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



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

- 3. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' 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 do not express any form of assurance conclusion thereon.
- 4. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
  - If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Standalone Financial Statement

- 5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 6. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.
- 7. In preparing the 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.

Those Board of Directors are also responsible for overseeing the company's financial reporting process



# Auditors' Responsibilities for the Audit of the Financial Statements.

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

## Report on Other Legal and Regulatory Requirements

- 9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 10. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.



- f. With respect to the existence of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses unmodified opinion on the existence of the Company's internal financial controls with reference to financial statements.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impacts its financial position in its standalone financial statements.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any materials foreseeable losses.
  - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the company.

#### For CHOKSHI & CHOKSHI LLP

Chartered Accountants FRN: 101872W/W100045

# Nilesh Joshi

Partner

M. No. 114749

Place: Mumbai Date: 17.05.2019



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

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

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



#### ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

# IN RESPECT OF THE MATTERS COVERED IN CARO 2016 REPORT, WE CONFIRM THE FOLLOWING:

- 1. In respect of its fixed assets:
  - a. According to the information and explanations given to us, the Company is maintaining records showing full particulars, including quantitative details and situations of all the fixed assets.
  - b. According to the information and explanations given to us, the fixed assets are being physically verified by the Management at all its offices in a phased manner at reasonable intervals which in our opinion is reasonable having regard to the size of the Company and nature of assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c.According to the information and explanations given to us, the Company does not have any immovable property, Consequently, clause 3(i)(c) of the order is not applicable.
- 2. In respect of Inventories the Company's nature of operations does not require it to hold inventories. Accordingly, the Clause 3(ii) of the order regarding physical verification of inventories and maintenance of records is not applicable.
- 3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause 3(iii)(a) to 3(iii)(c) are not applicable to the Company.
- 4. According to the information and explanations given to us the company has not given/made any loans, investments, guarantees, and security accordingly provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- 5. The Company has not accepted any public deposits within the meaning of sections 73 to 76 of Companies Act, 2013 and rules framed there under;
- 6. As the Company is not a manufacturing concern, the clause 3(vi) of the Order regarding maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 is not applicable to the Company.



- 7. a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing applicable undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, duty of excise, value added tax, goods & service tax, cess and any other statutory dues with the appropriate authorities during the year and no such dues are outstanding for more than six months from the date they became payable.
  - b) According to the information and explanations given to us, No disputed dues are payable by the Company on account of Income tax/ Sales tax/ Wealth tax/ Service tax/ Duty of Custom/ Duty of Excise.
- 8. In our opinion, and according to the information and explanations given to us, the Company has not borrowed any money from financial institutions, banks or Debenture holders. Accordingly, the provision of clause 3(viii) of the Order is not applicable to the Company.
- 9. According to the information and explanations given to us, the Company has not raised any fund by way of public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the order are not applicable to the company.
- 10. During the course of our examination of the books of accounts, carried out in accordance with the generally accepted auditing standards in India, and according to the information and explanation given to us, we have not come across any instance of fraud by the company or any fraud on the Company by its officers or employees, either noticed or reported during the year, on or by the Company.
- 11. According to the information and explanation given to us and based on our examination of the records of the Company, the Managerial remuneration has been paid/provided in accordance with the requisite approval mandated by the provision of section 197 read with schedule V of the Act.
- 12. The Company is not in the nature of a Nidhi Company as defined under section 406 of the Act.
- 13. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in note 39 of the financial Statements etc., as required by the applicable accounting standards.



- 14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the Company.
- 16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

# For CHOKSHI & CHOKSHI LLP

Chartered Accountants FRN: 101872W/W100045

## Nilesh Joshi

Partner M. No. 114749

Place: Mumbai Date: 17.05.2019



## ANNEXURE - B TO INDEPENDENT AUDITORS' REPORT

# 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 NCDEx E Markets Limited ("the Company") as of March 31, 2019 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 existence of internal financial controls system with reference to financial statements 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 existence of internal financial controls system with reference to financial statements 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 standalone financial statements, whether due to fraud or error.

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

# Meaning of Internal Financial Controls over Financial Reporting

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

# Inherent Limitations of Internal Financial Controls over Financial Reporting

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



# **Opinion**

8. In our opinion, the Company has, in all material respects, an existence of internal financial controls with reference to financial statements and its operating effectiveness as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

# For CHOKSHI & CHOKSHI LLP

Chartered Accountants FRN: 101872W/W100045

## Nilesh Joshi

Partner

M. No. 114749

Place: Mumbai Date: 17.05.2019



			(Amount in Rs	
Particulars	Note	As at March 31, 2019	As at March 31, 2018	
Assets				
Non-current Assets				
(a) Property, Plant and Equipment	2	4,12,43,368	2,96,01,33	
(b) Other Intangible assets	3	11,70,20,901	11,26,56,57	
(c) Capital Work in Progress (d) Financial Assets	2	-	89,80,49	
(i) Non-current Investments	4	5,00,00,001	5,00,00,00	
(ii) Others	5	75,66,697	58,19,92	
(e) Deferred tax assets (Net)	6	1,95,91,118	1,84,11,87	
(f) Income Tax Assets (Net)	28	2,45,26,886	2,69,19,83	
(g) Other non-current assets	7	14,87,010	13,23,45	
Fotal non-current assets		26 14 25 001	25,37,13,48	
Current Assets		26,14,35,981	23,37,13,46	
(a) Financial Assets				
(i) Trade Receivables	8	5,71,16,475	4,85,11,46	
(ii) Cash & cash equivalents	9	63,42,88,856	38,36,09,37	
(iii) Bank balances other than (ii) above	10	41,23,90,430	16,33,56,17	
(iv) Others	11	3,50,07,193	11,05,74,46	
(b) Other current assets	12	1,92,89,284	92,53,79	
Fotal current assets		1,15,80,92,238	71,53,05,27	
Total Assets		1,41,95,28,219	96,90,18,75	
Equity				
(a) Share capital	13	35,51,72,290	35,50,00,00	
(b) Other Equity	14	(5,77,78,325)	(15,90,61,27	
Total Equity		29,73,93,965	19,59,38,72	
Liabilities				
Non-current Liabilities				
(a) Financial Liabilities				
	15	20 17 244	60.76.03	
Deposits (b) Participate	16	20,17,244	69,76,92	
(b) Provisions	16	31,80,280		
Total non-current liabilities		51,97,524	69,76,92	
Current Liabilities				
(a) Financial Liabilities				
(i) Deposits	17	20,01,02,062	20,33,79,73	
(ii) Trade Payables				
(a) total outstanding dues of micro enterprises and small enterprises; and		54,92,576		
	18			
(b) total outstanding dues of creditors other than micro enterprises and		4,03,81,792	6,65,32,66	
small enterprises. (iii) Other liabilities	19	81,30,49,992	46,67,36,31	
(b) Other current liabilities	20	1,46,52,722	1,01,54,30	
(c) Provisions	21	4,32,57,586	1,93,00,09	
Total current liabilities		1,11,69,36,730	76,61,03,10	
Total Liabilities		1,12,21,34,254	77,30,80,02	
Total equity and liabilities		1,41,95,28,219	96,90,18,75	
		, , , , ,	, , ,	
The accompaying standalone notes form an intergal part of the Financial Statements				
Significant Accounting Policy and Standalone Notes to Financial Statements.	1 to 47			
As per our report of even date attached				
		F	d (D)	
For and on behalf of Chokshi and Chokshi LLP		For and behalf of the Board NCDEX e Markets Limited	a or Directors	
Chartered Accountants		Trop Est o manteto Estimate		
FRN: 101872W/W100045				
Nilesh Joshi		-	Arun Balakrishnan	
Partner			Director	
M. No. 114749		DIN:06798679	DIN:00130241	
Nana, Musahai		Nimesh Dedhia	Archana Tripathi	
Place: Mumbai Date: 17.05.2019			Company Secretary	



#### **NCDEX e Markets Limited** Standalone Statement of Profit and Loss for the year ended March 31, 2019

(Amount in Rs.)

	Note	For the year ended	For the year ended
		March 31, 2019	March 31, 2018
INCOME			
Revenue from operations	22	56,00,46,104	35,90,69,173
Other Income	23	6,31,04,371	5,20,57,831
		62,31,50,475	41,11,27,004
EXPENSE			
Employee benefits expense	24	18,85,10,433	15,29,40,738
Depreciation & Amortization	25	5,22,26,262	3,89,26,232
Other Expenses	26	23,91,85,174	20,74,81,360
Total Expenses		47,99,21,869	39,93,48,330
Profit / (loss) before exceptional items and income tax		14,32,28,606	1,17,78,675
Exceptional item (net of tax)		-	-
Profit / (Loss) before tax		14,32,28,606	1,17,78,675
Current tax	27	2,84,21,113	42,43,539
MAT Credit Entitlement		(2,92,35,195)	(36,58,059)
Income Tax for earlier years Written off/ (Back)		1,76,160	(3,46,154)
Deferred tax	27	2,80,55,983	(77,85,784)
Profit / (Loss) after tax		11,58,10,545	1,93,25,132
OTHER COMPREHENSIVE INCOME  Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (losses) on defined benefit plans		(4,45,605)	(28,71,406)
Income tax effect		96,028	5,85,480
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		11,54,60,968	1,70,39,206
Earnings per equity share:			
Basic	28	3.26	0.72
Diluted	28	3.26	0.72

The accompaying standalone notes form an intergal part of the

Financial Statements

Significant Accounting Policy and standalone Notes to Financial

1 to 47

#### As per our report of even date attached

For and on behalf of Chokshi and Chokshi LLP

Chartered Accountants FRN: 101872W/W100045 For and behalf of the Board of Directors

**NCDEX e Markets Limited** 

Nilesh Joshi Rajesh Kumar Sinha Arun Balakrishnan

Partner Managing Director Director M. No. 114749 DIN:06798679 DIN:00130241

Place: Mumbai Nimesh Dedhia Archana Tripathi Date: 17.05.2019 Chief Financial **Company Secretary** 

Officer



I and the second se			(Amount in Rs.)
Particulars		Year ended	Year ended
raticulais	_	March 31 ,2019	March 31, 2018
A. Cash flow from Operating Activities			
Profit Before Tax Adjustments for:		14,27,83,001	89,07,269
Depreciation and Amortisation Expense		5,22,26,262	3,89,26,232
Impairment of Fixed Assets (Software)		59,15,283	,,,,,,,,
Interest Income		(3,53,65,189)	(1,73,29,441)
Dividend Income		(60,00,000)	(50,00,000)
Interest on Income Tax Refund Short term gain on mutual fund		(2,11,89,961)	(14,19,607) (2,74,26,538)
Share option reserve		(1,40,34,200)	1,40,34,200
Profit on sale of Fixed Assets		-	-
Operating loss before working capital changes	ŀ	12,43,35,196	1,06,92,114
Movements in working capital:			
Decrease / (Increase) in Non-current Other Bank balances		(20,00,000)	3,81,64,022
Decrease / (Increase) in Prepaid expenses Decrease / (Increase) in Trade receivables		(1,63,553) (86,05,008)	(2,76,602) (85,01,398)
Decrease / (Increase) in Other financial assets		7,55,67,275	(9,66,04,357)
Decrease / (Increase) in Other current Assets		(1,00,35,488)	56,20,986
Increase / (Decrease) in Long term Provisions		31,80,280	(35,36,695)
Increase / (Decrease) in Deposits Paid		(82,37,344)	(29,80,926)
Increase / (Decrease) in Trade payables		(2,06,58,299)	1,17,53,137
Increase / (Decrease) in Other financial liabilities		34,63,13,676	(74,28,43,413)
Increase / (Decrease) in Other current liabilities		44,98,417	(5,30,057)
Increase / (Decrease) in Short term Provisions	F	2,39,57,492	90,83,914
Cash flow before taxation		52,81,52,644	(77,99,59,275)
Direct taxes paid	,	(2,61,08,301)	8,68,585
Net Cash Generated from Operating Activities	(A)	50,20,44,343	(77,90,90,690)
B.Cash Flows From Investing Activities			
Purchase of fixed assets		(6,51,67,450)	(6,08,85,246)
Interest Received		3,56,18,417	2,20,23,672
Interest on income tax refund		-	14,19,607
Investment in fixed deposits		(24,90,34,258)	12,37,43,828
Short term gain on mutual fund		2,11,89,961	2,74,26,538
Profit on sale of Fixed Assets		-	-
Dividend received  Net Cash Used in Investing Activities	(B)	60,00,000 (25,13,93,330)	50,00,000 <b>11,87,28,399</b>
Net Cash Osed in investing Activities	۱۳/	(23,13,33,330)	11,87,28,333
C.Cash Flows From Financing Activities			
Issue of Equity share capital		10,28,919	(1,20,000)
RMF utilised during the year Net Cash Generated from Financing Activities	(c)	(10,00,447)	-
-		28,472	(1,20,000)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)		25,06,79,485	(66,04,82,291)
Effect of exchange differences on Cash & Cash equivalents held in foreign currency		-	- (00,04,02,231)
Cash and Cash Equivalents at the Beginning of the year		38,36,09,371	1,04,40,91,662
1	- 1		_,,,,
		62 42 00 000	20 26 00 272
Cash and Cash Equivalents at the End of the year [Refer Note 9] Notes:		63,42,88,856	38,36,09,372
Notes: 1. Cash & Cash Equivalents			
Notes:  1. Cash & Cash Equivalents  Cash on Hand		<b>63,42,88,856</b> 4,426	<b>38,36,09,372</b> 10,879
Notes:  1. Cash & Cash Equivalents Cash on Hand Balances with Banks:		4,426	10,879
Notes:  1. Cash & Cash Equivalents Cash on Hand Balances with Banks: - In Current Accounts		4,426 48,41,43,064	10,879 32,49,40,642
Notes:  1. Cash & Cash Equivalents Cash on Hand Balances with Banks:		4,426	10,879
Notes:  1. Cash & Cash Equivalents Cash on Hand Balances with Banks: - In Current Accounts - In Fixed Deposits		4,426 48,41,43,064 3,38,57,850	10,879 32,49,40,642
Notes: 1. Cash & Cash Equivalents Cash on Hand Balances with Banks: - In Current Accounts - In Fixed Deposits - In risked Deposits Cash & Cash Equivalents considered for Cash flow		4,426 48,41,43,064 3,38,57,850 11,62,83,516	10,879 32,49,40,642 5,86,57,850
Notes:  1. Cash & Cash Equivalents Cash on Hand Balances with Banks: - In Current Accounts - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds) Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'.		4,426 48,41,43,064 3,38,57,850 11,62,83,516	10,879 32,49,40,642 5,86,57,850
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Notes:  1. Cash & Cash Equivalents Cash on Hand Balances with Banks: - In Current Accounts - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds) Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'. Figures in brackets indicate cash outflow.  The accompaying Standalone notes form an intergal part of the Financial Statements Significant Accounting Policy and standalone Notes to Financial Statements.  1 to 47  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045	1	4,426 48,41,43,064 3,43,57,650 11,62,83,516 63,42,88,856	10,879 32,49,40,642 5,86,57,850 - 38,36,09,371
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Notes:  1. Cash & Cash Equivalents Cash on Hand Balances with Banks: - In Current Accounts - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds) Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'. Figures in brackets indicate cash outflow.  The accompaying Standalone notes form an intergal part of the Financial Statements Significant Accounting Policy and standalone Notes to Financial Statements.  1 to 47  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner	1	4,426 48,41,43,064 3,342,7650 11,62,83,516 63,42,88,856  For and behalf of the Board of NCDEX e Markets Limited  Rajesh Kumar Sinha Managing Director	10,879 32,49,40,642 5,86,57,850 - 38,36,09,371  Directors  Arun Balakrishnan Director
Notes:  1. Cash & Cash Equivalents Cash on Hand Balances with Banks: - In Current Accounts - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds) Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'. Figures in brackets indicate cash outflow.  The accompaying Standalone notes form an intergal part of the Financial Statements Significant Accounting Policy and standalone Notes to Financial Statements.  1 to 47  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045	1	4,426 48,41,43,064 3,342,7650 11,62,83,516 63,42,88,856  For and behalf of the Board of NCDEX e Markets Limited  Rajesh Kumar Sinha Managing Director	10,879 32,49,40,642 5,86,57,850 - 38,36,09,371  Directors  Arun Balakrishnan Director
Notes:  1. Cash & Cash Equivalents Cash on Hand Balances with Banks: - In Current Accounts - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds) Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'. Figures in brackets indicate cash outflow.  The accompaying Standalone notes form an intergal part of the Financial Statements Significant Accounting Policy and standalone Notes to Financial Statements.  1 to 47  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner	1	4,426 48,41,43,064 3,38,57,850 11,62,83,516 63,42,88,856  For and behalf of the Board of NCDEX e Markets Limited  Rajesh Kumar Sinha Managing Director DIN:06798679	10,879 32,49,40,642 5,86,57,850 38,36,09,371  Directors  Arun Balakrishnan Director DIN:00130241
Notes:  1. Cash & Cash Equivalents Cash on Hand Balances with Banks: - In Current Accounts - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds) Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'.  Figures in brackets indicate cash outflow.  The accompaying Standalone notes form an intergal part of the Financial Statements  Significant Accounting Policy and standalone Notes to Financial Statements.  1 to 47  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner  M. No.114749	1	4,426 48,41,43,064 3,13,57,680 11,62,83,516 63,42,88,856  For and behalf of the Board of NCDEX e Markets Limited  Rajesh Kumar Sinha Managing Director DIN:06798679	10,879 32,49,40,642 5,86,57,850 - 38,36,09,371  Directors  Arun Balakrishnan Director



# NCDEX e Markets Limited STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for year ended 31st March, 2019

Issued , subscribed and paid up share capital

Equity Shares of Rs.10/- each

Particulars	Amount in Rs.
raiticulais	Allibulit ili Ks.
As at March 31, 2017	23,50,00,000
Changes in equity share capital	
Share issue Expenses	-
Shares issued/converted during the year	12,00,00,000
As at March 31, 2018	35,50,00,000
Changes in equity share capital	-
Share issue Expenses	-
Shares issued during the year	1,72,290
As at March 31, 2019	35,51,72,290

Other equity

(Amounts in Rs.)

							(Ailloulits III Ks.)
Particulars	Risk Management Fund	Retained Earnings	Share option Reserve	Share Premium	Special Guarantee Fund	Other Comprehensive Income - FVTOCI defined benefit plans	Total
Balance at the beginning of the reporting year on 31st March 2017	(4,020)	(18,94,52,689)	-	•	-	(5,91,035)	(19,00,47,744)
Total Comprehensive Income for the year	-	1,93,25,132	-			-	1,93,25,132
Addition in current year	15,00,000		1,40,34,200	-	-	(22,85,926)	1,32,48,274
Utilised during the year	0	-	-	-	-	-	-
Transfer to Risk Management Fund		(15,00,000)	-			-	(15,00,000)
Share issue expenses	-	(86,937)	-	-	-	-	(86,937)
Balance at the end of the reporting year on 31st March 2018	14,95,980	(17,17,14,494)	1,40,34,200	•	-	(28,76,961)	(15,90,61,275)
Addition in current year	15,00,000	11,58,10,545	-	8,56,629	1,00,000	(3,49,577)	11,79,17,597
Utilised / Reversed during the year	(10,00,447)		(1,40,34,200)	-	-	-	(1,50,34,647)
Transfer to Risk Management Fund	-	(15,00,000)	-	-	-	-	(15,00,000)
Transfer to Special Guarantees Fund		(1,00,000)		-	-	-	(1,00,000)
Share issue expenses	-		-	-	-	-	-
Balance at the end of the reporting year on 31st March 2019	19,95,533	(5,75,03,949)	-	8,56,629	1,00,000	(32,26,538)	(5,77,78,325)

The accompaying standalone notes form an intergal part of the Financial Statements

Significant Accounting Policy and Standalone Notes to Financial Statements.

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1 to 47

Notes:

(i) Risk Management Fund (Refer Note 33)

(ii) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders

(iii) Share Option Reserve

The company has an option scheme under which option to subscribe for the Company's shares have been granted to certain executives and senior employees. The share based payment reserve is used to recognise the value of equity settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

. . .

[N/) Share Premium Reserve
Securities Premium Reserve is used to record premium on issuance of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

(v) Special/Settlement Guarantee Fund (Refer Note 34)

(vi) Other Comprehensive Income

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI)

As per our report of even date attached

For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 For and behalf of the Board of Directors

NCDEX e Markets Limited

•

 Nilesh Joshi
 Rajesh Kumar Sinha
 Arun Balakrishnan

 Partner
 Managing Director
 Director

 M. No. 114749
 DIN:06798679
 DIN:00130241

 Place: Mumbai
 Nimesh Dedhia
 Archana Tripathi

 Date: 17th May 2019
 Chief Financial Officer
 Company Secretary



#### **NCDEX e Markets Limited**

# Notes to the Standalone Financial Statements for the year ended March 31,2019. (All amounts are in Rupees unless otherwise stated)

#### **Corporate Information**

NCDEX e Markets Limited ("the Company"), a subsidiary of National Commodity & Derivatives Exchange Ltd (NCDEX) along with its nominee shareholders, is a national level electronic commodity market and services company focusing on capitalizing the opportunities of the offering electronic commodity trading platform and services in the commodity markets through a robust technology platform and ecosystem partners.

#### 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) Basis of preparation

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Companies Act 2013 (the Act).

#### b) Historical Cost Convention

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

- (i) Certain financial assets and liabilities and contingent consideration that is measured at fair value;
- (ii) Assets held for sale measured at fair value less cost to sell;
- (iii) Defined benefit plans& plan assets measured at fair value; and

#### c) Use of estimates and judgement

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management needs to exercise judgement 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 policies that require critical accounting estimates and assumptions having the most significant effect on the amounts recognised in the financial statements are:

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



#### d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification n. An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading, or
- (iii) Expected to be realised within twelve months after the reporting period other than for (i) above, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- (v) Current assets also include the 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
- (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.

#### e) Fair value measurement

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

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

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

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

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

# Level 1 - Quoted (unadjusted)

This hierarchy includes financial instruments measured using quoted prices.

#### Level 2

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:

- (i) quoted prices for similar assets or liabilities in active markets.
- (ii) quoted prices for identical or similar assets or liabilities in markets that are not active.
- (iii) inputs other than quoted prices that are observable for the asset or liability.
- (iv) Market corroborated inputs.

#### Level 3

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

## f) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures at carried at cost less accumulated impairment losses, if any.

#### g) Non-current assets held for sale

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

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

#### h) Property plant and equipment (including Capital Work in Progress)

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, cuties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of CENVAT/ITC) 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 for qualifying assets.

Significant parts of an item of PPE having different useful lives & material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognized in the statement of profit and loss as incurred.

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

Depreciation is provided on straight line method over the useful life of the assets as prescribed in Schedule III of Companies Act, 2013. 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
Furniture & Fixtures	10 years
Computer hardware	
- Servers & Networking devices	6 years
- Computer Hardware	3 years



Electrical Installations	10 years
Office Equipment	5 years
Vehicles	8 years

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

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

Leasehold Improvement is amortized over the renewable period of lease.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or over the shorter of the assets useful life and the lease term if there is an uncertainty that the company will obtain ownership at the end of the lease term.

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

### i) Intangible Assets

#### (i) <u>Computer Software</u>

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

Costs capitalised are amortized on a straight line basis over its expected useful life based on management's estimate.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends & has ability to complete the software and use or sell it
- Software will be able to generate probable future economic benefits
- Software is available, and the expenditure attributable to the software during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use. The estimated useful life (5-10 years) of subsequent development of already capitalised intangible assets is evaluated independent of the estimated life of the original assets.

Intangible assets are amortized over a period of five years or remaining life of the product considered at the end of each financial year whichever is earlier. The carrying value of computer software costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.



#### (ii) <u>De-recognition of intangible assets</u>

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.

#### (iii) 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.

#### i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial Assets:**

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For the Purpose of Subsequent measurement, financial assets are classified in following categories based on the company's business model:

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

#### (i) Financial instruments at amortized cost

A 'financial 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.



#### (ii) Financial instrument at FVTOCI

A 'financial 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

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of profit and loss. Interest earned whilst holding FVTOCI financial instrument is reported as interest income using the EIR method.

#### (iii) Financial instrument at FVTPL

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a financial 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'). Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

#### (iv) Equity investments

All equity investments are measured at fair value. For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to the Statment of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

#### Investment in subsidiaries, joint ventures and associates

Investment in joint ventures is carried at cost in the standalone financial statements.

#### **Trade receivables**

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

#### Cash and Cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.



#### **De-recognition**

A financial asset is de-recognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of Impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) 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
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables or contract revenue receivables; &

All lease receivables resulting from transactions within the scope of Ind AS 17

ECL impairment loss allowance (or reversal) if any, is recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

#### Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method.

#### Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of profit and loss.



#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### De recognition

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

#### Offsetting of financial instruments

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

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

#### I) Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured.



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

<u>Annual Membership/Lot creation charges/Penalty/E-pledge fees/tricker board charges/other charges: -</u> Annual subscription charges are recognized as income when there is reasonable certainty and the ultimate realization.

<u>Transaction Charges</u> – Transaction charges are recognised as income on trade date basis.

<u>Software service charges: -</u> 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.

<u>Admission fees: -</u> Admission fees are recognized as income at the time an applicant is converted as member and provisional member.

<u>Interest income</u>: - Interest income for fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. For Debt instruments measured at either at amortized cost or at fair value through other comprehensive income, it is recorded using effective interest rate (EIR) method.

Registration Fees: - Registration fee is recognized fully as one-time income for the financial year.

<u>Dividend: -</u> Dividend is recognized when the company's right to receive dividend is established as at the reporting date.

Short term Capital Gain from Mutual fund: - STCG is recognized as income on sale of mutual fund.

#### m) Leases

#### As a lessee

Leases of property, plant and equipment and land where the Company, as lessee, has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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



#### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Statement of Assets and Liabilities based on their nature.

#### n) Foreign currency transactions

#### **Functional and presentation currency:**

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

#### **Transactions and balances**

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

Any income or expenses 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 rates at the date when the 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 difference on items whose fair value gain or loss is recognised in OCI or statement of profit or loss, respectively).

#### o) Employee Benefits

## Short term employee benefits: -

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 amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in Statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the Standalone Statement of Assets and Liabilities.

#### **Post-employment obligations**

#### i. Defined contribution plans

#### **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.



#### ii. Defined benefit plans

Gratuity obligation.

The Company has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the Standalone Statement of Assets and Liabilities in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit and loss as past service cost.

#### Compensated absences – Leave benefits

These are measured based on actuarial valuation carried out by an independent actuary at each balance sheet date unless they are insignificant.

#### p) Provisions, Contingent Liabilities and Contingent Assets

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using current pre tax rate that reflects, when appropriate, the risk specific to the liability.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.



Contingent liabilities are not recognised but disclosed in the Financial Statements, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not recognised but disclosed in the Financial Statements when an inflow of economic benefits is probable.

#### q) Employee stock compensation cost

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised 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 recognised 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.

#### r) 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.

#### s) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statement. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). 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 recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amount will be available to utilise those temporary differences and losses. At each reporting date the Company reassesses unrecognized deferred tax assets and recognizes the same to the extent it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.



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

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The 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.

#### t) Cash flow statement

Cash flows 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.

#### u) 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. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.



## 2 Property, Plant and equipment & Capital Work-in-Progress

(Amount in Rs.)

								(Amount in Rs.)
Particulars	Furniture and	Leasehold	Computer	Office	Freehold	Electrical	Total	Capital Work in
Faiticulais	Fixtures	Improvement	Hardware	Equipments	Vehicles	Installations	Total	Progress
GROSS BLOCK								
As at March 31, 2017	2,65,196	-	3,89,39,569	2,58,183	23,79,974	-	4,18,42,922	-
Additions	35,000	-	45,20,382	3,14,001	-	-	48,69,383	89,80,491
Disposals / Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2018	3,00,196	-	4,34,59,951	5,72,184	23,79,974	-	4,67,12,305	89,80,491
Additions	42,97,640	1,01,08,923	59,34,068	63,27,290	-	21,08,132	2,87,76,053	43,36,135
Disposals / Adjustments	-	-	-	-	-	-	-	(1,33,16,626)
As at March 31, 2019	45,97,836	1,01,08,923	4,93,94,019	68,99,474	23,79,974	21,08,132	7,54,88,358	-
ACCUMULATED DEPRECIATION								
As at March 31, 2017	8,713	-	75,68,564	16,132	3,11,097	-	79,04,506	-
Depreciation for the year	29,626	-	87,65,657	1,00,086	3,11,097	-	92,06,466	-
Disposals / Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2018	38,339	-	1,63,34,221	1,16,218	6,22,194	-	1,71,10,972	-
Depreciation for the year	3,82,846	9,07,927	1,45,21,352	10,10,796	1,84,628	1,26,469	1,71,34,018	-
Disposals / Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2019	4,21,185	9,07,927	3,08,55,573	11,27,014	8,06,822	1,26,469	3,42,44,990	-
NET BLOCK								
As at March 31, 2017	2,56,483	-	3,13,71,005	2,42,051	20,68,877	-	3,39,38,416	-
As at March 31, 2018	2,61,857	-	2,71,25,730	4,55,966	17,57,780	-	2,96,01,334	-
As at March 31, 2019	41,76,651	92,00,996	1,85,38,445	57,72,460	15,73,152	19,81,663	4,12,43,368	-



## 3 Intangible Assets

(Amount in Rs.)

		(Amount in Rs.)	
Gross Cost	Computer Software	Total	
As at March 31, 2017	11,65,47,162	11,65,47,162	
Additions	4,70,35,371	4,70,35,371	
Disposals / Adjustments	-	-	
As at March 31, 2018	16,35,82,533	16,35,82,533	
Additions	4,53,71,858	4,53,71,858	
Provision for Impairment*	59,15,283	59,15,283	
Disposals / Adjustments	98,37,752	98,37,752	
As at March 31, 2019	19,32,01,356	19,32,01,356	
Accumulated amortisation and impairment losses	Computer	Total	
Accumulated amortisation and impairment losses	Software	lotai	
As at March 31, 2017	2,12,06,196	2,12,06,196	
Depreciation for the year	2,97,19,767	2,97,19,767	
Additions	-	-	
Disposals / Adjustments	-	-	
As at March 31, 2018	5,09,25,963	5,09,25,963	
Depreciation for the year	3,50,92,244	3,50,92,244	
Additions		-	
Disposals / Adjustments	98,37,752	98,37,752	
As at March 31, 2019	7,61,80,455	7,61,80,455	
Net Book Value	Computer	Total	
THE BOOK FRIME	Software	- Total	
As at March 31, 2017	9,53,40,966	9,53,40,966	
As at March 31, 2018	11,26,56,570	11,26,56,570	
As at March 31, 2019	11,70,20,901	11,70,20,901	

#### Note:

(1) The company had held a software under Intangible assets at opening gross value of Rs. 1,57,53,036/- and opening value of accumulated amortisation to the extent of Rs. 98,37,752/-. During the current financial year the platform developed for software ceased to be recognized as a cash generating unit. Therefore, the net carrying value of Rs. 59,15,283/- was fully impaired and was recognised as expense in the Statement of Profit & Loss for the year.



	As a	t	As	at
Particulars	March 31	, 2019	March 31, 2018	
	Quantity	Amount in Rs.	Quantity	Amount in Rs.
Financial Assets				
Investments				
A.) Investments in Equity shares (Unquoted)				
(i) Joint Ventures				
(a) Equity share of Rs. 10/- each fully paid up in Rashtriya e	50,00,000	5,00,00,000	50,00,000	5,00,00,00
Market Services Private Limited				
(ii) Other				
(a) Equity share of Rs. 10/- each fully paid up in National	98,900	1	98,900	
Warehousing Corporation Pvt. Ltd.*				
Aggregate amount of Unquoted Investment Rs. 50,000,001 (P.Y. Rs. 50,000,001)				
*Aggregate Provision for Dimunition in value of unquoted investment Rs. 988,999				
(P.Y. Rs. 988,999)				
Total	50,98,900	5,00,00,001	50,98,900	5,00,00,001

#### Investments in Joint Venture

Particulars	As at March 31, 2019		As at March 31, 2018	
	% of share	Amount in Rs.	% of share	Amount in Rs.
1) Rashtriya e Market Services Private Limited	50%	5,00,00,000	50%	5,00,00,000
Total investments carrying value		5,00,00,000		5,00,00,000

#### **Details of Joint Venture**

Name of Joint Venture		Place of incorporation and principal place of business	Proportion of owners voting rights held by	
			As at March 31,	As at March
			2019	31, 2018
	Provide special electronic platform for			
1) Rashtriya e Market Services Private Limited	auctioning of farmers produce.	Bangalore	50%	50%

Other Non Current Financial Assets	(Amounts in Rs.)	
Particulars	As at March 31, 2019	As at March 31, 2018
Non Current Bank Balances  (a) Bank deposits with more than 12 months maturity  (Held as Margin Money for Bank Gurantee)  (b) Interest accrueed on Fixed Deposits	70,00,000 5,66,697	50,00,000 8,19,925
Total	75,66,697	58,19,925

Deferred tax assets/(Liability) (net)		(Amounts in Rs.)
Particulars	As at	As at
raiticulais	March 31, 2019	March 31, 2018
Deferred tax assets/(Liability) (Net)	(1,40,10,066)	1,40,45,917
MAT Credit	3,36,01,184	43,65,955
Total	1,95,91,118	1,84,11,872

#### (Amounts in Rs.)

Particulars	As at	As at	
raiticulais	March 31, 2019	March 31, 2018	
Deferred Tax Assets components			
Provision for doubtful debts	8,93,793	5,23,894	
Carried forward unabsorbed depreciation	22,73,659	2,12,68,840	
Carried forward Losses	-	1,14,33,009	
Share Issue Expenses	-	33,063	
Provision for Leave Encashment	9,25,518	-	
Total Deferred Tax Assets components	40,92,970	3,32,58,806	
Deferred Tax Liability components			
Share Issue Expenses	33,063	-	
Discounting of Deposits (As per IND AS)	66,195		
Depreciation and amortisation	1,80,03,778	1,92,12,889	
Total Deferred Tax Liability components	1,81,03,036	1,92,12,889	
Net Deferred Tax Assets / ( Liability)	(1,40,10,066)	1,40,45,917	



As at March 31, 2018

#### NCDEX e Markets Limited Notes to Standalone Financial Statements as at March 31, 2019

Other Non-Current Assets (Amounts in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid Expenses	14,87,010	13,23,457
Total	14,87,010	13,23,457

**Trade Recievables** (Amounts in Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables	, , ,	, , , , , , , , , , , , , , , , , , ,
(a) Secured, considered good;	-	-
(b) Unsecured, considered good;	5,71,16,475	4,85,11,466
(c) Considered doubtful	30,69,344	19,01,440
Less : Provision for doubtful debts	(30,69,344)	(19,01,440)
Total	5,71,16,475	4,85,11,466

Cash & Cash Equivalents (Amounts in Rs.)

Particulars	As at	As at	
Faiticulais	March 31, 2019	March 31, 2018	
Cash & Cash Equivalents			
Balance with banks	48,41,43,064	32,49,40,642	
Cash on hands	4,426	10,879	
Fixed deposit with maturity less than 3 months	3,38,57,850	5,86,57,850	
Investments in mutual funds (Highly Liquid Funds)	11,62,83,516	=	
Total	63,42,88,856	38,36,09,371	

9.1

Particulars

	No. of Units	Amount in Rs.	No. of Units	Amount in Rs.	
Investments in Mutual Funds					
Unquoted Investments in Mutual Funds at FVPL					
HDFC Liquid Growth Option	14,616.47	5,37,63,555	0.00	0.00	
SBI Liquid Fund Direct Growth	21,348.29	6,25,19,961	0.00	0.00	
Total	35,964.76	11,62,83,516	0.00	0.00	

As at March 31, 2019

(Amounts in Rs.) **Other Bank Balances** 

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Fixed deposit with maturity between 3 to 12 months		
- Held as Margin Money for Bank Gurantee	3,43,00,000	6,13,00,000
- Held as Security for Borowings	3,10,00,000	3,10,00,000
- Others	34,70,90,430	7,10,56,172
Total	41,23,90,430	16,33,56,172

Other Financial Assets (Amounts in Rs.) 11

articulars	As at	As at
a.) Security Deposits	March 31, 2019	March 31, 2018
(i) Unsecured, considered good;	87,15,211	99,31,83
b.) Other advances		20,02,00
(i) Unsecured, considered good;		
(1) Loans and Advances to Employees	-	6,77,90
(2) Earnest Money Deposit	30,50,000	40,00,00
c.) Others		
(i) Unsecured, considered good;		
(1) Trade Money recievable from members	13,31,633	41,2
(2) Accrued Interest	1,63,34,241	84,93,97
(3) Accrued Income for Provisional Billing	55,76,108	8,74,29,50
Total	3,50,07,193	11,05,74,46

(Amounts in Rs.) Other Current Assets

As at	As at	
March 31, 2019	March 31, 2018	
1,92,20,057	58,26,781	
69,227	34,27,015	
1,92,89,284	92,53,795	
	March 31, 2019 1,92,20,057 69,227	



#### 13 Share Capital

(A) Authorised Share Capital
(i) Equity Shares of Rs.10/- each

(i) Equity onaice or initial, oach		
Particulars	No of Shares	(Amounts in Rs.)
As at April 1, 2017	2,80,00,000	28,00,00,000
Increase during the year	1,00,00,000	10,00,00,000
As at March 31, 2018	3,80,00,000	38,00,00,000
Increase during the year	-	-
As at March 31, 2019	3,80,00,000	38,00,00,000

(ii) 5% Cumulative redemable Preference Shares of Rs.10/- each

(ii) 5% Cumulative redemable Preference Shares of Rs.10/- each		
Particulars	No of Shares	(Amounts in Rs.)
As at April 1, 2017	1,20,00,000	12,00,00,000
Increase during the year	-	-
As at March 31, 2018	1,20,00,000	12,00,00,000
Increase during the year	-	-
As at March 31, 2019	1,20,00,000	12,00,00,000

#### (B) Issued , subscribed and paid up share

(i) Equity Shares of Rs.10/- each Particulars (Amounts in Rs.) Equity Share Capital par No of shares value As at April 1, 2017 23,50,00,000 2,35,00,000 Add: Shares issued/Converted during the year 1,20,00,000 12,00,00,000 Less: Share bought back during the year As at March 31, 2018 3,55,00,000 35,50,00,000 Add: Shares issued during the year under ESOP 17,229 1,72,290 Less: Share bought back during the year As at March 31, 2019 3,55,17,229 35,51,72,290

(i) 5% Cumulative redemable Preference Shares of Rs.10/- each (Amounts in Rs.) No of shares par value As at April 1, 2017 12,00,00,000 Less: Shares issued/Converted during the year (12,00,00,000) (1,20,00,000 As at March 31, 2018 Add: Shares issued during the year As at March 31, 2019

#### 13.1 Terms/Rights attached to equity share

The Company has only one class of Equity Shares having Par Value of Rs 10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of Liquidation of the Company; the holders of Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by each shareholder.

#### 13.2 Out of shares issued by the company, Shares held by its Holding company are as follows:

(i) Equity Shares As at March 31st, 2019 As at March 31st, 2018 Number % of holding Number % of holding National Commodity & Derivatives Exchange Ltd (Holding Company) along with its Nominees 3,55,00,000 99.95% 3,55,00,000 100%

#### 13.3 Details of shareholders holding more than 5% share in the Company

Name of Shareholder	As at March 31st, 2019		019 As at March 31st, 2018	
	Number	% of holding	Number	% of holding
Equity Shares of Rs 10 each fully paid				
National Commodity & Derivatives Exchange Ltd	3,55,00,000	99.95%	3,55,00,000	100%

#### 13.4 The reconcilation of the number of shares outstanding as at 31st March, 2019 is set out below:

(i) Equity Shares of Ps 10/- each

Particulars	Number of Shares as at	Number of Shares as at
	31st March, 2019	31st March, 2018
Equity Shares of Rs 10 each fully paid		
Number of shares at the beginning	3,55,00,000	2,35,00,000
Add: Shares issued/Converted during the year	17,229	1,20,00,000
Number of shares at the end	3,55,17,229	3,55,00,000

Particulars	Number of Shares as at	Number of Shares as at
	31st March, 2019	31st March, 2018
5% Cumulative redemable Preference Shares of Rs.10/- each fully paid		
Number of shares at the beginning	-	1,20,00,000
Less: Shares issued/Converted during the year	-	(1,20,00,000)
Number of shares at the end	-	-

#### 13.5 Information regarding issue of shares in last five years:

(a)In Financial Year 2015-16 1,50,00,000 /- Equity shares of Rs. 10 each (face value) has been alloted as fully paid up pursuant to conversion of loan from holding Company, whiithout payment being received in cash. The above said loan amount is received by the company through Bank. During the year, Company has also converted CRP into Equity.

- (b) The Company has not issed any bonus shares.
- (c) The Company has not undertaken any buyback of shares.



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# NCDEX e Markets Limited Notes to Standalone Financial Statements as at March 31, 2019

#### 14 Other Equity

(Amounts in ks.)							
Particulars	Risk Management Fund	Retained Earnings	Share option Reserve	Share Premium	Special Guarantee Fund	Other Comprehensive Income - FVTOCI defined benefit plans	Total
Balance at the beginning of the reporting year on 31st March 2017	(4,020)	(18,94,52,689)	-	-	-	(5,91,035)	(19,00,47,744)
Total Comprehensive Income for the year	-	1,93,25,132	-	-	-	-	1,93,25,132
Addition in current year	15,00,000		1,40,34,200	-		(22,85,926)	1,32,48,274
Utilised during the year	-		-	-	-	-	-
Transfer to Risk Management Fund	-	(15,00,000)		-	-	-	(15,00,000)
Share issue expenses	-	(86,937)		-			
Balance at the end of the reporting year on 31st March 2018	14,95,980	(17,17,14,494)	1,40,34,200	-	-	(28,76,961)	(15,90,61,275)
Addition in current year	15,00,000	11,58,10,545	-	8,56,629	1,00,000	(3,49,577)	11,79,17,597
Utilised / Reversed during the year	(10,00,447)		(1,40,34,200)	-			(1,50,34,647)
Transfer to Risk Management Fund	-	(15,00,000)	-	-	-	-	(15,00,000)
Transfer to Special Guarantees Fund	-	(1,00,000)	-	-	-	-	(1,00,000)
Balance at the end of the reporting year on 31st March 2019	19,95,533	(5,75,03,949)		8,56,629	1,00,000	(32,26,538)	(5,77,78,325)

Notes: (i) Risk Management Fund (Refer Note 33)

(ii) Retained Earnings
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders

(iii) rate Option Reserve
The company has an option scheme under which option to subscribe for the Company's shares have been granted to certain executives and senior employees. The share based payment reserve is used to recognise the value of equity settled share-based payments provided to employees, including key management personnel, as part of their remuneration. The Share Option Reserve is reversed based on review of calculation.

(iv) Share Premium Reserve
Securities Premium Reserve is used to record premium on issuance of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

#### (v) Special/Settlement Guarantee Fund (Refer Note 34)

(vi) Other Comprehensive Income Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI)



15	Non-Current Deposits		
	Particulars	As at March 31, 2019	As at March 31, 2018
	Non-current Deposits Deposit from Members	20,17,244	69,76,920
	Total	20,17,244	69,76,920

16	Non-Current Provisions	(Amounts in Rs.)	
	Particulars	As at March 31, 2019	As at March 31, 2018
	Provisions for Employee Benefits	31,80,280	-
	Total	31,80,280	-

17	Deposits	(Amounts in Rs.)	
	Particulars	As at	As at
	Current Deposits;	March 31, 2019	March 31, 2018
	(i) Deposit from Members	4,86,02,062	5,18,79,730
	(ii) Deposit from clearing banks	15,00,00,000	15,00,00,000
	(iii) Deposit from warehouse service provider	15,00,000	15,00,000
	Total	20,01,02,062	20,33,79,730

3	Trade Payables	(Amounts in Rs.)	
	Particulars	As at	As at
	T at ticulars	March 31, 2019	March 31, 2018
	Trade Payables		
	- Micro, Small and Medium Enterprises (Refer Note no. 39)	54,92,576	-
	- Due to Holding Company	23,85,570	84,84,567
	Trade Payables-Others	3,79,96,222	5,80,48,100
	Total	4,58,74,368	6,65,32,667

19	Other liabilities	(Amounts in Rs.)	
	Particulars	As at	As at
		March 31, 2019	March 31, 2018
	Employee payables Creditors for capital expenditure Trade money from members	83,629 - 81,29,66,363	6,23,027 1,22,50,249 45,38,63,037
	Total	81,30,49,992	46,67,36,313

20	Other Current Liabilities			
	Particulars	As at	As at	
	Tarticulars	March 31, 2019	March 31, 2018	
	Revenue received in advance;			
	b) other advances;			
	Advances/Deposit from customers	18,90,453	36,99,616	
	Statutory Liabilities	1,27,62,269	64,54,689	
	Total	1,46,52,722	1,01,54,305	

21	Provisions		
	Particulars	As at	As at
		March 31, 2019	March 31, 2018
	Provisions for Employee Benefits		
	(i) Provision for Leave Encashment	3,85,979	79,01,798
	(ii) Provision for Bonus*	2,93,26,547	7,45,244
	(iii) Provision for Gratuity	32,48,894	19,73,848
	(iv) Provisions for Other Expenses *	1,02,96,166	86,79,202
	Total	4,32,57,586	1,93,00,092

<sup>\*</sup> Note :- Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets:

	(Amounts in Rs.)	
Nature of Provision	Provision for Expenses	Provision for Employee Benefits
Carrying Amount as at April 1 , 2017	89,43,968	12,72,209
Less : Amount used during the year	(89,43,968)	(12,72,209)
Add: Unused amount reversed during the Year	-	•
Add : Additional Provision made during the year	86,79,202	1,06,20,890
Carrying Amount as at March 31, 2018	86,79,202	1,06,20,890
Less : Amount used during the year	(86,79,202)	(1,06,20,890)
Add: Unused amount reversed during the Year	-	•
Add : Additional Provision made during the year	1,02,96,166	3,29,61,420
Carrying Amount as at March 31, 2019	1,02,96,166	3,29,61,420



# NCDEX e Markets Limited Notes to Standalone Financial Statements as at March 31, 2019

### 22 Revenue from operations

(Amounts in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of services Transaction Charges Annual Membership Fees Admission/Registration Fees Pledge Finance Charges Other Operating Income Software Services	48,66,46,320 55,15,490 1,59,53,876 64,91,046 4,54,39,372	26,00,73,455 32,89,864 91,35,063 3,83,60,649 4,82,10,142
Total	56,00,46,104	35,90,69,173

23 Other Income

(Amounts in Rs.)

Particulars	For the year ended	For the year ended
i di ticulai 3	March 31, 2019	March 31, 2018
Other non-operating income		
Interest Income		
Interest on Term Deposits with Banks	3,53,65,189	1,73,29,441
Interest on Income Tax Refund	-	14,19,607
Dividend Income	60,00,000	50,00,000
Interest Income for financial liabilities recognised at amortised cost	1,50,639	2,92,560
Interest Income for financial assets recognised at amortised cost	3,98,582	-
Other Miscellenous		
Sundry Balances Written Back (Net)	-	5,89,685
Profit on sale/Increase in Fair value of Mutual Fund Investment	2,11,89,961	2,74,26,538
Total	6,31,04,371	5,20,57,831

# 24 Employee benefits expenses

(Amounts in Rs.)

Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, bonus and allowances		16,89,82,767	14,31,96,430
Contribution to Provident and other funds		67,85,134	53,28,063
Staff welfare expenses		91,65,236	37,86,023
Gratuity Expenses		35,77,296	6,30,222
	Total	18,85,10,433	15,29,40,738

# 25 Depreciation & Amortization

(Amounts in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation Amortization	1,71,34,018 3,50,92,244	92,06,465 2,97,19,767
Total	5,22,26,262	3,89,26,232



# NCDEX e Markets Limited Notes to Standalone Financial Statements as at March 31, 2019

26 Other expenses (Amounts in Rs.)

D. 11. I	For the year ended	For the year ended
Particulars	March 31, 2019	March 31, 2018
Professional Fees	5,21,06,228	6,83,01,43
Manpower hire Charges	1,61,37,447	58,58,81
Software Maintainence Charges	7,56,68,309	4,98,47,42
Rent	2,56,98,791	2,20,89,71
Sundry balances written off (Net)	32,05,233	7,02
Auditors' Remuneration*	4,50,000	2,90,00
Communication Expenses	1,10,03,710	1,42,74,08
Travelling and Conveyance Expenses	2,03,55,589	1,60,82,86
Advertisement & business promotion expenses	21,91,699	42,94,30
Interest Expenses	5,54,354	6,33,6
Electricity Charges	37,64,235	1,16,0
Trainings & Seminars	6,91,946	18,70,9
Tender Fees	22,347	25,0
Testing Charges	3,75,714	1,1
License Fees	88,09,672	1,65,85,1
Directors Sitting Fees	12,00,000	18,80,0
Books Periodicals	30,043	32,6
Donation	1,00,000	
Security & Maintainence Charges	14,84,442	3,97,2
Provision for Doubtful Debts	30,69,344	18,87,8
Provision for Impairment on Fixed Asset (Software)	59,15,283	
GST / Service Tax Expense	23,61,344	12,60,1
Printing and stationery	9,20,193	5,82,5
Commission & Brokerage	38,000	40,0
Subscription Charges	1,75,320	99,6
Bank Charges	1,34,742	2,08,7
Office Expenses	27,16,969	8,10,2
Other Expenses	4,220	4,8
To	tal 23,91,85,174	20,74,81,36

*Auditors Remuneration comprising of:	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Statutory Audit Fees	2,95,000	2,90,000
Taxation Matter Fees	1,00,000	-
Others	55,000	-
Total	4,50,000	2,90,000

## 27 Income Tax

a. Tax expense in the statement of profit and loss comprises:

(Amounts in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax (excluding OCI) MAT Credit Entitlement Earlier Year Tax Adjustment Deferred Tax	2,84,21,113 (2,92,35,195) 1,76,160 2,80,55,983	42,43,539 (36,58,059) (3,46,154) (77,85,784)
Total	2,74,18,061	(75,46,458)



# NCDEX e Markets Limited Notes to Standalone Financial Statements as at March 31, 2019

b. 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:

(Amounts in Rs.)

		(7 timo dires in resi)
Particulars	For the year ended	For the year ended
Faiticulais	March 31, 2019	March 31, 2018
Profit before income taxes	14,32,28,606	1,17,78,675
Enacted tax rates in India (MAT)	21.549%	20.389%
Computed expected tax expense	3,08,64,460	24,01,536
Add: Tax impact due to Non-deductible expenses for tax purposes	19,70,222	28,61,412
Less: Tax effect due to non-taxable income and other adjustments	(44,13,569)	(10,19,409)
Income tax expense	2,84,21,113	42,43,539

c. The following table provides the details of income tax assets and income tax liabilities as of March 31, 2019

(Amounts in Rs.)

	As at	As at
Particulars	March 31, 2019	March 31, 2018
Income tax assets	5,29,47,999	3,12,85,785
Income tax liabilities	2,84,21,113	43,65,955
Net current income tax assets/ (liability) at the end	2,45,26,886	2,69,19,830

d. The gross movement in the current income tax asset/ (liability) for the Year ended March 31, 2019

(Amounts in Rs.)

Particulars	For the year ended	For the year ended
Particulars	March 31, 2019	March 31, 2018
Net current income tax asset/ (liability) at the beginning	2,69,19,830	3,11,00,320
Income tax paid	2,59,32,141	1,66,88,097
Additional Refund Receivable/Received	-	(1,72,10,528)
Provision for income tax (including tax on OCI)	(2,83,25,085)	(36,58,059)
Net current income tax asset/ (liability) at the end	2,45,26,886	2,69,19,830

# 28 Earnings Per Share (EPS)

(Amounts in Rs.)

Double de la constant	For the year ended	For the year ended
Particulars Particulars	March 31, 2019	March 31, 2018
Profit after Tax as per Statement of Profit and Loss	11,58,10,545	1,93,25,132
Basic Weighted average number of Equity shares outstanding	3,55,07,135	2,67,87,671
Basic Earning per share	3.26	0.72
ESOSs outstanding	-	-
Weighted average number of Equity shares adjusted for the effect of		
dilution	3,55,07,135	2,67,87,671
Diluted Earning per share	3.26	0.72



### 29. Commitments and Contingencies

(a) Contingent Liabilities: Nil

(b) Capital Commitments: Nil

### 30. Statutory Dues

## (i) Provident Fund -

"The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purpose of deduction and contribution to the Employees Provident and Pension Funds. The Company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard"

While considering a batch of Appeals, Supreme Court of India vide its order dated 28th February 2019, included the allowances which are paid universally, necessarily and ordinarily to all employees across the organization under the definition of basic wages for the purpose of calculation of Provident Fund contribution. The Company is in the process of evaluating the said order in consultation with labour law experts. As the management of the Company does not envisage any significant impact thereof in its financial statements for the year ended March 31, 2019, no provision for the same has been made in its books of account and necessary revisions will be implemented by the Company in Q1 FY 2019-20"

With regard to a recent Supreme Court (SC) judgment on PF there are various interpretative issues including applicability. The Company has based on a legal opinion taken the view that the judgment will be applicable from March, 2019.

- **31.** Members holding membership of the Exchange 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.
- **32.** (a) In the opinion of the Management, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of what is required.
- **b)** The account of Trade receivables, Trade payables, Loans and Advances are subject to confirmation/ reconciliation and adjustments, if any. The management does not expect any material differences affecting the current year financial statements.
- **33.** Risk Management Fund (RMF) as constituted by the Company is the amount earmarked for completion of the settlement, in case of a default by a member. The company is in process of formulating the policy of Risk Management Fund. Company has voluntarily contributed Rs. 15,00,000 to Risk Management Fund during the year and utilised Rs. 10,00,447/- from the fund. As considered by the Management of the Company the Contribution made is appropriate and sufficient to cover member defaults, if any.



**34.** The Company was required to maintain Settlement Guaranteed Fund (SGF) as the Company holds Spot Exchange Licenses under State Agricultural Produce Market Committee (APMC) Regulations to mitigate market risks. Under the Regulatory framework a spot exchange was required to maintain Settlement Guarantee Fund (SGF) to mitigate the risks attached with defaults in a trade. The Company had spot exchange/ Private market licenses in the states of Karnataka, Maharashtra, Gujarat, Rajasthan, Odisha, Telangana and Andhra Pradesh. The Company had started its first spot exchange in the state of Karnataka under the name "Mandiz". It was planned to execute more spot exchanges in other states in due course.

### 35. During the year:

(a) The Company has written off certain amounts towards old outstanding totalling to Rs. 41,49,173/-(Previous year Rs. 7,027/-) which were due but not received. During the year company also have created a provision of Rs. 49,56,237/- (Previous year Rs.18,87,834 /-)

The above has been done in line with policy as approved by the Board of Directors.

**(b)** The Company has also written back certain payables, which is outstanding for more than 2 years, for which no claim was received amounting to Rs. 9,43,939/- (Previous year - Rs. 5,89,685).

#### **36. Segment Reporting**

The Company operates only in one Business Segment i.e. facilitating trading in commodities and the activities incidental thereto within India, hence company is not require to report Segments separately i.e full financial statement considered as single segment as per Indian Accounting Standard 108 "Operating Segments".

## 37. Corporate social responsibility expenses:

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

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

Office premises are taken on operating lease. There are no restrictions imposed by lease agreements and all lease agreements are cancellable in nature on short term notice.

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Lease Payments for the year		
Rent recognised in statement of Profit and loss	2,56,98,791	2,20,89,718



# 39. As required by Ind AS - 24 "Related Party Disclosures"

# (i) Name and description of related parties

Relationship	Name of related party
(a) Holding Company	National Commodity & Derivatives Exchange Ltd ('NCDEX ')
(b) Fellow subsidiaries	NCDEX Institute of Commodity Markets and Research (NICR)
	National E-Repository Limited (NERL)
	National Commodity Clearing Limited (NCCL)
(c) Associate of Holding company	Power Exchange India Limited (PXIL)
(d) Key management personnel	Mr. Rajesh Sinha - Chief Executive officer and Managing Director
	Mr. Kartik Thakkar - Chief Financial officer (upto 03/09/2018)
	Mr. Nimesh Dedhia - Chief Financial officer (w.e.f 12/02/2019)
	Ms. Archana Tripathi - Company Secretary
	Mr. Arun Balakrishnan - Independent Director
	Mr. Sanjeev Asthana - Independent Director
(e) Joint Venture	Rashtriya e Market Services Private Limited
(f) Director	Mr. Srinath Srinavasan
	Mr. Samir Kumar Mitter (upto 12/03/2018)
	Mr. Ashok Gulati (upto 19/02/2018)
	Mr. Vijaykumar Venkataraman
	Mr. Atul Roongta - Additional Director (w.e.f 13/04/2019)

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



(ii) Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at the yearend are as under:

# (A) With National Commodity & Derivatives Exchange Ltd (NCDEX)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	(Amour	nt in Rs.)
_		
(a) Services received / rendered		
Services received	1,22,64,620	2,97,03,111
Services rendered	-	-
Receivables/(Payable) as at end of the year	23,85,570	(84,84,567)
(b) Reimbursement of expenses		
Reimbursement of expenses incurred on		
behalf of the company.	8,71,203	1,42,297
(c) Investments		
Investment at the beginning of the year		
Equity Share Capital	35,50,00,000	23,50,00,000
Preference Share Capital	-	12,00,00,000
Additions		
Equity Share Capital	-	12,00,00,000
Preference Share Capital	-	-
Deletions / Conversion / Redemption		
Equity Share Capital	-	-
Preference Share Capital	-	(12,00,00,000)
Investment at the end of the year		
Equity Share Capital	35,50,00,000	35,50,00,000
Preference Share Capital	-	-



# (B) With Other Related parties

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	(Amount in Rs.)	(Amount in Rs.)
(a) Services Rendered		
Rashtriya e Market Services Private Limited	3,41,99,996	3,20,00,002
(b) Services Rendered		
Power Exchange India Ltd	40,00,000	
(c) Services Rendered		
National E-Repository Limited (NERL)	-	1,12,53,334
(d) Dividend Received		
Rashtriya e Market Services Private Limited	60,00,000	50,00,000
(e) Remuneration paid to KMP		
Mr. Rajesh Sinha (Chief Executive Officer and Managing Director)	97,39,917	90,00,000
Mr. Kartik Thakkar (Chief Financial Officer)	13,47,486	26,70,812
Mr. Nimesh Dedhia (Chief Financial Officer)	3,07,125	-
Ms. Archana Tripathi (Company Secretary)	10,76,879	9,18,400
(f) Reimbursement of expenses incurred on behalf of the Company by KMP		
Mr. Rajesh Sinha (Chief Executive Officer and		
Managing Director)	19,98,734	15,40,335
Mr. Kartik Thakkar (Chief Financial Officer)	9,72,185	2,69,634
Mr. Nimesh Dedhia (Chief Financial Officer)	1,42,022	-
Ms. Archana Tripathi (Company Secretary)	89,466	26,029
Mr. Arun Balakrishnan (Independent Director)	1,15,736	1,50,074
Mr. Sanjeev Asthana (Independent Director)	1,38,417	2,07,360
(g) Sitting Fees paid to independent directors		
Mr. Arun Balakrishnan (Independent Director)	5,00,000	5,80,000
Mr. Sanjeev Asthana (Independent Director)	5,00,000	3,40,000
Mr. Srinath Srinavasan	2,00,000	2,40,000
Mr. Samir Kumar Mitter	-	5,20,000
Mr. Ashok Gulati	-	2,00,000
(h) Investments		
Investment at the beginning of the year		
Equity Share Capital	-	-
Additions		
Equity Share Capital	1,19,440	-
Deletions / Conversion / Redemption		
Equity Share Capital	-	-
Investment at the end of the year		
Equity Share Capital	1,19,440	-



# (c) Closing balance of other Related parties:

Particulars	Year Ended March	Year Ended March
	31, 2019	31, 2018
	(Amount in Rs.)	(Amount in Rs.)
(a) Services Rendered		
Power Exchange India Ltd*	-	22,23,334
Rashtriya e Market Services Private Limited	-	9,41,654
National E-Repository Limited (NERL)	-	3,52,50,000
(b) Investment in Joint Venture		
Rashtriya e Market Services Private Limited	5,00,00,000	5,00,00,000
(c) Reimbursement of expenses incurred on behalf of		
the Company by KMP		
Mr. Rajesh Sinha (Chief Executive Officer and	98,054	(1,88,781)
Managing Director)		
Mr. Kartik Thakkar (Chief Financial Officer)	-	-
Mr. Nimesh Dedhia (Chief Financial Officer)	7,938	- 1
Ms. Archana Tripathi (Company Secretary)	-	-
Mr. Arun Balakrishnan (Independent Director)	_	(30,145)
Mr. Sanjeev Asthana (Independent Director)	-	(89,868)

<sup>\*</sup> Outstanding balances of Rs. 22 Lakhs have been written off in the current year.

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

Sr. No.	Particulars	As at March 31, 2019 (Amount in.Rs)	As at March 31, 2018 (Amount in.Rs)
a.	Principal amount overdue and remaining unpaid to any supplier as at the year end*	-	-
b.	Interest due thereon : Amount of interest paid during the year	-	-
c.	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.  Amount of interest accrued and remaining unpaid	1,258	-
e.	at the end of the accounting year.  The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006.	-	-



**Note:** The above information and that given in Note No. 18 ' Trade Payables' regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors.

\*Note: There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

**41.** During the year, Company has recognized the following amounts in the financial statements as per Indian Accounting Standard 19 (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 year as under:

The Company makes contribution, determined as a percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund	67,82,506	53,28,063

## (b) Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs.20,00,000.

	(Amount in Rs.) Gratuity (Unfunded)	
Actuarial assumptions		
	As at March 31, 2019	As at March 31, 2018
Expected Rate of Return on plan assets	7.76%	7.78%
Discount rate (per annum)	7.76%	7.78%
Rate of increase in Compensation levels	7.50%	7.50%
Rate of Employee turnover	5.00%	5.00%
	Indian Assured lives	Indian Assured lives
Mortality Rate during Employment	mortatlity (2006-08)	mortatlity (2006-08)
Mortality Rate after Employment	N.A.	N.A.



# Table showing changes in present value of obligations:

	(Amount in Rs.)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Present value of obligation as at the beginning of the year	1,07,04,267	60,34,413
Interest Cost	8,32,792	4,45,943
Current Service Cost	28,49,327	16,91,388
Liability transferred in / acquisitions	-	1,61,858
Curtailment cost / (Credit)	-	-
Settlement cost /(Credit)	-	-
Benefits paid	(10,31,502)	(4,06,532)
Actuarial (gain)/ loss on obligations	6,87,434	27,77,197
Present value of obligation as at the end of the period	1,40,42,318	1,07,04,267

# Table showing changes in the fair value of plan assets:

	(Amount in Rs.)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair value of plan assets at beginning of the year	87,30,419	84,45,202
Expected return of plan assets	6,79,227	6,24,100
Assets transferred in / Acquisitions	-	1,61,858
Employer contribution	21,73,451	-
Benefits paid	(10,31,502)	(4,06,532)
Actuarial gain/ (loss) on obligations	2,41,829	(94,209)
Fair value of plan assets at year end	1,07,93,424	87,30,419

# Table showing actuarial gain /loss - plan assets:

Particulars	(Amoun	(Amount in Rs.)	
raiticulais	As at March 31, 2019	As at March 31, 2018	
Actual return of plan assets	9,21,056	5,29,891	
Expected return on plan assets	6,79,227	6,24,100	
Actuarial gain/ (loss) on obligations	2,41,829	(94,209)	



# Actuarial Gain / loss recognized

	(Amount in Rs.)	
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial gain / (loss) for the period -		
Obligation	6,87,434	27,77,197
Actuarial gain / (loss) for the period - Plan		
assets	2,41,829	94,209
Total gain / (loss) for the period	9,29,263	28,71,406
Actuarial gain / (loss) recognized in the		
period	9,29,263	28,71,406
Unrecognised actuarial gains / (losses) at		
the end of the period	-	-

# The amounts to be recognized in Balance Sheet

Particulars	(Amount in Rs.)	
	As at March 31, 2019	As at March 31, 2018
Present value of obligation as at the end		
of the period	1,40,42,318	1,07,04,267
Fair value of plan assets as at the end of		
the period	1,07,93,424	87,30,419
Funded Status	(32,48,894)	(19,73,848)
Unrecognised actuarial (gains) / losses	-	-
Net asset / (liability) recognised in		
Balance Sheet	(32,48,894)	(19,73,848)

# **Expenses recognized in Statement of Profit and Loss:**

	(Amount	in Rs.)
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	28,49,327	16,91,388
Past service cost (Vested Benefit)	-	-
Interest Cost	8,32,792	4,45,943
Expected return on plan assets	(6,79,227)	(6,24,100)
Curtailment and settlement cost /(credit)	-	-
Expenses recognised in the Statement of		
Profit and Loss	30,02,892	15,13,231



## **Expenses recognized in Other Comprehensive Income:**

	(Amount	in Rs.)
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (Gains)/Losses on Obligation For		
the Period	6,87,434	27,77,197
Return on Plan Assets, Excluding Interest		
Income	(2,41,829)	94,209
Net (Income)/Expense For the Period		
Recognized in OCI	4,45,605	28,71,406

## Maturity profile of defined benefit obligation:

	(Amour	nt in Rs.)
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1st Following year	9,68,694	3,95,533
2nd Following year	6,36,124	7,33,030
3rd Following year	7,89,592	5,48,898
4th Following year	7,90,487	6,23,193
5th Following year	8,58,086	6,53,383
Sum of Years 6 to 10	50,10,227	35,61,216
Sum of Years 11 and above	2,93,89,914	2,32,78,143

## **Investment Details: -**

#### The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gra	tuity
	March 31,2019	March 31,2018
Investments with insurer	100%	100%

Note 1: Gratuity is payable as per company's scheme as detailed in the reports.

Note 2: Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Note 3: Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Note 4: Maturity Analysis of Benefit Payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above.

Note 5: Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Note 6: Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is not evaluated by us.



### 42. Financial Instrument and Risk management

### 1) Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings in the form of deposits, trade and other payables, and other liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, security deposits paid, loans and advances to related and other parties, trade and other receivables and cash and cash equivalents that derive directly from its operations and other bank balances including deposits with banks.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework.

## A) Liquidity Risk

#### **Risk Assessment**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company's finance department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any surplus cash available, over and above the amount required for management and other operational requirements, is retained as cash and cash equivalents (to the extent required), highly marketable debt investments, and interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

### **Risk Management**

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.



The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Note No	Carrying Amount	Less than 12 months	Payable on demand
As at March 31, 2019				
Deposits	15, 17	-	15,00,000	19,86,02,062
Trade payables	18	-	4,58,74,368	-
Other financial liabilities	19	-	81,30,49,992	-
As at March 31, 2018				
Deposits	15, 17	-	15,00,000	20,18,79,730
Trade payables	18	-	6,65,32,667	-
Other financial liabilities	19	-	46,67,36,313	-

# B) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Interest rate risk and Financial instrument price risk (Mutual funds) affects company's financial assets, liabilities or expected future cash flows.

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018.



# POTENTIAL IMPACT OF RISK

POTENTIAL IMPACT OF RISK		
Risk Assessment :- Interest Rate Risk / Price		
Risk	Risk Management	SENSITIVITY TO 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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in Interest earning fixed deposits.	In order to manage its interest rate and price risk the Company diversifies its portfolio in accordance with the risk management policies within the limits set by management.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 100 bps change in interest rates.
The Company is also exposed to the price risk due to its investment in mutual fund - debt instruments. The price risk arises due to uncertainties about the future market values of these investments.	In order to manage the risk arising from investment in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.  The Company maintains a list of approved Financial Instruments. The use of any new investment must be approve by the Management.	As an estimation of the approximate effect of price risk, with respect to mutual funds, the Company has calculated the impact as follows:  For mutual funds, a 0.25% increase in closing prices would have led to approximately an additional Rs. 2,90,710/- gain in the Statement of Profit and Loss. A 0.25% decrease in the prices would have led to an equal but opposite effect.



### C) Credit Risk

#### **Risk Assessment**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The company is exposed to credit risk arising from cash and cash equivalents, deposit with banks and trade receivables from members.

#### -Trade Receivables:

Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse and also on account of member's deposits kept by the Company as collateral which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on yearly basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

#### -Other financial assets

The company maintains exposure in cash and cash equivalents, term deposit with banks, earnest money deposits with vendors. Company holds term deposits with the banks having high ratings and most of the earnest money deposits are held with the government entities and hence the risk associated is reduced.

### 2) Fair Value Measurement

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values: Fair value of cash and current deposits, trade and other current receivables, trade payables, other current liabilities, current loans from banks and other financial institutions approximate their carrying amounts largely due to the current maturities of these instruments. Financial Instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate.

## Fair Value measurement

Fair Value Hierarchy and valuation technique used to determine fair value.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and are categorized into Level 1, Level 2 and Level 3 inputs.



The carrying value and Fair value of Financial Instruments by Categories were as follows:

			(Amount in Rs.)
		As on March 31,	As on March 31,
Particulars	Levels	2019	2018
Financial Assets			
Financial assets at fair value through Amortized Cost	Level 3		
I) Trade receivables	_	5,71,16,475	4,85,11,466
II) Cash and Cash equivalents	-	86,50,95,772	45,46,65,543
III) Other Bank balances	-	7,28,66,697	9,81,19,925
IV) Other receivables	_	3,50,07,192	11,05,74,468
V) Investments - Non Current		5,00,00,001	5,00,00,001
TOTAL		1,08,00,86,137	76,18,71,403
Financial assets at fair value through Profit & Loss  1) Cash and cash equivalents (Liquid			
Investments)	Level 1	11,62,83,514	-
		11,62,83,514	-
Financial Liabilities			
Financial liabilities at Amortized Cost			
I) Deposits	Level 3		
- From members	-	5,06,19,306	5,88,56,650
- From Clearing banks	-	15,00,00,000	15,00,00,000
- From Warehouse Service providers	-	15,00,000	15,00,000
II) Trade payables	_	4,58,74,368	6,65,32,667
III) Other liabilities	-	81,30,49,992	46,67,36,313
TOTAL		1,06,10,43,665	74,36,25,630



#### **Valuation Process: -**

The finance department of the company includes a team that performs the valuation of financial assets and liabilities required for financial reporting purposes including level 3 fair values. This team reports directly to CFO (Chief financial officer).

# 43. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. The company manages its capital structure and makes adjustment in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company is not subject to any externally imposed capital requirements.

### 44. Employee Stock Option Plan / Employee Stock Option Scheme

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

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

Part A

Vest	ing	Exercise	
Option	Period	Period	Price (INR)*
3,00,000	27-03-2018	Not more than 3 years from vesting	59.72
2,25,000	27-03-2019	Not more than 3 years from vesting	59.72
2,25,000	27-03-2020	Not more than 3 years from vesting	59.72

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

Part B

Ve	sting	Exercise	
Option	Period	Period	Price (INR)*
3,00,000	within 3 years from 27-3-18	3 years from vesting ,subject to liquidity event as per Board Discretion	59.72
2,25,000	within 3 years from 27-3-18	3 years from vesting ,subject to liquidity event as per Board Discretion	59.72
2,25,000	within 3 years from 27-3-18	3 years from vesting ,subject to liquidity event as per Board Discretion	59.72



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

If the prescribed EBIDTA is not achieved the options stands lapsed

\* Fair value per share is taken from indepndent valuer

## **Employee Stock Option Activity under Scheme 2017**

Particulars	31st March 2019	31st March 2018
Outstanding at the Beginning of the year	6,94,944	-
Granted During the year	2,37,999	-
Forfeited During the year	1,51,765	-
Exercised During the year	17,229	-
Outstanding at the end of the year	5,25,950	-
Exercisable at the end of the year	2,20,770	6,94,944

**45.** With effect from 01/04/2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers. The adoption of the standard did not have any material impact on the financial statements of the Company.

### 46. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions as described below that affect the reported amounts and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### A. Assumptions

The cost of the defined benefit plans and the present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

## **B.** Estimates

The estimates used by the company to present the amount in accordance with Ind AS reflect conditions as at the transition date and as of March 31, 2017. Refer significate accounting policies.

**47.** Previous year's figures have been regrouped and restated wherever necessary to make their classification comparable with that of the current year. Financial statements are approved by Board of Directors as on May 17, 2019.



For and on behalf of Chokshi and Chokshi LLP

Chartered Accountants FRN: 101872W/W100045

For and behalf of the Board of Directors NCDEX e Markets Limited

Nilesh Joshi

Partner

M. No. 114749

Rajesh Kumar Sinha

Managing Director

DIN: 06798679

Arun Balakrishnan

Director

DIN: 00130241

Place: Mumbai

Date: 17<sup>th</sup> May 2019

Nimesh Dedhia
Chief Financial Officer

**Archana Tripathi** Company Secretary



### INDEPENDENT AUDITORS' REPORT

To the Members,

#### **NCDEX** e Markets Limited

## Report on the Audit of Consolidated Financial Statements

### **Opinion**

1. We have audited the accompanying consolidated financial statements of NCDEX e Markets Limited ("the Holding Company") and its Joint Venture Company (together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2019, the Consolidated statement of Profit and Loss (including Other Comprehensive income), the Consolidated Statement of Cash flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements, 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 Standard 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 Group as at 31st March, 2019, its consolidated Profit, the total comprehensive income, consolidated change in equity and its consolidated cash flows for the year ended on that date.

## **Basis for Opinion**

2. We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## **Other Matters**

- 3. i. As per the management of the Joint Venture Company, GST is not applicable on the transaction charges billed by the subsidiary company and hence, no provision has been made in the books of accounts. The financial impact of the same on the Financial Statements of 2018-19 is Rs 5.36 crores exclusive of interest and other impositions, if any.
  - ii. Certain line items of the financial statements of F.Y. 2017-18, as referred in note No 44. has been re casted on account of the change in estimate in the form of reversal of excess income and expenses and consequential tax impact in the accounts of the Joint Venture Company. The report of Joint Venture Company auditor has been relied upon in line with Ind AS 8 and then re-casted.



iii. The consolidated financial statements also include the Group's share of net profit (including OCI) of Rs.3,21,69,829/- for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of Joint Venture Company, whose financial statement/financial information have not been audited by us. These financial statement/ financial information have been audited by the other auditor whose report have been furnished to us by the management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amount and disclosure included in respect of Joint Venture Company, and our report in term of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid Joint Venture Company, is based solely on the reports of the other.

Our opinion on the Consolidated Financial Statements, and our report on the other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Our Opinion on the Consolidated Financial Statements is not modified in respect of these matters.

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

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Consolidated Financial Statements

5. The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the Holding Company included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the Holding Company included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors of the Holding Company included in the Group are also responsible for overseeing the financial reporting process of the Group.

## Auditors' Responsibilities for the Audit of the Financial Statements

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

## Report on Other Legal and Regulatory Requirements

- 7. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of Joint Venture Company as noted in sub-paragraph (iii) of 'Other Matters' paragraph, 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 auditor;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019, taken on record by the Board of Directors of the Holding Company and the report of the other statutory auditor of its Joint Venture company, none of the directors of any such company is disqualified as on March 31, 2019, from being appointed as a Director of that Company in terms of Section 164 (2) of the Act.
  - f. With respect to the existence of the internal financial controls with reference to financial statements of the Holding Company and Joint Venture Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' report on the Holding Company and its Joint Venture Company. Based on these reports, Our report expresses unmodified opinion on the existence of the Company's internal financial controls with reference to financial statements and its operating effectiveness of the Group'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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of Joint Venture as noted in sub-paragraph (iii) of "Other Matters" paragraph:



- i. The Group does not have any pending litigations which would impacts its financial position in its consolidated financial statements.
- ii. The Holding Company and its Joint Venture Company did not have any long term contracts including derivative contracts for which there were any materials foreseeable losses.
- iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Joint Venture Company.

## For CHOKSHI & CHOKSHI LLP

Chartered Accountants FRN: 101872W/W100045

Nilesh Joshi Partner

M. No. 114749

Place: Mumbai Date: 17.05.2019



# APPENDIX – I: THE FURTHER DESCRIPTION OF THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has an existence of internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

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

1. In conjunction with our audit of the consolidated financial statements of NCDEx e Markets Limited ("the Holding Company") as of and for the year ended March 31, 2019 we have audited the internal financial controls over financial reporting of the Holding Company, and it's Joint Venture Company, as of that date.

## Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its Joint Venture Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 existence of internal financial controls system with reference to financial statements 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 existence of internal financial controls system with reference to financial statements 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 consolidated 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 Ind AS 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

# Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### **Opinion**

8. In our opinion to the best of our information and according to the explanation given to us, the Holding Company, and it's Joint Venture Company have maintained in all material respects, an existence of internal financial controls system with reference to financial statements and its operating effectiveness as at March 31, 2019, 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 ICAI..

## **Other Matters**

9. Our aforesaid report under Section 143(3)(i) of the Act on the existence of internal financial controls system with reference to financial statements and its operating effectiveness of the internal financial controls over financial reporting of the Holding Company, in so far as it relates to the Joint Venture Company, is based on the corresponding report of the auditor of such company.

## For CHOKSHI & CHOKSHI LLP

Chartered Accountants FRN: 101872W/W100045

Nilesh Joshi Partner M. No. 114749

Place: Mumbai Date: 17.05.2019



Particulars		arch 31, 2019		
Note   March 31,		,		(Amounts in Rs.
New Control Mode			As at	As at
Asset	Particulars	Note		
Non-current Assets			2019	2018
(a) Processory, Plants and Equipment (b) Other Internal Progress (c) Clascal Work in Progress (c) Clascal Work in Progress (c) Clascal Work in Progress (d) Other Class (d) Ot				
(a) Other intangible assets (c) Capital Work in Progress (d) Construence in a Joint Venture (d) Construence in a Joint Venture (d) Construence in a Joint Venture (d) Promore José Service Ser			4 42 42 25	2 0 0 0 1 2 2
Circlant Work in Progress				
(c) Investment in a scint Verture (c) Financial Asset (c) Financia			11,70,20,901	
(e) Financial Assets    (ii) Others   (iii) Others			22.76.24.016	
1) Non-current investments		7	22,70,54,010	20,14,04,10
Gil Others		5	1	
28			75,66,697	58,19,92
1	(f) Deferred tax assets (net)	7	1,95,91,118	1,84,11,87
Page				2,69,19,83
Current Assets	(h) Other non-current assets	8	14,87,010	13,23,45
Current Assets	Fotal non-current assets		43,90,69,997	40,51,77,66
1) Trade Receivables   9   5,71,16,475   4,85,11,4     (ii) Carlo & Sach equivalents   10   6,342,88,85     (iii) Bank balances other than (ii) above   11   41,23,90,430   16,33,56,     (iii) Other current assets   12   3,50,07,193     (c) Other current assets   13   1,92,80,284   92,53,7     (c) Other current assets   1,159,71,62,255   71,50,50,283   92,53,7     (rotal current assets   1,159,71,62,255   1,12,04,82,9     (a) Share capital   15   1,198,55,691   (7,59,72,04,82,9     (a) Share capital   15   1,198,55,691   (7,59,72,04,82,9     (b) Other Equity   15   1,198,55,691   (7,59,72,04,82,9     (a) Share capital   15   1,198,55,691   (7,59,72,04,82,9     (b) Other Equity   15   1,198,55,691   (7,59,72,04,82,9     (c) Other Equity   15   1,198,55,691   (7,59,72,04,82,9     (d) Other Equity   15   1,198,55,691   (7,59,72,04,82,9     (e) Other Equity   15   1,198,55,691   (7,59,72,04,82,9     (e) Other Equity   15   1,198,55,691   (7,59,72,04,82,9     (e) Other Equity   16   20,17,244   69,76,9     (e) Other Current Liabilities   16   20,17,244   69,76,9     (e) Other Current Liabilities   16   20,10,0,0,0,0,0,0,0,0,0,0,0,0,0,0,0,0,0,	Current Assets			
(ii) Cash & Cash equivelents (iii) Gash & Cash equivelents (iii) Gash & Lance or than (iii) above (iv) Others (iv) Other current assets  Total Current assets  Total Assets  Total Assets  Total Assets  Total Current Liabilities (a) Financial Liabilities (b) Provisions  Total anon-current liabilities (a) Financial Liabilities (b) Proposition (ii) Todes Payables (iii) Other current Liabilities (iii) Other current Liabilities (iii) Other current Liabilities (iii) Todes Payables (	• •			
(iii) Sank balances other than (ii) above (iii) Chors (iii) Others current assets (iii) Other current assets (iii) Chors (iii) Other current assets (iii) Chors (iii) Chors (iiii) Chors (i				4,85,11,46
(iv) Others (c) Other current assets 12 3,50,07,193 11,05,74,62 92,53,7 Total current assets 12 1,15,80,92,238 72,53,05,2 1,15,80,92,238 72,53,05,2 1,15,80,92,238 72,53,05,2 1,15,80,92,238 72,53,05,2 1,15,94,82,9 1,15,94,94,94,9 1,15,94,94,94,94,94,94,94,94,94,94,94,94,94,				
(c) Other current assets  Total current assets  Total current assets  Total Assets  1.15,807,238				
1,15,80,92,238				
	(c) Other current assets	13	1,92,89,284	92,53,79
Company   Comp	Total current assets		1,15,80,92,238	71,53,05,27
Company   Comp	Total Accets		1 50 71 62 235	1 12 04 82 93
(a) Share capital (b) Other Equity 15 15,172,290 175,970. Total Equity 15 11,985,569 177,970. Total Equity 15 12,085,690 177,970. Total Equity 16 15 11,985,569 177,970. Total Equity 16 15 11,985,569 177,970. Total Equity 17,970. Total Equity 18 15 17,97,241 34,74,02,9 18,74,	Total Assets		1,33,71,02,233	1,12,04,02,33
(b) Chef Equity  15	Equity			
				35,50,00,00
Liabilities		15		(75,97,08
Non-current Liabilities	Total Equity		47,50,27,981	34,74,02,91
(a) Financial Liabilities Deposits Depo	Liabilities			
Deposits	Non-current Liabilities			
Deposits	(a) Financial Liabilities			
Total non-current liabilities	· · · · · · · · · · · · · · · · · · ·	16	20.17.244	69.76.92
Total non-current liabilities (a) Financial Liabilities (i) Deposits (ii) Trade Payables (iii) Colta olustanding dues of micro enterprises and small enterprises; and (b) total olustanding dues of creditors other than micro enterprises and small enterorises." (iii) Other liabilities (iii) Other liabilities (iii) Other liabilities (iii) Other liabilities (iii) Other current liabilities (iii) Other current liabilities (iii) Other liabilities (iii	· ·		I .	-
Current Liabilities (a) Financial Liabilities (i) Deposits (ii) Trade Payables (iii) Trade Payables (iii) Trade Payables (iii) Trade Payables (iii) Chard loustanding dues of micro enterprises and small enterprises; and (ib) total outstanding dues of creditors other than micro enterprises and small enterprises." (iii) Other liabilities (iii) Other liabilities (iii) Other liabilities (iii) Other liabilities (iii) Other current liabilities (iii) Other c	(b) (1001310113	17	31,80,280	
(a) Financial Liabilities (i) Deposits (ii) Trade Payables (a) total outstanding dues of micro enterprises and small enterprises; and (b) total outstanding dues of creditors other than micro enterprises and small enterprises; and (b) total outstanding dues of creditors other than micro enterprises and small enterprises." (iii) Other liabilities (iii) Other liabilities (b) Other current liabilities (c) Provisions (c) Provisions (c) Provisions (d) Total current liabilities (e) Total current liabilities (f) Total equity and Consolidated Notes to Financial Statements (f) Total equity and Consolidated Notes to Financial Statements (f) Total equity and Consolidated Notes to Financial Statements (f) Total equity and Equity and Consolidated Notes to Financial Statements (f) Total equity and Equity and Consolidated Notes to Financial Statements (f) Total equity and Equity and Consolidated Notes to Financial Statements (f) Total equity and Equity and Consolidated Notes to Financial Statements (f) Total equity and Equity and Consolidated Notes to Financial Statements (f) Total equity and Equity and Consolidated Notes to Financial Statements (f) Total equity and Equity and Consolidated Notes to Financial Statements (f) Total equity and	Total non-current liabilities		51,97,524	69,76,92
(i) Deposits (ii) Trade Payables (ii) Trade Payables (ii) Trade Payables (iii) Charles Payables (iii) Charles Payables (iii) Other liabilities (iii) Other urrent liabilities (iii) Other liabilities (iiii	Current Liabilities			
(ii) Trade Payables (a) total outstanding dues of micro enterprises and small enterprises; and (b) total outstanding dues of creditors other than micro enterprises and small enterprises."  (iii) Other liabilities (iii) Other liabilities (iii) Other runrent liabilities (iii) Other runre				
(a) total outstanding dues of micro enterprises and small enterprises; and (b) total outstanding dues of creditors other than micro enterprises and small enterprises."  (iii) Other liabilities 20 81,30,49,992 46,67,36,3 (b) Other current liabilities 21 1,46,52,722 1,01,54,3 (c) Provisions 22 4,32,57,586 1,93,00,0 Total current liabilities 21 1,11,69,36,730 76,61,03,1 Total current liabilities 1,11,2,34,254 77,30,80,0 Total current liabilities 1,11,2,34,254 77,30,80,0 Total equity and liabilities 1,159,71,62,235 1,12,04,82,5 Total equity and liabilities 1,59,71,62,235 1,59,		18	20,01,02,062	20,33,79,73
and (b) total outstanding dues of creditors other than micro enterprises and small enterprises." (iii) Other liabilities 20 81,30,49,992 46,67,36,3 (b) Other current liabilities 21 1,46,52,722 1,01,54,3 (c) Provisions 22 4,32,57,586 1,93,00,0  Total current liabilities 1,11,69,36,730 76,61,03,1  Total Liabilities 1,112,21,34,254 77,30,80,0  Total equity and liabilities 1,159,71,62,235 1,12,04,82,5  The accompaying notes form an intergal part of the Financial Statements  Significant Accounting Policy and Consolidated Notes to Financial Statements.  1 to 49  As per our report of even date attached  For and on behalf of the Board of Directors NCDEX e Markets Limited  Achartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  Nimesh Dedhia Archana Tripathi				
(b) total outstanding dues of creditors other than micro enterprises and small enterprises."  (iii) Other liabilities 20 81,30,49,992 46,67,36,3 (b) Other current liabilities 21 1,46,52,722 1,01,54,3 (c) Provisions 22 4,32,57,586 1,93,00,0 (c) Pr		10	54,92,576	-
small enterprises." (iii) Other current liabilities (b) Other current liabilities 21 1,46,52,722 1,01,54,3 (c) Provisions 22 4,32,57,586 1,93,00,0  Total current liabilities 1,11,69,36,730 76,61,03,1  Total Liabilities 1,12,21,34,254 77,30,80,0  Total equity and liabilities 1,12,21,34,254 77,30,80,0  Total equity and liabilities 1,59,71,62,235 1,12,04,82,5  The accompaying notes form an intergal part of the Financial Statements  Significant Accounting Policy and Consolidated Notes to Financial Statements. 1 to 49  As per our report of even date attached  For and on behalf of Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  Nimesh Dedhia Archana Tripathi		15	4 03 81 702	6 65 32 66
(iii) Other Liabilities 20 81,30,49,992 46,67,36.3 (b) Other current liabilities 21 1,46,52,722 1,01,54,3 (c) Provisions 22 4,32,57,586 1,93,00,0 22 4,32,57,586 1,93,00,0 22 4,32,57,586 1,93,00,0 20 2 4,32,57,586 1,93,00,0 20 2 4,32,57,586 1,93,00,0 20 2 2 4,32,57,586 1,93,00,0 2 2 2 4,32,5			4,03,61,732	0,03,32,00
(b) Other current liabilities (c) Provisions 21 1,46,52,722 1,01,54,3 22 4,32,57,586 1,93,00,0		20	81.30.49.992	46,67,36,31
(c) Provisions  22 4,32,57,586 1,93,00,0  Total current liabilities  1,11,69,36,730 76,61,03,1  Total Liabilities  1,12,21,34,254 77,30,80,0  Total equity and liabilities  1,59,71,62,235 1,12,04,82,9  The accompaying notes form an intergal part of the Financial Statements  Significant Accounting Policy and Consolidated Notes to Financial Statements. 1 to 49  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  NIIesh Joshi Partner M. No. 114749  Place: Mumbai  Nimesh Dedhia Archana Tripathi	· · · · · · · · · · · · · · · · · · ·			1,01,54,30
Total Liabilities  Total equity and liabilities  Total equity and liabilities  The accompaying notes form an intergal part of the Financial Statements  Significant Accounting Policy and Consolidated Notes to Financial Statements.  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  Nimesh Dedhia Archana Tripathi				1,93,00,09
Total Liabilities  Total equity and liabilities  Total equity and liabilities  The accompaying notes form an intergal part of the Financial Statements  Significant Accounting Policy and Consolidated Notes to Financial Statements.  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  Nimesh Dedhia Archana Tripathi	Total common Palatha		1 11 50 25 720	75 61 02 10
Total equity and liabilities  1,59,71,62,235 1,12,04,82,9  The accompaying notes form an intergal part of the Financial Statements  Significant Accounting Policy and Consolidated Notes to Financial Statements.  1 to 49  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  NILESH Joshi Partner M. No. 114749  Place: Mumbai  Nimesh Dedhia Archana Tripathi	Total current liabilities		1,11,69,36,730	76,61,03,10
The accompaying notes form an intergal part of the Financial Statements  Significant Accounting Policy and Consolidated Notes to Financial Statements.  1 to 49  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  Nimesh Dedhia  Archana Tripathi	Total Liabilities		1,12,21,34,254	77,30,80,02
The accompaying notes form an intergal part of the Financial Statements  Significant Accounting Policy and Consolidated Notes to Financial Statements.  1 to 49  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  Nimesh Dedhia  Archana Tripathi	Total equity and liabilities		1,59,71,62,235	1,12,04,82,93
As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  Nimesh Dedhia Archana Tripathi				, , , ,
As per our report of even date attached  For and on behalf of Chokshi LLP Chartered Accountants FFRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  Place: Mumbai  Por and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behal	The accompaying notes form an intergal part of the Financial Statements			
As per our report of even date attached  For and on behalf of Chokshi LLP Chartered Accountants FFRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  Place: Mumbai  Por and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behalf of the Board of Directors NCDEX e Markets Limited  For and behal	Significant Accounting Policy and Consolidated Notes to Financial Statements.	L to 49		
For and behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  For and behalf of the Board of Directors NCDEX e Markets Limited  Rajesh Kumar Sinha Managing Director Director DIN:06798679  DIN:00130241  Nimesh Dedhia Archana Tripathi				
For and behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  For and behalf of the Board of Directors NCDEX e Markets Limited  Rajesh Kumar Sinha Managing Director Director DIN:06798679  DIN:00130241  Nimesh Dedhia Archana Tripathi				
Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  NCDEX e Markets Limited  Arun Balakrishnan Director DIN:06798679  Nimesh Dedhia  Archana Tripathi	As per our report of even date attached			
Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  NCDEX e Markets Limited  Arun Balakrishnan Director DIN:06798679  Nimesh Dedhia  Archana Tripathi	For and on hehalf of		For and bobalf of the Par-	rd of Directors
Chartered Accountants FRN: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  Rajesh Kumar Sinha Managing Director Director DIN:06798679  Nimesh Dedhia Archana Tripathi				
RRI: 101872W/W100045  Nilesh Joshi Partner M. No. 114749  Place: Mumbai  Rajesh Kumar Sinha Managing Director Director DIN:06798679  DIN:00130241  Archana Tripathi			HODEN E MIGIREIS LIIIIILEU	•
Partner Managing Director Director DIN:06798679 DIN:00130241  Place: Mumbai Nimesh Dedhia Archana Tripathi	FRN: 101872W/W100045			
Partner Managing Director Director DIN:06798679 DIN:00130241  Place: Mumbai Nimesh Dedhia Archana Tripathi				
Partner Managing Director Director DIN:06798679 DIN:00130241  Place: Mumbai Nimesh Dedhia Archana Tripathi	Nilesh Joshi		Raiesh Kumar Sinha	Arun Balakrishnan
M. No. 114749 DIN:06798679 DIN:00130241  Place: Mumbai Nimesh Dedhia Archana Tripathi	Partner			
Place: Mumbai <b>Nimesh Dedhia Archana Tripathi</b>	M. No. 114749			
				_
	Ness Mumba:		Nimosh D - Jl. !-	Anaham - Total - 11



56,00,46,104 5,71,04,371 61,71,50,475  18,85,10,433 5,22,26,262 23,91,85,174 47,99,21,869 13,72,28,606 3,21,52,111 - 16,93,80,717 2,84,21,113 (2,92,35,195) 1,76,160	35,90,69,17 4,70,57,83 40,61,27,00 15,29,40,73 3,89,26,23 20,74,81,36 39,93,48,33 67,78,67
56,00,46,104 5,71,04,371 61,71,50,475  18,85,10,433 5,22,26,262 23,91,85,174  47,99,21,869  13,72,28,606  3,21,52,111	35,90,69,17 4,70,57,83 <b>40,61,27,00</b> 15,29,40,73 3,89,26,23 20,74,81,36 <b>39,93,48,33</b> <b>67,78,67</b>
5,71,04,371 61,71,50,475  18,85,10,433 5,22,26,262 23,91,85,174 47,99,21,869 13,72,28,606 3,21,52,111 16,93,80,717 2,84,21,113 (2,92,35,195)	4,70,57,83 40,61,27,00 15,29,40,73 3,89,26,23 20,74,81,36 39,93,48,33 67,78,67
5,71,04,371 61,71,50,475  18,85,10,433 5,22,26,262 23,91,85,174 47,99,21,869 13,72,28,606 3,21,52,111 16,93,80,717 2,84,21,113 (2,92,35,195)	4,70,57,83 40,61,27,00 15,29,40,73 3,89,26,23 20,74,81,36 39,93,48,33 67,78,67
18,85,10,433 5,22,26,262 23,91,85,174 47,99,21,869 13,72,28,606 - 3,21,52,111 - 16,93,80,717 2,84,21,113 (2,92,35,195)	40,61,27,00 15,29,40,73 3,89,26,23 20,74,81,36 39,93,48,33 67,78,67
18,85,10,433 5,22,26,262 23,91,85,174 47,99,21,869 13,72,28,606 - 3,21,52,111 - 16,93,80,717 2,84,21,113 (2,92,35,195)	15,29,40,73 3,89,26,23 20,74,81,36 <b>39,93,48,33</b> <b>67,78,67</b>
5,22,26,262 23,91,85,174 47,99,21,869 13,72,28,606 3,21,52,111 - 16,93,80,717 2,84,21,113 (2,92,35,195)	3,89,26,23 20,74,81,36 <b>39,93,48,33</b> <b>67,78,67</b>
5,22,26,262 23,91,85,174 47,99,21,869 13,72,28,606 3,21,52,111 - 16,93,80,717 2,84,21,113 (2,92,35,195)	3,89,26,23 20,74,81,36 <b>39,93,48,33</b> <b>67,78,67</b>
23,91,85,174  47,99,21,869  13,72,28,606  -  3,21,52,111  -  16,93,80,717  2,84,21,113 (2,92,35,195)	20,74,81,36 <b>39,93,48,33</b> <b>67,78,67</b>
47,99,21,869 13,72,28,606 - 3,21,52,111 - 16,93,80,717 2,84,21,113 (2,92,35,195)	39,93,48,33 67,78,67 -
13,72,28,606 - 3,21,52,111 - 16,93,80,717 2,84,21,113 (2,92,35,195)	67,78,67 -
3,21,52,111 - 16,93,80,717 2,84,21,113 (2,92,35,195)	-
- <b>16,93,80,717</b> 2,84,21,113 (2,92,35,195)	2,90,43,61 -
- <b>16,93,80,717</b> 2,84,21,113 (2,92,35,195)	2,90,43,61 -
- <b>16,93,80,717</b> 2,84,21,113 (2,92,35,195)	2,90,43,61 -
2,84,21,113 (2,92,35,195)	
2,84,21,113 (2,92,35,195)	3,58,22,29
(2,92,35,195)	42,43,53
	(36,58,05
	(3,46,15
2,80,55,983	(77,85,78
14,19,62,656	4,33,68,74
17,718	10,13
-	
(4,45,605)	(28,71,40
96,028	5,85,48
14,16,30,797	4,10,92,96
4.00	1.6
4.00	1.6
	(4,45,605) 96,028 <b>14,16,30,797</b>

FRN: 101872W/W100045		
Partner M. No.	<b>Rajesh Kumar Sinha</b> Managing Director DIN:06798679	Arun Balakrishnan Director DIN:00130241
Place: Mumbai Date: 17.05.2019	<b>Nimesh Dedhia</b> Chief Financial Officer	Archana Tripathi Company Secretary



	March 31 2010		
Consolidated Cash Flow Statement for the year ended N	Wiarch 31, 2019		(Amount in Rs.)
Particulars		Year ended March 31 ,2019	Year ended March 31, 2018
A. Cash flow from Operating Activities			
Profit Before Tax Adjustments for:		16,89,52,830	3,29,61,022
Depreciation and Amortisation Expense		5,22,26,262	3,89,26,232
Impairment of Fixed Assets (Software)		59,15,283	(4.70.00.444)
Interest Income Dividend Income		(3,53,65,189)	(1,73,29,441)
Interest on Income Tax Refund		ē	(14,19,607)
Short term gain on mutual fund Share of Profit from Joint Venture		(2,11,89,961) (3,21,69,829)	(2,74,26,538)
Share option reserve		(1,40,34,200)	1,40,34,200
Profit on sale of Fixed Assets		-	-
Operating loss before working capital changes  Movements in working capital:		12,43,35,197	1,06,92,114
Decrease / (Increase) in Non-current Other Bank balances		(20,00,000)	3,81,64,022
Decrease / (Increase) in Prepaid expenses		(1,63,553)	(2,76,602)
Decrease / (Increase) in Trade receivables Decrease / (Increase) in Other financial assets		(86,05,008) 7,55,67,275	(85,01,398) (9,66,04,357
Decrease / (Increase) in Other current assets		(1,00,35,489)	56,20,986
Increase / (Decrease) in Long term Provisions		31,80,280	(35,36,695)
Increase / (Decrease) in Deposits Paid		(82,37,344)	(29,80,926)
Increase / (Decrease) in Trade payables Increase / (Decrease) in Other financial liabilities		(2,06,58,299) 34,63,13,676	1,17,53,137 (74,28,43,413)
Increase / (Decrease) in Other current liabilities		44,98,416	(5,30,056)
Increase / (Decrease) in Short term Provisions		2,39,57,491	90,83,914
Cash flow before taxation Direct taxes paid		<b>52,81,52,642</b> (2,61,08,301)	<b>(77,99,59,274)</b> 8,68,585
Net Cash Generated from Operating Activities	(A)	50,20,44,341	(77,90,90,689)
B.Cash Flows From Investing Activities			
Purchase of fixed assets		(6,51,67,449)	(6,08,85,246)
Interest Received		3,56,18,417	2,20,23,672
Interest on income tax refund		_	14,19,607
interest of medite tax retains		(24.00.24.250)	
Investment in fixed deposits		(24,90,34,258)	12,37,43,828
Short term gain on mutual fund		2,11,89,961	2,74,26,538
Profit on sale of Fixed Assets Dividend received		- 60,00,000	- 50,00,000
Net Cash Used in Investing Activities	(B)	(25,13,93,329)	11,87,28,399
C.Cash Flows From Financing Activities			
Issue of Equity share capital		10,28,919	(1,20,000)
RMF utilised during the year		(10,00,447)	-
Net Cash Generated from Financing Activities	(C)	28,472	(1,20,000)
Not Increase / (Decrease) in Cash and Cash Equipalents (A + B + C)		25,06,79,485	(66,04,82,289)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)  Effect of exchange differences on Cash & Cash equivalents held in foreign currency		25,06,79,485	(66,04,82,289)
Cash and Cash Equivalents at the Beginning of the year		38,36,09,371	1,04,40,91,662
Cash and Cash Equivalents at the End of the year [Refer Note 9] Notes:		63,42,88,856	38,36,09,373
1. Cash & Cash Equivalents Cash on Hand		4,426	10,879
Balances with Banks:			
		48,41,43,064 3,38,57,850	32,49,40,642 5,86,57,850
- In Current Accounts		11,62,83,516	3,60,37,630
- In Current Accounts - In Fixed Deposits			38,36,09,371
- In Current Accounts		63,42,88,856	38,30,03,371
<ul> <li>In Current Accounts</li> <li>In Fixed Deposits</li> <li>Investments in mutual funds (Highly Liquid Funds)</li> </ul>			36,30,03,371
- In Current Accounts - In Fixed Deposits - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds) Cash & Cash Equivalents considered for Cash flow			30,30,03,371
- In Current Accounts - In Fixed Deposits - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds)  Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'.  Figures in brackets indicate cash outflow.			30,30,07.1
- In Current Accounts - In Fixed Deposits - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds)  Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'.			36,30,03,371
- In Current Accounts - In Fixed Deposits - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds)  Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'.  Figures in brackets indicate cash outflow.	9		30,30,05,371
- In Current Accounts - In Fixed Deposits - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds)  Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'.  Figures in brackets indicate cash outflow.  The accompaying notes form an intergal part of the Financial Statements	9		30,30,05,371
- In Current Accounts - In Fixed Deposits - In Fixed Deposits Cash & Cash Equivalents considered for Cash flow  Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'.  Figures in brackets indicate cash outflow.  The accompaying notes form an intergal part of the Financial Statements  Significant Accounting Policy and Consolidated Notes to Financial Statements.		63,42,88,856	
- In Current Accounts - In Fixed Deposits - In Fixed Deposits Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'.  Figures in brackets indicate cash outflow.  The accompaying notes form an intergal part of the Financial Statements  Significant Accounting Policy and Consolidated Notes to Financial Statements.  1 to 45  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP		63,42,88,856	
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- In Current Accounts - In Fixed Deposits - In Fixed Deposits - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds)  Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'.  Figures in brackets indicate cash outflow.  The accompaying notes form an intergal part of the Financial Statements  Significant Accounting Policy and Consolidated Notes to Financial Statements.  1 to 49  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP Chartered Accountants		63,42,88,856	
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- In Current Accounts - In Fixed Deposits - In Fixed Deposits - In Fixed Deposits - Investments in mutual funds (Highly Liquid Funds)  Cash & Cash Equivalents considered for Cash flow  Note: The above Cash Flow Statement is prepared under indirect method as per IND AS 7-'Statement of Cash Flows'.  Figures in brackets indicate cash outflow.  The accompaying notes form an intergal part of the Financial Statements  Significant Accounting Policy and Consolidated Notes to Financial Statements.  1 to 49  As per our report of even date attached  For and on behalf of Chokshi and Chokshi LLP  Chartered Accountants FRN: 101872W/W100045		63,42,88,856  For and behalf of the Board of Dir NCDEX e Markets Limited  Rajesh Kumar Sinha Managing Director	ectors  Arun Balakrishnan Director



# NCDEX e Markets Limited STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity for the year ended 31st March, 2019

Issued , subscribed and paid up share capital

Equity Shares of Rs.10/- each

Particulars	Amount in Rs.
As at March 31, 2017	23,50,00,000
Changes in equity share capital	
Share issue Expenses	-
Shares issued/Converted during the year	12,00,00,000
As at March 31, 2018	35,50,00,000
Changes in equity share capital	-
Share issue Expenses	-
Shares issued during the year	1,72,290
As at March 31, 2019	35,51,72,290

Other equity

(Amounts in Rs.)

							(Minounts in itsi)
Particulars	Risk Management Fund	Retained Earnings*	Share option Reserve	Share Premium**	Special Guarantee Fund	Other Comprehensive Income - FVTOCI defined benefit plans	Total
Balance at the beginning of the reporting year on 31st March 2017	(4,020)	(6,20,38,413)	-	-	-	(5,94,877)	(6,26,37,310)
Total Comprehensive Income for the year	-	4,33,68,749		-	-	-	4,33,68,749
Addition in current year	15,00,000	-	1,40,34,200	-	-	(22,75,789)	1,32,58,411
Utilised during the year	-	-	-	-	-	-	-
Transfer to Risk Management Fund	-	(15,00,000)		-		-	(15,00,000)
Share issue expenses	-	(86,937)	-	-	-	-	(86,937)
Balance at the end of the reporting year on 31st March 2018	14,95,980	(2,02,56,601)	1,40,34,200	-	-	(28,70,666)	(75,97,088)
Addition in current year	15,00,000	14,19,62,656	-	8,56,629	1,00,000	(3,31,859)	14,40,87,426
Utilised / Reversed during the year	(10,00,447)	-	(1,40,34,200)	-	-	-	(1,50,34,647)
Transfer to Risk Management Fund	-	(15,00,000)		-		-	(15,00,000)
Transfer to Special Guarantees Fund	-	(1,00,000)		-		-	(1,00,000)
Share issue expenses	-	-	-	-	-	-	-
Balance at the end of the reporting year on 31st March 2019	19,95,533.00	12,01,06,054.21	-	8,56,629.00	1,00,000.00	(32,02,525)	11,98,55,691

The accompaying notes form an intergal part of the Financial Statements

Significant Accounting Policy and Consolidated Notes to Financial Statements.

1 to 49

Notes:

(i) Risk Management Fund (Refer Note 33)

(ii) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders

(iii) Share Option Reserve

The company has an option scheme under which option to subscribe for the Company's shares have been granted to certain executives and senior employees. The share based payment reserve is used to recognise the value of

(iv) Share Premium Reserve

Securities Premium Reserve is used to record premium on issuance of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

(v) Special/Settlement Guarantee Fund (Refer Note 34)

(vi) Other Comprehensive Income

Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI)

As per our report of even date attached

For and on behalf of For and behalf of the Board of Directors
Chokshi and Chokshi LLP NCDEX e Markets Limited

Chartered Accountants FRN: 101872W/W100045

Nilesh Joshi Rajesh Kumar Sinha Arun Balakrishnan
Partner Managing Director Director
M. No. 114749 DIN:06798679 DIN:00130241

Place: Mumbai Nimesh Dedhia Archana Tripathi
Date: 17th May 2019 Chief Financial Officer Company Secretary



#### **NCDEX e Markets Limited**

Notes to the Consolidated Financial Statements for the year ended March 31,2019. (All amounts are in Rupees unless otherwise stated)

#### **Corporate Information**

NCDEX e Markets Limited ('hereinafter referred to as "the Company"), and its Joint Venture (hereinafter collectively referred to as "the Group"), is a national level electronic commodity market and services company focusing on capitalizing the opportunities of the offering electronic commodity trading platform and services in the commodity markets through a robust technology platform and ecosystem partners.

### 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) Basis of preparation

These financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Companies Act, 2013 and Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015], Companies (Indian Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Companies Act 2013 (the Act).

### b) Basis of Consolidation

## **Joint Arrangements**

Under IndAS 111, joint arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than legal structure of the joint arrangement. NeML has joint venture with ReMS (Rastriya E-market services private limited). Interest in Joint venture is accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

### **Equity Method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.



#### h) Non-current assets held for sale

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

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

## i) Property plant and equipment (including Capital Work in Progress)

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, cuties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of CENVAT/ITC) 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 for qualifying assets.

Significant parts of an item of PPE having different useful lives & material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognized in the statement of profit and loss as incurred.

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

Depreciation is provided on straight line method over the useful life of the assets as prescribed in Schedule III of Companies Act, 2013. The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

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
Furniture & Fixtures	10 years
Computer hardware	
- Servers & Networking devices	6 years
- Computer Hardware	3 years
Electrical Installation	10 years
Office Equipment	5 years
Motor Car	8 years

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

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

Leasehold Improvement is amortized over the renewable period of lease.

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.



- (i) It is expected to be settled in normal operating cycle
- (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) 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

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:

- (i) quoted prices for similar assets or liabilities in active markets.
- (ii) quoted prices for identical or similar assets or liabilities in markets that are not active.
- (iii) inputs other than quoted prices that are observable for the asset or liability.
- (iv) 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.

#### g) Investments in subsidiaries, associates and joint ventures

The Group records the investments in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment losses, if any.



The carrying amount of equity accounted investments is tested for impairment in accordance with the policy described below.

The Financial Statements of joint ventures used for the purpose of consolidation are drawn up to the same reporting date as of the Group.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner, as the Company's separate Financial Statements.

## c) Historical Cost Convention

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

- (i) Certain financial assets and liabilities and contingent consideration that is measured at fair value;
- (ii) Assets held for sale measured at fair value less cost to sell;
- (iii) Defined benefit plans& plan assets measured at fair value; and

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

## d) Use of estimates and judgement

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management needs to exercise judgement 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 policies that require critical accounting estimates and assumptions having the most significant effect on the amounts recognised in the financial statements are:

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

# e) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading, or
- (iii) Expected to be realised within twelve months after the reporting period other than for (i) above, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- (v) Current assets also include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:



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.

### j) Intangible Assets

#### (i) Computer Software

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

Costs capitalised are amortized on a straight line basis over its expected useful life based on management's estimate.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the 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
   Software is available, and the expenditure attributable to the software during its development can be reliably measured.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use. The estimated useful life (5-10 years) of subsequent development of already capitalised intangible assets is evaluated independent of the estimated life of the original assets.

Intangible assets are amortized over a period of five years or remaining life of the product considered at the end of each financial year whichever is earlier. The carrying value of computer software costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

# (ii) <u>De-recognition of intangible assets</u>

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.

# (iii) 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.



### (iii) Financial instrument at FVTPL

Any financial 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 financial 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'). Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

# (iv) 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 Statment of profit and loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

#### Trade receivables

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

#### **Cash and Cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

# **De-recognition**

A financial asset is de-recognized only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



### k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial Assets:**

### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Subsequent measurement

For the Purpose of Subsequent measurement, financial assets are classified in following categories based on the company's business model:

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

#### (i) Financial instruments at amortized cost

A 'financial 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.

# (ii) Financial instrument at FVTOCI

A 'financial 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

Financial 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 financial instrument is reported as interest income using the EIR method.



### 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:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) 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
- e) Loan commitments which are not measured as at FVTPL
- f) 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; &

All lease receivables resulting from transactions within the scope of Ind AS 17

ECL impairment loss allowance (or reversal) if any, is recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L).

### **Financial liabilities**

Financial liabilities are measured at amortized cost using the effective interest method.

### Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of profit and loss.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

# De recognition

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

#### Offsetting of financial instruments

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



<u>Interest income: -</u> Interest income for fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. For Debt instruments measured at either at amortized cost or at fair value through other comprehensive income, it is recorded using effective interest rate (EIR) method.

Registration Fees: - Registration fee is recognized fully as one-time income for the financial year.

<u>Dividend: -</u> Dividend is recognized when the Group's right to receive dividend is established as at the reporting date.

### n) Leases

#### As a lessee

Leases of property, plant and equipment and land where the Group, as lessee, has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

#### As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straightline basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Statement of Assets and Liabilities based on their nature.

#### o) Foreign currency transactions

#### Functional and presentation currency:

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

### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in profit or loss.



Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the 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 rates at the date when the 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 difference on items whose fair value gain or loss is recognised in OCI or statement of profit or loss, respectively).

## p) Employee Benefits

#### Short term employee benefits: -

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 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 Consolidated Statement of Assets and Liabilities.

#### Post-employment obligations

### i. Defined contribution plans

### **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.

# ii. Defined benefit plans

# **Gratuity obligation**

The Group has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the Consolidated 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.



### I) Impairment of non-financial assets

The Group assesses, at each reporting date, 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 Companies 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, including impairment on inventories, are recognized in the statement of profit and loss.

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.

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

### m) Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured.

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

Annual Membership/Lot creation charges/Penalty/E-pledge fees/tricker board charges/other charges: - Annual subscription charges are recognized as income when there is reasonable certainty and the ultimate realization.

<u>Software service charges: -</u> 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.

<u>Transaction Charges</u> – Transaction charges are recognised as income on trade date basis.

<u>Admission fees: -</u> Admission fees are recognized as income at the time an applicant is converted as member and provisional member.



Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit and loss as past service cost.

### Compensated absences – Leave benefits

These are measured based on actuarial valuation carried out by an independent actuary at each balance sheet date unless they are insignificant.

### q) Provisions, Contingent Liabilities and Contingent Assets

- i. Provisions for legal claims and are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.
- ii. 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.
- iii. 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.
- iv. Contingent liabilities are not recognised but disclosed in the Financial Statements, unless possibility of an outflow of resources embodying economic benefit is remote.
- v. Contingent assets are not recognised but disclosed in the Financial Statements when an inflow of economic benefits is probable.

# r) Employee stock compensation cost

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised 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 recognised



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.

Dividend distribution tax paid on the dividends is recognized consistently with the presentation of the transaction that creates the income tax consequence.

#### u) Cash flow statement

Cash flows 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.

### v) 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. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.



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.

### s) 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.

#### t) Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statement. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). 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 liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

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.



# 3 Intangible Assets

(Amount in Rs.)

		(Amount in Ks.)
Gross Cost	Computer Software	Total
As at March 31, 2017	11,65,47,162	11,65,47,162
Additions	4,70,35,371	4,70,35,371
Disposals / Adjustments	-	-
As at March 31, 2018	16,35,82,533	16,35,82,533
Additions	4,53,71,858	4,53,71,858
Provision for Impairment*	59,15,283	59,15,283
Disposals / Adjustments	98,37,752	98,37,752
As at March 31, 2019	19,32,01,356	19,32,01,356
Accumulated amortisation and impairment losses	Computer Software	Total
As at March 31, 2017	2,12,06,196	2,12,06,196
Depreciation for the year	2,97,19,767	2,97,19,767
Additions	-	-
Disposals / Adjustments	-	-
As at March 31, 2018	5,09,25,963	5,09,25,963
Depreciation for the year	3,50,92,244	3,50,92,244
Additions		-
Disposals / Adjustments	98,37,752	98,37,752
As at March 31, 2019	7,61,80,455	7,61,80,455
Net Book Value	Computer Software	Total
As at March 31, 2017	9,53,40,966	9,53,40,966
As at March 31, 2018	11,26,56,570	11,26,56,570
As at March 31, 2019	11,70,20,901	11,70,20,901

# Note:

(1) The company had held a software under Intangible assets at opening gross value of Rs. 1,57,53,036/- and opening value of accumulated amortisation to the extent of Rs. 98,37,752/-. During the current financial year the platform developed for software ceased to be recognized as a cash generating unit. Therefore, the net carrying value of Rs. 59,15,283/- was fully impaired and was recognised as expense in the Statement of Profit & Loss for the year.



#### NCDEX e Markets Limited Notes to Consolidated Financial Statements as at March 31, 2019

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Assets		
(a) Rashtriya e Market Services Private Limited		
Opening Balance	20,14,64,187	17,74,10,434
Add: Groups Share of Profit	3,21,69,829	2,90,53,753
Less: Dividend Received	(60,00,000)	(50,00,000)
Total	22.76.34.016	20.14.64.187

Investments in Joint Venture

Particulars	As at Ma	As at March 31, 2019		As at March 31, 2019		As at March 31, 2018	
	% of share	Amount in Rs.	% of share	Amount in Rs.			
1) Rashtriya e Market Services Private Limited	50%	22,76,34,016	50%	20,14,64,187			
Total investments carrying value		22,76,34,016		20,14,64,187			

**Details of Joint Venture** 

Name of Joint Venture	Principal Activity	Place of incorporation and principal place of business	Proportion of owners rights held by t	
			As at March 31, 2019	As at March 31,
				2018
1) Rashtriya e Market Services Private Limited	Provide special electronic platform for auctioning of farmers produce.	Bangalore	50%	50%

Non-current Investments (Amounts in Rs.) As at As at Particulars March 31, 2019 March 31, 2018 Amount in Rs. Quantity Quantity Amount in Rs. Financial Assets Investments A.) Investments in Equity shares (Unquoted) (a) Equity share of Rs. 10/- each fully paid up in 9,89,000 9,89,000 National Warehousing Corporation Pvt. Ltd.\* \*Aggregate Provision for Dimunition in value of unquoted investment Rs. 988,999 (P.Y. Rs. 988,999) 9,89,000 9,89,000 Total

Other Non Current Financial Assets	As at	(Amounts in Rs.) As at
Particulars	March 31, 2019	March 31, 2018
Financial Assets		
(a) Bank deposits with more than 12 months maturity (Held as Margin Money for Bank Gurantee)	70,00,000	50,00,000
(b) Interest accrueed on Fixed Deposits	5,66,697	8,19,925
Total	75.66.697	58.19.925

 Deferred tax assets (net)
 (Amounts in Rs.)

 Particulars
 As at March 31, 2019
 As at March 31, 2018

 Deferred tax assets/(Liability) (Net)
 (1,40,10,066)
 1,40,45,917

 MAT Credit
 3,36,01,184
 43,65,955

 Total
 1,95,91,118
 1,84,11,872

(Amounts i	n Rs.)

Particulars	As at	As at
raiticulais	March 31, 2019	March 31, 2018
Deferred Tax Assets components		
Provision for doubtful debts	8,93,793	5,23,894
MAT Credit	-	-
Carried forward unabsorbed depreciation	22,73,659	2,12,68,840
Carried forward Losses	-	1,14,33,009
Provision for Leave Encashment	9,25,518	-
Share Issue Expenses		33,063
Total Deferred Tax Assets components	40,92,970	3,32,58,806
Deferred Tax Liability components		
Share Issue Expenses	33,063	
Discounting of Deposits (As per IND AS)	66,195	
Accelerated depreciation for tax purpose	1,80,03,778	1,92,12,889
Total Deferred Tax Liability components	1,81,03,036	1,92,12,889
Net Deferred Tax Assets / ( Liability)	(1,40,10,066)	1,40,45,917



8	Other Non-Current Assets	(Amounts in Rs.)	
	Particulars	As at March 31, 2019	As at March 31, 2018
	Prepaid Expenses	14,87,010	13,23,457
	Total	14,87,010	13,23,457

9	Trade Recievables		(Amounts in Rs.)	
	Particulars	As at	As at	
	raticulais	March 31, 2019	March 31, 2018	
	Trade Receivables			
	(a) Secured, considered good;	-	-	
	(b) Unsecured, considered good;	5,71,16,475	4,85,11,466	
	(c) Considered doubtful	30,69,344	19,01,440	
	Less : Provision for doubtful debts	(30,69,344)	(19,01,440)	
	Total	5,71,16,475	4,85,11,466	

.0	Cash & Cash Equivalents		(Amounts in Rs.)
	Particulars	As at	As at
	raiticulais	March 31, 2019	March 31, 2018
	Cash & Cash Equivalents		
	Balance with banks	48,41,43,064	32,49,40,642
	Cash on hands	4,426	10,879
	Fixed deposit with maturity less than 3 months	3,38,57,850	5,86,57,850
	Investments in mutual funds (Highly Liquid Funds)	11,62,83,516	-
	Total	63,42,88,856	38,36,09,371

10.1	Particulars	As at March 31, 2019		As at March 31, 2019		As at March 31, 2018	
		No. of Units	Amount in Rs.	No. of Units	Amount in Rs.		
	Investments in Mutual Funds						
	Unquoted Investments in Mutual Funds at FVPL						
	HDFC Liquid Growth Option	14,616.47	5,37,63,555	-	-		
	SBI Liquid Fund Direct Growth	21,348.29	6,25,19,961	-	-		
	Total	35,964.76	11,62,83,516	-	-		

1	Other Bank Balances	(Amounts in Rs.)	
	Particulars	As at	As at
	raiticulais	March 31, 2019	March 31, 2018
	Fixed deposit with maturity between 3 to 12 months		
	- Held as Margin Money for Bank Gurantee	3,43,00,000	6,13,00,000
	- Held as Security for Borowings	3,10,00,000	3,10,00,000
	- Others	34,70,90,430	7,10,56,172
	Total	41,23,90,430	16,33,56,172

2 Other Assets	Other Assets		
Particulars	As at	As at	
r ai ticulais	March 31, 2019	March 31, 2018	
a.) Security Deposits			
(i) Unsecured, considered good;	87,15,211	99,31,837	
b.) Other advances			
(i) Unsecured, considered good;			
(1) Loans and Advances to Employees	-	6,77,903	
(2) Earnest Money Deposit	30,50,000	40,00,000	
c.) Others			
(i) Unsecured, considered good;			
(1) Trade Money recievable from members	13,31,633	41,253	
(2) Accrued Interest	1,63,34,241	84,93,974	
(3) Accrued Income for Provisional Billing	55,76,108	8,74,29,501	
Total	3,50,07,193	11,05,74,468	

13	Other Current Assets		(Amounts in Rs.)
	Particulars	As at March 31, 2019	As at March 31, 2018
	Other Current Assets	171011111111111111111111111111111111111	Waren 31, 2010
	Prepaid Expenses	1,92,20,057	58,26,780
	GST / Service Tax Input	69,227	34,27,015
	Total	1,92,89,284	92,53,795



### 2 Property, Plant and equipment & Capital Work-in-Progress

(Amount in Rs.)

								(Amount in Rs.)
Doublesslove	Furniture and	Leasehold	Computer	Office	Freehold	Electrical	Total	Capital Work
Particulars	Fixtures	Improvement	Hardware	Equipments	Vehicles	Installations	Total	in Progress
GROSS BLOCK								
As at March 31, 2017	2,65,196	-	3,89,39,569	2,58,183	23,79,974		4,18,42,922	-
Additions	35,000	-	45,20,382	3,14,001	-		48,69,383	89,80,491
Disposals / Adjustments	-	-	-	-	-		-	-
As at March 31, 2018	3,00,196	-	4,34,59,951	5,72,184	23,79,974	-	4,67,12,305	89,80,491
Additions	42,97,640	1,01,08,923	59,34,068	63,27,290		21,08,132	2,87,76,054	43,36,135
Disposals / Adjustments								(1,33,16,626)
As at March 31, 2019	45,97,836	1,01,08,923	4,93,94,019	68,99,474	23,79,974	21,08,132	7,54,88,358	-
ACCUMULATED DEPRECIATION								
As at March 31, 2017	8,713	-	75,68,564	16,132	3,11,097	-	79,04,506	-
Depreciation for the year	29,626	-	87,65,657	1,00,086	3,11,097		92,06,466	-
Disposals / Adjustments	-	-	-	-	-		-	-
As at March 31, 2018	38,339	-	1,63,34,221	1,16,218	6,22,194	-	1,71,10,972	-
Depreciation for the year	3,82,846	9,07,927	1,45,21,352	10,10,796	1,84,628	1,26,469	1,71,34,018	-
Disposals / Adjustments								-
As at March 31, 2019	4,21,185	9,07,927	3,08,55,573	11,27,014	8,06,822	1,26,469	3,42,44,990	-
NET BLOCK								
As at March 31, 2017	2,56,483	-	3,13,71,005	2,42,051	20,68,877	-	3,39,38,416	-
As at March 31, 2018	2,61,857	-	2,71,25,730	4,55,966	17,57,780	-	2,96,01,334	-
As at March 31, 2019	41,76,651	92,00,996	1,85,38,445	57,72,460	15,73,152	19,81,663	4,12,43,368	-



#### NCDEX e Markets Limited Notes to Consolidated Financial Statements as at March 31, 2019

#### Share Capital

#### (A) Authorised Share Capital

(i) Equity Shares of Rs.10/- each Particulars
As at March 31, 2017 No of Shares 2,80,00,000 (Amounts in Rs.) 28,00,00,000 Increase during the year 1.00.00.000 10.00.00.000 As at March 31, 2018 Increase during the year 3,80,00,000 38,00,00,000 38,00,00,000 3,80,00,000 As at March 31, 2019

Particulars	No of Shares	(Amounts in Rs.)
As at March 31, 2017	1,20,00,000	12,00,00,000
Increase during the year	-	-
As at March 31, 2018	1,20,00,000	12,00,00,000
Increase during the year	-	-
As at March 31, 2019	1,20,00,000	12,00,00,000

#### (B) Issued , subscribed and paid up share

(i) Equity Shares of Rs.10/- each (Amount		
iculars No of shares Equity Share C		
	value	
2,35,00,000	23,50,00,000	
1,20,00,000	12,00,00,000	
-		
3,55,00,000	35,50,00,000	
17,229	1,72,290	
-	-	
3,55,17,229	35,51,72,290	
	2,35,00,000 1,20,00,000 - 3,55,00,000 17,229	

(i) 5% Cumulative redemable Preference Shares of Rs.10/- each (Amounts in Rs.) No of shares **Preference Share Capital** par value 12,00,00,000 (12,00,00,000) Less: Shares issued/Converted during the year (1,20,00,000 As at March 31, 2018
Add: Shares issued during the year
As at March 31, 2019

#### 14.1 Terms/Rights attached to equity share

The Company has only one class of Equity Shares having Par Value of Rs 10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of Liquidation of the Company; the holders of Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by each shareholder.

# 14.2 Out of shares issued by the company, Shares held by its Holding company are as follows:

(i) Equity Shares					
Particulars	As at March 31st, 2019		As at March 31st, 2019 As at March 31st, 2018		st, 2018
	Number	% of holding	Number	% of holding	
National Commodity & Derivatives Exchange Ltd (Holding Company) along with its Nominees	3,55,00,000	99.95%	3,55,00,000	100%	

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

Name of Shareholder	As at March 31st, 2019		As at March 31st, 2019 As at March 31st, 20		st, 2018
	Number % of holding		Number	% of holding	
Equity Shares of Rs 10 each fully paid					
National Commodity & Derivatives Exchange Ltd	3,55,00,000	99.95%	3,55,00,000	100%	

#### The reconcilation of the number of shares outstanding as at 31st March, 2019 is set out below:

#### (i) Equity Shares of Rs.10/- each

Particulars	Number of Shares as at	Number of Shares as at
	31st March, 2019	31st March, 2018
Equity Shares of Rs 10 each fully paid		
Number of shares at the beginning	3,55,00,000	2,35,00,000
Add: Shares issued/Converted during the year	17,229	1,20,00,000
Number of shares at the end	3,55,17,229	3,55,00,000

(II) 5% Cumulative redemable Preference Shares of RS.10/- each		
Particulars	Number of Shares as at	Number of Shares as at
	31st March, 2019	31st March, 2018
5% Cumulative redemable Preference Shares of Rs.10/- each fully paid		
Number of shares at the beginning	-	1,20,00,000
Less: Shares issued/Converted during the year	-	(1,20,00,000)
Number of shares at the end		-

# Information regarding issue of shares in last five years:

(a) In Financial Year 2015-16 1,50,00,000 /- Equity shares of Rs. 10 each (face value) has been alloted as fully paid up pursuant to conversion of loan from holding Company, without payment being received in cash. The above said loan amount is received by the company through Bank. During the year, Company has also converted CRP into Equity.

(b) The Company has not issed any bonus shares.

(c) The Company has not undertaken any buyback of shares.



16	Non-Current Deposits			
	Particulars	As at March 31, 2019	As at March 31, 2018	
	Non-current Deposits Deposit from Members	20,17,244	69,76,920	
	Total	20,17,244	69,76,920	

17	Non-Current Provisions		(Amounts in Rs.)
	Particulars	As at	As at
	T di Visului 5	March 31, 2019	March 31, 2018
	Provisions for Employee Benefits	31,80,280	-
	Total	31 80 280	

18	Deposits		(Amounts in Rs.)
	Particulars	As at	As at
		March 31, 2019	March 31, 2018
	Current Deposits;		
	(i) Deposit from Members	4,86,02,062	5,18,79,730
	(ii) Deposit from clearing banks	15,00,00,000	15,00,00,000
	(iii) Deposit from warehouse service provider	15,00,000	15,00,000
	Total	20,01,02,062	20,33,79,730

Trade Payables Particulars	As at March 31, 2019	(Amounts in R As at March 31, 2018
Trade Payables		
<ul> <li>Micro, Small and Medium Enterprises (Refer Note no. 39)</li> </ul>	54,92,576	
- Due to Holding Company	23,85,570	84,84,5
Trade Payables-Others	3,79,96,222	5,80,48,1
Total	4,58,74,368	6,65,32,6

20	Other liabilities	(Amounts in Rs.)	
	Particulars	As at	As at
		March 31, 2019	March 31, 2018
	Employee payables	83,629	6,23,027
	Creditors for capital expenditure	-	1,22,50,249
	Trade money from members	81,29,66,363	45,38,63,037
	Total	81,30,49,992	46,67,36,313

21	Other Current Liabilities		(Amounts in Rs.)
	Particulars	As at	As at
		March 31, 2019	March 31, 2018
	Revenue received in advance;	-	-
	b) other advances;	-	-
	Advances/Deposit from customers	18,90,453	36,99,616
	Statutory Liabilities	1,27,62,269	64,54,689
	Total	1,46,52,722	1,01,54,305

22	Provisions					
	Particulars	As at March 31, 2019	As at March 31, 2018			
		Wiaicii 51, 2019	IVIAICII 51, 2016			
	Provisions for Employee Benefits	-				
	(i) Provision for Leave Encashment	3,85,979	79,01,798			
	(ii) Provision for Bonus*	2,93,26,547	7,45,244			
	(iii) Provision for Gratuity	32,48,894	19,73,848			
	(iv) Provisions for Other Expenses *	1,02,96,166	86,79,202			
	Total	4,32,57,586	1,93,00,092			

<sup>\*</sup> Note :- Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent Liabilities and Contingent Assets:

		(Amounts in Rs.)
Nature of Provision	Provision for Expenses	Provision for Bonus
Carrying Amount as at March 31, 2017	89,43,968	12,72,209
Less : Amount used during the year	89,43,968	12,72,209
Add : Unused amount reversed during the Year	-	-
Add : Additional Provision made during the year	86,79,202	1,06,20,890
Carrying Amount as at March 31, 2018	86,79,202	1,06,20,890
Less : Amount used during the year	86,79,202	1,06,20,890
Add : Unused amount reversed during the Year	-	-
Add : Additional Provision made during the year	1,02,96,166	3,29,61,420
Carrying Amount as at March 31, 2019	1,02,96,166	3,29,61,420



### 23 Revenue from operations

(Amounts in Rs.)

Particulars		For the year ended	For the year ended	
		March 31, 2019	March 31, 2018	
Sale of services		10.55.15.000	2002 70 477	
Transaction Charges Annual Membership Fees		48,66,46,320 55,15,490	26,00,73,455 32,89,864	
Admission/Registration Fees Pledge Finance Charges		1,59,53,876 64,91,046	91,35,063 3,83,60,649	
Other Operating Income		04,91,040		
Software Services		4,54,39,372	4,82,10,142	
	Total	56,00,46,104	35,90,69,173	

24 Other Income

(Amounts in Rs.)

	For the year ended	For the year ended
Particulars	March 31, 2019	March 31, 2018
Other near energing income		
Other non-operating income Interest Income		
Interest on Term Deposits with Banks	3,53,65,189	1,73,29,441
Interest on Income Tax Refund	-	14,19,607
Interest Income for financial liabilities recognised at amortised cost	1,50,639	2,92,560
Interest Income for financial assets recognised at amortised cost	3,98,582	
Other Miscellenous		
Sundry Balances Written Back (Net)	- 1	5,89,685
Profit on sale/Increase in Fair value of Mutual Fund Investment	2,11,89,961	2,74,26,538
Total	5,71,04,371	4,70,57,831

# 25 Employee benefits expenses

(Amounts in Rs.)

Improved benefits expenses	(7 timounts in rest)	
	For the year ended	For the year ended
Particulars	March 31, 2019	March 31, 2018
Salaries, bonus and allowances	16,89,82,767	14,31,96,430
Contribution to Provident and other funds	67,85,134	53,28,063
Staff welfare expenses	91,65,236	37,86,023
Gratuity Expenses	35,77,296	6,30,222
Tota	18,85,10,433	15,29,40,738

# NCDEX e Markets Limited Notes to Consolidated Financial Statements as at March 31, 2019

# 26 Depreciation & Amortization

(Amounts in Rs.)

Depresiation & / into tization		(7 timounto in itoi)
Particulars	For the year ended	For the year ended
raiticulais	March 31, 2019	March 31, 2018
Depreciation	1,71,34,018	92,06,465
Amortization	3,50,92,244	2,97,19,767
Total	5,22,26,262	3,89,26,232



(Amounts in Rs.) 15 Other Equity

Particulars	Risk Management Fund	Retained Earnings	Share option Reserve	Share Premium	Special Guarantee Fund	Other Comprehensive Income - FVTOCI defined benefit plans	Total
Balance at the beginning of the reporting year on 31st March 2017	(4,020)	(6,20,38,413)	-	-	-	(5,94,877)	(6,26,37,310)
Total Comprehensive Income for the year	-	4,33,68,749		-	-	-	4,33,68,749
Addition in current year	15,00,000	-	1,40,34,200	-	-	(22,75,789)	1,32,58,411
Utilised during the year	-	-	-	-	=	-	
Transfer to Risk Management Fund	-	(15,00,000)		-	-	-	(15,00,000)
Share issue expenses	-	(86,937)		-	-	-	(86,937)
Balance at the end of the reporting year on 31st March 2018	14,95,980	(2,02,56,601)	1,40,34,200	-	-	(28,70,666)	(75,97,088)
Addition in current year	15,00,000	14,19,62,656	(1,40,34,200)	8,56,629	1,00,000	(3,31,859)	13,00,53,225
Utilised / Reversed during the year	(10,00,447)	-		-	-	-	(10,00,447)
Transfer to Risk Management Fund		(15,00,000)	-	-	-	-	(15,00,000)
Transfer to Special Guarantees Fund	-	(1,00,000)		-	-	-	(1,00,000)
Share issue expenses	-	-	1	-	-	-	-
Balance at the end of the reporting year on 31st March 2019	19,95,533	12,01,06,054	-	8,56,629	1,00,000	(32,02,525)	11,98,55,691

Notes: (i) Risk Management Fund (Refer Note 33)

(ii) Retained Earnings
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders

The company has an option scheme under which option to subscribe for the Company's shares have been granted to certain executives and senior employees. The share based payment reserve is used to recognise the value of equity settled share-based payments provided to employees, including key management personnel, as part of their remuneration. The Share Option Reserve is reversed based on review of calculation

### (iv) Share Premium Reserve

Securities Premium Reserve is used to record premium on issuance of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

(v) Special/Settlement Guarantee Fund (Refer Note 34)

(vi) Other Comprehensive Income Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI)



27 Other expenses

(Amounts in Rs.)

	For the year ended	For the year ended	
Particulars	March 31, 2019	March 31, 2018	
Drafaccional Charges	F 24 0C 220	C 02 01 421	
Professional Charges Manpower Hire Charges	5,21,06,228 1,61,37,447	6,83,01,431 58,58,814	
Software Maintainence Charges	7,56,68,309	4,98,47,421	
Rent	2,56,98,791	2,20,89,718	
Sundry balances written off	32,05,233	7,027	
Auditors' Remuneration*	4,50,000	2,90,000	
Communication Expenses	1,10,03,710	1,42,74,089	
Travelling and Conveyance Expenses	2,03,55,589	1,60,82,864	
Advertisement & business promotion expenses	21,91,699	42,94,309	
Interest Expense	5,54,354	6,33,629	
Electricity Charges	37,64,235	1,16,034	
Trainings & Seminars	6,91,946	18,70,920	
Tender Fees	22,347	25,000	
Testing Charges	3,75,714	1,173	
License Fees	88,09,672	1,65,85,124	
Directors Sitting Fees	12,00,000	18,80,000	
Books Periodicals	30,043	32,696	
Donation	1,00,000	-	
Security & Maintainence Charges	14,84,442	3,97,238	
Provision for Doubtful Debts	30,69,344	18,87,834	
Provision for Impairment on Fixed Asset (Software)	59,15,283	-	
GST / Service Tax Expense	23,61,344	12,60,107	
Printing and stationery	9,20,193	5,82,535	
Commission & Brokerage	38,000	40,000	
Subscription Charges	1,75,320	99,609	
Bank Charges	1,34,742	2,08,710	
Office Expenses	27,16,969	8,10,267	
Other Expenses	4,220	4,811	
	otal 23.91.85.174	20.74.94.200	
	otal 23,91,85,174	20,74,81,360	

*Auditors Remuneration comprising of:		For the year ended	For the year ended
		March 31, 2019	March 31, 2018
Statutory Audit Fees		2,95,000	2,90,000
Taxation Matter Fees		1,00,000	-
Others		55,000	-
	Total	4,50,000	2,90,000



# 29. Commitments and Contingencies

#### (a) Contingent Liabilities

As per March 31 2019 claims against the Jointly Controlled company not acknowledged as debts in respect of Service Tax Matters amounted to Rs. 12,30,14,213/- These matters are pending before the appellate authorities and the management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the compnay's financial position and results of operations.

Service Tax claims amounting to Rs. 12,30,14,213/- has not been considered as claims not acknowledged as debt because the company has favourable legal opinion. Therefore, based on this assessment, the Jointly Controlled company is of the view that any liability resulting from these claims is remote and will not sustain on ultimate resolution.

#### (b) Capital Commitments: Nil

### 30. Statutory Dues

### (i) Provident Fund -

"The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purpose of deduction and contribution to the Employees Provident and Pension Funds. The Company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard"

While considering a batch of Appeals, Supreme Court of India vide its order dated 28th February 2019, included the allowances which are paid universally, necessarily and ordinarily to all employees across the organization under the definition of basic wages for the purpose of calculation of Provident Fund contribution. The Company is in the process of evaluating the said order in consultation with labour law experts. As the management of the Company does not envisage any significant impact thereof in its financial statements for the year ended March 31, 2019, no provision for the same has been made in its books of account and necessary revisions will be implemented by the Company in Q1 FY 2019-20"

With regard to a recent Supreme Court (SC) judgment on PF there are various interpretative issues including applicability. The Company has based on a legal opinion taken the view that the judgment will be applicable from March, 2019.

- **31.** Members holding membership of the Exchange 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.
- **32.** (a) In the opinion of the Management, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of what is required.
- **b)** The account of Trade receivables, Trade payables, Loans and Advances are subject to confirmation/ reconciliation and adjustments, if any. The management does not expect any material differences affecting the current year financial statements.



#### 28 Income Tax

a. Tax expense in the statement of profit and loss comprises:

(Amounts in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	
Current tax (excluding OCI) MAT Credit Entitlement Earlier Year Tax Adjustment Deferred Tax	2,84,21,113 (2,92,35,195) 1,76,160 2,80,55,983	(3,46,154)	
Total	2,74,18,061	(75,46,458)	

b. 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:

(Amounts in Rs.)

Particulars	For the year ended	For the year ended
Particulars	March 31, 2019	March 31, 2018
Profit before income taxes	13,72,28,606	67,78,675
Add: Dividend Income From REMS	60,00,000	50,00,000
Profit before income taxes	14,32,28,606	1,17,78,675
Enacted tax rates in India (MAT)	21.549%	20.389%
Computed expected tax expense	3,08,64,460	24,01,536
Add : Tax impact due to Non-deductible expenses for tax purposes	19,70,222	28,61,412
Less : Tax effect due to non-taxable income and other adjustments	(44,13,569)	(10,19,409)
Income tax expense	2,84,21,113	42,43,539

c. The following table provides the details of income tax assets and income tax liabilities as of March 31, 2019

(Amounts in Rs.

	As at	As at
Particulars	March 31, 2019	March 31, 2018
Income tax assets	5,29,47,999	3,12,85,785
Income tax liabilities	2,84,21,113	43,65,955
Net current income tax assets/ (liability) at the end	2,45,26,886	2,69,19,830

d. The gross movement in the current income tax asset/ (liability) for the Year ended March 31, 2019

(Amounts in Rs.)

		(Filliounits in 1851)
Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Net current income tax asset/ (liability) at the beginning	2,69,19,830	3,11,00,320
Add:-Income tax paid	2,59,32,141	1,66,88,097
Less:-Additional Refund Receivable/Received		(1,72,10,528)
Add:-Provision for income tax (including tax on OCI)	(2,83,25,085)	(36,58,059)
Net current income tax asset/ (liability) at the end	2,45,26,886	2,69,19,830

# 29 Earnings Per Share (EPS)

(Amounts in Rs.)

		(7 11110 01110 111 1101)
Particulars	For the year ended	For the year ended
Particulars	March 31, 2019	March 31, 2018
Profit after Tax as per Statement of Profit and Loss	14,19,62,656	4,33,68,749
Basic Weighted average number of Equity shares outstanding	3,55,07,135	2,67,87,671
Basic Earning per share	4.00	1.62
ESOSs outstanding	-	-
Weighted average number of Equity shares adjusted for the effect of		
dilution	3,55,07,135	2,67,87,671
Diluted Earning per share	4.00	1.62



- (ii) Nature of transactions The transactions entered into with the related parties during the year along with related balances as at the yearend are as under:
- (A) With National Commodity & Derivatives Exchange Ltd (NCDEX)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	(Amount in Rs.)	
(a) Services received / rendered		
Services received	1,22,64,620	2,97,03,111
Services rendered	-	-
Receivables/(Payable) as at end of the year	23,85,570	(84,84,567)
(b) Reimbursement of expenses		
Reimbursement of expenses incurred on		
behalf of the company.	8,71,203	1,42,297
(c) Investments		
Investment at the beginning of the year		
Equity Share Capital	35,50,00,000	23,50,00,000
Preference Share Capital	-	12,00,00,000
Additions		
Equity Share Capital	-	12,00,00,000
Preference Share Capital	-	-
Deletions / Conversion / Redemption		
Equity Share Capital	-	-
Preference Share Capital	-	(12,00,00,000)
Investment at the end of the year		
Equity Share Capital	35,50,00,000	35,50,00,000
Preference Share Capital	-	-



- **33.** Risk Management Fund (RMF) as constituted by the Company is the amount earmarked for completion of the settlement, in case of a default by a member. The company is in process of formulating the policy of Risk Management Fund. Company has voluntarily contributed Rs. 15,00,000 to Risk Management Fund during the year and utilised Rs. 10,00,447/- from the fund. As considered by the Management of the Company the Contribution made is appropriate and sufficient to cover member defaults, if any.
- **34.** The Company was required to maintain Settlement Guaranteed Fund (SGF) as the Company holds Spot Exchange Licenses under State Agricultural Produce Market Committee (APMC) Regulations to mitigate market risks. Under the Regulatory framework a spot exchange was required to maintain Settlement Guarantee Fund (SGF) to mitigate the risks attached with defaults in a trade. The Company had spot exchange/ Private market licenses in the states of Karnataka, Maharashtra, Gujarat, Rajasthan, Odisha, Telangana and Andhra Pradesh. The Company had started its first spot exchange in the state of Karnataka under the name "Mandiz". It was planned to execute more spot exchanges in other states in due course.

# **35.** During the year:

(a) The Company has written off certain amounts towards old outstanding totalling to Rs. 41,49,173/- (Previous year Rs. 7,027/-) which were due but not received. During the year company also have created a provision of Rs. 49,56,237/- (Previous year Rs.18,87,834 /-)

The above has been done in line with policy as approved by the Board of Directors.

**(b)** The Company has also written back certain payables, which is outstanding for more than 2 years, for which no claim was received amounting to Rs. 9,43,939/- (Previous year - Rs. 5,89,685).

# 36. Segment Reporting

The Company operates only in one Business Segment i.e. facilitating trading in commodities and the activities incidental thereto within India, hence company is not require to report Segments separately i.e full financial statement considered as single segment as per Indian Accounting Standard 108 "Operating Segments".

## 37. Corporate social responsibility expenses:

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

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

Office premises are taken on operating lease. There are no restrictions imposed by lease agreements and all lease agreements are cancellable in nature on short term notice.

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Lease Payments for the year		
Rent recognised in statement of Profit and loss	2,56,98,791	2,20,89,718



# (B) With Other Related parties

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	(Amount in Rs.)	(Amount in Rs.)
(a) Services Rendered		
Rashtriya e Market Services Private Limited	3,41,99,996	3,75,12,502
(b) Services Rendered		
Power Exchange India Ltd	40,00,000	-
(c) Services Rendered		
National E-Repository Limited (NERL)	-	1,12,53,334
(d) Dividend Received		
Rashtriya e Market Services Private Limited	60,00,000	50,00,000
(e) Remuneration paid to KMP		
Mr. Rajesh Sinha (Chief Executive Officer and Managing Director)	97,39,917	90,00,000
Mr. Kartik Thakkar (Chief Financial Officer)	13,47,486	26,70,812
Mr. Nimesh Dedhia (Chief Financial Officer)	3,07,125	-
Ms. Archana Tripathi (Company Secretary)	10,76,879	9,18,400
(f) Reimbursement of expenses incurred on behalf of the Company by KMP		
Mr. Rajesh Sinha (Chief Executive Officer and Managing Director)	19,98,734	15,40,335
Mr. Kartik Thakkar (Chief Financial Officer)	9,72,185	2,69,634
Mr. Nimesh Dedhia (Chief Financial Officer)	1,42,022	-
Ms. Archana Tripathi (Company Secretary)	89,466	26,029
Mr. Arun Balakrishnan (Independent Director)	1,15,736	1,50,074
Mr. Sanjeev Asthana (Independent Director)	1,38,417	2,07,360
(g) Sitting Fees paid to independent directors		
Mr. Arun Balakrishnan (Independent Director)	5,00,000	5,80,000
Mr. Sanjeev Asthana (Independent Director)	5,00,000	3,40,000
Mr. Srinath Srinavasan	2,00,000	2,40,000
Mr. Samir Kumar Mitter	-	5,20,000
Mr. Ashok Gulati	-	2,00,000
(h) Investments		
Investment at the beginning of the year		
Equity Share Capital	-	-
Additions		
Equity Share Capital	1,19,440	-
Deletions / Conversion / Redemption		
Equity Share Capital	-	-
Investment at the end of the year		
Equity Share Capital	1,19,440	-



# 39. As required by Ind AS - 24 "Related Party Disclosures"

# (i) Name and description of related parties

Relationship	Name of related party
(a) Holding Company	National Commodity & Derivatives Exchange Ltd ('NCDEX')
(b) Fellow subsidiaries	NCDEX Institute of Commodity Markets and Research (NICR)
	National E-Repository Limited (NERL)
	National Commodity Clearing Limited (NCCL)
(c) Associate of Holding company	Power Exchange India Limited (PXIL)
(d) Key management personnel	Mr. Rajesh Sinha - Chief Executive officer and Managing Director  Mr. Kartik Thakkar - Chief Financial officer (upto 03/09/2018)  Mr. Nimesh Dedhia - Chief Financial officer (w.e.f 12/02/2019)  Ms. Archana Tripathi - Company Secretary  Mr. Arun Balakrishnan - Independent Director  Mr. Sanjeev Asthana - Independent Director
(e) Joint Venture	Rashtriya e Market Services Private Limited
(f) Director	Mr. Srinath Srinavasan
	Mr. Samir Kumar Mitter (upto 12/03/2018)
	Mr. Ashok Gulati (upto 19/02/2018)
	Mr. Vijaykumar Venkataraman
	Mr. Atul Roongta - Additional Director (w.e.f 13/04/2019)

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



# (c) Closing balance of other Related parties:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
	(Amount in Rs.)	(Amount in Rs.)
(a) Services Rendered		
Power Exchange India Ltd*	-	22,23,334
Rashtriya e Market Services Private Limited	-	9,41,654
National E-Repository Limited (NERL)	-	3,52,50,000
(b) Investment in Joint Venture		
Rashtriya e Market Services Private Limited	-	5,00,00,000
(c) Reimbursement of expenses incurred on behalf of the Company by KMP		
Mr. Rajesh Sinha (Chief Executive Officer and Managing Director)	98,054	(1,88,781)
Mr. Kartik Thakkar (Chief Financial Officer)	-	-
Mr. Nimesh Dedhia (Chief Financial Officer)	7,938	-
Ms. Archana Tripathi (Company Secretary)	-	-
Mr. Arun Balakrishnan (Independent Director)	-	(30,145)
Mr. Sanjeev Asthana (Independent Director)	-	(89,868)

<sup>\*</sup> Outstanding balances of Rs. 22 Lakhs have been written off in the current year.

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

Sr. No.	Particulars	As at March 31, 2019 (Amount in.Rs)	As at March 31, 2018 (Amount in.Rs)
a.	Principal amount overdue and remaining unpaid to any supplier as at the year end*	-	-
	Interest due thereon :	-	-
b.	Amount of interest paid during the year	-	-
c. 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.  Amount of interest accrued and remaining unpaid at the end of the accounting year.	1,258	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006.	-	-

**Note:** The above information and that given in Note No. 18 'Trade Payables' regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors.



\*Note: There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2019 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act,2006 are applicable.

**41.** During the year, Company has recognized the following amounts in the financial statements as per Indian Accounting Standard 19 (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 year as under:

The Company makes contribution, determined as a percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

### (Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's Contribution to Provident Fund	67,82,506	53,28,063

# (b) Defined Benefit Plan

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service subject to a maximum of Rs. 20,00,000.

	(Amount in Rs.)		
Actuarial assumptions	Gratuity (Unfunded) As at March 31, 2019 As at March 31, 2		
Expected Rate of Return on plan assets	7.76%	7.78%	
Discount rate (per annum)	7.76%	7.78%	
Rate of increase in Compensation levels	7.50%	7.50%	
Rate of Employee turnover	5.00%	5.00%	
	Indian Assured lives	Indian Assured lives	
Mortality Rate during Employment	mortatlity (2006-08)	mortatlity (2006-08)	
Mortality Rate after Employment	N.A.	N.A.	



# Table showing changes in present value of obligations:

Actuarial assumntions	(Amount in Rs.)			
Actuarial assumptions	As at March 31, 2019	As at March 31, 2018		
Present value of obligation as at the	1,07,04,267	60,34,413		
beginning of the year				
Interest Cost	8,32,792	4,45,943		
Current Service Cost	28,49,327	16,91,388		
Liability transferred in / acquisitions	-	1,61,858		
Curtailment cost / (Credit)	-	-		
Settlement cost /(Credit)	-	-		
Benefits paid	(10,31,502)	(4,06,532)		
Actuarial (gain)/ loss on obligations	6,87,434	27,77,197		
Present value of obligation as at the end	1,40,42,318	1,07,04,267		
of the period				

# Table showing changes in the fair value of plan assets:

	(Amount in Rs.)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	
Fair value of plan assets at beginning of the	87,30,419	84,45,202	
year			
Expected return of plan assets	6,79,227	6,24,100	
Assets transferred in / Acquisitions	-	1,61,858	
Employer contribution	21,73,451	-	
Benefits paid	(10,31,502)	(4,06,532)	
Actuarial gain/ (loss) on obligations	2,41,829	(94,209)	
Fair value of plan assets at year end	1,07,93,424	87,30,419	

# Table showing actuarial gain /loss - plan assets:

Particulars	(Amount in Rs.)		
Particulars	As at March 31, 2019	As at March 31, 2018	
Actual return of plan assets	9,21,056	5,29,891	
Expected return on plan assets	6,79,227	6,24,100	
Actuarial gain/ (loss) on obligations	2,41,829	(94,209)	



# **Expenses recognized in Other Comprehensive Income:**

	(Amount in Rs.)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	
Actuarial (Gains)/Losses on Obligation For			
the Period	6,87,434	27,77,197	
Return on Plan Assets, Excluding Interest			
Income	(2,41,829)	94,209	
Net (Income)/Expense For the Period			
Recognized in OCI	4,45,605	28,71,406	

# Maturity profile of defined benefit obligation:

	(Amoun	(Amount in Rs.)			
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018			
1st Following year	9,68,694	3,95,533			
2nd Following year	6,36,124	7,33,030			
3rd Following year	7,89,592	5,48,898			
4th Following year	7,90,487	6,23,193			
5th Following year	8,58,086	6,53,383			
Sum of Years 6 to 10	50,10,227	35,61,216			
Sum of Years 11 and above	2,93,89,914	2,32,78,143			

### **Investment Details: -**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity			
	March 31,2019 March 31,2018			
Investments with insurer	100%	100%		

Note 1: Gratuity is payable as per company's scheme as detailed in the reports.

Note 2: Actuarial gains/losses are recognized in the period of occurrence under Other Comprehensive Income (OCI). All above reported figures of OCI are gross of taxation.

Note 3: Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

Note 4: Maturity Analysis of Benefit Payments is undiscounted cash flows considering future salary, attrition & death in respective year for members as mentioned above.

Note 5: Average Expected Future Service represents Estimated Term of Post - Employment Benefit Obligation.

Note 6: Value of asset provided by the client is considered as fair value of plan asset for the period of reporting as same is not evaluated by us.



#### 42. Financial Instrument and Risk management

### 1) Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings in the form of deposits, trade and other payables, and other liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, security deposits paid, loans and advances to related and other parties, trade and other receivables and cash and cash equivalents that derive directly from its operations and other bank balances including deposits with banks.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework.

### A) Liquidity Risk

#### **Risk Assessment**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company's finance department regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any surplus cash available, over and above the amount required for management and other operational requirements, is retained as cash and cash equivalents (to the extent required), highly marketable debt investments, and interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

## **Risk Management**

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.



# Actuarial Gain / loss recognized

	(Amount in Rs.)			
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018		
Actuarial gain / (loss) for the period -				
Obligation	6,87,434	27,77,197		
Actuarial gain / (loss) for the period - Plan				
assets	2,41,829	94,209		
Total gain / (loss) for the period	9,29,263	28,71,406		
Actuarial gain / (loss) recognized in the				
period	9,29,263	28,71,406		
Unrecognised actuarial gains / (losses) at				
the end of the period	-	-		

# The amounts to be recognized in Balance Sheet

Particulars	(Amount in Rs.)		
	As at March 31, 2019	As at March 31, 2018	
Present value of obligation as at the end			
of the period	1,40,42,318	1,07,04,267	
Fair value of plan assets as at the end of			
the period	1,07,93,424	87,30,419	
Funded Status	(32,48,894)	(19,73,848)	
Unrecognised actuarial (gains) / losses	-	-	
Net asset / (liability) recognised in			
Balance Sheet	(32,48,894)	(19,73,848)	

# **Expenses recognized in Statement of Profit and Loss:**

	(Amount in Rs.)			
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018		
Current service cost	28,49,327	16,91,388		
Past service cost (Vested Benefit)	-	-		
Interest Cost	8,32,792	4,45,943		
Expected return on plan assets	(6,79,227)	(6,24,100)		
Curtailment and settlement cost /(credit)	-	-		
Expenses recognised in the Statement of				
Profit and Loss	30,02,892	15,13,231		



#### -Trade Receivables:

Concentrations of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse and also on account of member's deposits kept by the Company as collateral which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on yearly basis. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

#### -Other financial assets

The company maintains exposure in cash and cash equivalents, term deposit with banks, earnest money deposits with vendors. Company holds term deposits with the banks having high ratings and most of the earnest money deposits are held with the government entities and hence the risk associated is reduced.

## 2) Fair Value Measurement

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values: Fair value of cash and current deposits, trade and other current receivables, trade payables, other current liabilities, current loans from banks and other financial institutions approximate their carrying amounts largely due to the current maturities of these instruments. Financial Instruments with fixed and variable interest rates are evaluated by the company based on parameters such as interest rate.

#### Fair Value measurement

Fair Value Hierarchy and valuation technique used to determine fair value.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and are categorized into Level 1, Level 2 and Level 3 inputs.



Particulars	Note No	Carrying Amount	Less than 12 months	Payable on demand	More than 12 months	Total
As at March 31, 2019						
Deposits	15, 17	20,21,19,306	15,00,000	19,86,02,062	20,17,244	20,21,19,306
Trade payables Other financial	18	4,58,74,368	4,58,74,368	-	-	4,58,74,368
liabilities As at March 31, 2018	19	81,30,49,992	81,30,49,992	-	-	81,30,49,992
Deposits	15, 17	21,03,56,650	15,00,000	20,18,79,730	69,76,920	21,03,56,650
Trade payables Other financial	18	6,65,32,667	6,65,32,667	-	-	6,65,32,667
liabilities	19	46,67,36,313	46,67,36,313	-	-	46,67,36,313

### B) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market factors. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Interest rate risk and Financial instrument price risk (Mutual funds) affects company's financial assets, liabilities or expected future cash flows.

The sensitivity analyses in the following sections relate to the position as at 31 March 2019 and 31 March 2018.



# **POTENTIAL IMPACT OF RISK**

Risk Assessment :- Interest Rate Risk / Price Risk	Risk Management	SENSITIVITY TO 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.  The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investment in Interest earning fixed deposits.	In order to manage its interest rate and price risk the Company diversifies its portfolio in accordance with the risk management policies within the limits set by management.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 100 bps change in interest rates.
The Company is also exposed to the price risk due to its investment in mutual fund - debt instruments. The price risk arises due to uncertainties about the future market values of these investments.	In order to manage the risk arising from investment in mutual funds, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.  The Company maintains a list of approved Financial Instruments. The use of any new investment must be approved by the Management.	As an estimation of the approximate effect of price risk, with respect to mutual funds, the Company has calculated the impact as follows:  For mutual funds, a 0.25% increase in closing prices would have led to approximately an additional Rs. 2,90,710/- gain in the Statement of Profit and Loss. A 0.25% decrease in the prices would have led to an equal but opposite effect.

# C) Credit Risk

### **Risk Assessment**

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The company is exposed to credit risk arising from cash and cash equivalents, deposit with banks and trade receivables from members.



# The carrying value and Fair value of Financial Instruments by Categories were as follows:

		(Amount	: in Rs.)
Particulars	Levels	As on March	As on March
Particulars	Leveis	31, 2019	31, 2018
Financial Assets			
Financial assets at fair value through Amortized Cost	Level 3		
I) Trade receivables	-	5,71,16,475	4,85,11,466
II) Cash and Cash equivalents	-	86,50,95,772	45,46,65,543
III) Other Bank balances	_	7,28,66,697	9,81,19,925
IV) Other receivables	-	3,50,07,192	11,05,74,468
V) Investments - Non Current	-	1	1
TOTAL		1,03,00,86,137	71,18,71,403
Financial assets at fair value through Profit & Loss			
I) Cash and cash equivalents (Current Investments)	Level 1	11,62,83,514	-
TOTAL		11,62,83,514	-
Financial Liabilities			
Financial liabilities at Amortized Cost			
I) Deposits	Level 3		
- From members	-	5,06,19,306	5,88,56,650
- From Clearing banks	-	15,00,00,000	15,00,00,000
- From Warehouse Service providers	-	15,00,000	15,00,000
II) Trade payables	-	4,58,74,368	6,65,32,667
III) Other liabilities	-	81,30,49,992	46,67,36,313
TOTAL		1,06,10,43,665	74,36,25,630

#### Valuation Process: -

The finance department of the company includes a team that performs the valuation of financial assets and liabilities required for financial reporting purposes including level 3 fair values. This team reports directly to CFO (Chief financial officer).

# 43. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustment in light of changes in economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company is not subject to any externally imposed capital requirements.



#### 45 Investment in Joint Venture:

The Group has a 50% interest in RASHTRIYA e-MARKET SERVICES PRIVATE LIMITED (ReMS), a joint venture involved in establishing, operating, managing, specialized electronic trading platform (Unified Market Platform-UMP) for auctioning of farmer's produce to bring efficiency and transparency in the agricultural regulated markets in the state of Karnataka. The Group's interest in ReMS is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

### Summarised Balance Sheet as at March 31, 2019

Particulars	31st March 2019	31st March 2018
Current Assets	50,65,14,044	43,22,44,011
Non-current Assets	1,59,73,095	2,64,98,240
Current Liabilities	(6,51,68,940)	(5,49,61,987)
Non-current liabilities	(20,50,168)	(8,51,890)
Equity	45,52,68,031	40,29,28,374
Proportion of groups ownership	50%	50%
Carrying Amount of investment	22,76,34,016	20,14,64,187

### Summarised Statement of profit and loss for the year ended March 31, 2019

Particulars	Y.E March 31, 2019	Y.E March 31, 2018
Revenue from Operations	31,08,00,863	26,11,28,199
Other Income	2,06,26,431	1,68,93,551
Employee benefit expenses	(1,28,59,184)	(1,30,68,056)
Operating Expenses	(17,92,14,773)	(12,95,84,969)
Depreciation and amortization expenses	(1,29,07,482)	(1,27,96,276)
Other Expenses	(2,54,39,434)	(4,63,94,804)
Profit Before Tax	10,10,06,421	7,61,77,645
Tax Expense	3,42,35,565	1,60,54,649
Profit for the period	6,67,70,856	6,01,22,996
Other Comprehensive Income	35,436	20,274
Total comprehensive income for the period	6,68,06,292	6,01,43,271
Less - Dividend distribution Tax (DDT)	(24,66,635)	(20,35,765)
Total comprehensive income for the period after DDT	6,43,39,657	5,81,07,506
Groups Share of profit for the year	3,21,69,829	2,90,53,753



# 46 Employee Stock Option Plan / Employee Stock Option Scheme

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

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

### Part A

Vesting		Exercise	
Option	Period	Period	Price (INR)*
3,00,000	27-03-2018	Not more than 3 years from vesting	59.72
2,25,000	27-03-2019	Not more than 3 years from vesting	59.72
2,25,000	27-03-2020	Not more than 3 years from vesting	59.72

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

Part B

Vesting		Exercise	
Option	Period	Period	Price (INR)*
3,00,000	within 3 years from 27-3-18	3 years from vesting, subject to liquidity event as per Board Discretion	59.72
2,25,000	within 3 years from 27-3-18	3 years from vesting, subject to liquidity event as per Board Discretion	59.72
2,25,000	within 3 years from 27-3-18	3 years from vesting, subject to liquidity event as per Board Discretion	59.72

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

If the prescribed EBIDTA is not achieved the options stands lapsed

# **Employee Stock Option Activity under Scheme 2017**

Particulars	31st March 2019	31st March 2018
Outstanding at the Beginning of the year	6,94,944	-
Granted During the year	2,37,999	-
Forfeited During the year	1,51,765	-
Exercised During the year	17,229	-
Outstanding at the end of the year	5,25,950	-
Exercisable at the end of the year	2,20,770	6,94,944

<sup>\*</sup> Fair value per share is taken from independent valuer.



**44.** During the year, the Financial Statement of Joint Venture company has been restated for FY 2017-18 due to changes in accounting estimates in recognising revenue & expenses. As mentioned below line item of the Financial Statement figures have been restated for FY 2017-18 wherever required. In order to be in line with IND AS 8.

# Impact of Equity of the Joint Venture

# (Amount in Rs.)

Particulars	As at March 31, 2019
Trade Receivables	(1,30,36,869)
Total Assets	(1,30,36,869)
Other current Liabilities	(52,00,493)
Short Term Provision	(1,01,89,774)
Total Liabilities	(1,53,90,267)
Impact on Equity	23,53,398

# Impact on the Statement of Profit and Loss Account of the Joint Venture

# (Amount in Rs.)

Particulars	Y.E 31 <sup>st</sup> March 2018
Revenue from Operations	(1,30,36,869)
Operating Expenses	52,00,493
Income Tax Expenses	1,01,89,774
Net Impact on the profit for the year	23,53,398

Impact on EPS (Basic) of the Joint Venture	0.24
Impact on EPS (Diluted) of the Joint Venture	0.24

Share of Profits in the Joint venture	50%
Impact on the Consolidation Financial Statements	11,76,699





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**47.** With effect from 01/04/2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers. The adoption of the standard did not have any material impact on the financial statements of the Company.

# 48. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions as described below that affect the reported amounts and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### A. Assumptions

The cost of the defined benefit plans and the present value of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. For further details, refer note 40.

#### **B.** Estimates

The estimates used by the company to present the amount in accordance with Ind AS reflect conditions as at the transition date and as of March 31, 2017. Refer significate accounting policies.

# 49. Events after reporting period

No such major events after reporting period

**50.** Previous year's figures have been regrouped and restated wherever necessary to make their classification comparable with that of the current year. Financial statements are approved by Board of Directors as on May 17, 2019.

For and on behalf of Chokshi and Chokshi LLP

Chartered Accountants FRN: 101872W/W100045

For and behalf of the Board of Directors
NCDEX e Markets Limited

Nilesh Joshi

Partner M. No. 114749 Rajesh Kumar Sinha

Arun Balakrishnan

Managing Director DIN: 06798679

DIN: 00130241

Director

Place: Mumbai Date: 17<sup>th</sup> May 2019

Nimesh Dedhia Chief Financial Officer **Archana Tripathi**Company Secretary