

Annual Report 2015-16



NeML

NCDEX Group Company

CONTENTS

Message from CEO	01
Company Information	03
Director's Report	04
Auditor's Report	22
Balance Sheet	32
Statement of profit and loss	33
Cash flow statement	34
Notes to the Financial Statements	35
Auditor's Report on Consolidated Financials	59
Consolidated Balance Sheet	66
Consolidated Statement of Profit and Loss	67
Consolidated Cash Flow Statement	68
Notes to the Consolidated Financial Statements	69

Dear Shareholders,

NCDEX e Markets Limited (NeML) has remained committed to continued its growth story in the financial year 2015 - 2016. NeML positively impacted the lives of more than 15 million farmers leveraging its unified market platform(UMP) in three states and more than 35 million consumers in various states under food security programs. Thus, remaining committed to leveraging e-markets for farmers and below poverty line (BPL) consumers. It helped governments and government enterprises procure agri -commodities under food security schemes in a timely manner at most competitive prices.

It invested significantly in building its capacity for future growth during the year. It retained its profitability for third successive year growing its gross revenue by almost 40% compared to previous year. During the year market turnover grew more than 75% to 36,500 Crore.

The year saw partnerships blossom as various Government and Government Enterprises, Corporate including Banks and Financial Services Institutions (BFSI) and Farmer Producers Organizations (FPOs). They leveraged its unique e-market and services platform. Notable among them include agreements with the state Governments of Andhra Pradesh, Gujarat, Jharkhand, Odisha and Andaman and Nicobar Islands.

Our agreement with the government of Andhra Pradesh and Rashtriya e-Market and Services Private Limited (ReMS) is to provide Unified Market Platform (UMP) in the state of Andhra Pradesh covering all its 40 main market-yards. UMP trading platform was chosen by the state government of Gujarat, popularly known as Karnataka Model for creating a State Agricultural Market (SAM). By Mar 31 2016, our presence in UMP crossed 130 markets in Karnataka and we added 08 APMC markets in AP including Guntur, India's largest Red Chillies market. Gujarat Government has selected NeML UMP to modernize its 40 APMC markets. Our markets are inter-operable with e-National Agriculture Market (e-NAM). Thus, NeML has been ably supporting e-NAM scheme of the Central government which draws heavily from our ReMS work in Karnataka.

Under Odisha state Government Odisha Inclusive Growth Partnership (OGIP) Programme. NeML successfully linked Small Holder Farmer (SHF) growing maze in Nawarangpur district of the state. This growth initiative will be scaled up to cover more commodities in future by the state government

In secondary markets NeML continued to remain committed towards creating efficient marketplaces for helping below poverty line (BPL) families. Our e-market platform was instrumental in successful procurement of Commodities like Chana Dal, Ghee, Tur Dal, Jaggery, RBD Palmolein Oil for Chandranna Sankranti Kanuka Scheme of Government of Andhra Pradesh with participation from across the country and distributed to 13 million below poverty line (BPL) families within the stipulated time period on a short notice.

NeML signed an agreement with Government of Jharkhand during its summit - Advantage Jharkhand – Food Processing Investors Summit: 2015. The summit was aimed to encourage investment and growth in Food & Agro Processing Sector, focusing on seven core sectors - Horticulture, Dairy, Fisheries, Meat & Meat Products, Minor Forest Produce, Organic Produce and Spices.

As part of our Financial inclusion initiatives, Commodity Access Services (CAS) helped more than 2500 farmers avail a finance of more than Rs. 890 crore during the year.

In a difficult market situation and a tough external environment, NeML is likely to continue its Growth amidst multiple regulatory environments that we must adhere to owing to our unique origin and business model. This includes SEBI regulations, e-commerce regulations and APMC acts of various states amongst others.

It is expected that the company would continue to grow profitably in the coming year and impacting the life of millions of farmers and consumers by increasing its footprint across the country and deepening its impact.

The Company is aggressively expanding its footprint to include non-perishable segment like Dairy, Fresh Fruits and Vegetables. Its commitment to create efficient market places now covers non-agricultural segment.

Sd/-

Rajesh Sinha



Chief Executive Officer



NeML

NCDEX Group Company

NCDEX e Markets Limited
 (Formerly known as NCDEX Spot Exchange Limited)
 CIN: U93090MH2006PLC165172

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

Company Information

Board of Directors	Mr. Sanjeev Asthana : Independent Director Mr. Arun Balakrishnan : Independent Director Mr. Samir Shah : Shareholder Director Mr. Samir Kumar Mitter : Shareholder Director Mr. Srinath Srinivasan : Shareholder Director (w.e.f. 16/11/2015)
Registered Office	First Floor, Ackruti Corporate Park, L. B. S. Road, Kanjurmarg West, Mumbai 400 078
Statutory Auditors	M/s. Chokshi & Chokshi LLP, 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
Chief Executive Officer	Mr. Rajesh Sinha
Chief Financial Officer	Mr. Kartik Thakkar
Company Secretary	Ms. Bhanupriya Rao (upto February 23, 2016)

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Ninth Annual Report of the Company together with the audited accounts for the financial year ended March 31, 2016.

1. FINANCIAL RESULTS

The summary of financial performance of the Company for the year ended March 31, 2016 is as under:

(Amount in Rupees)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Total income	26,18,75,367	19,00,71,685
Expenditure	23,75,27,254	14,43,35,048
Profit before interest, finance charges and depreciation	2,43,48,113	4,57,36,637
Interest and finance charges	37,89,381	1,52,25,898
Depreciation	1,94,04,078	1,46,77,144
Profit before tax	11,54,654	1,58,33,595
Profit after taxation	11,54,654	1,58,33,595
Balance brought forward from previous year	(22,91,90,577)	(24,49,88,172)
Loss after taxation carried forward to Balance Sheet	(22,80,35,923)	(22,91,90,577)

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, 2016	For the year ended March 31, 2015
Total income	39,43,10,382	22,01,88,589
Expenditure	29,94,05,182	14,86,48,895
Profit before interest, finance charges and depreciation	9,49,05,200	7,15,39,694
Interest and finance charges	37,89,381	1,52,25,898
Depreciation	2,49,04,004	1,55,92,042
Profit before tax	6,62,11,815	4,07,21,754
Profit after taxation	4,67,70,248	3,18,67,686

Balance brought forward from previous year	(21,43,26,256)	(24,49,58,001)
Loss after taxation carried forward to Balance Sheet	(17,69,61,644)	(21,43,26,256)

2. STATE OF COMPANY'S AFFAIRS

NeML continued its growth story in the financial year 2015-2016. NeML positively impacted the lives of more than 15 million farmers in three states and more than 35 million consumers in various states under food security programs, thus, remaining committed to leveraging e-markets for farmers and below poverty line (BPL) consumers. It helped governments and government enterprises procure agri-commodities under food security schemes in a timely manner at most competitive prices.

It invested significantly in building its capacity for future growth during the year. It retained its profitability for third successive year growing its gross revenue by almost 40% compared to previous year.

The year saw partnerships blossom as various Government and Government Enterprises, Corporate including Banks and Financial Services Institutions (BFSI) and Farmer Producers Organizations (FPOs). They leveraged its unique e-market and services platform. Notable among them include agreements with the state Governments of Andhra Pradesh, Gujarat, Jharkhand, Odisha and Andaman and Nicobar Islands.

3. CHANGE IN AUTHORIZED CAPITAL AND PAID UP SHARE CAPITAL

During the financial year, the Authorized Capital of the Company was increased from Rs. 24 Crore to Rs. 40 Crore divided into 1,20,00,000 Preference shares of Rs. 10 each and 2,80,00,000 Equity shares of Rs. 10 each by creation of additional 1,60,00,000 equity shares of Rs. 10/- each ranking pari passu in all respects with the existing equity shares of the Company.

The Paid up equity share capital was increased from Rs. 8.50 crore to Rs. 23.50 crore by allotting 1,50,00,000 equity shares of Rs. 10/- each ranking pari passu in all respects with the existing equity shares of the Company to National Commodity and Derivatives Exchange Limited (NCDEX), the holding Company, on July 17, 2015.

4. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Company during the financial year 2015-2016.

5. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

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

6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION WHICH HAVE OCCURRED BETWEEN THE FINANCIAL YEAR ENDED MARCH 31, 2016 AND THE DATE OF THE REPORT

No material changes occurred subsequent to the close of the financial year ended March 31, 2016 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.

7. RISK MANAGEMENT POLICY

During the financial year 2015-2016, the Company adopted a new risk management policy in line with its increased market turnover and new product development. The new Risk Management Policy now provides 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.

The Company also 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.

During the financial year, the Company received - ISO 9001:2008 (Quality Management System) and ISO/IEC 27001:2013 (Information Security Management System) and Standardization Testing and Quality Certification (STQC) for Vulnerability Assessment and Penetration Testing and implemented Internal Financial Controls as per Corporate Governance requirements of Companies Act, 2013. These process certifications have further streamlined and strengthened the risk management framework of the organization.

8. DIVIDEND AND APPROPRIATIONS

The Company has posted net profit of Rs. 1,154,654/- for the financial year 2015-2016. As the profit is required to augment operational needs, your Directors do not recommend any dividend for the financial year 2015-2016.

9. 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, 2016.

10. DETAILS OF MEETINGS OF SHAREHOLDERS:

The Sixth Extra Ordinary General meeting of the Company was held on July 17, 2015. The Eighth Annual General Meeting of the Company was held on August 12, 2015. The Ninth Annual General Meeting of the Company will be held on Tuesday, August 23, 2016 at the Registered Office of the Company.

11. 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 2015-2016, five meetings of the Committee were held on April 06, 2015, May 14, 2015; August 12, 2015; November 16, 2015; and February 23, 2016. The composition and attendance of the Members are given below -

Name of the Committee Member	Number of meetings held during the relevant period	Number of meetings attended
Mr. Samir Kumar Mitter	5	4
Mr. Arun Balakrishnan	5	5
Mr. Sanjeev Asthana	5	5

12. 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 2015-2016, four meetings of the Committee were held on May 14, 2015, August 12, 2015, November 16, 2015 and February 23, 2016. The composition and attendance of the Members are given below -

Name of the Committee Member	Number of meetings held during the relevant period	Number of meetings attended
Mr. Samir Shah	4	4
Mr. Arun Balakrishnan	4	4
Mr. Sanjeev Asthana	4	4

13. CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2015-2016, the provisions of section 135 of the Companies Act, 2013 were not applicable to the Company.

14. SECRETARIAL AUDIT

The Company was not required to appoint a Secretarial Auditor. However, for a good governance practice, the Board Appointed M/s. Bharat R. Upadhyay & Associates to conduct Secretarial Audit of the Company for the FY 2016-2017.

15. 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 energy saving measures were undertaken such as regular servicing, periodic maintenance of all electrical equipments, prompt switching off the equipments 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.

16. BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2015-2016

During the financial year 2015-2016, six meetings of the Board were held on April 06, 2015, May 14, 2015, June 18, 2015, August 12, 2015, November 16, 2015 and February 23, 2016. The Composition and attendance of the Board of Directors are given below:-

Name of Director	Number of Meeting held during the relevant period	Number of meetings attended
Mr. Samir Shah	6	6
Mr. Arun Balakrishnan	6	6
Mr. Samir Kumar Mitter	6	5
Mr. Sanjeev Kumar Asthana	6	6
Mr. Srinath Srinivasan	1*	1

* Mr. Srinath Srinivasan was appointed as an Additional Director on November 16, 2015. As such he was eligible to attend one Board meeting which was attended by him.

17. 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, 2016 is enclosed as **Annexure 1**.

18. 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.

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

All the transactions with related parties are in the ordinary course of business and on an arms length basis. There are no material contracts or arrangements or transactions on arms' length basis. The details of related party transactions as required under the Accounting Standard – 18 are set out in the Note no. 32 to the Standalone Financial Statements forming part of 'Notes to accounts'.

20. 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.

21. JOINT VENTURE COMPANY - RASHTRIYA e MARKET SERVICES PRIVATE LIMITED

Rashtriya e Market Services Private Limited (ReMS) is a joint venture company established under Companies Act, 1956 on January 20, 2014, by Government of Karnataka and NCDEX e Markets Limited 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), which handles all operations of the regulated market including, auctioning of the produce for efficient price discovery, material accounting, trade fulfilment and online funds settlement.

Unified Market Platform has been adopted by 105 markets spread across 25 districts. The traded quantity on Unified Market Platform has shown a significant rise of 662% and stands at 170 Lakh MTs as on March 31, 2016 with 24 lakh lots having value of Rs. 13,276 crores being transacted on the platform during the year 2015-2016.

A statement containing the salient features of the Financial statement of ReMS is given in Form AOC- I which is enclosed as **Annexure 2**.

22. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The Board of Directors of the Company includes Mr. Samir Shah, Mr. Arun Balakrishnan, Mr. Samir Kumar Mitter, Mr. Sanjeev Asthana and Mr. Srinath Srinivasan.

Pursuant to Article 211A of the Articles of Association of the Company, the Board of Directors of NCDEX nominated Mr. Srinath Srinivasan as Director on the Board of the Company. Mr. Srinath Srinivasan was appointed as an Additional Director with effect from 16th November, 2015.

Mr. Samir Kumar Mitter, retired by rotation at the previous Annual General Meeting held on August 12, 2015 and was re-appointed.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Samir Shah 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. Samir Shah for re-appointment as director of the Company.

During the financial year, Ms. Bhanupriya Rao resigned as the Company Secretary of the Company w.e.f. February 23, 2016. The Board placed its sincere appreciation for the services rendered by her during her tenure.

23. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

Based on the confirmations/disclosures received from the Directors under section 149(7) of the Companies Act 2013 and on evaluation of the relationships disclosed, Mr. Arun Balakrishnan and Mr. Sanjeev Asthana, Non-Executive Directors are considered as Independent Directors appointed for a period of 5 (five) consecutive years from the date of Annual General Meeting of the Company held on August 7, 2014.

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.

24. 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 and individual Directors was found satisfactory.

25. STATUTORY AUDITOR S

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. Accordingly, ratification of the members is being sought in the Ninth Annual General Meeting to be held on August 23, 2016.

Further as per the third proviso of section 139 (1) of Companies Act, 2013, the Statutory Auditors have furnished a certificate to the Company that they satisfy the criteria provided in Section 141 of the Companies Act, 2013.

There is no qualification, reservation or adverse remarks or disclaimer in the report given by M/s. Chokshi & Chokshi LLP, Statutory Auditors on the Standalone financial statements of the Company for the year ended March 31, 2016.

26. DISCLOSURE UNDER SEXUAL HARRASSMENT 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	Whether workshops or awareness programs against sexual harassment were carried out	Yes. Awareness program was done for all employees
5	Nature of action taken by the employer	Not applicable

27. 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 3** of this report.

28. 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, 2016, 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 so as 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, 2016 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.

29. 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,

Samir Shah

Samir Kumar Mitter

Place: Mumbai

Date: May 23, 2016

Director
DIN - 00912693

Director
DIN - 00009452

Annexure 1

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

as on the financial year ended on March 31, 2016

[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 (Formerly known as NCDEX Spot Exchange Limited)
- iv) Category / Sub-Category of the Company: Category: - Public Company/ Sub Category: Limited by Shares
- v) Address of the registered office and contact details: - 1st Floor, Ackruti Corporate Park, L.B.S. Marg, Kanjurmarg (W). Mumbai-400078 Tel: -022-6640 6789
- 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:

Sl. 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	48.04
2	Pledge Finance Charges (Activities auxiliary to financial service activities)	661	11.41
3	Interest on Term Deposits with Banks	641	20.06

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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 e) Banks/FI f) Any Other....		d) 84,99,400	d) 84,99,400	d) 99.99%		d) 2,34,99,400	d) 2,34,99,400	d) 99.99%	0.00
Sub-total (A) (1):-		84,99,400	84,99,400	99.99%		2,34,99,400	2,34,99,400	99.99%	0.00
(2) Foreign a) NRIs - Individuals b) Other - Individuals c) Bodies Corp. d) Banks / FI		NA	NA	NA		NA	NA	NA	NA

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	
e) Any Other.... Sub-total (A) (2):- Total shareholding of Promoter (A) = (A)(1) +(A) (2)		84,99,400	84,99,400	99.99%		2,34,99,400	2,34,99,400	99.99%	0.00
B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks/FI c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FIs h) Foreign Venture Capital Funds i) Others (specify) Sub-total (B)(1):-		NA	NA	NA		NA	NA	NA	NA
2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders		NA	NA	NA		NA	NA	NA	NA

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	
holding nominal share capital upto Rs. 1 lakh		600	600	0%		600	600	0%	---
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		Nil	Nil	Nil		Nil	Nil	Nil	
c) Others (specify)									
Sub-total (B)(2):- Total Public Shareholding (B) = (B)(1) + (B)(2)		Nil	Nil	Nil		Nil	Nil	0%	
		600	600	0%		600	600	Nil	
C. Shares held by Custodian for GDRs & ADRs	NA	NA	NA	NA		NA	NA	NA	NA
Grand Total (A+B+C)		84,99,400	84,99,400	100%	-	2,35,00,000	2,35,00,000	100%	0.00%

(ii) Shareholding of Promoters (including Promoter Group)

SI N o.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	National Commodity & Derivatives Exchange Limited	Equity Shares: 84,99,400 and Preference Shares: 1,20,00,000	Equity Shares: 99.99% and Preference Shares: 100%	NA	Equity Shares: 2,34,99,400 and Preference Shares: 1,20,00,000	Equity Shares: 99.99% and Preference Shares: 100%	NA	0.00%
	Total	2,04,99,400	Equity Shares: 99.99% and Preference Shares: 100%	NA	3,54,99,400	Equity Shares: 99.99% and Preference Shares: 100%	NA	73.17%

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	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- 84,99,400 Preference Shares-1,20,00,000	Equity Shares 99.99% Preference Shares: 100%	Equity Shares: 84,99,400 Preference Shares: 1,20,00,000	Equity Shares- 99.99% Preference Shares-100%
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.): Allotment of equity shares on June 18, 2015	1,50,00,000 equity shares	-	-	-
	At the End of the year	Equity Shares- 2,34,99,400 Preference Shares- 1,20,00,000	Equity Shares 99.99% Preference Shares: 100%	Equity Shares: 2,34,99,400 Preference Shares: 1,20,00,000	Equity Shares- 99.99% Preference Shares-100%

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

Sl. 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
	At the beginning of the year		0%	Total: 500 Equity shares	0%
	1) Mr. M. K. Ananda Kumar	i) 100			
	2) Mr. Rajesh Sinha	ii) 100			
	3) Mr. Ravindra Shevade	iii) 100			
	4) Mrs. Uma Mohan	iv) 100			
	5) Mr. Jayant Nalawade	v) 100			

Sl. 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
		Total : 500 Equity shares			
	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 Mrs. Uma Mohan to Mr. Rajendra Prasad Benhalkar on 14/05/2015)	0%	100	0%
	At the End of the year (or on the date of separation, if separated during the year)		0%	Total: 500 Equity shares	0%
	i) Mr. Jayant Nalawade	i) 100			
	ii) Mr. M. K. Ananda Kumar	ii) 100			
	iii) Mr. Rajesh Sinha	iii) 100			
	iv) Mr. Ravindra Shevade	iv) 100			
	v) Mr. Rajendra Prasad Benhalkar	v) 100			
		Total: 500 Equity shares			

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
	For Each of the Directors and KMP				
	At the beginning of the year				
	i) Mr. Samir Shah – Director	100 Equity shares	0%	100 Equity shares	0%
	ii) Mr. Rajesh Sinha – Chief Executive Officer	100 Equity shares	0%	100 Equity shares	0%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	0%	NIL	0%
	At the End of the year	200 Equity shares	0%	200 Equity shares	0%

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		15,07,64,188		15,07,64,188
ii) Interest due but not paid		1,35,69,444		1,35,69,444
iii) Interest accrued but not due		----		----
Total (i+ii+iii)		16,43,33,632		16,43,33,632
Change in Indebtedness during the financial year				
• Addition		33,66,922		33,66,922
• Reduction		(15,52,64,188)		(15,52,64,188)
Net Change		(15,18,97,266)		(15,18,97,266)
		NIL		NIL
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid		1,24,36,366		1,24,36,366
iii) Interest accrued but not due		----		----
Total (i+ii+iii)		1,24,36,366		1,24,36,366

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WT/ Manager				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	NA				
2.	Stock Option	NA				
3.	Sweat Equity	NA				
4.	Commission - as % of profit - others, specify...	NA				
5.	Others, please specify	NA				
	Total (A)	NA				
	Ceiling as per the Act	NA				

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	Mr. Arun Balakrishnan	Mr. Sanjeev Asthana			
	• Fee for attending board /committee meetings	3,00,000	3,00,000			6,00,000
	• Commission	Nil	Nil			
	• Others, please specify	Nil	Nil			
	Total (1)					6,00,000
2.	Other Non-Executive Directors	Mr. Samir Shah	Mr. Samir Kumar Mitter	Mr. Srinath Srinivasan		
	• Fee for attending board /committee meetings	Nil	2,00,000	20,000		2,20,000
	• Commission	Nil	Nil	Nil		
	• Others, please specify	Nil	Nil	Nil		
	Total (2)					2,20,000
	Total (B) = (1 + 2)					8,20,000
	Total Managerial Remuneration					8,20,000
	Overall Ceiling as per the Act	Rs. 1,00,000 per member per meeting				

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Mr. Rajesh Sinha Chief Executive Officer	Ms. Bhanupriya Rao Company Secretary	Mr. Kartik Thakkar Chief Financial Officer	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 66,54,444/-	Rs.6,43,790/-	Rs.19,07,842/-	Rs.92,06,076/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Rs.1,15,000/-	Nil	Rs.63, 000/-	Rs.1,78,000/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil
	- as % of profit				
	- others, specify...				
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total	Rs.67,69,444/-	Rs.6,43,790/-	Rs.19,70,842/-	Rs.93,84,076/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For NCDEX e Markets Limited

Samir Shah
Director
DIN- 00912693

Arun Balakrishnan
Director
DIN - 00130241

Place: Mumbai
Date: May 23, 2016

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

Name of Associates/Joint Ventures	Rashtriya e Market Services Private Limited
1. Latest audited Balance Sheet Date	March 31, 2016
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	5,000,000 Equity shares
Amount of Investment in Associates/Joint Venture Extend of Holding %	50%
3. Description of how there is significant influence	Significant influence is due to 20% or more of total share capital
4. Reason why the associate/joint venture is not consolidated	Not applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs. 57,480,062/-
6. Profit / Loss for the year	
i. Considered in Consolidation	Rs. 45,615,594
i. Not Considered in Consolidation	NIL

1. Names of associates or joint ventures which are yet to commence operations: None

2. Names of associates or joint ventures which have been liquidated or sold during the year: None

Place: Mumbai

Date: May 23, 2016

Samir Shah
Director
DIN- 00912693

Arun Balakrishnan
Director
DIN - 00130241

Kartik Thakkar
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To The Members of NCDEX e Markets Limited (formerly known as NCDEX Spot Exchange Limited.)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of NCDEX e Markets Limited (formerly known as NCDEX Spot Exchange Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) 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 Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
- 2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us":-:
 - i. The Company has disclosed the impact of pending litigations on its financial position in note 25 to its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. The Company is not required to transfer funds to the Investors Education and Protection Fund.

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Hardik Chokshi
Partner
M.No. 115774

Place: Mumbai
Date: 23/05/2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- 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. Consequently, 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, 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 records of the Company and 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) The Company has not raised any fund by way of public issue or from term loan.
- 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 explanations given to us the Company has not paid or provided managerial remuneration during the year. Accordingly, the provision of clause 3(xi) of the Order is not applicable to the Company.
- 12) The Company is not in the nature of a Nidhi Company as defined under section 406 of the Companies Act, 2013.
- 13) All transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in note 32 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.

- 15) 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

Hardik Chokshi
Partner
M.No. 115774

Place: Mumbai
Date: 23/05/2016

Annexure “B” To The Independent Auditor’s Report Of Even Date On The Financial Statements of NCDEX e Markets Limited.**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Controls over financial reporting of NCDEX e Markets Limited. (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the size of company and 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 (“the Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at March 31, 2016, based on the assessment of essential components of internal controls over financial reporting stated in the Guidance Note carried out by the Company and representation to that effect is made available to us by the Company.

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Hardik Chokshi
Partner
M.No. 115774

Place: Mumbai
Date: 23/05/2016

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)			
Standalone Balance Sheet as at March 31, 2016			
(Amount in Rs.)			
Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	355,000,000	205,000,000
Reserves and Surplus	3	(227,525,030)	(228,498,036)
		127,474,970	(23,498,036)
Non-Current Liabilities			
Long-Term Borrowings	4	-	150,764,188
Other Long-Term Liabilities	5	67,450,000	65,700,000
Long-Term Provisions	6	2,594,365	1,765,537
		70,044,365	218,229,725
Current Liabilities			
Trade Payables	7	40,356,440	6,056,752
Other Current Liabilities	8	809,194,864	641,051,066
Short-Term Provisions	9	7,843,105	14,864,149
		857,394,409	661,971,967
TOTAL		1,054,913,744	856,703,656
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		24,948,214	11,489,021
Intangible Assets		62,432,425	43,780,772
Intangible Assets Under-Development		14,234,872	6,648,537
Non-Current Investments	11	50,000,001	50,989,000
Long-Term Loans & Advances	12	913,676	1,311,953
Other Non-Current Assets	13	14,856,137	29,486,688
		167,385,325	143,705,971
Current Assets			
Trade Receivables	14	39,530,044	19,101,179
Cash and Bank Balances	15	790,458,931	651,039,466
Short-Term Loans and Advances	16	44,341,859	29,793,488
Other Current Assets	17	13,197,585	13,063,552
		887,528,419	712,997,685
TOTAL		1,054,913,744	856,703,656
The accompanying notes form an integral part of the Financial Statements			
Significant Accounting Policy and Notes to Financial Statements			
1 to 41			
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	
Hardik Chokshi Partner M. No. 115774		Samir Shah Director DIN:00912693	Arun Balakrishnan Director DIN:00130241
Place: Mumbai Date: 23rd May, 2016		Kartik Thakkar Chief Financial Officer	

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited) Standalone Statement of Profit and loss for the period ended March 31, 2016			
(Amount in Rs.)			
Particulars	Note No.	Year ended March 31 ,2016	Year ended March 31 ,2015
INCOME			
Revenue from Operations	18	207,266,982	134,762,102
Other Income	19	54,608,385	55,309,583
Total Revenue		261,875,367	190,071,685
EXPENSES			
Operating Expenses	20	56,023,874	33,657,115
Employee Benefits Expense	21	85,114,930	65,913,676
Finance Cost	22	3,789,381	15,225,898
Depreciation and Amortisation Expense	23	19,404,078	14,677,144
Other Expenses	24	96,388,450	44,764,257
Total Expenses		260,720,713	174,238,090
Profit/(loss) before tax		1,154,654	15,833,595
Income Tax Expenses	35		
Current Tax		-	-
Deferred Tax		-	-
Profit for the year		1,154,654	15,833,595
Earnings per share:	36		
Basic & Diluted		0.06	1.86
<p>The accompanying notes form an intergal part of the Financial Statements Significant Accounting Policy and Notes to Financial Statements 1 to 41</p> <p>As per our report of even date attached</p> <div> <div> <p>For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045</p> <p>Hardik Chokshi Partner M. No. 115774</p> <p>Place: Mumbai Date: 23rd May, 2016</p> </div> <div> <p>For and behalf of the Board of Directors NCDEX e Markets Limited</p> <p>Samir Shah Director DIN:00912693</p> <p>Arun Balakrishnan Director DIN:00130241</p> <p>Kartik Thakkar Chief Financial Officer</p> </div> </div>			

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)		
Standalone Cash Flow Statement for the period ended March 31, 2016		
	(Amount in Rs.)	
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A. Cash flow from Operating Activities		
Profit Before Tax	1,154,654	15,833,595
Adjustments for:		
Depreciation and Amortisation Expense	19,404,078	14,677,144
Interest Income	(52,532,838)	(55,185,602)
Dividend Income	(1,000,000)	-
Interest on Income Tax Refund	(508,470)	(123,981)
Unrealised forex (gain) / loss	-	2,615
Provision for Diminution in Investments	988,999	-
Loss on sale of Fixed Assets	-	197,188
Operating loss before working capital changes	(32,493,577)	(24,599,041)
Movements in working capital:		
Decrease / (Increase) in Trade receivables	(20,428,865)	(4,462,408)
Decrease / (Increase) in Short term loans and advances	(5,410,113)	(2,999,018)
Decrease / (Increase) in Long term loans and advances	398,277	(1,248,190)
Decrease / (Increase) in Other non-current assets	15,050,000	(179,332)
Decrease / (Increase) in Other current assets	(1,237,380)	(242,194)
Increase / (Decrease) in Other Long term liabilities	1,750,000	(11,500,000)
Increase / (Decrease) in Long-term provisions	828,828	1,009,921
Increase / (Decrease) in Trade payables	34,299,688	(10,437,471)
Increase / (Decrease) in Other liabilities	167,962,150	342,224,853
Increase / (Decrease) in Short term provision	(7,021,044)	5,264,309
Cash flow before taxation	153,697,964	292,831,429
Direct taxes paid	(9,138,258)	(12,974,994)
Net Cash Generated from Operating Activities	(A) 144,559,706	279,856,435
B. Cash Flows From Investing Activities		
Purchase of fixed assets	(59,101,258)	(55,811,495)
Interest received	53,216,735	50,457,678
Interest on Income tax refund	508,470	123,981
Investment in fixed deposits	191,068	(33,000,000)
Dividend received	1,000,000	-
Net Cash Used in Investing Activities	(B) (4,184,985)	(38,229,836)
C. Cash Flows From Financing Activities		
Loan from National Commodity & Derivatives Exchange Ltd (Holding Company)	(764,188)	(7,395)
Net Cash Generated from Financing Activities	(C) (764,188)	(7,395)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	139,610,533	241,619,204
Effect of exchange differences on Cash & Cash equivalents held in foreign currency	-	(2,615)
Cash and Cash Equivalents at the Beginning of the year	389,834,376	148,217,787
Cash and Cash Equivalents at the End of the year [Refer Note 15]	529,444,909	389,834,376
Notes:		
1. Cash & Cash Equivalents		
Cash on Hand	1,214	1,439
Balances with Banks:		
- In Current Accounts	499,443,695	349,832,937
- In Fixed Deposits	30,000,000	40,000,000
Cash & Cash Equivalents considered for Cash flow	529,444,909	389,834,376
Other Bank Balances	261,014,022	261,205,090
Cash and Bank Balances [Refer Note 15]	790,458,931	651,039,466
Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'Cash Flow Statement'.		
Figures in brackets indicate cash outflow.		
The accompanying notes form an integral part of the Financial Statements		
Significant Accounting Policy and Notes to Financial Statements 1 to 41		
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	
Hardik Chokshi Partner M. No. 115774	Samir Shah Director DIN:00912693	Arun Balakrishnan Director DIN:00130241
Place: Mumbai Date: 23rd May, 2016	Kartik Thakkar Chief Financial Officer	

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

NOTE 1:- SIGNIFICANT ACCOUNTING POLICIES

Overview of the Company

NCDEX e Markets Limited (NeML, formerly NCDEX Spot Exchange Limited), a wholly owned 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.

a. Basis of Preparation

The financial statements have been prepared under the historical cost convention, in accordance with Indian Generally Accepted Accounting Principles ("GAAP"). These financial statements are prepared to comply in all material respects with the accounting Standards notified under Section 133 of the Companies Act, 2013 ("the 2013 Act"), read together with Rule 7 of the Companies (Accounts) Rule 2014. The Company follows mercantile system of accounting and recognise income and expenditure on accrual basis except those with significant uncertainties and stated otherwise below.

b. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. 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.

Annual Membership Fees/Lot creation charges/Penalty/E-Pledge Fees/Tricker Board Charges/Other charges

Annual subscription charges are recognized as income when there is reasonable certainty of ultimate realization.

Software service charges

Software rental charges are recognized as income on the basis of agreement with parties and in respect of agreements with the joint controlled, claims are accounted on actual receipts.

Admission Fees

Admission fee is recognized fully as one time income for the financial year.

Interest Income

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

Registration Fees

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

Dividend

Dividend is recognized when the company's right to receive dividend is established as at the reporting date.

d. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any other cost attributable to bringing the asset to its working condition for its intended use.

Costs relating to acquisition and development of computer software are capitalized in accordance with AS 26 'Intangible Assets'.

e. Depreciation/Amortization

Depreciation in respect of Assets of the company is charged on the basis of useful life of the assets as prescribed in schedule II of Companies Act, 2013. Expenditure on software is amortized over a period of 5 years from the date of put to use.

Particulars	Useful Life
Furniture and Fixtures	10 Years
Computer Hardware	
- Servers & Networking	6 Years
- Computer Hardware	3 Years
Computer Software	Amortize Over Period of 5 years
Office Equipment's	5 Years
Motor Car	8 Years

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.

f. Investments

Investments are classified as current or long-term in accordance with Accounting Standard - 13 on "Accounting for Investments". Investments which are intended to be held for one year

or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term Investments are stated at cost. Provision is made for diminution other than temporary in the value of such investments.

Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment. Any reduction in the carrying amount and any reversals of such reductions are charged or credited in the statement of profit and loss.

g. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transactions.

Monetary items denominated in foreign currencies at the year end are stated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract. Non-monetary foreign currency items are carried at cost. Exchange difference arising thereon and on realization / payments of foreign exchange are accounted as income or expense in the relevant year.

h. Employee Benefits

Provident Fund

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity

Gratuity liability is defined benefit obligation for employees. The Company has taken Group Gratuity-cum-Life Insurance Policy from Life Insurance Corporation of India (LIC). Accordingly, the Company accounts for liability for future gratuity benefits based on actuarial valuation carried out at the end of each financial year and the Contribution by way of premium paid to LIC of India is charged to Profit/Loss Account. Actuarial gain or losses are immediately recognized in the Profit and Loss Account.

Leave Benefits

Compensated absences are provided for based on actuarial valuation.

i. Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings/(loss) per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

j. Taxation

Tax expense comprises current (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is a virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably/virtually certain, as a case may be, that future taxable income will be available against which such deferred tax assets can be realized.

k. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

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

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

I. Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents for the purpose of cash flow statement comprises of cash at bank and in hand and short-term investments with original maturity of three months or less.

m. Provision

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a. The Company has a present obligation as a result of a past event.
- b. Probable outflow of resources is expected to settle the obligation and
- c. The amount of the obligation can be reliably estimated

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of:

- a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b. A possible obligation, unless the probability of outflow of resources is remote.

Notes to Financial Statements for the year ended March 31, 2016



NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)				
NOTE 2				
	(Amount in Rs)			
Share Capital	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Authorised Capital				
Equity Shares of Rs.10 each	28,000,000	280,000,000	12,000,000	120,000,000
5% Cumulative redeemable preference shares of Rs.10 each	12,000,000	120,000,000	12,000,000	120,000,000
Issued, Subscribed & Paid up Capital				
Equity Shares of Rs. 10 each	23,500,000	235,000,000	8,500,000	85,000,000
5% Cumulative redeemable preference shares of Rs.10 each	12,000,000	120,000,000	12,000,000	120,000,000
Total	35,500,000	355,000,000	20,500,000	205,000,000
NOTE 2(a)				
Reconciliation of Number of Shares:				
	(Amount in Rs)			
Equity Shares	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	8,500,000	85,000,000	8,500,000	85,000,000
Shares Issued during the year	15,000,000	150,000,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	23,500,000	235,000,000	8,500,000	85,000,000
Preference Shares				
Preference Shares	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	12,000,000	120,000,000	12,000,000	120,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12,000,000	120,000,000	12,000,000	120,000,000
NOTE 2(b)				
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.				
5% Cumulative redeemable preference shares(CRP) 12,000,000 of Rs 10 each issued on 24th September, 2010 convertible at par at the option of National Commodities and Derivatives Exchange Ltd(Holding company), at the expiry of 5th year but before expiry of 7th year.In case of non-exercise of aforesaid conversion option, redemption in 4 equal tranches at the expiry of 7th year, 8th year, 9th year and 10th year. Hence, the shares will be completely redeemed at the expiry of 10th year from the date of issue. In the event of liquidation of the company before redemption of CRP, the holder of CRP's will have priority over equity shares in the repayment of capital.				
NOTE 2(c)				
Out of shares issued by the company, Shares held by its Holding company are as follows:				
Equity shares	As at March 31, 2016		As at March 31, 2015	
	Number	% of holding	Number	% of holding
National Commodity & Derivatives Exchange Ltd (Holding Company) along with its Nominees	23,500,000	100	8,500,000	100
Preference shares	As at March 31, 2016		As at March 31, 2015	
	Number	% of holding	Number	% of holding
National Commodity & Derivatives Exchange Ltd (Holding Company)	12,000,000	100	12,000,000	100
NOTE 2(d)				
Details of shareholders, holding more than 5 percent share in the company:				
Name of Shareholders	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	% of Holding	Number of shares	% of Holding
Equity Shares				
National Commodity & Derivatives Exchange Ltd (along with its Nominees)	23,500,000	100	8,500,000	100
Preference Shares				
National Commodity & Derivatives Exchange Ltd	12,000,000	100	12,000,000	100
NOTE 2(e)				
Information regarding issue of shares in last five years:				
1,50,00,000/- Equity shares of Rs. 10/- each(face value) has been allotted as fully paid up pursuant to conversion of loan from holding company, without payment being received in cash. The above said loan amount recieved by the Company through bank. The company has not issued bonus shares. The compnay has not undertaken any buyback of shares.				

NOTE 3		
	(Amount in Rs.)	
Reserves and Surplus	As at March 31, 2016	As at March 31, 2015
Risk Management Fund (Created for Meeting Members Obligations in case of Defaults) [Refer Note 31]		
Opening Balance	692,541	656,541
Add: Transfer from Statement of Profit and Loss	-	36,000
Less: Utilised	(181,648)	-
Closing Balance	510,893	692,541
Balance in the Statement of Profit and loss		
Opening Balance	(229,190,577)	(244,988,172)
Add: Profit / (Loss) for the current year	1,154,654	15,833,595
Less: Transfer to Risk Management Fund	-	(36,000)
Closing Balance	(228,035,923)	(229,190,577)
Total	(227,525,030)	(228,498,036)

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)

NOTE 4

(Amount in Rs.)

Long-Term Borrowings	As at March 31, 2016	As at March 31, 2015
Unsecured		
Loans and Advances from Related Parties	-	150,764,188
National Commodity and Derivatives Exchange Ltd (Holding Company) [Refer Note 32]		
Total	-	150,764,188

NOTE 5

(Amount in Rs.)

Other Long-Term Liabilities	As at March 31, 2016	As at March 31, 2015
Others		
Security Deposits from Members [Refer Note 27]	67,450,000	65,700,000
Total	67,450,000	65,700,000

NOTE 6

(Amount in Rs.)

Long-Term Provisions	As at March 31, 2016	As at March 31, 2015
Provision for Employee Benefits		
Leave Encashment	2,594,365	1,765,537
Total	2,594,365	1,765,537

NOTE 7

(Amount in Rs.)

Trade Payables	As at March 31, 2016	As at March 31, 2015
Micro, Small and Medium Enterprises [Refer Note 37]	-	-
Due to Holding Company	15,501,130	-
Trade Payables-Vendors	24,855,310	6,056,752
Total	40,356,440	6,056,752

NOTE 8

(Amount in Rs.)

Other Current Liabilities	As at March 31, 2016	As at March 31, 2015
Other Payables		
Interest accrued and due on borrowings [Refer Note 32]	12,436,366	13,569,444
Interest Free Deposits form Clearing Banks	130,000,000	130,000,000
Warehouse Deposits	2,500,000	3,000,000
Advances from Customers	3,312,306	2,638,429
Creditors for Capital Expenditure	11,611,919	12,834,416
Trade Monies recieved from Members	642,042,284	473,522,328
Statutory Liabilities	5,199,442	4,456,134
Income received in advance	243,000	-
Employee Payables	1,849,547	1,030,315
Total	809,194,864	641,051,066

NOTE 9

(Amount in Rs.)

Short-Term Provisions	As at March 31, 2016	As at March 31, 2015
Provision for Leave Encashment	627,509	274,149
Provision for Bonus	667,787	7,400,000
Provision for Expenses	6,547,809	7,190,000
Total	7,843,105	14,864,149

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)												
NOTE 10 Fixed Assets												
Particulars	Gross Block (At cost)					Depreciation / Amortisation				Net Block		
	As at April 1, 2015	Additions	(Disposals)	Adjustments	As at March 31, 2016	As at April 1, 2015	For the year	Deletion during the year	Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets												
Furniture and Fixtures	633,817	-	-	-	633,817	633,817	-	-	-	633,817	-	-
Computer Hardware	29,849,376	15,827,374	-	-	45,676,750	18,360,355	4,805,288	-	-	23,165,643	22,511,107	11,489,021
Office Equipment	-	67,725	-	-	67,725	-	10,592	-	-	10,592	57,133	-
Plant & Machinery	-	2,488,773	-	-	2,488,773	-	108,799	-	-	108,799	2,379,974	-
Total	30,483,193	18,383,872	-	-	48,867,065	18,994,172	4,924,679	-	-	23,918,851	24,948,214	11,489,021
Previous Year	17,438,819	13,241,562	(197,188)	-	30,483,193	10,549,690	8,444,482	-	-	18,994,172	11,489,021	-
Intangible Assets												
Computer Software	79,097,880	33,131,052	-	-	112,228,932	35,317,108	14,479,399	-	-	49,796,507	62,432,425	43,780,772
Total	79,097,880	33,131,052	-	-	112,228,932	35,317,108	14,479,399	-	-	49,796,507	62,432,425	43,780,772
Previous Year	40,138,865	38,959,015	-	-	79,097,880	29,084,446	6,232,662	-	-	35,317,108	43,780,772	-
Intangible assets under development*	6,648,537	7,586,335	-	-	14,234,872	-	-	-	-	-	14,234,872	6,648,537
Total	6,648,537	7,586,335	-	-	14,234,872	-	-	-	-	-	14,234,872	6,648,537
Previous Year	52,987,619	28,317,234	(74,656,316)	-	6,648,537	-	-	-	-	-	6,648,537	-
Grand Total	116,229,610	59,101,259	-	-	175,330,869	54,311,280	19,404,078	-	-	73,715,358	101,615,511	61,918,330
Previous Year	110,565,303	80,517,811	(74,853,504)	-	116,229,610	39,634,136	14,677,144	-	-	54,311,280	61,918,330	-
*Intangible assets under development consists of "PXIL Trading System"												

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)						
NOTE 11						
						(Amount in Rs.)
Non-Current Investments	Face Value	Quantity	As at March 31, 2016	Face Value	Quantity	As at March 31, 2015
Trade (Valued at Cost unless stated otherwise)						
Investment in Equity Shares (Unquoted)						
National Warehousing Corporation Pvt. Ltd.	10	98,900	989,000	10	98,900	989,000
Provision for Diminution in Investments [Refer Note 33(a)]	-	-	(988,999)	-	-	-
Investment in Joint Venture [Refer Note 33(b)]						
Rashtriya e Market Services Private Limited	10	5,000,000	50,000,000	10	5,000,000	50,000,000
Total		5,098,900	50,000,001		5,098,900	50,989,000
Aggregate value of unquoted investments						
At Cost						50,989,000

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)		
NOTE 12		
	(Amount in Rs.)	
Long-Term Loans & Advances	As at March 31, 2016	As at March 31, 2015
Prepaid Expenses	913,676	1,311,953
Total	913,676	1,311,953
NOTE 13		
	(Amount in Rs.)	
Other Non-Current Assets	As at March 31, 2016	As at March 31, 2015
Long-term deposit with banks with original maturity period more than 12 months	14,000,000	29,050,000
Interest Accrued on Fixed Deposits	856,137	436,688
Total	14,856,137	29,486,688
NOTE 14		
	(Amount in Rs.)	
Trade Receivables	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months		
Considered Good	3,933,150	122,169
Considered Doubtful	554,958	-
Less: Provision For doubtful debts [Refer Note 39]	(554,958)	-
	3,933,150	122,169
Other Debts		
Considered Good	35,596,894	18,979,010
Total	39,530,044	19,101,179
NOTE 15		
	(Amount in Rs.)	
Cash and Bank Balances	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents		
Balances with banks in Current Accounts	499,443,695	349,832,937
Cash on hand	1,214	1,439
Fixed Deposit with original maturity less than 3 months	30,000,000	40,000,000
	529,444,909	389,834,376
Other Bank Balances		
Fixed deposits with original maturity more than 3 months, but less than 12 months	205,100,000	137,783,258
Fixed deposits with original maturity more than 12 months (maturing in next year)	55,914,022	123,421,832
Total	790,458,931	651,039,466
NOTE 16		
	(Amount in Rs.)	
Short-Term Loans and Advances	As at March 31, 2016	As at March 31, 2015
Unsecured and Considered Good		
Loans and advances to Related Parties	-	1,500
Loans and Advances to Employees	91,255	13,498
Rental Deposit	3,000	30,000
Other Deposits	-	93,125
Prepaid Expenses	4,755,736	4,284,040
Income Tax(net off provisions)	31,745,500	22,607,242
Service Tax Input	3,046,368	1,764,083
Earnest Money Deposit	4,700,000	1,000,000
Total	44,341,859	29,793,488
NOTE 17		
	(Amount in Rs.)	
Other Current Assets	As at March 31, 2016	As at March 31, 2015
Unsecured and Considered Good		
Interest Accrued on Fixed Deposits	11,697,011	12,800,358
Trade Money Receivable from Members	1,500,574	263,194
Total	13,197,585	13,063,552

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)		
NOTE 18		
	(Amount in Rs.)	
Revenue from Operations	Year ended March 31, 2016	Year ended March 31, 2015
Transaction Charges	125,791,995	98,612,908
Annual Membership Fees	3,493,378	3,473,035
Admission/Registration Fees	9,003,567	4,342,643
Pledge Finance Charges	29,873,205	11,169,043
Other Operating Income	39,104,837	17,164,473
Total	207,266,982	134,762,102
NOTE 19		
	(Amount in Rs.)	
Other Income	Year ended March 31, 2016	Year ended March 31, 2015
Interest on Term Deposits with Banks	52,532,838	55,185,602
Interest on Income Tax Refund	508,470	123,981
Dividend	1,000,000	-
Balances Written Back	567,077	-
Total	54,608,385	55,309,583
NOTE 20		
	(Amount in Rs.)	
Operating Expenses	Year ended March 31, 2016	Year ended March 31, 2015
Advertisement & Business Promotion Expenses	1,540,912	3,151,955
Legal & Professional fees	50,880,915	26,901,470
Manpower Hire Charges	3,602,048	3,603,690
Total	56,023,875	33,657,115
NOTE 21		
	(Amount in Rs.)	
Employee Benefits Expense	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, Allowances and Bonus	74,097,257	57,762,931
Contributions to Provident & Other Funds	3,413,470	2,267,210
Gratuity Expenses	2,009,496	618,634
Staff Welfare Expenses	5,594,707	5,264,901
Total	85,114,930	65,913,676
NOTE 22		
	(Amount in Rs.)	
Finance Cost	Year ended March 31, 2016	Year ended March 31, 2015
Interest Expense	3,789,381	15,225,898
Total	3,789,381	15,225,898
NOTE 23		
	(Amount in Rs.)	
Depreciation and Amortisation Expense	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation on Tangible Assets	4,924,679	8,444,482
Amortisation of Intangible Assets	14,479,399	6,232,662
Total	19,404,078	14,677,144

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)

NOTE 24

(Amount in Rs.)

Other Expenses	Year ended March 31 ,2016	Year ended March 31 ,2015
Rent	20,059,245	6,345,267
Electricity Charges	-	1,225,990
Security & Maintenance Charges	212,722	825,088
Software Maintenance Charges	39,968,992	9,250,165
Travelling & Conveyance Expenses	12,011,718	9,479,002
Communication Expenses	4,600,391	3,332,726
Printing & Stationery	488,741	462,650
Sitting Fees to Directors	820,000	500,000
Auditor's Remuneration*	405,000	325,000
Licence Fees	12,641,522	8,859,334
Loss on Written-off of Fixed Asset	-	197,188
Bank Charges	152,933	304,352
Bad debts [Refer Note 39]	146,308	12,508
Penal Charges--Statutory Liabilities	1,342	-
Provision for Doubtful Debts [Refer Note 39]	554,958	-
Provison for Diminution [Refer Note 33(a)]	988,999	-
Trainings & Seminars	1,381,667	1,821,311
Service Tax Expense	402,435	126,237
Octroi Expenses	337,560	-
Other Expenses	1,213,917	1,697,439
Total	96,388,450	44,764,257

***Auditor's Remuneration (Excluding Service Tax)**

Particulars	Year ended March 31 ,2016	Year ended March 31 ,2015
As auditor		
Audit Fees (Statutory Audit)	240,000	240,000
Audit Fees (Consolidation)	100000*	-
Tax Audit Fees	40,000	40,000
In other capacity		
Taxation matters	5000**	-
Out of pocket expenses	20000***	45,000
Total	405,000	325,000

*50,000/- relates to previous Auditors

**5,000/- relates to previous Auditors

***Out of pocket expenses are booked on provision basis

OTHER NOTES TO FINANCIAL STATEMENTS

25. Contingent Liabilities not provided for in respect of :

a) Unpaid dividend on 5% Cumulative preference shares:

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Dividend Payable	48,246,576	42,246,576

b) Provision of Bonus for the FY 2014-15:

Due to the retrospectively amendment in “The Payment of Bonus Act,1965” which is deemed to have come into force from 1st April,2014. Kerala and Karnataka High Court have passed stay on the implementation and the matter is pending in Court of Law for the hearing. Considering the other facts that books of FY 2014-15 has been closed and return of bonus already filed for said period. The company has not provided liability of bonus of Rs. 509,971/- for the FY 2014-15.

26. The Company has earned a Net profit of Rs. 1,154,654/- during the year ended March 31, 2016. The Company has accumulated losses amounting to Rs. 228,035,923/- as at March 31, 2016. The Company has Net Profits in last three consecutive years including the current year. During the year there is increase in paid up share capital. The overall networth has become positive as on 31st March 2016.

27. Members holding membership of the Exchange for more than three years can terminate their membership and withdraw deposit. The Company does not foresee possibility of termination of such membership and therefore membership deposit of such members is classified as non- current liability.

28. 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.

29. Employee Benefits:

a) Defined Contribution Plan:

Company's contribution to Provident Fund Rs. 3,408,574/- (Previous year – Rs. 2,057,616/-).

b) Defined Benefit Plans:

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.1,000,000/-.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet.

Expenses recognized in the statement of P & L:

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Current service cost	899,741	424,675
Interest cost on benefit obligation	232,041	82,462
(Expected return on plan assets)	(374,081)	(154,915)
Net actuarial (gain) / loss recognised in the year	(131,690)	807,689
Net benefit expense	626,011	1,159,911
Actual return on plan assets	367,768	139,507

Movement in the Liability recognised in Balance Sheet:

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Opening Net Liability	(1,786,660)	(896,787)
Expenses as above	626,011	1,159,911
Contribution Paid	(1,297,661)	(2,049,784)
Closing Net Liability	(2,458,310)	(1,786,660)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Opening defined benefit obligation	2,918,761	883,841
Interest cost	232,041	82,462
Current service cost	899,741	424,675
Liability Transferred In/ Acquisitions	383,218	970,541
Liability Transferred Out/Divestments	(33,894)	(235,039)

Benefit paid from fund	(50,919)	-
Actuarial (gains) / losses on obligation—Due change in financial assumptions	(4,157)	370,196
Actuarial (gains) / losses on obligation—Due to experience	(133,846)	422,085
Closing defined benefit obligation	4,210,945	2,918,761

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Opening fair value of plan assets	4,705,421	1,780,628
Expected return	374,081	154,915
Contributions by employer	1,297,661	2,049,784
Assets Transferred In/ Acquisitions	383,218	970,541
Assets Transferred Out/Divestments	(33,894)	(235,039)
Benefit paid from fund	(50,919)	-
Actuarial gains / (losses)	(6,313)	(15,408)
Closing fair value of plan assets	6,669,255	4,705,421

Actual Return on Plan Assets

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Expected Return on Plan Assets	374,081	154,915
Actuarial Gains/(Losses) on Plan Assets -Due to Experience	(6,313)	(15,408)
Actual Return on Plan Assets	367,768	139,507

Category of Assets as at the end of the year

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Insurance Fund	6,669,255	4,705,421

Experience Adjustment

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Defined Benefit Obligation	4,210,945	2,918,761	883,841	546,070	250,569
Fair Value of Planned Assets	6,669,255	4,705,421	1,780,628	839,573	583,188
(Surplus)/Deficit	2,458,310	1,786,660	896,787	293,503	332,619
Experience Adjustment on Plan Liabilities[(Gain)/Loss]	(133,846)	422,085	29,521	1,678,89	29,238
Experience Adjustment on Plan Asset[(Gain)/Loss]	(6,313)	(15,408)	11,380	2,484	3,001

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31,2016	March 31,2015
	%	%
Discount rate	7.95	7.95
Expected rate of return on Plan assets	7.95	7.95
Salary Escalation Rate	5.00	5.00
Attrition Rate	5.00	5.00

Expected Contribution to be made to the plan assets in financial year 2016-17 is Rs. 2,000,000/- (Previous Year Rs. 2,009,496/-).

- 30.** In the opinion of the management, as the Company's operations comprise of only facilitating trading in commodities and the activities incidental thereto with in India, the disclosures required in terms of AS-17 "Segment Reporting" are not applicable.
- 31.** Risk Management Fund (RMF) as constituted by the Company is the amount earmarked for completion of the settlement, incase of a default by a member. Company has policy to transfer 40% of penalty received to Risk Management Fund. During the year, amount of Rs. 181,648 utilized directly from the said fund [Refer Note 3].

32. Related Party Disclosures

a) List of Related Parties

i. Holding Company

National Commodity & Derivatives Exchange Limited

ii. Fellow Subsidiary

NCDEX Institute of Commodity Markets and Research

National Commodity Clearing Limited

iii. Joint Venture

Rashtriya e Market Services Private Limited

iv. Associate of Holding Company

Power Exchange India Limited

v. Key Managerial Personnel

Mr. Rajesh Sinha - Chief Executive Officer

Mr. Kartik Thakkar - Chief Financial Officer

Ms. Bhanupriya Rao - Company Secretary (till Feb-2016)

b) Name of Related Party: National Commodity & Derivatives Exchange Limited

Nature of Relation: Holding Company

Nature of transaction	March 31,2016	March 31,2015
LOAN	(Rupees)	(Rupees)
Unsecured Loan outstanding as at the beginning of the year	150,764,188	150,771,583
Unsecured Loan taken during the year	-	-
Unsecured Loan repaid during the year*	150,764,188	7,395
Unsecured Loan outstanding as at year end	-	150,764,188
*Out of above Rs. 15,00,00,000/- is converted in Equity Share Capital and balance is repaid in cash		
INTEREST ON LOAN		
Interest payable at the beginning of the year	13,569,444	-
Interest accrued and due during the year	3,366,922	13,569,444
Interest Paid during the year	4,500,000	-
Interest payable at the end of the year	12,436,366	13,569,444
SERVICES RECEIVED/RENDERED		
Services received	36,864,987	6,648,776
Services rendered	1,024,279	1,608,068
Receivables/(Payable) as at end of the year	(15,424,576)	11,703
REIMBURSEMENT OF EXPENSES		
Reimbursement of expenses incurred on behalf of the Company by-	76,554	84,537
INVESTMENTS		
Investment at the beginning of the year		
Equity Share Capital	85,000,000	85,000,000
Preference Share Capital	120,000,000	120,000,000
Additions		
Equity Share Capital	150,000,000	-
Preference Share Capital	-	-
Investment at the end of the year		
Equity Share Capital	235,000,000	85,000,000
Preference Share Capital	120,000,000	120,000,000

c) Transactions with Other Related Parties:

Particulars	March 31,2016	March 31,2015
	(Rupees)	(Rupees)
Advance Received towards software charges		
Other Receivable		
Power Exchange India Limited	-	259,560
Investment in Joint Venture		
Rashtriya e Market Services Private Limited	-	49,950,000
Services Rendered		
Rashtriya e Market Services Private Limited	11,375,667	-
Dividend Received		
Rashtriya e Market Services Private Limited	1,000,000	-
Remuneration paid to KMP		
Mr. Rajesh Sinha (Chief Executive Officer)	6,654,444	5,927,000
Mr. Kartik Thakkar (Chief Financial Officer)	1,907,842	1,596,495
Ms. Bhanupriya Rao (Company Secretary)	643,790	663,993
Reimbursement of expenses incurred on behalf of the Company by KMP		
Mr. Rajesh Sinha (Chief Executive Officer)	836,217	1,057,851
Mr. Kartik Thakkar (Chief Financial Officer)	286,740	315,294
Ms. Bhanupriya Rao (Company Secretary)	42,039	40,414

d) Closing Balance of Other Related Parties:

Particulars	March 31,2016	March 31,2015
	(Rupees)	(Rupees)
Advance Received towards software charges		
Power Exchange India Limited	2,100,000	2,100,000
Other Receivable		
Power Exchange India Limited	-	259,560
Advance / Loan Given		
Rashtriya e Market Services Private Limited	-	1,500
Investment in Joint Venture		
Rashtriya e Market Services Private Limited	50,000,000	50,000,000
Reimbursement of expenses incurred on behalf of the Company by KMP		
Mr. Rajesh Sinha (Chief Executive Officer)	37,133	85,471
Mr. Kartik Thakkar (Chief Financial Officer)	99,494	61,150
Ms. Bhanupriya Rao (Company Secretary)	-	972

33. Investments

- a) The Company has made Investment of Rs. 989,000/- on November 02, 2007 in a National Warehousing Corporation Private Limited (NWCPL). The accumulated losses of NWCPL have exceeded its net worth as per its audited financial statements as at March 31, 2015, hence the Company has made a provision of Rs. 988,999/- for diminution in the value of investments.
- b) The Company has joint venture with Rashtriya e Market Services Private Limited (ReMS) for providing Unified Market Platform services in Karnataka. The company has an investment of Rs. 50,000,000/- as at March 31, 2016, representing 50% shareholding in ReMS. (Rs. 50,000,000/- as at March 31, 2016, representing 50% shareholding as at March 31, 2015). The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-2016 of Rashtriya e Market Services Private Limited as per Unaudited financial statement are given below:

Particulars	As at March 31, 2016	As at March 31, 2015	Particulars	2015-2016	2014-2015
	(Rupees)	(Rupees)		(Rupees)	(Rupees)
RESERVES AND SURPLUS			INCOME		
Reserves and Surplus	57,480,062	14,864,321	Revenue from operations	128,115,663	27,533,050
NON-CURRENT LIABILITIES			Other Income	4,319,351	2,583,853
Deferred tax liabilities	1,261,967	2,419,400			
CURRENT LIABILITIES				132,435,014	30,116,903
Other Current Liabilities	7,962,271	28,153,112	EXPENDITURE		
Short-term Provisions	6,777,522	1,199,941	Employee Benefit Expenses	3,686,969	1,157,036
			Operating Expenses	50,034,011	188,238
	16,001,760	31,772,453	Depreciation	5,499,926	914,897
			Other Expenses	8,156,947	2,968,574
NON-CURRENT ASSETS			Tax expenses / (credit)	19,441,567	8,854,067
Fixed Assets	23,861,595	25,453,625			
Other Long-term Loans					
and Advances	0	249,276		86,819,420	14,082,812

CURRENT ASSETS					
Trade Receivables	54641280	22944322			
Cash and Bank Balances	43187924	47756972			
Short-Term Loans and Advances	1650934	78450			
Other Current Assets	140089	154129			
	123481822	96636774			
Capital Commitments	-	-			

34. Operating Leases

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.

Particulars	March 31,2016 (Rupees)	March 31,2015 (Rupees)
Lease payments for the year: Rent recognized in Statement of Profit and Loss	20,059,245	6,345,267
Minimum Lease Payments: Not later than one year	20,059,245	6,345,267
Later than one year and not later than five years	-	-
Later than five years	-	-

35. Taxation

- a) Deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The components of deferred tax are given hereunder:

Particulars	March 31,2016 (Rupees)	March 31,2015 (Rupees)
Deferred Tax Asset Components		
Unabsorbed depreciation	26,571,095	26,571,095
Expenses allowed on payment basis	714,432	500,929
	27,285,527	27,072,024
Deferred Tax Liabilities Components		
Depreciation	(12,686,732)	(6,572,048)
	(12,686,732)	(6,572,048)
Net Deferred tax Assets/(Liabilities)*	-	-

*Considering the principle of virtual certainty, deferred tax asset to the extent of deferred tax liability has been recognized and no net deferred tax asset has been created.

b) Provision for tax is not made in lieu of carry forward losses. Further the Company has no MAT liability u/s 115JB of Income Tax Act, 1961.

36. Earnings per share (EPS)

Particulars	March 31,2016	March 31,2015
	(Rupees)	(Rupees)
Profit/(Loss) after tax attributable to the Equity Shareholders (Rupees) (A)	1,154,654	15,833,595
Weighted average number of equity shares (Nos.) (B)	19,114,754	8,500,000
Earnings per share (Rupees) (Face value of Rs.10 per share) (A) /(B)	0.06	1.86

37. Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Based on the information with the Company, the amount overdue to the suppliers as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006' as on March 31, 2016 on account of principal amount together with interest is NIL.

The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

Particulars	March 31,2016	March 31,2015
	(Rupees)	(Rupees)
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remain unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

- 38.** The Company has not contributed any amount towards Corporate Social Responsibility (CSR) in term of section 135 as there are no profits attributable to CSR.
- 39.** During the year:
- a)** The Company has written off certain amounts towards old outstanding totaling to Rs. 146,308/- which were due but not received. Further, the Company has provided an amount of Rs. 554,958/- towards Doubtful Debts.
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. 567,077/-.
- 40.** With effect from March 01, 2016, the Company has causal vacancy of full time Company Secretary. Company is in process of appointing a full time Company Secretary.
- 41.** Previous year's figures have also been reclassified /regrouped, wherever necessary, to confirm to current year's classification.

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

Samir Shah
Director
DIN:00912693

Arun Balakrishnan
Director
DIN:00130241

Place: Mumbai
Date : 23rd May, 2016

Kartik Thakkar
Chief Financial Officer

INDEPENDENT AUDITORS'S REPORT

To The Members of NCDEX e Markets Limited (formerly known as NCDEX Spot Exchange Limited.)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of NCDEX e Market Limited (formerly known as NCDEX Spot Exchange Limited) ("hereinafter referred to as the Holding Company") and its jointly controlled entity (together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") 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 and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial

statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Emphasis of Matters

In regarding Joint Venture Company, we draw attention to the following matters which is based solely on the reports of the other auditors on the financial statements of the jointly controlled entities:

a) As stated in Note 15 and note 30 to Consolidated Financial Statements, balances under sundry Debtors have not been confirmed by few parties. Based on the consideration of the reports of the other auditor on the financial statements of jointly controlled entities, we are unable to comment on the Impact adjustment arising out of reconciliation/confirmation of such balances on the Consolidated Financial Statements.

b) Service tax is not applicable on the transaction charges billed by the Joint venture company as per Management. Hence the Provision for Service tax has not been made in the books of accounts for the same. The financial impact of the same on the Consolidated Financial Statement of the Company is Rs. 18, 000,000/- exclusive of Interest and other imposition if applicable. (Refer note 27)

Joint venture Auditor's opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statement/financial information of the jointly controlled entity, whose financial statement/ financial information reflect total Asset Rs.246,963,644/- as at March 31, 2016, total revenue of Rs.264,870,029/- and net cash flows amounting to Rs.(9,138,095/-) for the year ended on that date, as considered in the consolidated financial statement. These financial statements/ 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, 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, is based solely on the reports of the other auditor.

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.

Report on Other Legal and Regulatory Requirements

1) 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 of aforesaid consolidated financial statement.
- b. In our opinion, proper books of account as required by law relating to preparation of consolidated financial statements have been kept so far as it appears from our examination of those books and the report of other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the holding Company's directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the holding Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us"-:
- i. The Group has disclosed the impact of pending litigations on its financial position in note 27 to its consolidated financial statements.
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. The Group is not required to transfer funds to the Investors Education and Protection Fund.

For Chokshi & Chokshi LLP
Chartered Accountants
FRN 101872W/W100045

Hardik Chokshi
Partner
M.No. 115774

Place: Mumbai
Date: 21/06/2016

Annexure - A to the Auditor's Report**Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of NCDEX e Markets Limited ("the Holding Company") as of that date.

We did not audit the internal financial controls over financial reporting of the jointly controlled entity. These internal financial controls over financial reporting of the jointly controlled entity have been audited by the other auditor whose report have been furnished to us by the management and our opinion internal financial controls over financial reporting, in so far as it respect of joint venture, is based solely on the reports of the other auditor.

Our opinion on internal financial controls over financial reporting, 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.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its jointly controlled 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 ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

As referred to the Joint venture Auditor's report, the following material weakness has been identified in Joint venture Company as at March 31, 2016:

Joint venture Company's internal financial controls over recording and recognition of revenue in certain cases were not operating effectively which could potentially result in Joint venture Company recognising revenue without establishing reasonable certainty of ultimate collection.

A material weakness is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of Joint venture Company's annual financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of material weakness described above in the Joint venture Company on the achievement of the objective of the control criteria, the Group has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Group 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

Hardik Chokshi
Partner
M.No. 115774

Place: Mumbai
Date: 21/06/2016

Consolidated Balance Sheet as at March 31, 2016



NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)			
Consolidated Balance Sheet as at March 31, 2016			
(Amount in Rs.)			
Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	355,000,000	205,000,000
Reserves and Surplus	3	(170,044,968)	(213,633,715)
		184,955,032	(8,633,715)
Non-Current Liabilities			
Long-Term Borrowings	4	-	150,764,188
Deferred Tax Liability (Net)	5	1,261,967	2,419,400
Other Long-Term Liabilities	6	67,450,000	65,700,000
Long-Term Provisions	7	2,594,365	1,765,537
		71,306,332	220,649,125
Current Liabilities			
Trade Payables	8	40,717,359	7,841,089
Other Current Liabilities	9	816,770,282	667,419,842
Short-Term Provisions	10	14,646,560	16,064,090
		872,134,201	691,325,021
TOTAL		1,128,395,565	903,340,431
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		29,550,025	12,734,092
Intangible Assets		81,692,211	67,989,326
Intangible Assets Under-Development		14,234,872	6,648,537
Non-Current Investments	12	1	989,000
Long-Term Loans & Advances	13	913,676	1,311,953
Other Non-Current Assets	14	14,856,137	29,486,688
		141,246,922	119,159,596
Current Assets			
Trade Receivables	15	94,171,325	42,045,502
Cash and Bank Balances	16	833,646,855	698,796,439
Short-Term Loans and Advances	17	45,992,793	30,121,215
Other Current Assets	18	13,337,670	13,217,679
		987,148,643	784,180,835
TOTAL		1,128,395,565	903,340,431
The accompanying notes form an integral part of the Consolidated Financial Statements			
Significant Accounting Policy and Notes to Consolidated Financial Statements 1 to 44			
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			
Hardik Chokshi		Samir Shah	
Partner		Director	
M. No. 115774		DIN:00912693	
		Arun Balakrishnan	
		Director	
		DIN:00130241	
Place: Mumbai		Kartik Thakkar	
Date: 21/06/2016		Chief Financial Officer	

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited) Consolidated Statement of Profit and loss for the period ended March 31, 2016 (Amount in Rs.)			
Particulars	Note No.	Year ended March 31 ,2016	Year ended March 31 ,2015
INCOME			
Revenue from Operations	19	335,382,645	162,295,152
Other Income	20	58,927,737	57,893,437
Total Revenue		394,310,382	220,188,589
EXPENSES			
Operating Expenses	21	102,956,957	34,360,957
Employee Benefits Expense	22	88,801,899	67,070,713
Finance Cost	23	3,789,381	15,225,898
Depreciation and Amortisation Expense	24	24,904,004	15,592,042
Other Expenses	25	107,646,326	47,217,225
Total Expenses		328,098,567	179,466,835
Profit/(loss) before tax		66,211,815	40,721,754
Income Tax Expenses	26		
Current Tax		(20,599,000)	(6,434,668)
Deferred Tax		1,157,433	(2,419,400)
Profit for the year		46,770,248	31,867,686
Earnings per share:	40		
Basic & Diluted		2.45	3.75
<p>The accompanying notes form an intergal part of the Consolidated Financial Statements Significant Accounting Policy and Notes to Consolidated Financial Statements 1 to 44</p> <p>As per our report of even date attached</p> <div> <div> <p>For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045</p> <p>Hardik Chokshi Partner M. No. 115774</p> <p>Place: Mumbai Date: 21/06/2016</p> </div> <div> <p>For and behalf of the Board of Directors NCDEX e Markets Limited</p> <p>Samir Shah Director DIN:00912693</p> <p>Arun Balakrishnan Director DIN:00130241</p> <p>Kartik Thakkar Chief Financial Officer</p> </div> </div>			

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)		
Consolidated Cash Flow Statement for the period ended March 31, 2016		
	(Amount in Rs.)	
Particulars	Year ended March 31, 2016	Year ended March 31, 2015
A. Cash flow from Operating Activities		
Profit Before Tax	66,211,815	40,721,754
Adjustments for:		
Depreciation and Amortisation Expense	24,904,004	15,592,042
Interest Income	(56,163,724)	(57,768,722)
Dividend Income	(1,000,000)	-
Interest on Income Tax Refund	(508,470)	(123,981)
Unrealised forex (gain) / loss	-	2,615
Provision for Diminution in Investments	988,999	-
Other Non-operating income	-	(734)
Loss on sale of Fixed Assets	-	197,188
Operating loss before working capital changes	34,432,624	(1,379,838)
Movements in working capital:		
Decrease / (Increase) in Trade receivables	(52,125,824)	(27,326,560)
Decrease / (Increase) in Short term loans and advances	(6,982,597)	6,491,963
Decrease / (Increase) in Long term loans and advances	398,277	(1,185,373)
Decrease / (Increase) in Other non-current assets	15,050,000	(7,561,576)
Decrease / (Increase) in Other current assets	(1,316,760)	7,779,266
Increase / (Decrease) in Other Long term liabilities	1,750,000	(71,500,000)
Increase / (Decrease) in Long-term provisions	828,828	1,009,921
Increase / (Decrease) in Trade payables	32,876,270	(8,653,134)
Increase / (Decrease) in Other liabilities	149,168,793	428,593,629
Increase / (Decrease) in Short term provision	(4,417,383)	5,264,309
Cash flow before taxation	169,662,228	331,532,607
Direct taxes paid	(29,487,982)	(29,291,187)
Net Cash Generated from Operating Activities	(A) 140,174,246	302,241,420
B. Cash Flows From Investing Activities		
Purchase of fixed assets	(63,009,156)	(32,230,018)
Interest received	56,941,044	44,428,523
Interest on Income tax refund	508,470	123,981
Investment in fixed deposits	(42,558,932)	(25,181,068)
Other Non-operating income	-	734
Dividend received	1,000,000	-
Net Cash Used in Investing Activities	(B) (47,118,574)	(12,857,848)
C. Cash Flows From Financing Activities		
Loan from National Commodity & Derivatives Exchange Ltd (Holding Company)	(764,188)	(7,395)
Net Cash Generated from Financing Activities	(C) (764,188)	(7,395)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	92,291,484	289,376,177
Effect of exchange differences on Cash & Cash equivalents held in foreign currency	-	(2,615)
Cash and Cash Equivalents at the Beginning of the year	437,591,349	148,217,787
Cash and Cash Equivalents at the End of the year [Refer Note 16]	529,882,833	437,591,349
Notes:		
1. Cash & Cash Equivalents		
Cash on Hand	1,413	2,388
Balances with Banks:		
- In Current Accounts	499,881,420	351,051,421
- In Fixed Deposits	30,000,000	86,537,540
Cash & Cash Equivalents considered for Cash flow	529,882,833	437,591,349
Other Bank Balances	303,764,022	261,205,090
Cash and Bank Balances [Refer Note 16]	833,646,855	698,796,439
Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'Cash Flow Statement'.		
Figures in brackets indicate cash outflow.		
The accompanying notes form an integral part of the Consolidated Financial Statements		
Significant Accounting Policy and Notes to Consolidated Financial Statements 1 to 44		
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	
Hardik Chokshi Partner M. No. 115774	Samir Shah Director DIN:00912693	Arun Balakrishnan Director DIN:00130241
Place: Mumbai Date: 21/06/2016	Kartik Thakkar Chief Financial Officer	

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

NOTE 1 :- SIGNIFICANT ACCOUNTING POLICIES

Company's Overview:

NCDEX e Markets Limited (NeML, formerly NCDEX Spot Exchange Limited) (the Company), a wholly owned 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.

a. Basis of preparation of consolidated financial statements:

The consolidated financial statements (CFS) are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 ('the Act') so far as applicable, and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable.

b. Use of Estimates:

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Basis of Consolidation

The Consolidated Financial Statements consist of NCDEX e Markets Limited("the Company") and its Joint venture Company Rashtriya e Market Services Private Limited (ReMSPL) (collectively referred to as "the Group"). The Consolidated Financial Statements have been prepared on the following basis:

Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Financial Reporting of Interest in Joint Ventures".

The financial statements of the Company and its Joint venture have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements, except as disclosed.

The Company has the following Joint Venture Company, which is consider in the Consolidated Financial Statements-:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest	Nature of Business
Rashtriya e Market Services Pvt. Ltd.	India	50%	Establishing, operating, managing, specialized electronic trading platform (UMP) for auctioning of farmer's produce to bring efficiency and transparency in the agricultural regulated markets in Karnataka State.

d. 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.

Annual Membership Fees/Lot creation charges/Penalty/E-Pledge Fees/Tricker Board Charges/Other charges

Annual subscription charges are recognized as income when there is reasonable certainty of ultimate realization.

Admission Fees

Admission fee is recognized fully as one time income for the financial year.

Interest Income

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

Registration Fees

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

Dividend

Dividend is recognized when the Company's right to receive dividend is established as at the reporting date.

Software Service Income

Software service incomes 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.

e. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any other cost attributable to bringing the asset to its working condition for its intended use.

Costs relating to acquisition and development of computer software are capitalized in accordance with AS 26 'Intangible Assets'

f. Depreciation/Amortization

Depreciation in respect of Assets of the Company is charged on the basis of useful life of the assets as prescribed in schedule II of Companies Act, 2013. Expenditure on software is amortized over a period of 5 years from the date of put to use.

Particulars	Useful Life
Furniture and Fixtures	10 Years
Computer Hardware	
- Servers & Networking	6 Years
- Computer Hardware	3 Years
Computer Software	Amortize Over Period of 5 years
Office Equipment's	5 Years
Motor Car	8 Years
Leasehold Improvements	Balance Lease Period

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.

In case of ReMSPL, individual assets costing less than Rs.10,000/- are depreciated in full in the year of purchase.

g. Investments

Investments are classified as current or long-term in accordance with Accounting Standard - 13 on "Accounting for Investments". Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term Investments are stated at cost. Provision is made for diminution other than temporary in the value of such investments.

Current investments are carried at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investment. Any reduction in the carrying amount and any reversals of such reductions are charged or credited in the statement of profit and loss.

h. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transactions.

Monetary items denominated in foreign currencies at the year end are stated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract. Non-monetary foreign currency items are carried at cost. Exchange difference arising thereon and on realization / payments of foreign exchange are accounted as income or expense in the relevant year.

i. Employee Benefits

Provident Fund

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

Gratuity

Gratuity liability is defined benefit obligation for employees. The Company has taken Group Gratuity-cum-Life Insurance Policy from Life Insurance Corporation of India (LIC). Accordingly, the Company accounts for liability for future gratuity benefits based on actuarial valuation carried out at the end of each financial year and the Contribution by way of premium paid to LIC of India is charged to Profit/Loss Account. Actuarial gain or losses are immediately recognized in the Profit and Loss Account.

Leave Benefits

Compensated absences are provided for based on actuarial valuation.

j. Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings/(loss) per share, the net profit or loss attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

k. Taxation

Tax expense comprises current (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income of the year).

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is a virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably/virtually certain, as a case may be, that future taxable income will be available against which such deferred tax assets can be realized.

l. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

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

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

m. Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard 3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company.

Cash and Cash equivalents for the purpose of cash flow statement comprises of cash at bank and in hand and short-term investments with original maturity of three months or less.

n. Provision

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a. The Company has a present obligation as a result of a past event.
- b. Probable outflow of resources is expected to settle the obligation and
- c. The amount of the obligation can be reliably estimated

Where some or all the expenditure required to settle a provision is expected to be reimbursed by another party, such reimbursement is recognised to the extent of provision or contingent liability as the case may be, only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in the case of:

- a. A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- b. A possible obligation, unless the probability of outflow of resources is remote.

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)

NOTE 2

(Amount in Rs)

Share Capital	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Authorised Capital				
Equity Shares of Rs.10 each	28,000,000	280,000,000	12,000,000	120,000,000
5% Cumulative redeemable preference shares of Rs.10 each	12,000,000	120,000,000	12,000,000	120,000,000
Issued, Subscribed & Paid up Capital				
Equity Shares of Rs. 10 each	23,500,000	235,000,000	8,500,000	85,000,000
5% Cumulative redeemable preference shares of Rs.10 each	12,000,000	120,000,000	12,000,000	120,000,000
Total	35,500,000	355,000,000	20,500,000	205,000,000

NOTE 2(a)

Reconciliation of Number of Shares:

(Amount in Rs)

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	8,500,000	85,000,000	8,500,000	85,000,000
Shares Issued during the year	15,000,000	150,000,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	23,500,000	235,000,000	8,500,000	85,000,000

(Amount in Rs)

Preference Shares	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	12,000,000	120,000,000	12,000,000	120,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	12,000,000	120,000,000	12,000,000	120,000,000

NOTE 2(b)

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.

5% Cumulative redeemable preference shares(CRP) 12,000,000 of Rs 10 each issued on 24th September,2010 convertible at par at the option of National Commodities and Derivatives Exchange Ltd(Holding company), at the expiry of 5th year but before expiry of 7th year.In case of non-exercise of aforesaid conversion option, redemption in 4 equal tranches at the expiry of 7th year, 8th year, 9th year and 10th year. Hence, the shares will be completely redeemed at the expiry of 10th year from the date of issue. In the event of liquidation of the company before redemption of CRP, the holder of CRP's will have priority over equity shares in the repayment of capital.

NOTE 2(c)

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

Equity shares	As at March 31, 2016		As at March 31, 2015	
	Number	% of holding	Number	% of holding
National Commodity & Derivatives Exchange Ltd (Holding Company) along with its Nominees	23,500,000	100	8,500,000	100
Preference shares	As at March 31, 2016		As at March 31, 2015	
	Number	% of holding	Number	% of holding
National Commodity & Derivatives Exchange Ltd (Holding Company)	12,000,000	100	12,000,000	100

NOTE 2(d)

Details of shareholders, holding more than 5 percent share in the company:

Name of Shareholders	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	% of Holding	Number of shares	% of Holding
Equity Shares				
National Commodity & Derivatives Exchange Ltd (along with its Nominees)	23,500,000	100	8,500,000	100
Preference Shares				
National Commodity & Derivatives Exchange Ltd	12,000,000	100	12,000,000	100

NOTE 2(e)

Information regarding issue of shares in last five years:

15,000,000/- Equity shares of Rs. 10/- each (face value) has been allotted as fully paid up pursuant to conversion of loan from NCDEX, without payment being received in cash. The above said loan amount received by the Company through bank.
The Company has not issued bonus shares.
The Company has not undertaken any buyback of shares.

NOTE 3 NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)		
	(Amount in Rs.)	
Reserves and Surplus	As at March 31, 2016	As at March 31, 2015
Risk Management Fund (Created for Meeting Members Obligations in case of Defaults)		
[Refer Note 33]		
Opening Balance	692,541	656,541
Add: Transfer from Statement of Profit and Loss	-	36,000
Less: Utilised	(181,648)	-
Closing Balance	510,893	692,541
Transaction Charges Special Reserve [Refer Note 34]		
Opening Balance	-	-
Add: Transfer from Statement of Profit and Loss	6,405,783	-
Less: Utilised	-	-
Closing Balance	6,405,783	-
Balance in the Statement of Profit and loss		
Opening Balance	(214,326,256)	(244,958,001)
Add: Profit / (Loss) for the current year	46,770,248	31,867,686
Less: Proposed Dividend	(2,500,000)	(1,000,000)
Less: Dividend Distribution Tax	(499,853)	(199,941)
Less: Transfer to Risk Management Fund	-	(36,000)
Less: Transfer to Transaction Charges Special Reserve	(6,405,783)	-
Closing Balance	(176,961,644)	(214,326,256)
Total	(170,044,968)	(213,633,715)
NOTE 4		
	(Amount in Rs.)	
Long-Term Borrowings	As at March 31, 2016	As at March 31, 2015
Unsecured		
Loans and Advances from Related Parties	-	150,764,188
National Commodity and Derivatives Exchange Ltd (Holding Company)		
[Refer Note 35]		
Total	-	150,764,188
NOTE 5		
	(Amount in Rs.)	
Deferred Tax Liability	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liability [Refer Note 39]	1,261,967	2,419,400
Total	1,261,967	2,419,400
NOTE 6		
	(Amount in Rs.)	
Other Long-Term Liabilities	As at March 31, 2016	As at March 31, 2015
Others		
Security Deposits from Members [Refer Note 29]	67,450,000	65,700,000
Total	67,450,000	65,700,000

NOTE 7 NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)		
	(Amount in Rs.)	
Long-Term Provisions	As at March 31, 2016	As at March 31, 2015
Provision for Employee Benefits		
Leave Encashment	2,594,365	1,765,537
Total	2,594,365	1,765,537
NOTE 8		
	(Amount in Rs.)	
Trade Payables	As at March 31, 2016	As at March 31, 2015
Micro, Small and Medium Enterprises [Refer Note 41]	-	-
Due to Holding Company	15,501,130	-
Trade Payables-Vendors	25,216,229	7,841,089
Total	40,717,359	7,841,089
NOTE 9		
	(Amount in Rs.)	
Other Current Liabilities	As at March 31, 2016	As at March 31, 2015
Other Payables		
Interest accrued and due on borrowings [Refer Note 35]	12,436,366	13,569,444
Interest Free Deposits form Clearing Banks	130,000,000	130,000,000
Warehouse Deposits	2,500,000	3,000,000
Advances from Customers	5,342,351	2,638,429
Creditors for Capital Expenditure	11,611,919	12,834,416
Transaction Charges payable to KSAMB	5,011,589	26,283,052
Trade Monies recieved from Members	642,042,284	473,522,328
Statutory Liabilities	5,445,380	4,484,014
Income received in advance	243,000	-
Employee Payables	1,849,547	1,088,159
Other Payables	287,846	-
Total	816,770,282	667,419,842
NOTE 10		
	(Amount in Rs.)	
Short-Term Provisions	As at March 31, 2016	As at March 31, 2015
Provision for Leave Encashment	627,509	274,149
Provision for Bonus	667,787	7,400,000
Provision for Grautity	25,933	-
Provision for Expenses	6,547,809	7,190,000
Provision for Proposed Dividend	2,500,000	1,000,000
Provision for Dividend Distribution Tax	499,853	199,941
Provisions for Income Tax (Net of Advance Tax)	3,777,669	-
Total	14,646,560	16,064,090

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)

**NOTE 11
Fixed Assets**

Particulars	Gross Block (At cost)					Depreciation / Amortisation					Net Block	
	As at April 1, 2015	Additions	(Disposals)	Adjustments	As at March 31, 2016	As at April 1, 2015	For the year	Deletion during the year	Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible Assets												
Furniture and Fixtures	684,653	663,599	-	-	1,348,252	657,427	21,655	-	-	679,082	669,170	27,226
Computer Hardware	30,105,496	16,649,651	-	-	46,755,147	18,382,404	4,971,139	-	-	23,353,543	23,401,604	11,723,092
Office Equipment	108,921	275,439	-	-	384,360	7,246	70,900	-	-	78,146	306,214	101,675
Freehold Vehicles	909,099	2,488,773	-	-	3,397,872	27,000	216,800	-	-	243,800	3,154,072	882,099
Leasehold Improvements	-	2,148,795	-	-	2,148,795	-	129,830	-	-	129,830	2,018,965	-
Total	31,808,169	22,226,257	-	-	54,034,426	19,074,077	5,410,324	-	-	24,484,401	29,550,025	12,734,092
Previous Year	17,438,819	14,566,538	(197,188)	-	31,808,169	10,549,690	8,524,387	-	-	19,074,077	12,734,092	-
Intangible Assets												
Computer Software	104,141,427	33,196,565	-	-	137,337,992	36,152,101	19,493,680	-	-	55,645,781	81,692,211	67,989,326
Total	104,141,427	33,196,565	-	-	137,337,992	36,152,101	19,493,680	-	-	55,645,781	81,692,211	67,989,326
Previous Year	40,138,865	64,002,562	-	-	104,141,427	29,084,446	7,067,655	-	-	36,152,101	67,989,326	-
Intangible assets under development*	6,648,537	7,586,335	-	-	14,234,872	-	-	-	-	-	14,234,872	6,648,537
Total	6,648,537	7,586,335	-	-	14,234,872	-	-	-	-	-	14,234,872	6,648,537
Previous Year	52,987,619	28,317,234	(74,656,316)	-	6,648,537	-	-	-	-	-	6,648,537	-
Grand Total	142,598,133	63,009,157	-	-	205,607,290	55,226,178	24,904,004	-	-	80,130,182	125,477,108	87,371,955
Previous Year	110,565,303	106,886,334	(74,853,504)	-	142,598,133	39,634,136	15,592,042	-	-	55,226,178	87,371,955	-
<i>*Intangible assets under development consists of "IPXL Trading System"</i>												

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)							
NOTE 12							(Amount in Rs.)
Non-Current Investments	Face Value	Quantity	As at March 31, 2016	Face Value	Quantity	As at March 31, 2015	
Trade (Valued at Cost unless stated otherwise)							
Investment in Equity Shares (Unquoted)							
National Warehousing Corporation Pvt. Ltd.	10	98,900	989,000	10	98,900	989,000	
Provision for Diminution in Investments [Refer Note 36(a)]	-	-	(988,999)	-	-	-	
Total		98,900	1		98,900	989,000	
Aggregate value of unquoted investments							
At Cost			<u>1</u>			<u>989,000</u>	

NOTE 13		
(Amount in Rs.)		
Long-Term Loans & Advances	As at March 31, 2016	As at March 31, 2015
Prepaid Expenses	913,676	1,311,953
Total	913,676	1,311,953
NOTE 14		
(Amount in Rs.)		
Other Non-Current Assets	As at March 31, 2016	As at March 31, 2015
Long-term deposit with banks with original maturity period more than 12 months	14,000,000	29,050,000
Interest Accrued on Fixed Deposits	856,137	436,688
Total	14,856,137	29,486,688
NOTE 15		
(Amount in Rs.)		
Trade Receivables	As at March 31, 2016	As at March 31, 2015
Outstanding for a period exceeding six months		
Considered Good	15,441,187	382,386
Considered Doubtful	554,958	-
Less: Provision For doubtful debts	(554,958)	-
	15,441,187	382,386
Other Debts		
Considered Good	78,730,138	41,663,116
Total	94,171,325	42,045,502
NOTE 16		
(Amount in Rs.)		
Cash and Bank Balances	As at March 31, 2016	As at March 31, 2015
Cash and Cash Equivalents		
Balances with banks in Current Accounts	499,881,420	351,051,421
Cash on hand	1,413	2,388
Fixed Deposit with original maturity less than 3 months	30,000,000	86,537,540
	529,882,833	437,591,349
Other Bank Balances		
Fixed deposits with original maturity more than 3 months, but less than 12 months	247,850,000	137,783,258
Fixed deposits with original maturity more than 12 months (maturing in next year)	55,914,022	123,421,832
Total	833,646,855	698,796,439
NOTE 17		
(Amount in Rs.)		
Short-Term Loans and Advances	As at March 31, 2016	As at March 31, 2015
Unsecured and Considered Good		
Loans and advances to Related Parties	-	1,500
Loans and Advances to Employees	91,255	13,498
Rental Deposit	3,000	30,000
Deposit with KSAMB	1,441,823	93,125
Advance Suppliers	209,111	-
Prepaid Expenses	4,755,736	4,284,040
Income Tax(net off provisions)	31,745,500	22,856,519
Service Tax Input	3,046,368	1,764,083
Earnest Money Deposit	4,700,000	1,000,000
Unsecured and Considered Good		
Other Loans and advances	-	78,450
Total	45,992,793	30,121,215
NOTE 18		
(Amount in Rs.)		
Other Current Assets	As at March 31, 2016	As at March 31, 2015
Unsecured and Considered Good		
Interest Accrued on Fixed Deposits	11,706,742	12,903,511
Trade Money Receivable from Members	1,500,574	289,168
Sundry Recoverables	90,354	-
Refundable Deposit	40,000	25,000
Total	13,337,670	13,217,679

NCDEX e Markets Limited (Formerly known as NCDEX Spot Exchange Limited)		
NOTE 19		
(Amount in Rs.)		
Revenue from Operations	Year ended March 31, 2016	Year ended March 31, 2015
Transaction Charges	253,907,658	126,145,958
Annual Membership Fees	3,493,378	3,473,035
Admission/Registration Fees	9,003,567	4,342,643
Pledge Finance Charges	29,873,205	11,169,043
Other Operating Income	39,104,837	17,164,473
Total	335,382,645	162,295,152
NOTE 20		
(Amount in Rs.)		
Other Income	Year ended March 31, 2016	Year ended March 31, 2015
Interest on Term Deposits with Banks	56,163,724	57,768,722
Interest on Income Tax Refund	508,470	123,981
Dividend	1,000,000	-
Balances Written Back	567,077	-
Other Non-Operating Income	6,506	734
Prior Period Income	681,960	-
Total	58,927,737	57,893,437
NOTE 21		
(Amount in Rs.)		
Operating Expenses	Year ended March 31, 2016	Year ended March 31, 2015
Advertisement & Business Promotion Expenses	34,127,514	3,151,955
Legal & Professional fees	52,332,276	27,417,040
Manpower Hire Charges	4,709,168	3,630,224
Data Entry Expense	11,788,000	161,738
Total	102,956,958	34,360,957
NOTE 22		
(Amount in Rs.)		
Employee Benefits Expense	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, Allowances and Bonus	77,722,191	58,897,171
Contributions to Provident & Other Funds	3,413,470	2,267,210
Gratuity Expenses	2,009,496	618,634
Staff Welfare Expenses	5,656,742	5,287,698
Total	88,801,899	67,070,713
NOTE 23		
(Amount in Rs.)		
Finance Cost	Year ended March 31, 2016	Year ended March 31, 2015
Interest Expense	3,789,381	15,225,898
Total	3,789,381	15,225,898
NOTE 24		
(Amount in Rs.)		
Depreciation and Amortisation Expense	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation on Tangible Assets	5,410,324	8,524,387
Amortisation of Intangible Assets	19,493,680	7,067,655
Total	24,904,004	15,592,042

NOTE 25		
(Amount in Rs.)		
Other Expenses	Year ended March 31 ,2016	Year ended March 31 ,2015
Rent	21,035,493	6,345,267
Electricity Charges	-	1,225,990
Security & Maintenance Charges	212,722	825,088
Software Maintenance Charges	45,656,826	9,276,665
Travelling & Conveyance Expenses	12,978,125	9,695,405
Communication Expenses	4,845,097	3,378,331
Printing & Stationery	669,854	509,199
Sitting Fees to Directors	938,653	500,000
Auditor's Remuneration*	495,000	365,000
Licence Fees	12,641,522	8,859,334
Loss on Written-off of Fixed Asset	-	197,188
Bank Charges	152,933	304,352
Bad debts	1,472,142	12,508
Penal Charges--Statutory Liabilities	1,342	-
Provision for Doubtful Debts	554,958	-
Provision for Diminution [refer note 36(a)]	988,999	-
Trainings & Seminars	1,381,667	1,821,311
Service Tax Expense	402,435	126,237
Octroi Expenses	337,560	-
Assaying Charges	679,255	1,533,634
Other Expenses	2,201,743	2,241,716
Total	107,646,326	47,217,225
NOTE 26		
(Amount in Rs.)		
Tax Expense	Year ended March 31 ,2016	Year ended March 31 ,2015
Current Tax	20,599,000	6,434,668
Deferred Tax	(1,157,433)	2,419,400
Total	19,441,567	8,854,068
*Auditor's Remuneration (Excluding Service Tax)		
Particulars	Year ended March 31 ,2016	Year ended March 31 ,2015
As auditor		
Audit Fees (Statutory Audit)	310,000	265,000
Audit Fees (Consolidation)	100,000*	-
Tax Audit Fees	60,000	55,000
In other capacity		
Taxation matters	5,000**	-
Out of pocket expenses	20,000***	45,000
Total	495,000	365,000
*50,000/- relates to previous Auditors		
**5,000/- relates to previous Auditors		
***Out of pocket expenses are booked on provision basis		

Other Notes to Consolidated Financial Statements

27. Contingent Liabilities not provided for in respect of :

a) Unpaid dividend on 5% Cumulative preference shares:

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Dividend Payable	48,246,576	42,246,576

b) Provision of Bonus for the FY 2014-15:

Due to the retrospectively amendment in "The Payment of Bonus Act,1965" which is deemed to have come into force from 1st April,2014. Kerala and Karnataka High Court have passed stay on the implementation and the matter is pending in Court of Law for the hearing.

Considering the other facts that books of FY 2014-15 has been closed and return of bonus already filed for said period. The Company has not provided liability of bonus of Rs. 509,971/- for the FY 2014-15.

- c) Based on legal Opinion , Joint venture Company not levied Service tax on Transaction charges. In lieu of above, the Provision for Service tax has not been made in the books of accounts for the same . The financial impact of the same on the Consolidated Financial Statement of the Company is Rs. 18,000,000/- (Being 50% of Rs. 36,000,000/-) exclusive of Interest and other imposition if applicable.

28. The Group has earned a consolidated Net profit of Rs. 46,770,248/- during the year ended March 31, 2016. However, the Group has consolidated accumulated losses amounting to Rs. 176,961,644/- as at March 31, 2016. The Holding Company has Net Profits in last three consecutive years including the current year. During the year there is increase in paid up share capital. The overall net worth has become positive as on March 31, 2016.

29. Members holding membership of the Exchange for more than three years can terminate their membership and withdraw deposit. The Company does not foresee possibility of termination of such membership and therefore membership deposit of such members is classified as non- current liability.

30. 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 consolidated financial statements.

31. Employee Benefits:

a) Defined Contribution Plan:

The Company contribution to Provident Fund Rs. 3,408,574/- (Previous year – Rs. 2,057,616/-).

b) Defined Benefit Plans:

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.1,000,000/-.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet.

Expenses recognized in the statement of P & L:

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Current service cost	899,741	424,675
Interest cost on benefit obligation	232,041	82,462
(Expected return on plan assets)	(374,081)	(154,915)
Net actuarial (gain) / loss recognised in the year	(131,690)	807,689
Net benefit expense	626,011	1,159,911
Actual return on plan assets	367,768	139,507

Movement in the Liability recognised in Balance Sheet:

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Opening Net Liability	(1,786,660)	(896,787)
Expenses as above	626,011	1,159,911
Contribution Paid	(1,297,661)	(2,049,784)
Closing Net Liability	(2,458,310)	(1,786,660)

Changes in the present value of the defined benefit obligation are as follows:

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Opening defined benefit obligation	2,918,761	883,841
Interest cost	232,041	82,462
Current service cost	899,741	424,675
Liability Transferred In/ Acquisitions	383,218	970,541
Liability Transferred Out/Divestments	(33,894)	(235,039)

Benefit paid from fund	(50,919)	-
Actuarial (gains) / losses on obligation—Due change in financial assumptions	(4,157)	370,196
Actuarial (gains) / losses on obligation—Due to experience	(133,846)	422,085
Closing defined benefit obligation	4,210,945	2,918,761

Changes in the fair value of plan assets are as follows:

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Opening fair value of plan assets	4,705,421	1,780,628
Expected return	374,081	154,915
Contributions by employer	1,297,661	2,049,784
Assets Transferred In/ Acquisitions	383,218	970,541
Assets Transferred Out/Divestments	(33,894)	(235,039)
Benefit paid from fund	(50,919)	-
Actuarial gains / (losses)	(6,313)	(15,408)
Closing fair value of plan assets	6,669,255	4,705,421

Actual Return on Plan Assets

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Expected Return on Plan Assets	374,081	154,915
Actuarial Gains/(Losses) on Plan Assets -Due to Experience	(6,313)	(15,408)
Actual Return on Plan Assets	367,768	139,507

Category of Assets as at the end of the year

Particulars	March 31, 2016	March 31, 2015
	(Rupees)	(Rupees)
Insurance Fund	6,669,255	4,705,421

Experience Adjustment

Particulars	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Defined Benefit Obligation	4,210,945	2,918,761	883,841	546,070	250,569
Fair Value of Planned Assets	6,669,255	4,705,421	1,780,628	839,573	583,188
(Surplus)/Deficit	2,458,310	1,786,660	896,787	293,503	332,619
Experience Adjustment on Plan Liabilities[(Gain)/Loss]	(133,846)	422,085	29,521	167,889	29,238
Experience Adjustment on Plan Asset[(Gain)/Loss]	(6,313)	(15,408)	11,380	2,484	3,001

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	March 31,2016	March 31,2015
	%	%
Discount rate	7.95	7.95
Expected rate of return on Plan assets	7.95	7.95
Salary Escalation Rate	5.00	5.00
Attrition Rate	5.00	5.00

Expected Contribution to be made to the plan assets in financial year 2016-17 is Rs. 2,000,000/- (Previous Year Rs. 2,009,496/-).

- 32.** In the opinion of the management, as the Company operations comprise of only facilitating trading in commodities and the activities incidental thereto with in India, the disclosures required in terms of AS-17 "Segment Reporting" are not applicable.
- 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. Company has policy to transfer 40% of penalty received to Risk Management Fund. During the year, amount of Rs. 181,648/- utilized directly from the said fund (refer note -3).
- 34.** Transaction Charges Special Reserve, as constituted by the ReMSPL , is the amount earmarked for fluctuations in completion of post tender activities. ReMSPL has a policy of transferring 5% of the Transaction charges billed during the year. The ReMSPL has transferred Rs.12,811,566/- (50% is Rs. 6,405,783/-) accordingly for the financial year 2015 -16.

35. Related Party Disclosures

a) List of Related Parties

i. Holding Company

National Commodity & Derivatives Exchange Limited

ii. Fellow Subsidiary

NCDEX Institute of Commodity Markets and Research

National Commodity Clearing Limited

iii. Joint Venture

Rashtriya e Market Services Private Limited

iv. Associate of Holding Company

Power Exchange India Limited

v. Key Managerial Personnel

Mr. Rajesh Sinha - Chief Executive Officer

Mr. Kartik Thakkar - Chief Financial Officer

Ms. Bhanupriya Rao - Company Secretary (till Feb-2016)

b) Name of Related Party: National Commodity & Derivatives Exchange Limited

Nature of Relation: Holding Company

Nature of transaction	March 31,2016	March 31,2015
LOAN	(Rupees)	(Rupees)
Unsecured Loan outstanding as at the beginning of the year	150,764,188	150,771,583
Unsecured Loan taken during the year	-	-
Unsecured Loan repaid during the year*	150,764,188	7,395
Unsecured Loan outstanding as at year end	-	150,764,188
*Out of above Rs. 150,000,000/- is converted in Equity Share Capital and balance is repaid in cash		
INTEREST ON LOAN		
Interest payable at the beginning of the year	13,569,444	-
Interest accrued and due during the year	3,366,922	13,569,444
Interest Paid during the year	4,500,000	-
Interest payable at the end of the year	12,436,366	13,569,444
SERVICES RECEIVED/RENDERED		
Services received	36,864,987	6,648,776
Services rendered	1,024,279	1,608,068
Receivables/(Payable) as at end of the year	(15,424,576)	11,703
REIMBURSEMENT OF EXPENSES		
Reimbursement of expenses incurred on behalf of the Company by-	76,554	84,537
INVESTMENTS		
Investment at the beginning of the year		
Equity Share Capital	85,000,000	85,000,000
Preference Share Capital	120,000,000	120,000,000
Additions		
Equity Share Capital	150,000,000	-
Preference Share Capital	-	-
Investment at the end of the year		
Equity Share Capital	235,000,000	85,000,000
Preference Share Capital	120,000,000	120,000,000

c) Transactions with Other Related Parties:

Particulars	March 31,2016	March 31,2015
	(Rupees)	(Rupees)
Advance Received towards software charges		
Other Receivable		
Power Exchange India Limited	-	259,560
Investment in Joint Venture		
Rashtriya e Market Services Private Limited	-	49,950,000
Services Rendered		
Rashtriya e Market Services Private Limited	11,375,667	-
Dividend Received		
Rashtriya e Market Services Private Limited	1,000,000	-
Remuneration paid to KMP		
Mr. Rajesh Sinha (Chief Executive Officer)	6,654,444	5,927,000
Mr. Kartik Thakkar (Chief Financial Officer)	1,907,842	1,596,495
Ms. Bhanupriya Rao (Company Secretary)	643,790	663,993
Reimbursement of expenses incurred on behalf of the Company by KMP		
Mr. Rajesh Sinha (Chief Executive Officer)	836,217	1,057,851
Mr. Kartik Thakkar (Chief Financial Officer)	286,740	315,294
Ms. Bhanupriya Rao (Company Secretary)	42,039	40,414

d) Closing Balance of Other Related Parties:

Particulars	March 31,2016	March 31,2015
	(Rupees)	(Rupees)
Advance Received towards software charges		
Power Exchange India Limited	2,100,000	2,100,000
Other Receivable		
Power Exchange India Limited	-	259,560
Advance / Loan Given		
Rashtriya e Market Services Private Limited	-	1,500
Investment in Joint Venture		
Rashtriya e Market Services Private Limited	50,000,000	50,000,000
Reimbursement of expenses incurred on behalf of the Company by KMP		
Mr. Rajesh Sinha (Chief Executive Officer)	37,133	85,471
Mr. Kartik Thakkar (Chief Financial Officer)	99,494	61,150
Ms. Bhanupriya Rao (Company Secretary)	-	972

- c) Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Joint Ventures:

Name of Entity	Net Assets i.e total assets minus total liabilities		Share in profit and loss	
	As % of	Amount	As % of	Amount
	Consolidated net assets	(In Rs.)	consolidated profit or loss	(In Rs.)
Parent				
NCDEX e Markets Limited	68.92	127,474,970	2.47	1,154,654
Joint ventures (as per proportionate consolidation)				
Rashtriya e Market Services Private Limited	31.08	57,480,062	97.53	45,615,594

37. Statement pursuant of Section 129(3) of the Companies Act,2013 related to Joint Ventures :

Sr. No.	Name of Joint Venture	Shares of Joint Ventures held by the company on the year end				Profit/Loss for the year				
		Latest audited Balance Date	No.	Amount of Investments (Rs.)	Extend of Holding %	Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs.)	Considered in Consolidatio n (Rs.)	Not Considered in Consolidation (Rs.)	Description of how there is significant influence	Reasons why the joint venture in not considere d
1	Rashtriya e Market Services Private Limited	31.03.2016	50,000,000	50,000,000	0.5	57,480,062	57,480,062	-	Note- A	-
Note:										
A. There is significant influence due to percentage(%) of Share Capital.										

38. Operating Leases

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

Particulars	March 31,2016	March 31,2015
	(Rupees)	(Rupees)
Lease payments for the year: Rent recognized in Statement of Profit and Loss	21,035,493	6,345,267
Minimum Lease Payments:		
Not later than one year	22,105,527	6,345,267
Later than one year and not later than five years	7,332,511	-
Later than five years	-	-

39. Taxation

- a) Deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The components of deferred tax are given hereunder:

Particulars	March 31,2016	March 31,2015
	(Rupees)	(Rupees)
Deferred Tax Asset Components		
Unabsorbed depreciation	26,571,095	26,571,095
Expenses allowed on payment basis	714,432	500,929
	27,285,527	27,072,024
Deferred Tax Liabilities Components		
Depreciation	(20,059,966)	(8,991,448)
	(20,059,966)	(8,991,448)
Net Deferred tax Assets/(Liabilities)*	(1,261,967)*	(2,419,400)*

Considering the principle of virtual certainty, deferred tax asset to the extent of deferred tax liability has been recognized and no net deferred tax asset has been created.

* Net Deferred tax liability of Rs. 1,261,967/- pertains to joint venture to Company

40. Earnings per share (EPS)

Particulars	March 31,2016	March 31,2015
	(Rupees)	(Rupees)
Profit/(Loss) after tax attributable to the Equity Shareholders (Rupees) (A)	46,770,248	31,867,686
Weighted average number of equity shares (Nos.) (B)	19,114,754	8,500,000
Earnings per share (Rupees) (Face value of Rs.10 per share) (A) /(B)	2.45	3.75

41. Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Based on the information with the Company, the amount overdue to the suppliers as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006' as on March 31, 2016 on account of principal amount together with interest is NIL.

The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

Particulars	March 31,2016	March 31,2015
	(Rupees)	(Rupees)
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remain unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

- 42.** The Company has not contributed any amount towards Corporate Social Responsibility (CSR) in term of section 135 as there are no profits attributable to CSR.
- 43.** With effect from March 01, 2016, the Company has causal vacancy of full time Company Secretary. Company is in process of appointing a full time Company Secretary.
- 44.** Previous year's figures have also been reclassified /regrouped, wherever necessary, to confirm to current year's classification.

Place: Mumbai
Date : 21/06/2016

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

Samir Shah
Director
DIN:00912693

Arun Balakrishnan
Director
DIN:00130241

Kartik Thakkar
Chief Financial Officer

Doing good is good Business



NeML

NCDEX Group Company

NCDEX e Markets Limited

(Formerly known as NCDEX Spot Exchange Limited)

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