Annual Report 2016-2017







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MESSAGE FROM MANAGING DIRECTOR & CEO

Dear Shareholders,

NeML is on its way to become an institution serving larger national priorities with its committed focus on helping farmers and consumers. Owing to its impactful interventions your company has emerged as a thought leader in market led interventions to enhance farmers' income. Thus, helping in the government mission of doubling farmers' income in five years.

Our work with the farmers' markets, especially in the state of Karnataka has made significant and lasting impact on the lives of smallholder farmers (SHF). A Niti Aayog report concluded that the initiative has helped farmers realize up to 38% more owing to our initiatives through Unified Market Platform (UMP) run by Rashtriya e-markets and Services Private limited (ReMS) an equal joint venture company with the state Government of Karnataka. The initiative has been adapted by the central government as national agricultural market (NAM). 4.2 million farmers are registered in the state under the initiative. Of these more than 2.1. million farmers are Aadhar-enabled, and we are on our way to enable every registered farmer with Aadhar in coming year.

Our work in the field of creating an efficient, online, auditable and verifiable procurement platform for the governments to procure commodities to fulfill food safety initiatives have helped state governments serve at least 15 million discerning consumers. The companyhave leveraged its e markets and services platform for helping government and government enterprises to efficientlyprocure food - grains from farmers and Farmer Producers Organizations (FPOs) to provide remunerative prices for their crop. Through these initiatives we have positively impacted the lives of more than one million farmers. Encouraged by the positive results of our initiatives, we are likely to expand this to cover more farmers.

We have now expanded our e-markets and services to include the producers and producer organizations of Dairy and Fresh Fruits. Through these initiatives your company is likely to expand its footprint to producers of perishable produce where supply chain efficiencies can be significantly enhanced leveraging our e-markets and services platform.

Credit facilitation has long been recognized as a key enabler for enterprises including farming. Your company has played a critical role in facilitating finance to farmers against their commodities deposited in NeML and bank accredited warehouses. As art of our Financial Inclusion initiatives, Commodity Access Services (CAS) helped more farmers avail a finance of more than Rs. 1000 crore during the year through e-pledge.

MESSAGE FROM CEO

♦ NeML

The company continues to expand its ecosystem partners and plays an active role in creating more jobs of the economy. While we have created more than 200 direct jobs with NeML, many more jobs get created through our initiatives in commodity markets and services. Our ecosystem partners include Government and Government Enterprises, Corporate including Banks and Financial Services Institutions (BFSI) and Farmer aggregates like co-operatives and Farmer Producers Organizations (FPOs). They leveraged its unique e-market and services platform.

Since our work touches the lives of small holder farmers (SHF), we have partnered with state livelihood missions and state agricultural marketing boards amongst others. We have made good beginnings in the in the states of Karnataka, Maharashtra, Gujarat, Odisha, Bihar, Jharkhand, and North-Easternstates in this aspect.

The company would continue with its philosophy of "Grow profitably" and impacting the life of millions of farmers and consumers by increasing its footprint across the country and deepening its impact in its existing market segments. Digital, mobile, transparent and scale are apt words describing our company.

"Doing good is good business" seems an apt statement for your company that continues to create value for its customers and its own self. Enterprise value of the company continues to grow in line with the sustainable positive impact it is creating in the lives of farmers and consumers.

Unflinching commitment from employees in the company and continued support from its board have helped the management deliver a good performance.

We remain committed to the Quadruple Bottom Line of Purpose, People, Profit and planet and continue to build a performance led purpose led culture on our way to create an organization creating positive impact in the lives of at least a billion people in the years to come.

Sd/-

Rajesh Sinha

Managing Director & CEO





Certificate of Registration

QUALITY MANAGEMENT SYSTEM - ISO 9001:2008

This is to certify that: NCDEX e Markets Limited

(Formerly NCDEX Spot Exchange Ltd) Ackruti Corporate Park, 1st Floor LBS Road, Kanjur Marg-West

Mumbai 400 078 Maharashtra India

Holds Certificate No: FS 649084

and operates a Quality Management System which complies with the requirements of ISO 9001:2008 for the following scope:

Provision of e Market platforms, Operations and Services covering Customer Support Group & Membership, Clearing & Settlement, Market Watch & Surveillance

For and on behalf of BSI:

Chris Cheung, Head of Compliance & Risk - Asia Pacific

Original Registration Date: 28/02/2016 Effective Date: 28/02/2016

Latest Revision Date: 28/02/2016 Expiry Date: 14/09/2018







...making excellence a habit."

Page: 1 of 1

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Printed copies can be validated at www.bsi-global.com/ClientDirectory or telephone +91 11 2692 9000.

Further clarifications regarding the scope of this certificate and the applicability of ISO 9001:2008 requirements may be obtained by consulting the organization. This certificate is valid only if provided original copies are in complete set.

Information and Contact: BSI, Kitemark Court, Davy Avenue, Knowlhill, Milton Keynes MK5 8PP. Tel: + 44 845 080 9000 BSI Assurance UK Limited, registered in England under number 7805321 at 389 Chiswick High Road, London W4 4AL, UK. A Member of the BSI Group of Companies.

Certificate No: IS 649079

Location

India

NCDEX e Markets Limited (Formerly NCDEX Spot Exchange Ltd) Ackruti Corporate Park, 1st Floor LBS Road, Kanjur Marg-West Mumbai 400 078 Maharashtra

Registered Activities

CISO functions, Operations covering Customer Support Group & Membership, Clearing & Settlement, Market Watch & Surveillance, IT (Applications & Infrastructure) Facility management, Human Resource, Business Development, Finance & Accounts and Legal.



Original Registration Date: 28/02/2016 Effective Date: 28/02/2016 Latest Revision Date: 28/02/2016 Expiry Date: 19/02/2019

Page: 2 of 2

This certificate relates to the information security management system, and not to the products or services of the certificate organisation. The certificate reference number, the mark of the certification body and/or the accreditation mark may not be shown on products or stated in documents regarding products or services. Promotion material, advertisements or other documents showing or referring to this certificate, the trademark of the certification body, or the accreditation mark, must comply with the intention of the certificate. The certificate does not of itself confer immunity on the certified organisation from legal obligations.

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⇔ NeML



Mr. Rajesh Kumar Sinha Managing Director & CEO



Mr. Samir Shah Shareholder Director



Mr. Arun Balakrishnan Independent Director



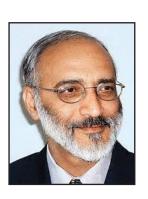
Mr. Sanjeev Asthana Independent Director



Mr. Samir Kumar Mitter Shareholder Director



Mr. Srinath Shrinivasan Shareholder Director



Dr. Ashok Gulati Shareholder Director





NCDEX e Markets Limited CIN: U93090MH2006PLC165172

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

Company Information

Board of Directors	Mr. Rajesh Kumar Sinha: Managing Director & CEO (w.e.f. 01/04/2017)		
	Mr. Sanjeev Asthana : Ir	ndependent Director	
	Mr. Arun Balakrishnan : Ir	ndependent Director	
	Mr. Samir Shah : S	hareholder Director	
	Mr. Samir Kumar Mitter : S	hareholder Director	
	Mr. Srinath Srinivasan : S	Shareholder Director	
	Dr. Ashok Gulati : S	Shareholder Director (w.e.f. 24/08/2016)	
Registered Office	First Floor, Ackruti Corporate	e Park, L. B. S. Road, Kanjurmarg West,	
	Mumbai 400 078		
Statutory Auditors	M/s. Chokshi & Chokshi LLF	P, Chartered Accountants	
	15/17, Raghavji 'B' Building, Ground floor, Raghavji Road, Gowalia Tank,		
	Off Kemps Corner, Mumbai 400 036.		
Bankers	Karur Vysya Bank Limited HDFC Bank Limited		
	Bank of India	Development Credit Bank Limited	
	Axis Bank Limited	State Bank of India	
	IndusInd Bank Limited	Punjab National Bank	
	Central Bank of India	Canara Bank	
	ICICI Bank Kotak Mahindra Bank		
	IDBI Bank Limited		
Chief Executive Officer	Mr. Rajesh Kumar Sinha		
Chief Financial Officer	Mr. Kartik Thakkar		
Company Secretary	Ms. Archana Tripathi (w.e.f 21 st June 2016)		



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Tenth Annual Report of the Company together with the audited accounts for the financial year ended March 31, 2017.

1. FINANCIAL RESULTS

The summary of financial performance of the Company for the year ended March 31, 2017 is as under: (Amount in Rupees)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Total income	35,26,93,901	26,18,75,367
Expenditure	29,20,40,436	23,75,27,254
Profit before interest, finance charges and depreciation	6,06,53,465	2,43,48,113
Interest and finance charges	23,314	37,89,381
Depreciation	2,96,57,173	1,94,04,078
Profit before tax	30,972,977	11,54,654
Profit after taxation	37,200,047	11,54,654
Balance brought forward from previous year	(22,80,35,923)	(22,91,90,577)
Loss after taxation carried forward to Balance Sheet	(19,08,35,877)	(22,80,35,923)

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

(Amount in Rupees)

	For the year ended	For the year ended
Particulars	March 31, 2017	March 31, 2016
Total income	60,38,00,959	39,43,10,382
Expenditure	41,41,70,992	29,94,05,182
Profit before interest, finance charges	40.00.00.007	0.40.05.000
and depreciation	18,96,29,967	9,49,05,200
Interest and finance charges	23,314	37,89,381
Depreciation	3,59,89,972	2,49,04,004
Profit before tax	15,36,16,680	6,62,11,815
Profit after taxation	11,33,15,287	4,67,70,248
Balance brought forward from previous year	(17,69,61,644)	(21,43,26,256)
Loss after taxation carried forward to Balance Sheet	(6,32,58,457)	(17,69,61,644)



2. STATE OF COMPANY'S AFFAIRS

"Growth is the only constant" at NeML. The Company leveraged its e-markets and services for a record market turnover in excess of INR 42,000 crore in FY 16-17, a growth of more than 30%. The company positively impacted lives of more than 3 million farmers and more than 5 million consumers through its e markets and services interventions. During the year company achieved a growth of 35% in its gross revenue to INR 35. 26 crores registering a Profit After Tax (PAT) of INR 3.71 Cr.

The company further deepened its presence in the primary agricultural markets covering more than 175 regulated Agricultural Produce Market Committee (APMC) across three states of Karnataka, Andhra Pradesh and Telangana. It positively impacted lives of more than 3 million farmers because of its Unified Market Platform (UMP) and covered more than 92 commodities with a market turnover more than Rs. 30,000 crores. Its equal joint venture company in Karnataka, Rashtriya eMarkets and Services Limited (ReMS) was awarded prestigious DL Shah Platinum Award at the 11th National Quality Conclave (NQC)-2016 at the annual flagship event of the Quality Council of India (QCI) held in New Delhi for "Online Agricultural Markets - Karnataka model". The "Karnataka model" focused on addressing problems plaguing the agricultural marketing sector, bringing in efficiency and transparency in the functioning of agricultural markets by adopting better technology options to enable efficient price discovery to benefit farmers and other market participants. Karnataka has become a guidepost for states taking up market reforms in the country.

During the year, the company made its foray into Fresh Fruit and Vegetable markets through its FFRESH® markets and facilitated trades in Apple, Kinnow, Litchi, Pineapple and Strawberry. Through this effort, the producers were directly linked with the key consumption centers. With this the company made an entry in Eastern and North-eastern parts of the country. It deepened its presence with government and government enterprises for-e procurement and e sales of commodities in a bid to efficiently help them procure/ sale agri-commodities for its food safety schemes and price stabilization programs.

The company continued its efforts to enhance competitiveness of smallholder farmers (SHF) through its pioneering initiatives in inclusive finance like e pledge. During the year, the company facilitated credit for goods stored in company accredited and bank approved warehouses for more than Rs. 1000 Cr. In its initiative with Maharashtra state Government under Maharashtra State Competitiveness project (MACP), the company worked closely with Farmer Producers Organizations, (FPOs) and thus working with more than 10,000 farmers of which 2250 farmers registered with NeML.

NeML in alignment with NCDEX works closely with Farmers, processors and other value chain participants, Governments and Government Enterprises with an aim to create efficient e-markets across the commodity –spectrum in India. Its initiatives in Agricultural commodities have been hugely successful during the year.



3. CHANGE IN AUTHORIZED CAPITAL AND PAID UP SHARE CAPITAL

During the financial year, there was no change in the Authorized and Paid-up Equity Share Capital of the Company. The Authorised Share capital of the Company was Rs. 40 Crore divided into 2,80,00,000 (Two Crore and Eighty lakh) Equity Shares of Rs. 10/- each and 1,20,00,000 Preference shares of Rs. 10 each. The Paid-up share capital was Rs.35.50 crore divided into 2,35,00,000 number of equity shares of Rupees 10/- each and 1,20,00,000 number of Preference shares of Rs.10/- each of National Commodity and Derivatives Exchange Limited (NCDEX), the holding Company.

4. CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Company during the financial year 2016-2017.

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, 2017 AND THE DATE OF THE REPORT

No material changes occurred subsequent to the close of the financial year ended March 31, 2017 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 2016-2017, the Company successfully completed and cleared the annual audit of ISO 9001:2008 (Quality Management System) and ISO/IEC 27001:2013 (Information Security Management System).

The Company has 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.

The Risk Management Policy 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.



8. DIVIDEND AND APPROPRIATIONS

The Company has posted net profit of Rs. 3,72,00,047/- for the financial year 2016-2017. As the profit is required to augment operational needs, your Directors do not recommend any dividend for the financial year 2016-2017.

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, 2017.

10. DETAILS OF MEETINGS OF SHAREHOLDERS:

The Seventh Extra Ordinary General meeting of the Company was held on March 28, 2017 The Ninth Annual General Meeting of the Company was held on Tuesday, August 23, 2016 The Tenth Annual General Meeting of the Company will be held on September, 13 2017 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 2016-2017, six meetings of the Committee were held on April 05, 2016, May 23, 2016; June 21, 2016; August 24, 2016; October 25, 2016 and March 27, 2017. The composition and attendance of the Members is given below -

Name of the Committee Member	Number of meetings held	Number of
	during the relevant period	meetings attended
Mr. Samir Kumar Mitter	6	6
Mr. Arun Balakrishnan	6	6
Mr. Sanjeev Asthana	6	6

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 2016-2017, five meetings of the Committee were held on May 23, 2016, June 21, 2016, August 24, 2016, October 25, 2016 and March 27, 2017. The composition and attendance of the Members is given below -

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

13. CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2016-2017, 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.

M/s. Bharat R. Upadhyay & Associates conducts quarterly audits of the Company. There being no qualification, reservation or adverse remarks or disclaimer in the reports given by M/s. Bharat R. Upadhyay & Associates to the Company for all 4 (four) quarters of the Company.

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 energies 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 2016-2017

During the financial year 2016-2017, eight meetings of the Board were held on April 05, 2016, May 23, 2016, June 21,2016, August 24, 2016, October 25, 2016, November 22, 2016, January 11, 2017 and March 27, 2017. The Composition and attendance of the Board of Directors are given below:-

Name of Director	irector Number of Meeting held during the relevant period	
	·	attended
Mr. Samir Shah	8	8
Mr. Arun Balakrishnan	8	8
Mr. Samir Kumar Mitter	8	8
Mr. Sanjeev Kumar Asthana	8	8
Mr. Srinath Srinivasan	8	5
Dr. Ashok Gulati	4*	2
Mr. Rajesh Kumar Sinha	1*	1

^{*} Dr. Ashok Gulati was appointed as an Additional Director on August 24, 2016 and Mr. Rajesh Kumar Sinha on March 27, 2017. As such they were eligible to attend Board meetings mentioned above.

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, 2017 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. 31 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. PARTICULARS OF EMPLOYEES UNDER THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

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

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, Mr. Srinath Srinivasan, Dr. Ashok Gulati and Mr. Rajesh Kumar Sinha.

Pursuant to Article 211A of the Articles of Association of the Company, the Board of Directors of NCDEX nominated Dr. Ashok Gulati as an Additional Director on the Board of the Company. Dr. Ashok Gulati was appointed as an Additional Director with effect from August 24, 2016.

The Board of Directors after approval from NCDEX, holding Company appointed Mr. Rajesh Kumar Sinha as an Additional Director on Board of the Company on March 27, 2017. The Shareholders at their meeting held on March 28, 2017 appointed Mr. Rajesh Kumar Sinha as Managing Director & CEO of the Company with effect from April 01, 2017.

The remuneration paid to the Managing Director & CEO of the Company is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 and section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 The Managing Director & CEO of your Company does not receive remuneration from any of the subsidiaries / holding / associate of your Company

Mr. Samir Shah, retired by rotation at the previous Annual General Meeting held on August 23, 2016 and was re-appointed.



Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Samir Kumar Mitter 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 Kumar Mitter for re-appointment as director of the Company. During the financial year, Ms. Archana Tripathi appointed as Company Secretary (KMP) of the Company w.e.f. June 21, 2016.

23. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

Mr. Arun Balakrishnan and Mr. Sanjeev Asthana, Non Executive Directors were appointed as Independent Directors of the Company for a period of 5 (five) consecutive years in the 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 AUDITORS

M/s. Chokshi & Chokshi LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company for a period of five years at the Eighth Annual General Meeting (AGM) held on August 12, 2015. As per provisions of Section 139(2) of the Companies Act, 2013, their appointment for the above tenure is subject to ratification by members at every AGM. Ratification of the members were sought in the Ninth Annual General Meeting 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 and Consolidated financial statements of the Company for the year ended March 31, 2017.

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	Yes. Awareness program	
	harassment were carried out	was done for all	
		employees	
5	Nature of action taken by the employer	Not applicable	

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

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.

ReMS has partnered with the State Agricultural Marketing Department in strengthening the agricultural reforms in Karnataka. The Company has commenced Assaying Services in 40 markets, 42 lakh farmers have been registered under Farmer Registration programme, 20,000 villages have been covered under Stakeholders' Education programme and way forward the Company has stepped in to provide online payment facility to markets so far 394 lots were traded for Rs. 2.5 crore in value.

Unified Market Platform has been adopted by 157 markets spread across 29 districts. The traded quantity on Unified Market Platform has shown a significant rise as on March 31, 2017, 34 lakh lots having value of Rs. 33,356 crores being transacted on the platform during the FY 2016-2017.

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

28. DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the directors have selected such accounting policies and applied them consistently and made judgement and estimates that were responsible and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;



- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the accounts for the financial year ended March 31, 2017 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 60 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,

Rajesh Kumar Sinha

Samir Shah

Place: Mumbai Sd/- Sd/-

Managing Director Director

Date: May 30, 2017

DIN - 06798679

DIN - 00912693



DETAILS:

Annexure1

FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31,2017

[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

- i) Corporate Identification Number (CIN) of the Company: U93090MH2006PLC165172
- ii) Registration Date: 18/10/2006
- iii) Name of the Company: NCDEX e Markets Limited
- iv) Category / Sub Category of the Company: Category: Public Company/ Sub Category: Limited by Shares
- v) Address of the registered office and contact details: 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

SI. No.	Charges 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	51.82%
2	Pledge Finance (Activities auxiliary to financial service activities)	661	11.07%
3	Software Service Income	722	13.34%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

SI. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
1	National Commodity and Derivatives Exchange Limited 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 th	ne beginning of th	ne year	No.	of Shares held a	t the end of the yea	ar	% 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.		d) 2,34,99,400	d) 2,34,99,400	d) 99.99%		d) 2,34,99,400	d) 2,34,99,400	d) 99.99%	0.00
National Commodity & Derivatives Exchange Limited e) Banks/FI f) Any Other									
Sub-total (A) (1):		2,34,99,400	2,34,99,400	99.99%		2,34,99,400	2,34,99,400	99.99%	0.00
(2) Foreign		AUI	AIII	AUI.		AIII	Alli	AUI	Alli
a) NRIs Individuals b)Other Individuals c) Bodies Corp. d) Banks / FI e) Any Other		NIL	NIL	NIL		NIL	NIL	NIL	NIL



Category of Shareholders	No. of	Shares held at th	ne beginning of the	he year	No	o. of Shares held a	t the end of the yea	ar	% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (A) (2):- Total shareholding of Promoter (A) = (A)(1) +(A) (2)		2,34,99,400	2,34,99,400	99.99%		2,34,99,400	2,34,99,400	99.99%	0.00
B. Public Shareholding 1. Institutions a) Mutual Funds b) Banks/Fl c) Central Govt d) State Govt(s) e) Venture Capital Funds f) Insurance Companies g) FlIs h) Foreign Venture Capital Funds i) Others (specify)		NA	NA	NA		NA	NA	NA	NA
Sub-total (B)(1):- 2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders		NA	NA	NA		NA	NA	NA	NA
holding nominal		600	600	0%		600	600	0%	NA



Category of Shareholders	No. of	Shares held at th	e beginning of t	he year	No.	ar	% Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
share capital upto Rs. 1 lakh		Nil	Nil	Nil		Nil	Nil	Nil	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)		Nil	Nil	Nil		Nil	Nil	0%	
Sub-total (B)(2):- Total Public Shareholding (B) = (B)(1) + (B)(2)		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)		2,35,00,000	2,35,00,000	100%	-	2,35,00,000	2,35,00,000	100%	0.00%

(ii) Shareholding of Promoters (including Promoter Group)

SIN o.	Shareholder's Name	Shareholding at	the beginning of the	year	Share	holding at the end of th	ne year	
		No. of Shares	% of total Shares of the company	%of Shares Pledge d/ encumb ered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	National Commodity & Derivatives Exchange Limited	2,34,99,400 and	Equity Shares 99.99% and Preference Shares: 100%		2,34,99,400 and	Equity Shares 99.99% and Preference Shares: 100%		0.00%
	Total	3,54,99,400	0.00%	NA	3,54,99,400		NA	0.00%



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

SI. No.		Shareholding at the beg	jinning of the year	Cumulative Sharehold	ling 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 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%
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.):	-	-	-	-
	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: 2,34,99,400Preference 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):

SI. No.		Shareholding at the	beginning of the year	Cumulative Shareholding during the year		
For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	N	lo. of shares	% of total shares of the company
At the beginning of the year 1) Mr. M. K. Ananda Kun 2) Mr. Ravindra Shevade 3) Mr. Rajendra Prasad Benhalkar 4) Mr. JayantNalawade (Transferred Shares Mr. Sarat Char Muluktla) on 27th marc	ii) iii) iv) to	100 100 100 100 400 Equity shares	0%	i) ii) iii) iv) Total:	100 100 100 100 400 Equity shares	0%

SI. No.		Shareholding at the k	peginning of the year	Cumulative Shareholdii	eholding 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	
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc):	(Transfer of 100 equity shares from Mr. Jayant Nalawade to Mr. Sarat Chandra Mulukutla on 27/03/2017	0%	100	0%	
	At the End of the year (or on the date of separation, if separated during the year) i) Mr. Jayant Nalawade (Transferred Shares to Mr. Sarat Chandra Muluktla) ii) Mr. M. K. Ananda Kumar iii) Mr. Ravindra Shevade iv) Mr.Rajendra Prasad Benhalkar	i) 100 ii) 100 iii) 100 iii) 100 iv) 100 Total: 400 Equity shares	0%	i) 100 ii) 100 iii) 100 iv) 100 Total: 400 Equity shares	0%	



(v) Shareholding of Directors and Key Managerial Personnel:

SI. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year		
_	For Each of the Directors and KMP Shah	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company	
	At the beginning of the year i) Mr. Samir – Director	100 Equity shares	0%	100 Equity shares	0%	
	ii) Mr. Rajesh Kumar Sinha – Director (w.e.f March 27, 2017)	100 Equity shares	0%	100 Equity shares	0%	
	Date wise Increase / Decrease in Shareholding 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 (Amount in Rupees)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial				
year i) Principal Amount				
ii) Interest due but not paid		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
Change in Indebtedness during the financial year				
Addition		(1,24,36,366)		(1,24,36,366)
Reduction		(4.04.00.000)		(1,24,36,266)
Net Change		(1,24,36,266)		
Indebtedness at the end of the financial year		NIL		NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		NIL		NIL



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI.	Particulars of Remuneration	Name of Managing Director	Total Amount
no.			
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	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit		
	- others, specify		
5.	Others, please specify	-	-
	Total (A)		
	Ceiling as per the Act		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI. no.	Particulars of Remuneration	Name of Managing Director	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	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit		
	- others, specify		
5.	Others, please specify	-	-
	Total (A)		
	Ceiling as per the Act		



B. Remuneration to other directors:

SI. no.	Particulars of Remuneration		Name of Directo	rs		Total Amount
1.	Independent Directors	Mr. Arun Balakrishnan	Mr. Sanjeev Asthana			
	Fee for attending board /committee meetingsCommissionOthers, please specify	4,90,000 Nil Nil	4,90,000 Nil Nil			9,80,000
	Total (1)					9,80,000
2.	Other Non Executive Directors	Mr. Samir Shah	Mr. Samir Kumar Mitter	Mr. Srinath Srinivasan	Dr. Ashok Gulati	
	Fee for attending board /committee meetings Commission	Nil Nil	3,80,000 Nil	1,80,000 Nil	80,000 Nil	6,40,000
	Others, please specify	Nil	Nil	Nil	Nil	
	Total (2)		•	•	•	6,40,000
	Total (B) = (1 + 2)					16,20,000
	Total Managerial Remuneration					16,20,000
	Overall Ceiling as per the Act	Rs. 1,00,000 per mem	ber per meeting			

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

SI. no.	Particulars of Remuneration	Key Managerial Personnel					
	provisions	Rajesh Kumar SinhaChief Executive Officer (Designated CEOup to 27 th March 2017)	Mr. Kartik Thakkar Chief Financial Officer	Ms. Archana Tripathi Company Secretary (w.e.f 21"June 2016)	Total		
1.	Gross salary (a) Salary as per contained in section 17(1) of the	Rs.75,59,704/-	Rs.23,34,768/-	Rs.6,20,672/-	Rs.1,05,15,144/-		
	Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Rs.10,00,000/-	Nil	Nil	Rs. 10,00,000/-		
	(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 - as % of profit - others, specify	Nil	Nil	Nil	Nil		
5.	Others, please specify	Nil	Nil	Nil	Nil		
	Total	Rs.85,59,704	Rs.23,34,768/-	Rs.6,20,672/-	Rs.1,15,15,144/-		



VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For NCDEX e Markets Limited

Sd/- Sd/Rajesh Kumar Sinha Samir Shah
Managing Director DIN- 06798679 DIN - 00912693

Place: Mumbai Date: May 30, 2017



Annexure 3

Form AOC-I

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

and Joint Ventures				
Name of Associates/Joint Ventures	Rashtriya e Market Services Private Limited			
1. Latest audited Balance Sheet Date	March 31, 2017			
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	50%			
Extend of Holding %				
3. Description of how there is significant	Significant influence is due to 20% or more of			
influence	total share capital			
4. Reason why the associate/joint venture is	Not applicable			
not consolidated				
5. Networth attributable to Shareholding as	Rs. 12,75,77,421/-			
per latest audited Balance Sheet				
6. Profit / Loss for the year				
i. Considered in Consolidation	Rs. 7,61,15,241/-			
i. Not Considered in Consolidation	NIL			

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

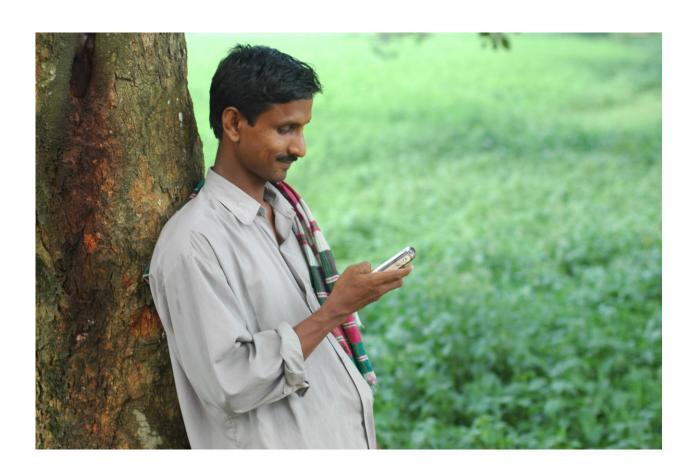
2. Names of associates or joint ventures which have been liquidated or sold during the year: None

Place: Mumbai Date: May 30, 2017

Rajesh Kumar Sinha Managing Director DIN- 06798679 Samir Shah Director DIN - 00912693

Kartik Thakkar Chief Financial Officer

⊘NeML





♦ NeML







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, 2017, 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 31 st March, 2017, 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses unmodified opinion on the adequacy and the operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. Withrespect 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/liability on its financial position in note 24 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.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Refer note 39 of Financial statements

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

Raghav Mohta Partner M.No.426718

Place: Mumbai

Date: 30th May 2017



ANNEXURE "A" TO THE INDEPENDENT AUDITORS' 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 comeacross 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 the Companies Act, 2013.
- 13) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in note 31 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

Raghav Mohta Partner M.No.426718

Place: Mumbai

Date: 30th May 2017



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, 2017, 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

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 31st March, 2017, 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

Raghav Mohta Partner M.No.426718

Place: Mumbai

Date: 30th May 2017



NCDEX e Markets Limited Standalone Balance Sheet as at March 31, 2017

			(Amount in Rs.)
Particulars	Note No.	As at	As at
raiticulais	Note No.	March 31, 2017	March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	355,000,000	355,000,000
Reserves and Surplus	3	(190,839,896)	(227,525,030)
		164,160,104	127,474,970
Non-Current Liabilities			
Long-Term Provisions	4	3,536,695	2 504 265
Long-Term Provisions	4	3,536,695	2,594,365 2,594,365
Current Liabilities		3,330,033	2,394,303
Trade Payables	5	54,779,530	40,356,440
Other Current Liabilities	6	1,434,393,812	876,644,864
Short-Term Provisions	7	10,216,177	7,843,105
		1,499,389,519	924,844,409
TOTAL	-	1,667,086,318	1,054,913,744
ASSETS			
Non-Current Assets			
Fixed Assets	8		
Tangible Assets		33,938,416	24,948,214
Intangible Assets		95,340,962	62,432,425
Intangible Assets Under-Development		-	14,234,872
Deferred Tax Assets	9	6,227,070	-
Non-Current Investments	10	50,000,001	50,000,001
Long-Term Loans & Advances	11	1,046,855	913,676
Other Non-Current Assets	12	44,442,392	14,856,137
		230,995,696	167,385,325
Current Assets			
Trade Receivables	13	40,710,068	39,530,044
Cash and Bank Balances	14	1,331,191,662	790,458,931
Short-Term Loans and Advances	15	50,591,403	44,341,859
Other Current Assets	16	13,597,489	13,197,585
		1,436,090,622	887,528,419
TOTAL		1,667,086,318	1,054,913,744
TOTAL		1,007,000,310	1,034,313,744

The accompaying notes form an intergal part of the Financial Statements

Significant Accounting Policy and Notes to Financial Statements

1 to 40

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

Raghav Mohta Partner

M. No. 426718

Rajesh Kumar Sinha Arun Balakrishnan Managing Director Director

DIN:06798679

DIN:00130241

Place: Mumbai Date: 30.05.2017 **Kartik Thakkar** Chief Financial Officer **Archana Tri pathi** Company Secretary



NCDEX e Markets Limited Standalone Statement of Profit and loss for the period ended March 31, 2017

(Amount in Rs.)

_		(Amount in Rs.)
Note No	Year ended	Year ended
Note No.	March 31 ,2017	2016, March 31
		207,266,982
18	66,481,341	54,608,385
	352,693,901	261,875,367
19	68,011,737	56,023,874
20	106,574,564	85,114,930
21	23,314	3,789,381
22	29,657,173	19,404,078
23	117,454,136	96,388,450
	321,720,924	260,720,713
	30,972,977	1,154,654
34		
	707,930	-
	(6,227,070)	-
	(707,930)	-
	37,200,047	1,154,654
35		
	1.58	0.06
	20 21 22 23	Note No. March 31,2017 17

The accompaying notes form an intergal part of the Financial Statements

Significant Accounting Policy and Notes to Financial Statements 1 to 40

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

Raghav Mohta

Partner M. No. 426718 Rajesh Kumar Sinha Arun Balakrishnan

Managing Director Director
DIN:06798679 DIN:00130241

Place: Mumbai Kartik Thakkar Archana Tripathi
Date: 30.05.2017 Chief Financial Officer Company Secretary



	d I ended Marc	h 31, 2017	
		Year ended March	(Amount in Rs.) Year ended
Particulars		31 ,2017	March 31, 2016
A Cook flow from Oneveting Activities			
A. Cash flow from Operating Activities Profit Before Tax		30,972,977	1,154,654
Adjustments for:		30,212,211	_, ,
Depreciation and Amortisation Expense		29,657,173	19,404,078
Interest Income		(29,538,321)	(52,532,838)
Dividend Income		(2,500,000)	(1,000,000)
Interest on Income Tax Refund Provison for Diminution in Investments		(1,982,756)	(508,470)
Short term gain on mutual fund		(31,656,907)	988,999
Profit on sale of Fixed Assets		(62,600)	_
Operating loss before working capital changes		(5,110,434)	(32,493,577)
Movements in working capital:			
Decrease / (Increase) in Trade receivables		(1,180,024)	(20,428,865)
Decrease / (Increase) in Short term loans and advances		(6,132,161)	(5,410,113)
Decrease / (Increase) in Long term loans and advances		(133,179)	398,277
Decrease / (Increase) in Other non-current assets		(29,164,022)	15,050,000
Decrease / (Increase) in Other current assets		632,844	(1,237,380)
Increase / (Decrease) in Other Long term liabilities		-	1,750,000
Increase / (Decrease) in Long-term provisions		942,330	828,828
Increase / (Decrease) in Trade payables		14,423,090	34,299,688
Increase / (Decrease) in Other liabilities		557,234,035	167,962,150
Increase / (Decrease) in Short term provision		2,373,071	(7,021,044)
Cash flow before taxation		533,885,550	153,697,964
Direct taxes paid		(117,382)	(9,138,258)
Net Cash Generated from Operating Activities	(A)	533,768,168	144,559,706
D Cook Flavor France Investigate Activities			
B.Cash Flows From Investing Activities		(57.224.040)	(EQ 404 250)
Purchase of fixed assets Interest received		(57,321,040)	(59,101,258)
Interest received Interest on Income tax refund		28,083,340	53,216,735
Investment in fixed deposits		1,982,756	508,470
Short term gain on mutual fund		(26,085,978)	191,068
Profit on sale of Fixed Assets		31,656,907	-
Dividend received		62,600 2,500,000	1,000,000
Net Cash Used in Investing Activities	(B)	(19,121,415)	(4,184,985)
ivet cash osed in investing Activities	(6)	(10)111)	(1,1201,000)
C.Cash Flows From Financing Activities			
Loan from National Commodity & Derivatives Exchange Ltd (Holding Company)		_	(764,188)
Net Cash Generated from Financing Activities	(C)	-	(764,188)
The cash constated nomenancy reactions	(5)		. , , ,
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)		514,646,753	139,610,533
Effect of exchange differences on Cash & Cash equivalents held in foreign currenc y		-	-
Cash and Cash Equivalents at the Beginning of the year		529,444,909	389,834,376
Cash and Cash Equivalents at the End of the year [Refer Note 14]		1,044,091,662	529,444,909
Notes:			
1. Cash & Cash Equivalents			
Cash on Hand		10,492	1,214
Balances with Banks:			
- In Current Accounts		1,014,081,170	499,443,695
- In Fixed Deposits		30,000,000	30,000,000
l		1,044,091,662	529,444,909
Cash & Cash Equivalents considered for Cash flow			
Cash & Cash Equivalents considered for Cash flow			
Other Bank Balances		287,100,000	261,014,022
·		287,100,000 1,331,191,662	261,014,022 790,458,931
Other Bank Balances	Cash Flow Stater	1,331,191,662	
Other Bank Balances Cash and Bank Balances [Refer Note 14]	Cash Flow Stater	1,331,191,662	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C	Cash Flow Stater	1,331,191,662	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s	Cash Flow Stater	1,331,191,662	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s		1,331,191,662	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s		1,331,191,662	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s Significant Accounting Policy and Notes to Financial Statements 1 t		1,331,191,662	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement's Significant Accounting Policy and Notes to Financial Statement's 1 t As per our report of even date attached		1,331,191,662 nent'.	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement's Significant Accounting Policy and Notes to Financial Statement's 1 t As per our report of even date attached	to 40	1,331,191,662 nent'.	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement's Significant Accounting Policy and Notes to Financial Statement's 1 t As per our report of even date attached For and on behalf of For and behalf	to 40	1,331,191,662 nent'.	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s Significant Accounting Policy and Notes to Financial Statements 1 t As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants	to 40	1,331,191,662 nent'.	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s Significant Accounting Policy and Notes to Financial Statements 1 t As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP For and behal	to 40	1,331,191,662 nent'.	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s Significant Accounting Policy and Notes to Financial Statements 1 t As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants	to 40	1,331,191,662 nent'.	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s Significant Accounting Policy and Notes to Financial Statements 1 t As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants	to 40	1,331,191,662 nent'.	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement's Significant Accounting Policy and Notes to Financial Statement's 1 t As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045	to 40 If of the Board o	1,331,191,662 nent'.	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s Significant Accounting Policy and Notes to Financial Statements 1 t As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 Raghav Mohta Rajesh Kuma	to 40 If of the Board or rkets Limited ar Sinha	1,331,191,662 nent'.	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s Significant Accounting Policy and Notes to Financial Statements 1 t As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 Raghav Mohta Partner Rajesh Kuma	o 40 If of the Board of rkets Limited ar Sinha irector	1,331,191,662 nent'. of Directors Arun Balakrishnan	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s Significant Accounting Policy and Notes to Financial Statements 1 t As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 Raghav Mohta Rajesh Kuma	o 40 If of the Board of rkets Limited ar Sinha irector	1,331,191,662 nent'. of Directors Arun Balakrishnan Director	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement's Significant Accounting Policy and Notes to Financial Statement's 1 t As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 Raghav Mohta Partner Rajesh Kuma Managing Di	o 40 If of the Board of rkets Limited ar Sinha irector	1,331,191,662 nent'. of Directors Arun Balakrishnan Director	
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Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-10 Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s Significant Accounting Policy and Notes to Financial Statements 1 t As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 Raghav Mohta Partner Managing Di M. No. 426718 DIN:0679863	o 40 If of the Board of rkets Limited ar Sinha irector	1,331,191,662 nent'. of Directors Arun Balakrishnan Director DIN:00130241	
Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect method as per AS 3-'C Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statement s Significant Accounting Policy and Notes to Financial Statements 1 t As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 Raghav Mohta Partner Rajesh Kuma	o 40 If of the Board of rkets Limited ar Sinha irector 79	1,331,191,662 nent'. of Directors Arun Balakrishnan Director	



NCDEX e Markets Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE1:- SIGNIFICANT ACCOUNTING POLICIES

Overview of the Company

NCDEX e Markets Limited (NeML), 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 fow to the Company and the revenue can be reliably measured.

<u>Annual Membership Fees/Lot creation charges/Penalty/E-Pledge Fees/Tricker Board</u> 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.

Short Term Capital Gain from Mutual Fund

STCG is recognized as income on sale of mutual fund.

d. Property, Plant and Equipment

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 yearend 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

Incentives are paid to eligible employees and are accounted in year of payment.

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.



NCDEX e Markets Limited

NOTE 2

(Amount in Rs)

(Full out to 11)					
Share Capital	As at March 31, 2017		As at March 31, 2016		
энаге сарка	Number	Amount	Number	Amount	
Authorised Capital					
Equity Shares of Rs.10 each	28,000,000	280,000,000	28,000,000	280,000,000	
5% Cumulative redemeable 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	23,500,000	235,000,000	
5% Cumulative redemeable 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	35,500,000	355,000,000	

NOTE 2(a)

Reconciliation of Number of Shares:

(Amount in Rs)

(Amount in 15)				
Equity Shares	As at March	31, 2017	As at March 31, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	23,500,000	235,000,000	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	23,500,000	235,000,000

				(Amount in Rs)
Preference Shares	As at March 31, 2017		As at March 31, 2016	
Freierence Shares	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/h

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, 2017		As at March 31, 2016	
Equity stidies	Number	% of holding	Number	% of holding
National Commodity & Derivatives Exchange Ltd (Holding Company) along with its Nominees	23,500,000	100	23,500,000	100
Preference shares	As at March	31, 2017	As at March	31, 2016
Freierence states	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, 2017	As at March 31, 2016	
ivallie of Stratefloiders	Number of Shares	% of Holding	Number of shares	% of Holding
Equity Shares	23,500,000	100	23.500.000	100
National Commodity & Derivatives Exchange Ltd (along with its Nominees)	23,300,000	100	23,300,000	100
Preference Shares	12.000.000	100	12.000.000	100
National Commodity & Derivatives Exchange Ltd	12,000,000	100	12,000,000	100

NOTE 2(e)

nformation regarding issue of shares in last five years:

In Financial Year 2015-16, 1,50,00,000/- Equity shares of Rs. 10/- each (face value) has been allotted as fully paid up pursant 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	As at
neserves una sur pias	March 31, 2017	March 31, 2016
Risk Management Fund (Created for Meeting Members Obligations in case of Defaults) [Refer Note 30]		
Opening Balance	510,893	692,541
Add: Transfer from Statement of Profit and Loss	-	-
Less: Utilised	(514,913)	(181,648)
Closing Balance	(4,020)	510,893
Balance in the Statement of Profit and loss		
Opening Balance	(228,035,923)	(229,190,577)
Add: Profit / (Loss) for the current year	37,200,047	1,154,654
Closing Balance	(190,835,877)	(228,035,923)
Total	(190,839,896)	(227,525,030)



NCD	FX e	Market	s Limited

NOTE 4

(Amount in Rs.)

Long-Term Provisions	As at	As at
Long-term Provisions	March 31, 2017	March 31, 2016
Provision for Employee Benefits		
Leave Encashment	3,536,695	2,594,365
Total	3,536,695	2,594,365

NOTE 5

(Amount in Rs.)

Trade Payables	As at	As at
Trade Payables	March 31, 2017	March 31, 2016
Due to Holding Company	25,413,763	15,501,130
Trade Payables-Vendors	29,365,767	24,855,310
Total	54,779,530	40,356,440

NOTE 6

(Amount in Rs.)

Other Current Liabilities	As at	As at
Other Current Liabilities	March 31, 2017	March 31, 2016
Other Payables		
Interest accured and due on borrowings [Refer Note 31]	-	12,436,366
Interest Free Deposits form Clearing Banks	150,000,000	130,000,000
Warehouse Deposits	2,000,000	2,500,000
Advances from Customers	2,507,656	3,312,306
Creditors for Capital Expenditure	11,696,214	11,611,919
Trade Monies recieved from Members	1,195,250,711	642,042,284
Statutory Liabilities	6,871,157	5,199,442
Income received in advance	1,305,548	243,000.00
Security Deposits from Members [Refer Note 26]	62,129,728	67,450,000
Employee Payables	2,632,798	1,849,547
Total	1.434.393.812	876.644.864

NOTE 7

(Amount in Rs.)

As at	As at
March 31, 2017	March 31, 2016
627,016	627,509
645,193	667,787
8,943,968	6,547,809
10,216,177	7,843,105
	March 31, 2017 627,016 645,193 8,943,968

NOTE 9

(Amount in Rs.)

Deferred Tax Assets	As at	As at
Deletted tax Assets	March 31, 2017	March 31, 2016
A) Deferred Tax Liabilities		
(i) On account of Depreciation	21,798,667	-
Gross Deferred Tax Liability (A)	21,798,667	=
B) Deferred Tax Assets		
(i) Unabsorbed Depreciation	26,511,168	-
(ii) Disallowances under Income tax	1,514,569	=
Gross Deferred Tax Asset (B)	28,025,737	-
Net deferred tax Assets (B-A) [Refer Note 34]	6,227,070	
Total	6,227,070	

				Gross Block (At cost)	rost)			Den	Depreciation / Amortisation	sation		(A) Net Block	(Amount in Rs.)
Particulars				-									
		As at April 1, 2016	Additions	Disposals	Adjustments	As at March 31, 2017	As at April 1, 2016	For the year	Deletion during the year	Adjustments	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangible Assets													
Furniture and Fixtures			265,196	•		265,196		8,713	•	•	8,713	256,483	•
Computer Hardware		45,676,749	16,974,933	546,471	•	62,105,211	23,165,642	8,115,035	546,471	•	30,734,206	31,371,005	22,511,107
Office Equipment		67,725	201,050	,		268,775	10,592	16,132			26,724	242,051	57,133
Freehold Vehicles		2,488,773	1			2,488,773	108,799	311,097			419,896	2,068,877	2,379,974
	Total	48,233,247	17,441,179	546,471		65,127,955	23,285,033	8,450,977	546,471		31,189,539	33,938,416	24,948,214
	Previous Year	30,483,193	18,383,872			48,867,065	18,994,172	4,924,679			23,918,851	24,948,214	
Intangible Assets													
Computer Software		112,228,932	54,114,737			166,343,669	49,796,511	21,206,196			71,002,707	95,340,962	62,432,425
	Total	112,228,932	54,114,737			166,343,669	49,796,511	21,206,196			71,002,707	95,340,962	62,432,425
	Previous Year	79,097,880	33,131,052	-		112,228,932	35,317,108	14,479,399	-	-	49,796,507	62,432,425	
Intangible assets under development	elopment	-		-				-		-	-	-	•
	Total		•		•		-	-	-	-	-	•	
	Previous Year	6,648,537	7,586,335	,	•	14,234,872	•			1		14,234,872	
	Grand Total	160,462,179	71,555,916	546,471		231,471,624	73,081,544	29,657,173	546,471	-	102,192,246	129,279,378	87,380,639
	Previous Year	116,229,610	59,101,259	•		175,330,869	54,311,280	19,404,078	•	•	73,715,358	101,615,510	

		NCDEX e Markets Limited	kets Limited				
	NOTE 10						(Amount in Rs.)
	Non-Current Investments	Face Value	Quantity	As at March 31, 2017	Face Value	Quantity	As at March 31, 2016
	Trade (Valued at Cost unless stated otherwise) Investment in Equity Shares (Unquoted)						
		10	98,900	000'686	10	98,900	000'686
45	Provison for Diminution in Investments [Refer Note 32(a)]	ı	1	(988,999)	ı	1	(988,999)
	Investment in Joint Venture [Refer Note 32(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	50,000,001
	Aggregate value of unquoted investments At Cost		·	50,000,001		'	50,000,001



NCDEX e Markets Limite	d		
NOTE 11			(Amount in Rs.)
		As at	As at
Long-Term Loans & Advances		March 31, 2017	March 31, 2016
Prepaid Expenses		1,046,855	913,676
	Total	1,046,855	913,676
NOTE 12			
			(Amount in Rs.)
Other Non-Current Assets		As at	As at
Other Non-Current Assets		March 31, 2017	March 31, 2016
Long-term deposit with banks with original maturity period more than 12 months	5	43,164,022	14,000,000
Interest Accrued on Fixed Deposits		1,278,370	856,137
	Total	44,442,392	14,856,137
NOTE 13			
			(Amount in Rs.)
Trade Receivables		As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six months		,	,
Considered Good		7,741,373	3,933,150
Considered Doubtful		92,614	554,958
Less: Provision For doubtful debts [Refer Note 38]		(92,614)	(554,958)
		7,741,373	3,933,150
Other Debts			
Considered Good		32,968,695	35,596,894
	Total	40,710,068	39,530,044
NOTE 14			
			(Amount in Rs.)
Cash and Bank Balances		As at	As at
		March 31, 2017	March 31, 2016
Cash and Cash Equivalents		1 04 4 004 4 70	400 440 607
Balances with banks in Current Accounts		1,014,081,170	499,443,695
Cash on hand		10,492	1,214
Fixed Deposit with original maturity less than 3 months	-	30,000,000	30,000,000
Other Bank Balances		1,044,091,662	529,444,909
Fixed deposits with original maturity more than 3 months,			
		286,850,000	205,100,000
hut locs than 12 months			
but less than 12 months		l	
Fixed deposits with original maturity more than than 12 months		250,000	55,914,022
		250,000	55,914,022



NCDEX e Markets Limited		
NOTE 15		
	T	(Amount in Rs.)
Short-Term Loans and Advances	As at	As at
	March 31, 2017	March 31, 2016
Unsecured and Considered Good		
Loans and Advances to Employees	11,586	91,255
Rental Deposit	181,000	3,000
Prepaid Expenses	10,181,154	4,755,736
Income Tax(net off provisions)	31,100,320	31,745,500
Service Tax Input	4,693,627	3,046,368
Earnest Money Deposit	4,423,716	4,700,000
Total	50,591,403	44,341,859
NOTE 16		
		(Amount in Rs.
Other Current Assets	As at	As at
Other Current Assets	March 31, 2017	March 31, 2016
Unsecured and Considered Good		
Interest Accrued on Fixed Deposits	12,729,759	11,697,011
MAT Credit	707,930	-
Trade Money Receivable from Members	159,800	1,500,574
Total	13,597,489	13,197,585



NCDEX e Marke	ets Limited		
NOTE 17			
			(Amount in Rs.
Revenue from Operations		Year ended	Year ended
		March 31 ,2017	2016, March 31
Transaction Charges		182,768,928	125,791,995
Annual Membership Fees		5,062,524	3,493,378
Admission/Registration Fees		8,566,161	9,003,56
Pledge Finance Charges		39,049,577	29,873,20
Other Operating Income		50,765,370	39,104,83
	Total	286,212,560	207,266,982
NOTE 18			(Amount in Rs
Oath an Income		Year ended	Year ended
Other Income		March 31 ,2017	March 31 ,2016
Interest on Term Deposits with Banks		29,538,321	52,532,83
Interest on Income Tax Refund		1,982,756	508,470
Dividend		2,500,000	1,000,000
Profit on Sale of Fixed Assets		62,600	-
Balances Written Back		-	567,07
MF Short Term Capital Gain		31,656,907	-
Miscellaneous Income		740,757	-
	Total	66,481,341	54,608,385
NOTE 19		Year ended	(Amount in Rs.
Operating Expenses		March 31 ,2017	March 31 ,2016
Advertisement & Business Promotion Expenses		1,788,686	1,540,912
Legal & Professional fees		62,944,367	50,880,91
Manpower Hire Charges		3,278,685	3,602,048
, ,		, ,	, ,
	Total	68,011,738	56,023,87
NOTE 20			
14012 20			(Amount in Rs.
		Year ended	Year ended
Employee Benefits Expense		March 31 ,2017	March 31 ,2016
Salaries, Allowances and Bonus		96,247,507	74,097,257
Contributions to Provident & Other Funds		4,199,666	3,413,470
Gratuity Expenses		1,249,971	2,009,496
Staff Welfare Expenses		4,877,420	5,594,70
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	.,,
	Total	106,574,564	85,114,930
NOTE 21			(Amount in Rs.
Finance Cost		Year ended	Year ended
i mance cost		March 31 ,2017	2016, March 31
Interest Expense		23,314	3,789,381

Total

23,314

3,789,381



NCDEX e Markets	Limited		
NOTE 22			(Amount in Rs
		Year ended	Year ended
Depreciation and Amortisation Expense		March 31 ,2017	March 31 ,2016
Depreciation on Tangible Assets		8,450,977	4,924,679
Amortisation of Intangible Assets		21,206,196	14,479,39
	Total	29,657,173	19,404,078
NOTE 23			
			(Amount in Rs
Other Expenses		Year ended March 31 ,2017	Year ended March 31 ,2016
Rent		23,503,721	20,059,24
Electricity Charges		5,357	-
Security & Maintainence Charges		203,497	212,72
Software Maintainence Charges		47,781,561	39,968,992
Travelling & Conveyance Expenses		16,282,947	12,011,71
Communication Expenses		9,099,068	4,600,39
Printing & Stationery		555,467	488,74
Sitting Fees to Directors		1,600,000	820,000
Auditor's Remuneration*		896,000	405,000
Licence Fees			
Bank Charges		12,222,052	12,641,52
_		172,822	152,933
Bad debts [Refer Note 38]		1,018	146,308
Penal ChargesStatutory Liabilities		- (404.006)	1,34
Provision for Doubtful Debts [Refer Note 38]		(191,986)	554,95
Provison for Diminution [Refer Note 32(a)]		-	988,999
Trainings & Seminars		2,323,840	1,381,66
Service Tax Expense		865,564	402,43
Octroi Expenses		-	337,560
Foreign Exchange Loss		3,387	-
Other Expenses		2,129,821	1,213,91
	Total	117,454,136	96,388,45
*Statutory Auditor's Remuneration (Excluding Service Tax)			
Particulars		Year ended March 31,2017	Year ended March 31 ,2016
As auditor			
Audit Fees (Statutory Audit)		200,000	240,00
Audit Fees (Consolidation)		50,000	100,000
Tax Audit Fees		40,000	40,000
In other capacity		, , , , , ,	
Taxation matters		22,050	5,000*
Certification		248,342	2,220
Out of pocket expenses		-	20,000**
	Total	560,392	405,00

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



OTHER NOTES TO FINANCIAL STATEMENTS

24. Contingent Liabilities not provided for in respect of :

a) Unpaid dividend on 5% Cumulative preference shares:

Particulars	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Dividend Payable	39,123,288/-	33,123,288/-

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.

- **25.** The Company has earned a Net profit of Rs. 37,200,047/- during the year ended March 31, 2017. The Company has accumulated losses amounting to Rs. 190,835,877/- as at March 31, 2017. The Company has Net Profits in last four consecutive years including the current year.
- **26.** Members holding membership of the Exchange for more than three years can terminate their membership and withdraw deposit. These deposit is payable on demand therefore membership deposit of such members is classified as current liability.
- **27. a)** In the opinion of the Management, the Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of what is required.
 - **b)** The account of Trade receivables, Trade payables, Loans and Advances are subject to confirmation / reconciliation and adjustments, if any. The management does not expect any material differences affecting the current year financial statements.



28. Employee Benefits:

a) Defined Contribution Plan:

Company's contribution to Provident Fund Rs. 4,199,666/- (Previous year – Rs. 3,408,574/-)

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, 2017	March 31, 2016
	(Rupees)	(Rupees)
Current service cost	1,192,175	899,741
Interest cost on benefit obligation	335,191	232,041
(Expected return on plan assets)	(530,873)	(374,081)
Net actuarial (gain) / loss recognised in the year	730,169	(131,690)
Net benefit expense	1,726,662	626,011
Actual return on plan assets	461,474	367,768

Movement in the Liability recognised in Balance Sheet:

Particulars	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Opening Net Liability	(2,458,310)	(1,786,660)
Expenses as above	1,726,662	626,011
Contribution Paid	(1,679,141)	(1,297,661)
Closing Net Liability	(2,410,789)	(2,458,310)

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

Particulars	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Opening defined benefit obligation	4,210,945	2,918,761
Interest cost	335,191	232,041
Current service cost	1,192,175	899,741
Liability Transferred In/ Acquisitions	-	383,218
Liability Transferred Out/Divestments	-	(33,894)



Benefit paid from fund	(364,668)	(50,919)
Actuarial (gains) / losses on obligation—Due	325,613	(4,157)
change in financial assumptions		
Actuarial (gains) / losses on obligation—Due to	335,157	(133,846)
experience		
Closing defined benefit obligation	6,034,413	4,210,945

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

Particulars	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Opening fair value of plan assets	6,669,255	4,705,421
Expected return	530,873	374,081
Contributions by employer	1,679,141	1,297,661
Assets Transferred In/ Acquisitions	-	383,218
Assets Transferred Out/Divestments	-	(33,894)
Benefit paid from fund	(364,668)	(50,919)
Actuarial gains / (losses)	(69,399)	(6,313)
Closing fair value of plan assets	8,445,202	6,669,255

Actual Return on Plan Assets

Particulars	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Expected Return on Plan Assets	530,873	374,081
Actuarial Gains/(Losses) on Plan Assets -Due to Experience	(69,399)	(6,313)
Actual Return on Plan Assets	461,474	367,768

Category of Assets as at the end of the year

Particulars	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Insurance Fund	8,445,202	6,669,255

Investment pattern from LIC is not available for FY 2016-17.



Experience Adjustment

Particulars	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Defined Benefit Obligation	6,034,413	4,210,945	2,918,761	883,841	546,070
Fair Value of Planned Assets	8,445,202	6,669,255	4,705,421	1,780,628	839,573
(Surplus)/Deficit	(2,410,789)	(2,458,310)	(1,786,660)	(896,787)	(293,503)
Experience Adjustment on Plan Liabilities[(Gain)/Loss]	335,157	(133,846)	422,085	29,521	167,889
Experience Adjustment on Plan Asset[(Gain)/Loss]	69,399	(6,313)	(15,408)	11,380	2,484

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

Particulars	March 31,2017	March 31,2016
	%	%
Discount rate	7.96	7.95
Expected rate of return on Plan assets	7.96	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 2017-18 is Rs. 1,679,141/-(Previous Year Rs. 2,000,000)

- **29.** 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.
- **30.** 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. 514,913/- utilized directly from the said fund [Refer Note 3].



31. 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

National e Repository 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. Archana Tripathi - Company Secretary



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

Nature of Relation: Holding Company

Nature of transaction	March	March
	31,2017	31,2016
LOAN	(Rupees)	(Rupees)
Unsecured Loan outstanding as at the beginning of the year	-	150,764,188
Unsecured Loan taken during the year	-	-
Unsecured Loan repaid during the year	-	150,764,188*
Unsecured Loan outstanding as at year end	-	-
*Out of above Rs. 15,00,00,000/- is converted in Equity Share Capit	al and balance is	repaid in
cash/bank		
INTEREST ON LOAN		
Interest payable at the beginning of the year	12,436,366	13,569,444
Interest accrued and due during the year	-	3,366,922
Interest Paid during the year	12,436,366	4,500,000
Interest payable at the end of the year	-	12,436,366
SERVICES RECEIVED/RENDERED		, ,
Services received	36,531,948	36,864,987
Services rendered	-	1,024,279
Receivables/(Payable) as at end of the year	(25,413,763)	(15,424,576)
TRANSFER OF ASSETS		
Assets Received	230,900	-
Assets Transfer	40,600	-
REIMBURSEMENT OF EXPENSES		
Reimbursement of expenses incurred on behalf of the Company	56,910	76,554
by-		
INVESTMENTS		
Investment at the beginning of the year		
Equity Share Capital	235,000,000	85,000,000
Preference Share Capital	120,000,000	120,000,000
Additions		450.000.000
Equity Share Capital	-	150,000,000
Preference Share Capital	-	-
Investment at the end of the year		
Equity Share Capital	235,000,000	235,000,000
Preference Share Capital	120,000,000	120,000,000



c) Transactions with Other Related Parties:

Particulars	March 31,2017	March 31,2016	
	(Rupees)	(Rupees)	
Services Rendered			
Power Exchange India Limited	4,323,334	-	
Transfer of Assets			
National Commodity Clearing Limited	22,000	-	
Services Rendered			
Rashtriya e Market Services Private Limited	37,922,500	11,375,667	
Dividend Received			
Rashtriya e Market Services Private Limited	2,500,000	1,000,000	
Remuneration paid to KMP			
Mr. Rajesh Sinha (Chief Executive Officer)	7,595,482	6,654,444	
Mr. Kartik Thakkar (Chief Financial Officer)	2,193,882	1,907,842	
Ms. Archana Tripathi (Company Secretary)	635,500	-	
Reimbursement of expenses incurred on behalf of			
the Company by KMP			
Mr. Rajesh Sinha (Chief Executive Officer)	1,693,097	836,217	
Mr. Kartik Thakkar (Chief Financial Officer)	239,345	286,740	
Ms. Archana Tripathi (Company Secretary)	68,605	-	

d) Closing Balance of Other Related Parties:

Particulars	March 31,2017	March 31,2016
	(Rupees)	(Rupees)
Services Rendered		
Power Exchange India Limited	2,223,334	2,100,000
Rashtriya e Market Services Private Limited	6,430,836	-
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)	210,246	37,133
Mr. Kartik Thakkar (Chief Financial Officer)	1,704	99,494
Ms. Archana Tripathi (Company Secretary)	1,500	-



32. Investments

- a) The Company has made Investment of Rs. 989,000/- on November 2, 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 in FY 2015-16 for diminution in the value of investments.
- b) The Company has joint venture with Rashtriya e Markets 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, 2017, representing 50% shareholding in ReMS. (Previous year Rs. 50,000,000 as at March 31, 2016, representing 50% shareholding as at March 31,2016). The proportionate share of assets and liabilities as at March 31, 2017 and income and expenditure for the year 2016-2017 of Rashtriya e Markets Services Private Limited as per Unaudited financial statement are given below:

Particulars	As at March 31, 2017	As at March 31, 2016	Particulars	2016-2017	2015-2016
	(Rupees)	(Rupees)		(Rupees)	(Rupees)
RESERVES AND SURPLUS			INCOME		
Reserves and Surplus	127,577,421	57,480,062	Revenue from operations	262,855,774	128,115,663
	, ,	, ,	•	, ,	, ,
NON-CURRENT LIABILITIES			Other Income	4,751,285	4,319,351
Deferred tax liabilities	3,856,690	1,261,967			
CURRENT LIABILITIES				267,607,059	132,435,014
Other Current Liabilities	16,913,594	7,962,271	EXPENDITURE		
Short-term Provisions	27,666,538	6,777,522	Employee Benefit Expenses	5,315,505	3,686,969
			Operating Expenses	112,039,051	50,034,011
	48,436,822	16,001,760	Depreciation	6,332,799	5,499,926
			Other Expenses	21,276,001	8,156,947



NON-CURRENT ASSETS			Tax expenses / (credit)	46,528,462	19,441,567
Fixed Assets	18,967,428	23,861,595			
Other Long-term Loans					
and Advances	-	-		191,491,817	86,819,420
CURRENT ASSETS					
Trade Receivables	89,171,616	54,641,280			
Cash and Bank Balances	97,874,644	43,187,924			
Short-Term Loans and Advances	4,959,686	1,650,934			
Other Current Assets	15,040,870	140,089			
	226,014,243	123,481,822			
Capital Commitments		-			

33. 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 31,2017	March 31,2016	
	(Rupees)	(Rupees)	
Lease payments for the year:	22 502 721	20,059,245	
Rent recognized in Statement of Profit and Loss	23,503,721		
Minimum Lease Payments:			
Not later than one year	23,503,721	20,059,245	
Later than one year and not later than five years	-	-	
Later than five years	-	-	

34. 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. In financial year 2015-16 Company has achieve positive net worth and continues have net profit since last 3 year including current year. Based on above facts during the year Company has recognized deferred tax assets/ (liabilities) excluding carry forward losses. The components of deferred tax are given hereunder:



Particulars	March 31,2017	March 31,2016
	(Rupees)	(Rupees)
Deferred Tax Asset Components		
Unabsorbed depreciation	26,511,168	26,571,095
Expenses allowed on payment basis	1,514,569	714,432
	28,025,737	76,539,986
Deferred Tax Liabilities Components		
Depreciation	(21,798,667)	(12,686,732)
	(21,798,667)	(12,686,732)
Net Deferred tax Assets/(Liabilities)	6,227,070*	-

^{*}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 made on basis of MAT liability u/s 115JB of Income Tax Act, 1961. Accordingly MAT assets also created under head "Current assets".

35. Earnings per share (EPS)

Particulars	March 31,2017	March 31,2016
	(Rupees)	(Rupees)
Profit/(Loss) after tax attributable to the Equity	37,200,047	1,154,654
Shareholders (Rupees) (A)		1,154,054
Weighted average number of equity shares (Nos.) (B)	23,500,000	19,114,754
Earnings per share (Rupees)	1 50	0.06
(Face value of Rs.10 per share) (A) /(B)	1.58	0.06



36. 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, 2017 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 31,2017	March 31,2016
	(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		

37. 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.

38. During the year:

- a. The Company has written off certain amounts towards old outstanding totaling to Rs. 1,018/-(Previous year 146,308) which were due but not received. Further, the Company has written off Rs. 270,358/-(Previous year Nil) and reversed the provision of doubtful debts of Rs. 285,237/ -(Previous year Nil) out of provision of doubtful debts created in FY 2015-16. During the year company also have created a provision of Rs. 93,251 /-(Previous year Rs.554,957/-) Hence Profit and loss account credited (net) with Rs.191,986/- 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. Nil (Previous year Rs. 567,077/-)



39. Disclosure of Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	17500	618	18118
(+) Permitted receipts	0	0	0
(-) Permitted payments		600	600
(-) Amount deposited in Banks	17500	0	17500
Closing cash in hand as on 30.12.2016	0	18	18

40. Previous year's figures have also been reclassified /regrouped, wherever necessary, to confirm to current year's classification.

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

Rajesh Kumar Sinha Arun Balakrishnan

Managing Director Director

DIN:06798679 DIN:00130241

Place: Mumbai Kartik Thakkar Archana Tripathi

Date: 30th May 2017 Chief Financial Officer Company Secretary



INDEPENDENT AUDITOR'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 au dited the accompanying consolidated fin ancial 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 B alance Sheet as at 31st March, 2017, 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 sa feguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate a ccounting 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, 2017, and its consolidated profit and its consolidated cash flows for the year ended on that date.

Emphasis of Matters

In regarding Joint Venture (JV) Company, we Draw attention to the following matters

- a) As stated in Note 13 to Consolidated Financial Statements, balances under sundry Debtors have not been confirmed by few parties. JV Auditor unable to comment on the Impact adjustment arising out of reconciliation/confirmation of such balances on the 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 accounts/Financial statement of Joint venture Company is Rs. 8,71,60,968



(Rs. 4,35,80,484/- 50% of Rs. 8,71,60,968/-) exclusive of Interest and other imposition if applicable.

JV auditor's report 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 45,20,28,485 as at 31st March, 2017, total revenue of Rs.53,52,14,117 and net cash flows amounting to Rs.10,93,73,440 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 group and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses unmodified opinion on the adequacy and the operating effectiveness of the Group internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us"-:
 - i. The Group has disclosed the impact pending litigations on its financial position in note 25 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.
 - iv. The Group had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Group. Refer note 42 of consolidated financial statement.

For Chokshi & Chokshi LLP

Chartered Accountants FRN 101872W/W100045

Raghav Mohta

Partner

M.No. 426718

Place: Mumbai Date: 30th May 2017



Annexure - "A" to the Auditors' 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 31 March 2017, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note 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 extentapplicable 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 andevaluating 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 thattransactions 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 Holding Company and its jointly controlled Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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.

For Chokshi & Chokshi LLP

Chartered Accountants FRN 101872W/W100045

Raghav Mohta

Partner

M.No. 426718

Place: Mumbai

Date: 30th May 2017



NCDEX e Markets Limited Consolidated Balance Sheet as at March 31, 2017

			(Amount in Rs.)
Particulars	Note No.	As at	As at
raiticulais	Note No.	March 31, 2017	March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	355,000,000	355,000,000
Reserves and Surplus	3	(63,262,477)	(170,044,968)
		291,737,523	184,955,032
Non-Current Liabilities		2 526 605	2 504 265
Long-Term Provisions	4	3,536,695	2,594,365
Deferred Tax Liability	9	2 526 605	1,261,967
Current Liabilities		3,536,695	3,856,332
Trade Payables	5	58,454,012	40,726,497
Other Current Liabilities	6	1,444,417,507	884,237,078
Short-Term Provision's	7	37,882,715	14,620,627
Shore remit rovisions	,	1,540,754,234	939,584,202
			222,223,222
TOTAL		1,836,028,452	1,128,395,565
ASSETS			
ASSETS			
Non-Current Assets			
Fixed Assets	8		
Tangible Assets		38,477,259	29,550,025
Intangible Assets		109,769,547	81,692,211
Intangible Assets Under-Development		-	14,234,872
Deferred Tax Assets	9	2,370,380	-
Non-Current Investments	10 11	1 046 955	1
Long-Term Loans & Advances Other Non-Current Assets	11 12	1,046,855 44,442,392	913,676 14,856,137
Tother Non-Current Assets	12	196,106,434	141,246,922
		190,100,434	141,240,322
Current Assets			
Trade Receivables	13	126,666,266	94,171,325
Cash and Bank Balances	14	1,429,066,306	833,646,855
Short-Term Loans and Advance s	15	55,551,089	45,992,793
Other Current Assets	16	28,638,357	13,337,670
		1,639,922,018	987,148,643
TOTAL		1,836,028,452	1,128,395,565
	1		

The accompaying notes form an intergal part of the Financial Statements

Significant Accounting Policy and Notes to 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

Rajesh Kumar Sinha Raghav Mohta Arun Balakrishnan Partner Director

Managing Director M. No. 426718 DIN:06798679 DIN:00130241

Place: Mumbai Kartik Thakkar Archana Tripathi

Chief Financial Officer Company Secretary Date: 30.05.2017



NCDEX e Markets Limited Consolidated Statement of Profit and loss for the period ended March 31, 2017

(Amount in Rs.)

			(Amount in Rs.)	
Particulars	Note No.	Year ended	Year ended	
raiticulais	Note No.	March 31 ,2017	March 31 ,2016	
INCOME				
Revenue from Operations	17	F22 FC0 224	226.064.605	
Other Income	18	532,568,334	336,064,605	
Other Income	18	71,232,625	58,245,777	
Total Revenue		603,800,959	394,310,382	
EXPENSES				
Operating Expenses	19	163,591,198	102,849,040	
Employee Benefits Expense	20	111,890,068	88,801,899	
Finance Cost	21	23,314	3,789,381	
Depreciation and Amortisation Expense	22	35,989,972	24,904,004	
Other Expenses	23	138,689,727	107,754,244	
Total Expenses		450,184,279	328,098,567	
Profit/(loss) before tax		153,616,680	66,211,815	
Income Tax Expenses	24			
Current Tax		44,641,670	(20,599,000)	
Deferred Tax		(3,632,347)	1,157,433	
MAT Credit Entitlement		(707,930)	-	
Profit for the year		113,315,287	46,770,248	
Earnings per share:	38			
Basic & Diluted		4.82	2.45	

The accompaying notes form an intergal part of the Financial Statements

Significant Accounting Policy and Notes to 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

Raghav Mohta

Partner M. No. 426718 Rajesh Kumar Sinha Arun Balakrishnan

Managing Director DIN:06798679 DIN:00130241

Place: Mumbai Kartik Thakkar Archana Tripathi
Date: 30.05.2017 Chief Financial Officer Company Secretary



	for the period ended Ma	·	(Amount in Rs.
Particulars		Year ended March 31 ,2017	Year ended March 31, 2016
		31,2017	Walti 31, 2010
A. Cash flow from Operating Activities			
Profit Before Tax		153,616,680	66,211,815
Adjustments for:		25 000 072	24.004.00
Depreciation and Amortisation Expense		35,989,972	24,904,004
Interest Income Dividend Income		(34,257,514)	(56,163,724
Interest on Income Tax Refund		(2,500,000)	(1,000,000 (508,470
Provison for Diminution in Investments		(1,982,756)	988,999
Short term gain on mutual fund		(31,656,907)	-
Other Non-operating income		(32,091)	_
Profit on sale of Fixed Assets		(62,600)	_
Operating Profit/(loss) before working capital changes		119,114,785	34,432,624
Movements in working capital:		, ,	
Decrease / (Increase) in Trade receivables		(32,494,942)	(52,125,82
Decrease / (Increase) in Short term loans and advances		(10,203,477)	(6,982,59
Decrease / (Increase) in Long term loans and advances		(133,179)	398,27
Decrease / (Increase) in Other non-current assets		(29,164,022)	15,050,00
Decrease / (Increase) in Other current assets		(14,161,084)	(1,316,76
Increase / (Decrease) in Other Long term liabilities		-	1,750,00
Increase / (Decrease) in Long-term provisions		942,330	828,828
Increase / (Decrease) in Trade payables		17,727,515	32,876,270
Increase / (Decrease) in Other liabilities		559,665,515	149,168,79
Increase / (Decrease) in Short term provision		17,244,204	(4,417,38
Cash flow before taxation		628,537,646	169,662,22
Direct taxes paid		(43,288,559)	(29,487,98
Net Cash Generated from Operating Activities	4)	585,249,087	140,174,24
B.Cash Flows From Investing Activities		/	,
Purchase of fixed assets		(58,759,670)	(63,009,15)
Interest received		32,695,680	56,941,04
Interest on Income tax refund Investment in fixed deposits		1,982,756	508,470
Short term gain on mutual fund		(75,485,978)	(42,558,932
Profit on sale of Fixed Assets		31,656,907	-
Other Non-operating income		62,600 32,091	-
Dividend received		2,500,000	1,000,000
Net Cash Used in Investing Activities	(E	/	(47,118,574
Net Cash Osed in investing Activities	(-	(00)020,020,1	(117==5/51
C.Cash Flows From Financing Activities			
Loan from National Commodity & Derivatives Exchange Ltd (Holding Co	mpany)	_	(764,188
Net Cash Generated from Financing Activities	(0	-	(764,188
-	·		
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)		519,933,473	92,291,484
Effect of exchange differences on Cash & Cash equivalents held in foreign	gn currenc y	-	-
Cash and Cash Equivalents at the Beginning of the year		529,882,833	437,591,349
Cash and Cash Equivalents at the End of the year [Refer Note 14]		1,049,816,306	529,882,833
Notes:		1	
1. Cash & Cash Equivalents			
Cash on Hand		11,163	1,413
Balances with Banks:			
- In Current Accounts		1,019,805,143	499,881,420
		30,000,000	30,000,000
- In Fixed Deposits			
·		1,049,816,306	529,882,833
Cash & Cash Equivalents considered for Cash flow			
Cash & Cash Equivalents considered for Cash flow Other Bank Balances		379,250,000	303,764,022
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14]		379,250,000 1,429,066,306	529,882,83 3 303,764,022 833,646,85 5
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth	od as per AS 3-'Cash Flow State	379,250,000 1,429,066,306	303,764,022
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth- Figures in brackets indicate cash outflow.		379,250,000 1,429,066,306	303,764,022
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem	ent s	379,250,000 1,429,066,306	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth Figures in brackets indicate cash outflow.		379,250,000 1,429,066,306	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth- Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements	ent s	379,250,000 1,429,066,306	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem	ent s	379,250,000 1,429,066,306	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements As per our report of even date attached	ent s 1 to 44	379,250,000 1,429,066,306 ement ¹ .	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements As per our report of even date attached For and on behalf of	ent s 1 to 44 For and behalf of the Board	379,250,000 1,429,066,306 ement ¹ .	303,764,022
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP	ent s 1 to 44	379,250,000 1,429,066,306 ement ¹ .	303,764,022
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth- Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statement s As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants	ent s 1 to 44 For and behalf of the Board	379,250,000 1,429,066,306 ement ¹ .	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP	ent s 1 to 44 For and behalf of the Board	379,250,000 1,429,066,306 ement ¹ .	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth- Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statement s As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants	ent s 1 to 44 For and behalf of the Board	379,250,000 1,429,066,306 ement ¹ .	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth- Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statement s As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants	ent s 1 to 44 For and behalf of the Board	379,250,000 1,429,066,306 ement ¹ .	303,764,022
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045	ents 1 to 44 For and behalf of the Board NCDEX e Markets Limited	379,250,000 1,429,066,306 ement'.	303,764,022
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045	1 to 44 For and behalf of the Board NCDEX e Markets Limited Rajesh Kumar Sinha	379,250,000 1,429,066,306 ement'. of Directors Arun Balakrishnan	303,764,022
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth- Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statement s As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 Raghav Mohta Partner	For and behalf of the Board NCDEX e Markets Limited Rajesh Kumar Sinha Managing Director	379,250,000 1,429,066,306 ement'. of Directors Arun Balakrishnan Director	303,764,022
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect meth Figures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045	1 to 44 For and behalf of the Board NCDEX e Markets Limited Rajesh Kumar Sinha	379,250,000 1,429,066,306 ement'. of Directors Arun Balakrishnan	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect metherigures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 Raghav Mohta Partner	For and behalf of the Board NCDEX e Markets Limited Rajesh Kumar Sinha Managing Director	379,250,000 1,429,066,306 ement'. of Directors Arun Balakrishnan Director	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect metherigures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 Raghav Mohta Partner	For and behalf of the Board NCDEX e Markets Limited Rajesh Kumar Sinha Managing Director	379,250,000 1,429,066,306 ement'. of Directors Arun Balakrishnan Director	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect metherigures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 Raghav Mohta Partner	For and behalf of the Board NCDEX e Markets Limited Rajesh Kumar Sinha Managing Director	379,250,000 1,429,066,306 ement'. of Directors Arun Balakrishnan Director	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect methicity in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 Raghav Mohta Partner M. No. 426718	For and behalf of the Board NCDEX e Markets Limited Rajesh Kumar Sinha Managing Director DIN:06798679	379,250,000 1,429,066,306 ement'. of Directors Arun Balakrishnan Director DIN:00130241	303,764,02
Cash & Cash Equivalents considered for Cash flow Other Bank Balances Cash and Bank Balances [Refer Note 14] Note: The above Cash Flow Statement is prepared under indirect metherigures in brackets indicate cash outflow. The accompaying notes form an intergal part of the Financial Statem Significant Accounting Policy and Notes to Financial Statements As per our report of even date attached For and on behalf of Chokshi and Chokshi LLP Chartered Accountants FRN: 101872W/W100045 Raghav Mohta Partner	For and behalf of the Board NCDEX e Markets Limited Rajesh Kumar Sinha Managing Director	379,250,000 1,429,066,306 ement'. of Directors Arun Balakrishnan Director	303,764,02



NCDEX e Markets Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

NOTE1: SIGNIFICANT ACCOUNTING POLICIES

Overview of the Company

NCDEX e Markets Limited (NeML), 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 thecommodity 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 <u>NCDEX e Markets Limited</u> ("the Company") and its Joint venture Company <u>Rashtriya e Market Services Private Limited</u> (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.

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

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

<u>Interest Income</u>

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.

<u>Dividend</u>

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

Short Term Capital Gain from Mutual Fund

STCG is recognized as income on sale of mutual fund.

e. Property, Plant and Equipment

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
FreeholdOffice Equipment's	5 Years
Freehold Vehicles	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 yearend are stated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend 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

Incentives are paid to eligible employees and are accounted in year of payment.

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.



NCDEX e Markets Limited				
		24 2242		(Amount in Rs)
Share Capital	As at March	31, 2017	As at March	1 31, 2016
Share capital	Number	Amount	Number	Amount
Authorised Capital Equity Shares of Rs. 10 each 5% Cumulative redemeable preference shares of Rs. 10 each	28,000,000 12,000,000	280,000,000 120,000,000	28,000,000 12,000,000	280,000,000 120,000,000
Issued, Subscribed & Paid up Capital Equity Shares of Rs. 10 each 5% Cumulative redemeable preference shares of Rs.10 each	23,500,000 12,000,000	235,000,000 120,000,000	23,500,000 12,000,000	235,000,000 120,000,000
Total	35,500,000	355,000,000	35,500,000	355,000,000

NOTE 2(a)
Reconciliation of Number of Shares:

(Amount in Ks)				
Equity Shares	As at March	31, 2017	As at March 31, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	23,500,000	235,000,000	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	23,500,000	235,000,000

				(Amount in Rs)
Preference Shares	As at March 31, 2017		As at March 31, 2016	
Preference shares	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:

Familia shares	As at March 31, 2017		As at March 31, 2016	
Equity shares	Number	% of holding	Number	% of holding
National Commodity & Derivatives Exchange Ltd (Holding Company) along with its Nominees	23,500,000	100	23,500,000	100

Preference shares	As at March 31, 2017 As at March		31, 2016	
Preference shares	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	As at March 31, 2017		31, 2016
IName of Shareholders	Number of Shares	% of Holding	Number of shares	% of Holding
Equity Shares	23,500,000	100	23.500.000	100
National Commodity & Derivatives Exchange Ltd (along with its Nominees)	23,300,000	100	23,300,000	100
Preference Shares	12.000.000	100	12.000.000	100
National Commodity & Derivatives Exchange Ltd	12,000,000	100	12,000,000	100

NOTE 2(e)

In Financial Year 2015-16, 1,50,00,000/- Equity shares of Rs. 10/- each(face value) has been allotted as fully paid up pursant 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.
December and Complex	As at	As at
Reserves and Surplus	March 31, 2017	March 31, 2016
Risk Management Fund (Created for Meeting Members Obligations in case of Defaults) [Refer Note 31]	•	
Opening Balance	510,893	692,541
Add: Transfer from Statement of Profit and Loss		
Less: Utilised	(514,913)	(181,648)
Closing Balance	(4,020)	510,893
Transaction Charges Special Reserve [Refer Note 32]		
Opening Balance	6,405,783	
Less: Transfer from Statement of Profit and Loss	(6,405,783)	6,405,783
Less: Utilised	-	
Closing Balance	-	6,405,783
Balance in the Statement of Profit and loss		
Opening Balance	(176,961,644)	(214,326,256)
Add: Profit / (Loss) for the current year	113,315,287	46,770,248
Less: Proposed Dividend	(5,000,000)	(2,500,000
Less: Dividend Distribution Tax	(1,017,883)	(499,853)
Less: Transfer to Risk Management Fund		
Add: Transfer to Transaction Charges Special Reserve	6,405,783	(6,405,783)
Closing Balance	(63,258,457)	(176,961,644)
Total	(63.262.477)	(170.044.968)



NCDEX e Markets Lim	ited		
NOTE 4			(Amount in Rs.)
Long-Term Provisions		As at	As at
		March 31, 2017	March 31, 2016
Provision for Employee Benefits			
Leave Encashment		3,536,695	2,594,365
	Total	3,536,695	2,594,365
	•	, ,	, ,
NOTE 5			(Amount in Rs.)
		As at	As at
Trade Payables		March 31, 2017	March 31, 2016
Due to Holding Company		25,413,763	15,501,130
Trade Payables-Vendors		33,040,249	25,225,367
aa. ayaa.aa validata		33,040,243	23,223,307
	Total	58,454,012	40,726,497
NOTE 6			
			(Amount in Rs.)
Other Current Liabilities		As at	As at
		March 31, 2017	March 31, 2016
Other Payables			12 126 266
Interest accured and due on borrowings [Refer Note 33]		450,000,000	12,436,366
Interest Free Deposits form Clearing Banks		150,000,000	130,000,000
Warehouse Deposits		2,000,000	2,500,000
Advances from Customers		8,185,684	5,342,351
Creditors for Capital Expenditure		11,696,214	11,611,919
Transaction Charges payable to KSAMB		2,979,629	5,011,589
Trade Monies recieved from Members		1,195,250,711	642,042,284
Statutory Liabilities		7,056,219	5,408,097
Income received in advance		1,305,548	243,000.00
Security Deposits from Members [Refer Note 27]		62,129,728	67,450,000
Employee Payables		2,632,798	1,849,547
Other Payables		1,180,976	341,925
	Total	1,444,417,507	884,237,078
	•	, , ,	
NOTE 7			(Amount in Rs.)
		As at	As at
Short-Term Provisions		March 31, 2017	March 31, 2016
Provision for Leave Encashment		627,016	627,509
Provision for Bonus		645,193	667,787
Provision for Expenses		8,943,968	6,547,809
Provision for Proposed Dividend		5,000,000	2,500,000
Provision for Dividend Distribution Tax		1,017,883	499,853
Provisions for Income Tax (Net of Advance Tax)		21,648,655	3,777,669
			4, 222 222
	Total	37,882,715	14,620,627

			ì	_	NCDEX e Markets Limited	imited.						
NOTE 8 Fixed Assets												(Amount in Re.)
		9	Gross Block (At o	(At cost)			Dek	Depreciation / Amortisation	isation		Net Block	ock
Particulars	As at	Additions	Disposals	Adjustments	As at	As at	For the year	Deletion during	Adjustments	As at	As at	As at
Tangible Assets	77 77 77 77 77 77 77 77 77 77 77 77 77				(101)	70107 (7 11070		arc year				0707
Furniture and Fixtures	714,435	277,547	•	,	991,982	45,265	90,640			135,905	856,077	669,170
Computer Hardware	46,755,147	18,056,150	546,471	1	64,264,826	23,353,543	8,664,820	546,471	•	31,471,892	32,792,934	23,401,604
Office Equipment	384,360	270,551	•	,	654,911	78,146	72,697			150,843	504,068	306,214
Freehold Vehicles	3,397,872	•			3,397,872	243,800	419,098			662,898	2,734,974	3,154,072
Leasehold Improvements	2,148,795	•			2,148,795	129,830	429,759			559,589	1,589,206	2,018,965
Total	53,400,609	18,604,248	546,471		71,458,386	23,850,584	9,677,014	546,471		32,981,127	38,477,259	29,550,025
Previous Year	31,808,169	22,226,257		,	54,034,426	19,074,077	5,410,324			24,484,401	29,550,025	
Intangible Assets												
Computer Software	137,337,992	54,390,300	1	1	191,728,292	55,645,785	26,312,959		'	81,958,744	109,769,547	81,692,211
Total	137,337,992	54,390,300			191,728,292	55,645,785	26,312,959			81,958,744	109,769,547	81,692,211
Previous Year	104,141,427	33,196,565			137,337,992	36,152,101	19,493,680			55,645,781	81,692,211	
Intangible assets under development						٠	1	1	1	-		
Total				•			1		1			14,234,872
Previous Year	6,648,537	7,586,335		1	14,234,872	-					14,234,872	
Grand Total		72,994,548	546,471	•	263,186,678	79,496,369	35,989,973	546,471	-	114,939,871	148,246,806	125,477,108
Previous Year	142,598,133	63,009,157	ı	i	205,607,290	55,226,178	24,904,004		1	80,130,182	125,477,108	

	NCDEX e Markets Limited	kets Limited				
NOTE 10						
						(Amount in Rs.)
Non-Current Investments	Face Value	Quantity	As at March 31, 2017	Face Value	Quantity	As at March 31, 2016
Trade (Valued at Cost unless stated otherwise)						
National Warehousing Corporation Pvt. Ltd.	10	98,900	000'686	10	98,900	000,686
Provison for Diminution in Investments [Refer Note 34(a)]	ı	1	(6688)	1	1	(666'886)
Total		98,900	1		98,900	1
Aggregate value of unquoted investments At Cost			1			1
		•			•	



NCDEX e Markets Limited		
NOTE 9		
		(Amount in Rs.)
Deferred Tax Assets	As at	As at
	March 31, 2017	March 31, 2016
A) Deferred Tax Liabilities		
(i) On account of Depreciation	25,935,533	1,261,967
Gross Deferred Tax Liability (A)	25,935,533	1,261,967
B) Deferred Tax Assets		
(i) Unabsorbed Depreciation	26,511,168	-
(ii) Disallowances under Income tax	1,794,745	-
Gross Deferred Tax Asset (B)	28,305,913	-
	, ,	
Net deferred tax Assets (B-A) [Refer Note 37]	2,370,380	(1,261,967)
Tota	2,370,380	(1,261,967)
NOTE 11		
		(Amount in Rs.)
Long-Term Loans & Advances	As at	As at
	March 31, 2017	March 31, 2016
Prepaid Expenses	1,046,855	913,676
Tota	I 1,046,855	913,676
100	2,0 10,000	313,070
NOTE 12		
		(Amount in Rs.)
Other Non-Current Assets	As at	As at
Other Non-Current Assets	March 31, 2017	March 31, 2016
Long-term deposit with banks with original maturity period more than 12 months	43,164,022	14,000,000
Interest Accrued on Fixed Deposits	1,278,370	856,137

44,442,392

Total

14,856,137



NCDEX e Markets Limit	:ed		
NOTE 13			
			(Amount in Rs.
Trade Receivables		As at March 31, 2017	As at March 31, 2016
Outstanding for a period exceeding six months		Wiai Cii 31, 2017	Wiaicii 31, 2010
Considered Good		72,664,845	15,441,18
Considered Doubtful		92,614	554,958
Less: Provision For doubtful debts [Refer Note 41]		(92,614)	(554,958
		72,664,845	15,441,187
Other Debts			
Considered Good		54,001,421	78,730,138
	Total	126,666,266	94,171,325
NOTE 14			
		As at	(Amount in Rs.
Cash and Bank Balances		March 31, 2017	March 31, 2016
Cash and Cash Equivalents			
Balances with banks in Current Accounts		1,019,805,143	499,881,420
Cash on hand		11,163	1,413
Fixed Deposit with original maturity less than 3 months		30,000,000	30,000,000
		1,049,816,306	529,882,833
Other Bank Balances			
Fixed deposits with original maturity more than 3 months,		379,000,000	247,850,000
but less than 12 months		373,000,000	217,030,000
Fixed deposits with original maturity more than than 12 months		250,000	55,914,022
(maturing in next year)		230,000	33,311,022
	Total	1,429,066,306	833,646,855
		_,,,	555/5 15/555
NOTE 15			
			(Amount in Rs.
Short-Term Loans and Advances		As at	As at
Unsecured and Considered Good		March 31, 2017	March 31, 2016
		11,586	91,255
Loans and Advances to Employees Rental Deposit		181,000	3,000
Deposit with KSAMB		4,463,522	1,441,823
Advance Suppliers		482,000	209,111
Advance to LIC Gratuity Fund		14,164	203,111
Prepaid Expenses		10,181,154	4,755,736
Income Tax(net off provisions)		31,100,320	31,745,500
Service Tax Input		4,693,627	3,046,368
Earnest Money Deposit		4,423,716	4,700,000
Larriest Money Deposit		4,423,710	4,700,000
	Total	55,551,089	45,992,793
NOTE 16			
			(Amount in Rs.
Other Current Assets		As at March 31, 2017	As at March 31, 2016
Unsecured and Considered Good			
Interest Accrued on Fixed Deposits		12,846,343	11,706,742
		707,930	-
MAT Credit		159,800	1,500,574
		139,600 1	1,500,57
Trade Money Receivable from Members			
Trade Money Receivable from Members Refundable Deposit		40,000	40,000
Trade Money Receivable from Members Refundable Deposit TDS Receivables		40,000 14,714,230	40,000 90,354
Trade Money Receivable from Members Refundable Deposit		40,000	40,000

13,337,670

28,638,357

Total



NCDEX e Markets Limited

NOTE 17

(Amount in Rs.)

Revenue from Operations	Year ended	Year ended
nevenue nom operations	March 31 ,2017	2016, March 31
Transaction Charges	444,639,586	253,907,658
Annual Membership Fees	5,062,524	3,493,378
Admission/Registration Fees	8,566,161	9,003,567
Pledge Finance Charges	39,049,577	29,873,205
Prior Period Income	985,116	681,960
Other Operating Income	34,265,370	39,104,837
Total	532,568,334	336,064,605

NOTE 18

(Amount in Rs.)

Other Income	Year ended	Year ended
Other income	March 31 ,2017	2016, March 31
Interest on Term Deposits with Banks	34,257,514	56,163,724
Interest on Income Tax Refund	1,982,756	508,470
Dividend	2,500,000	1,000,000
Profit on Sale of Fixed Assets	62,600	-
Balances Written Back	-	567,077
MF Short Term Capital Gain	31,656,907	-
Other non-operating income	32,091	6,506
Miscellaneous Income	740,757	-
Total	71,232,625	58,245,777

NOTE 19

(Amount in Rs.)

Operating Expenses	Year ended	Year ended
Operating Expenses	March 31 ,2017	2016, March 31
Advertisement & Business Promotion Expenses	69,866,487	34,099,089
Legal & Professional fees	64,139,300	52,252,783
Manpower Hire Charges	4,585,412	4,709,168
Data Entry Expenses	25,000,000	11,788,000
Tot	al 163,591,199	102,849,040



NOTE 20			
			(Amount in Rs.)
Employee Benefits Expense		Year ended	Year ended
Employee Benefits Expense		March 31 ,2017	2016, March 31
Salaries, Allowances and Bonus		101,388,354	77,656,914
Contributions to Provident & Other Funds		4,199,666	3,413,470
Gratuity Expenses		1,299,127	2,074,773
Staff Welfare Expenses		5,002,921	5,656,742
	Total	111,890,068	88,801,899
NOTE 21			
NOTE 21			(Amount in Rs.)
Finance Cost		Year ended	Year ended
rinance cost		March 31 ,2017	2016, March 31
Interest Expense		23,314	3,789,381
	Total	23,314	3,789,381
NOTE 22			
NOTE 22			(Amount in Rs.)
Depreciation and Amortisation Expense		Year ended	Year ended
Depreciation and Amortisation Expense		2017, March 31	2016, March 31
Depreciation on Tangible Assets		9,677,014	5,410,324
Amortisation of Intangible Assets		26,312,958	19,493,680
Amortisation of intaligible Assets		20,312,936	19,495,060

Total

35,989,972

24,904,004

NOTE 23 (Amount in Rs.)

NOTE 25			(Amount in Rs.)
Other Expenses		Year ended	Year ended
Other Expenses		March 31 ,2017	2016, March 31
Rent		25,856,092	21,035,493
Electricity Charges		5,357	-
Security & Maintainence Charges		203,497	212,722
Software Maintainence Charges		50,242,811	45,656,826
Travelling & Conveyance Expenses		16,282,947	12,011,718
Communication Expenses		9,099,068	4,600,391
Printing & Stationery		555,467	488,741
Sitting Fees to Directors		1,600,000	820,000
Auditor's Remuneration*		996,625	495,000
Licence Fees		12,222,052	12,641,522
Bank Charges		172,822	152,933
Bad debts [Refer Note 41]		7,803,856	1,472,142
Penal ChargesStatutory Liabilities		-	1,342
Provision for Doubtful Debts [Refer Note 41]		(191,986)	554,958
Provison for Diminution [Refer Note 34(a)]		-	988,999
Trainings & Seminars		2,323,840	1,381,667
Service Tax Expense		865,564	402,435
Octroi Expenses		-	337,560
Foreign Exchange Loss		3,387	-
Rates & Taxes		23,484	
Assaying Charges		4,786,603	679,255
Contribution towards Corporate Social Responsibility		600,000	-
Other Expenses		5,238,241	3,820,540
	Total	138,689,727	107,754,244

NOTE 24 (Amount in Rs.)

Tay Eynanca	Year ended	Year ended
Tax Expense	March 31 ,2017	March 31 ,2016
Current Tax	44,641,670	20,599,000
Deferred Tax MAT Credit Entitlement	(3,632,347) (707,930)	
Total	40,301,393	19,441,567

*Statutory Auditor's Remuneration (Excluding Service Tax)

Particulars		Year ended	Year ended
rai ticulai s		2017, March 31	2016, March 31
As auditor			
Audit Fees (Statutory Audit)		267,500	310,000
Audit Fees (Consolidation)		50,000	100,000*
Tax Audit Fees		60,000	60,000
In other capacity			
Taxation matters		22,050	5,000**
Certification		248,342	
Out of pocket expenses		13,125	20,000***
	Total	661,017	495,000

^{*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

25. Contingent Liabilities not provided for in respect of:

a) Unpaid dividend on 5% Cumulative preference shares:

Particulars	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Dividend Payable	39,123,288/-	33,123,288/-

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 Group has earned a consolidated Net profit of Rs. 113,315,287 /- during the year ended March 31, 2017. However, the Group has consolidated accumulated losses amounting to Rs. 63,258,457/- as at March 31, 2017. The holding Company has continued profit since last 4 financial years. During the year, the member base has grown up and also additional revenue streams have opened up, which has resulted in growth in its total income over the last year.
- **27.** In holding Company, members holding membership of the Exchange for more than three years can terminate their membership and withdraw deposit. The se deposit is payable on demand therefore membership deposit of such members is classified as 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.4,199,666/-(Previous year – Rs.3,408,574).

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, 2017	March 31, 2016
	(Rupees)	(Rupees)
Current service cost	1,266,527	899,741
Interest cost on benefit obligation	339,850	232,041
(Expected return on plan assets)	(530,873)	(374,081)
Net actuarial (gain) / loss recognised in the year	702,109	(131,690)
Net benefit expense	1,726,662	626,011
Actual return on plan assets	461,474	367,768

Movement in the Liability recognised in Balance Sheet:

Particulars	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Opening Net Liability	(2,458,310)	(1,786,660)
Expenses as above	1,726,662	626,011
Contribution Paid	(1,679,141)	(1,297,661)
Closing Net Liability	(2,410,789)	(2,458,310)

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

Particulars	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Opening defined benefit obligation	4,275,645	2,918,761
Interest cost	339,850	232,041
Current service cost	1,266,527	899,741
Liability Transferred In/ Acquisitions	-	383,218
Liability Transferred Out/Divestments	-	(33,894)



Benefit paid from fund	(364,668)	(50,919)
Actuarial (gains) / losses on obligation—Due	325,613	(4,157)
change in financial assumptions		
Actuarial (gains) / losses on obligation—Due to	307097	(133,846)
experience		
Closing defined benefit obligation	6150046	4,210,945

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

Particulars	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Opening fair value of plan assets	6,669,255	4,705,421
Expected return	530,873	374,081
Contributions by employer	1,679,141	1,297,661
Assets Transferred In/ Acquisitions	-	383,218
Assets Transferred Out/Divestments	-	(33,894)
Benefit paid from fund	(364,668)	(50,919)
Actuarial gains / (losses)	(69,399)	(6,313)
Closing fair value of plan assets	8,445,202	6,669,255

Actual Return on Plan Assets

Particulars	March 31, 2017	
	(Rupees)	(Rupees)
Expected Return on Plan Assets	530,873	374,081
Actuarial Gains/(Losses) on Plan Assets -Due to Experience	(69,399)	(6,313)
Actual Return on Plan Assets	461,474	367,768

Category of Assets as at the end of the year

Particulars	March 31, 2017	March 31, 2016
	(Rupees)	(Rupees)
Insurance Fund	8,445,202	6,669,255

Investment pattern from LIC is not available for FY 2016-17.



Experience Adjustment

Particulars	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)
Defined Benefit Obligation	61,50,063	4,210,945	2,918,761	883,841	546,070
Fair Value of Planned Assets	85,75,016	6,669,255	4,705,421	1,780,628	839,573
(Surplus)/Deficit	(2,4,24,952)	(2,458,310)	(1,786,660)	(896,787)	(293,503)
Experience Adjustment on Plan Liabilities[(Gain)/Loss]	33,98,16	(133,846)	422,085	29,521	1,678,89
Experience Adjustment on Plan Asset[(Gain)/Loss]	41,339	(6,313)	(15,408)	11,380	2,484

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

Particulars	March 31,2017		March 31,2016	
	NeMl	ReML	%	
	%	%		
Discount rate	7.96	7.20	7.95	
Expected rate of return on Plan	7.96	7.20	7.95	
assets				
Salary Escalation Rate	5.00	8.00	5.00	
Attrition Rate	5.00	-	5.00	

Expected Contribution to be made to the plan assets in financial year 2017-18 is Rs. 1,679,141/-(Previous Year Rs. 2,000,000/-)

Note: Current year figure of ReMSPL consolidated at extent available.

- **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. ReMSPL has availed exemption in respect of AS-17 and relaxtion for AS-29 as applicable to a Small and Medium Sized Company.
- **31.** 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.514,913/- utilized directly from the said fund [Refer Note 3].
- **32.** Transaction Charges Special Reserve, as constituted by the ReMSPL, is the amount earmarked for fluctuations in completion of post tender activities. During the year ReMSPL has utilized Rs.1,28,11,566 (50% is Rs. 6,405,783) from the said fund.



33. 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

National e Repository 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. Archana Tripathi - Company Secretary

Mr. Manoj Rajan-Managing Director



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

Nature of Relation: Holding Company

Nature of transaction	March	March
	31,2017	31,2016
LOAN	(Rupees)	(Rupees)
Unsecured Loan outstanding as at the beginning of the year	-	150,764,188
Unsecured Loan taken during the year	-	-
Unsecured Loan repaid during the year	-	150,764,188*
Unsecured Loan outstanding as at year end	-	-
*Out of above Rs. 15,00,00,000/- is converted in Equity Share Capit cash/bank	tal and balance is	repaid in
Cashiy Dank		
INTEREST ON LOAN		
Interest payable at the beginning of the year	12,436,366	13,569,444
Interest accrued and due during the year	-	3,366,922
Interest Paid during the year	12,436,366	4,500,000
Interest payable at the end of the year	-	12,436,366
SERVICES RECEIVED/RENDERED		
Services received	36,531,948	36,864,987
Services rendered	-	1,024,279
Receivables/(Payable) as at end of the year	(25,413,763)	(15,424,576)
TRANSFER OF ASSETS		
Assets Received	230,900	-
Assets Transfer	40,600	-
REIMBURSEMENT OF EXPENSES		
Reimbursement of expenses incurred on behalf of the Company by-	56,910	76,554
INVESTMENTS		
Investment at the beginning of the year		
Equity Share Capital	235,000,000	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	235,000,000
Preference Share Capital	120,000,000	120,000,000



c) Transactions with Other Related Parties:

Particulars	March 31,2017	March 31,2016
	(Rupees)	(Rupees)
Services Rendered		
Power Exchange India Limited	4,323,334	-
Transfer of Assets		
National Commodity Clearing Limited	22,000	-
Services Rendered		
Rashtriya e Market Services Private Limited	1,89,61,250	11,375,667
Dividend Received		
Rashtriya e Market Services Private Limited	2,500,000	1,000,000
Remuneration paid to KMP		
Mr. Rajesh Sinha (Chief Executive Officer)	7,595,482	6,654,444
Mr. Kartik Thakkar (Chief Financial Officer)	2,193,882	1,907,842
Ms. Archana Tripathi (Company Secretary)	635,500	-
Reimbursement of expenses incurred on behalf of		
the Company by KMP		
Mr. Rajesh Sinha (Chief Executive Officer)	1,693,097	836,217
Mr. Kartik Thakkar (Chief Financial Officer)	239,345	286,740
Ms. Archana Tripathi (Company Secretary)	68,605	-

d) Closing Balance of Other Related Parties:

Particulars	March 31,2017	March 31,2016
	(Rupees)	(Rupees)
Services Rendered		
Power Exchange India Limited	2,223,334	2,100,000
Rashtriya e Market Services Private Limited	32,15,418	-
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)	210,246	37,133
Mr. Kartik Thakkar (Chief Financial Officer)	1,704	99,494
Ms. Archana Tripathi (Company Secretary)	1,500	-



34. Investments

- a) The Company has made Investment of Rs. 989,000/- on November 2, 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 in FY 2015-16 for diminution in the value of investments.
- b) The Company has joint venture with Rashtriya e Markets 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, 2017, representing 50% shareholding in ReMS. (Previous year Rs. 50,000,000 as at March 31, 2016, representing 50% shareholding as at March 31,2016). The proportionate share of assets and liabilities as at March 31, 2017 and income and expenditure for the year 2016-2017 of Rashtriya e Markets Services Private Limited as per Unaudited financial statement are given below:

Particulars	As at March 31, 2017	As at March 31, 2016	Particulars	2016-2017	2015-2016
	(Rupees)	(Rupees)		(Rupees)	(Rupees)
RESERVES AND SURPLUS			INCOME		
Reserves and Surplus	127,577,421	57,480,062	Revenue from operations	262,855,774	128,115,663
NON-CURRENT LIABILITIES			Other Income	4,751,285	4,319,351
Deferred tax liabilities	3,856,690	1,261,967			
CURRENT LIABILITIES				267,607,059	132,435,014
Other Current Liabilities	16,913,594	7,962,271	EXPENDITURE		
Short-term Provisions			Employee Benefit		
	27,666,538	6,777,522	Expenses	5,315,505	3,686,969
			Operating Expenses	112,039,051	50,034,011
TOTAL NON-CURRENT	48,436,822	16,001,760	Depreciation	6,332,799	5,499,926



LIABILITIES					
			Other Expenses	21,276,001	8,156,947
NON-CURRENT ASSETS			Tax expenses / (credit)	46,528,462	19,441,567
Fixed Assets	18,967,428	23,861,595			
Other Long-term Loans					
and Advances	-	-		191,491,818	86,819,420
CURRENT ASSETS					
Trade Receivables	89,171,616	54,641,280			
Cash and Bank Balances	97,874,644	43,187,924			
Short-Term Loans and Advances	4,959,686	1,650,934			
Other Current Assets	15,040,870	140,089			
	226,014,243	123,481,822			
Capital Commitments		-			

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 Consolidated net assets	Amount in Rs.	As % of Consolidated profit and loss	Amount in Rs.
Parent				
NCDEX e Markets Limited	56	164,160,104	33	37,200,047
Previous Year 2015-16	69	127,474,970	2	1,154,654
Joint Ventures (as per proportionate consolidation)				
Rashtriya e Market Services Private Limited	44	127,577,419	67	76,115,240
Previous Year 2015-16	31	57,480,062	98	45,615,594



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

		Shares of Joi	nt Venture held	d by the Company o	n the year end		Profit/ Loss for the	year	
									Reasons
						Net worth			why the
						attributable to		Description	joint
Sr.						Shareholding as per		of how there	venture is
No		Latest audited		Amount of	Extend of	latest audited	Considered in	is significant	not
Ŀ	Name of Joint Venture	Balance Date	No.	Investments [Rs.]	Holding %	Balance Sheet [Rs.]	Consolidation [Rs.]	influence	considered
	Rashtriya e Market Services								
1	Privated Limited	31.03.2016	50,000,000	50,000,000	0.5	57,480,062	-	Note- A	-
No	ote "A"								
	ere is significant influence due								
	percentage (%) of Share Ipital								

36. 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 31,2017	March 31,2016	
	(Rupees)	(Rupees)	
Lease payments for the year:	25 856 002	21.025.402	
Rent recognized in Statement of Profit and Loss	25,856,093	21,035,493	
Minimum Lease Payments:			
Not later than one year	25,550,003	22,105,527	
Later than one year and not later than five years	5,286,229	7,332,511	
Later than five years	-	-	



37. 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. In financial year 2015-16 the Company has achieve positive net worth and continues have net profit since last 3 year including current year. Based on above facts during the year the Company has recognized deferred tax assets/ (liabilities) excluding carry forward losses. The components of deferred tax are given hereunder for group:

Particulars	March 31,2017	March 31,2016
	(Rupees)	(Rupees)
Deferred Tax Asset Components		
Unabsorbed depreciation	26,511,168	26,571,095
Expenses allowed on payment basis	1,794,745	714,432
	28,305,913	27,285,527
Deferred Tax Liabilities Components		
Depreciation	(25,935,533)	(20,059,966)
	(25,935,533)	(20,059,966)
Net Deferred tax Assets/(Liabilities)	2,370,380	(1,261,967)*

^{*} Net Deferred tax liability of Rs. 1,261,967/- pertains to joint venture to ReMS

b) The Company has made Provision for tax on basis of MAT liability u/ s 115JB of Income Tax Act, 1961. Accordingly MAT assets also created under head "Current assets".

38. Earnings per share (EPS)

Particulars	March 31,2017	March 31,2016
	(Rupees)	(Rupees)
Profit/(Loss) after tax attributable to the Equity	113,315,287	46,770,248
Shareholders (Rupees) (A)		
Weighted average number of equity shares (Nos.) (B)	23,500,000	19,114,754
Earnings per share (Rupees)	4.00	2.45
(Face value of Rs.10 per share) (A) /(B)	4.82	2.45



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

Based on the information with the Group, the amount overdue to the suppliers as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006' as on March 31, 2017 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 Groupis as under:

Particulars	March 31,2017	March 31,2016
	(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		

- **40.** As per Section 135 of the Companies Act, 2013, aReMSPL meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility(CSR) activities. The areas of CSR activities are specified in Schedule VII of companies Act, 2013. A CSR committee has been formed by the Company as per the Act. The funds are utilized on the activities as specified under Schedule VII of the Act.
 - i) Gross amount required to be spent during the year Rs. 600,000/-
 - ii) Amount spent during the year Rs. 600,000/-

The Holding Company has not contributed any amount towards Corporate Social Responsibility (CSR) in term of section 135 as there are no profits attributable to CSR.



41. During the year:

- a. The Company has written off certain amounts towards old outstanding totaling to Rs. 1,018/-(Previous year- 1 46,308) which were due but not received. Further, the Companyhas written off Rs. 270,358/-(Previous year-Nil) and reversed the provision of doubtful debts of Rs. 285,237/-(Previous year-Nil) out of provision of doubtful debts created in FY 2015-16. During theyear company also have created a provision of Rs. 93,251 /- (Previous year-554957). Hence Profit and loss account credited (net) with Rs.191,986/-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. Nil (Previous year Rs. 567,077).

42. Disclosure of Specified Bank Notes (SBNs)

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	24,000	5,063	29,063
(+) Permitted receipts	-	40,000	40,000
(-) Permitted payments	-	37,387	37,387
(-) Amount deposited in Banks	24,000	-	24,000
Closing cash in hand as on 30.12.2016	-	7,676	7,676



43. Expenditure in Foreign exchange-:

Particulars	2016-17	2015-16
Expenditure in Foreign	INR 5687	INR 35261
Currency		

44. Previous year's figures have also been reclassified /regrouped, wherever necessary, to confirm to current year's classification.

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

Rajesh Kumar Sinha

Managing Director

DIN:06798679

Arun Balakrishnan

Director

DIN:00130241

Place: Mumbai

Date: 30th May 2017

Kartik Thakkar

Chief Financial Officer

Archana Tripathi

Company Secretary



