

**Independent Auditor's Review Report on Consolidated Unaudited Financial Results pursuant to the requirement of Regulation 33(1) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To**  
**The Board of Directors,**  
**National Commodity & Derivatives Exchange Limited**

**Introduction**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **National Commodity & Derivatives Exchange Limited** ("the Parent" or "the Holding Company") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net profit after tax and total comprehensive income of its Associate and Joint Ventures for the quarter ended June 30, 2024 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33(1) of Securities Contract (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "SECC Regulations") read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and SEBI circulars.
2. This Statement which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

**Scope of review**

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. The standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



4. The Statement includes the unaudited standalone / consolidated financial results of the following entities:

Sr. No.	Name of the Entity	Relationship
1	National Commodity & Derivatives Exchange Limited (NCDEX)	Parent
2	National Commodity Clearing Limited (NCCL)	Subsidiary
3	National e-Repository Limited (NERL)	Subsidiary
4	NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary
5	NCDEX e-Markets Limited (NEML)	Subsidiary
6	Rashtriya e-Market Services Private Limited (ReMS)	Joint Venture of NEML
7	Meta Materials Circular Markets Private Limited (MMCMPL)	Joint Venture of NEML
8	Power Exchange India Limited (PXIL)	Associate

### Conclusion

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 12 & 15 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SECC Regulations read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and relevant circulars issued thereunder including the manner in which it is to be disclosed, or that it contains any material misstatement.

### Emphasis of Matter

6. We draw attention to Note 3 of the Consolidated Unaudited Financial Results as follows:

In respect of the matters relating to the future contracts of pepper, the Holding Company had paid in earlier years total amount including taxes towards cleaning of the pepper stock in warehouses and other related costs of Rs. 1,696 lakhs (net of recovery of Rs. 9 lakhs till June 30, 2024) and these payments are considered as receivable and shown under "other financial assets". The Order of Hon'ble High Court of Kerala dated August 28, 2014, has allowed the Holding Company to clean the pepper stock in warehouses with a right to recover the aforesaid estimated pepper-cleaning costs and applicable taxes, associated with the same. However, the Hon'ble High Court of Kerala in a Writ Petition filed by the holders, passed an interim order dated April 13, 2018, restricting the Exchange from taking any coercive actions against the holder and the said Order is currently in force.

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

Our conclusion is not modified in respect of this matter.



7. We draw attention to Note 4(c)(ii) of the Consolidated Unaudited Financial Results regarding sale of 8.87% (51,86,877 equity shares) of Company's stake in its associate, Power Exchange India Limited (PXIL), to certain buyers, for consideration of Rs. 5,656 lakhs and the profit earned on the said stake sale of Rs. 4,766 lakhs has been credited to the statement of profit and loss and shown as an exceptional item.

Our conclusion is not modified in respect of this matter.

8. We draw attention to Note 6 of the Consolidated Unaudited Financial Results regarding the Company continue to hold 67.22% of paid-up share capital of National E-Repository Limited (NERL) as at June 30, 2024 instead of 51% or less of paid-up share capital of NERL, which is not being in conformity with guidelines issued by Warehousing Development and Regulatory Authority (WDRA).

Our conclusion is not modified in respect of this matter.

9. We draw attention to Note 7 of the Consolidated Unaudited Financial Results regarding suspension on launch of new contracts and no fresh positions of major commodities for the period from August 17, 2021 to December 20, 2024, resultant losses, reduction in the net worth and negative operating cash flows of the Holding Company. However, the fact that net worth of the holding company as at June 30, 2024 is maintained as per the regulatory guidelines, the holding company is capable of meeting its current financial liabilities existing at the balance sheet date as and when they fall due within a period of one year and other reasons mentioned in Note 7 to the consolidated unaudited financial results, the management is of the view that there is no impact on the carrying value of its assets & no adjustments are made in the financial results for the quarter ended June 30, 2024 and no material uncertainty exists and the financial results have been prepared based on the going concern assumption.

Our conclusion is not modified in respect of this matter.

10. We draw attention to Note 9 of the Consolidated Financial Results regarding holding company continues to recognize and carries net deferred tax assets of Rs. 4,074 lakhs as at June 30, 2024 on account of business losses and unabsorbed depreciation on a reasonable certainty based on future taxable profits and the management expects that business losses and unabsorbed depreciation will be adjusted against the future taxable profits based on the approved business plan and projections by the Holding Company.

Our conclusion is not modified in respect of this matter.

11. We draw your attention to Note 15 to the Consolidated Unaudited Financial Results relating to an Emphasis of Matter paragraph included in the Independent Auditor's Review Report on the consolidated unaudited financial results of NCDEX e Markets Limited (NEML), a Subsidiary of the Holding Company, issued by an independent firm of chartered accountants vide their report dated August 02, 2024, and is reproduced by us as under:

"We draw attention to note 6 to the consolidated financial results regarding the order received from Director General of GST Investigation (DGGSTI) Delhi North for alleged non-payment /short payment of Tax Collected at Source (TCS) on Goods and Service tax (GST) liability to be collected by the Company as an e-commerce operator. Based on legal assessment, the management is confident of favorable outcome of the aforesaid matter and accordingly no adjustments have been made to the accompanying standalone financial statements. Our conclusion is not modified in respect of this matter."



**Other Matters**

12. We did not review the Consolidated Unaudited Financial Results of one subsidiary included in the Consolidated Unaudited Financial Results of the Group, whose financial results reflect total revenues of Rs. 767.93 lakhs, loss after tax of Rs. 425.78 lakhs, total comprehensive loss of Rs. 430.71 lakhs for the quarter ended June 30, 2024, as considered in the Consolidated Unaudited Financial Results of the Group. These Consolidated Unaudited Financial Results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

The above Consolidated Unaudited Financial Results include the share of loss of Rs. 2.67 lakhs, total comprehensive loss of Rs. 2.67 lakhs for the quarter ended June 30, 2024, in respect of two Joint Venture Companies of the above subsidiary company, whose interim unaudited financial results have not been reviewed by its auditors and have been furnished to the auditors of the above subsidiary company's management. The conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these Joint Venture Companies, is based solely on such interim unaudited financial results. According to the information and explanations given to us by the Management, these interim financial results are not material to the Consolidated Unaudited Financial Results of the Group.

Our conclusion is not modified in respect of this matter.

13. The Consolidated Unaudited Financial Results also include the unaudited financial results of one subsidiary whose financial results reflect total revenues of Rs. 19.73 lakhs, profit after tax of Rs. 1.08 lakhs, total comprehensive income of Rs. 1.08 lakhs for the quarter ended June 30, 2024, in respect of the said subsidiary company, whose interim financial results have not been reviewed by its auditors and have been furnished to us by the Holding Company's management. The conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary company, is based solely on such unreviewed financial results. According to the information and explanations given to us by the Management, these unaudited interim financial results are not material to the Consolidated Unaudited Financial Results of the Group.

Our conclusion is not modified in respect of this matter.

14. In respect of Rashtriya e-Market Services Private Limited (ReMS), a jointly controlled entity, in the opinion of the ReMS, goods and services tax ('GST') is not applicable on the transaction charges billed by ReMS. Hence, the provision for GST has not been made in the ReMS books of accounts for the same. The financial impact, if any, due to applicability of GST on profit for the quarter ended June 30, 2024, of jointly controlled entity is Rs. 20.46 lakhs. Therefore, the financial impact on the Consolidated Unaudited Financial Results for the quarter ended June 30, 2024, is Rs. 10.23 lakhs (50% of 20.46 lakhs) exclusive of interest and other imposition, if any. The cumulative financial impact as on June 30, 2024, if any, due to applicability of GST on the Consolidated Unaudited Financial Results is Rs. 967.02 lakhs (50% of Rs 1,934.04 lakhs) exclusive of interest and other impositions, if any.

Our conclusion is not modified in respect of this matter.



15. The Consolidated Unaudited Financial Results also include the Group's share of net profit after tax of Rs. 311 lakhs, total comprehensive income of Rs. 310 lakhs for the quarter ended June 30, 2024, as considered in the Consolidated Unaudited Financial Results, in respect of one Associate Company, whose unaudited interim financial results have been reviewed by its auditors. These unaudited financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this Associate Company, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

16. The Statement includes the Consolidated Unaudited Financial Results for the quarter ended March 31, 2024, being the balancing figure between audited figures in respect of full financial year ended March 31, 2024 and the Consolidated Unaudited Financial Results for nine months period ended December 31, 2023 which were subject to limited review by us.

Our conclusion is not modified in respect of this matter.



**Place:** Mumbai  
**Date:** August 08, 2024

For **Khandelwal Jain & Co.**  
Chartered Accountants  
Firm Registration No. 105049W  
**NARENDRAKUMAR RAJKUMAR JAIN**  
Digitally signed by  
NARENDRAKUMAR RAJKUMAR JAIN  
Date: 2024.08.08 14:19:23 +05'30'  
**Narendra Jain**  
**Partner**  
**Membership No. 048725**  
**UDIN: 24048725BKEZDV9798**



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CIN : U51909MH2003PLC140116; Website : www.ncdex.com

Statement of Consolidated Unaudited Financial Results for the Quarter ended June 30, 2024

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2024 (Unaudited)	March 31, 2024 (Unaudited)	June 30, 2023 (Unaudited)	March 31, 2024 (Audited)
<b>1</b>	<b>Income</b>				
	Revenue from operations	1,731	2,452	2,383	9,573
	Other income (Refer Note 10)	737	940	685	4,027
	<b>Total Income</b>	<b>2,468</b>	<b>3,392</b>	<b>3,068</b>	<b>13,600</b>
<b>2</b>	<b>Expenses</b>				
(a)	Employee benefits expense	2,387	2,243	2,294	9,100
(b)	Finance expense	29	34	32	136
(c)	Depreciation and amortization expense	550	641	593	2,462
(d)	Technology expenses	1,109	1,087	1,042	4,380
(e)	Other expenses	597	664	655	2,638
	<b>Total Expenses</b>	<b>4,672</b>	<b>4,669</b>	<b>4,617</b>	<b>18,716</b>
<b>3</b>	<b>Profit / (Loss) before share of net profit from Joint Ventures and associate, exceptional item &amp; income tax</b>	<b>(2,204)</b>	<b>(1,277)</b>	<b>(1,549)</b>	<b>(5,116)</b>
<b>4</b>	<b>Exceptional Income/ (Expenses) (Refer Note 4)</b>	<b>4,766</b>	<b>945</b>	<b>(2)</b>	<b>989</b>
<b>5</b>	<b>Profit / (Loss) before share of net profit from Joint Ventures and Associate &amp; income tax (3-4)</b>	<b>2,562</b>	<b>(332)</b>	<b>(1,551)</b>	<b>(4,127)</b>
<b>6</b>	<b>Share of net profit from Joint Venture and Associate accounted for using equity method</b>	<b>310</b>	<b>242</b>	<b>179</b>	<b>807</b>
<b>7</b>	<b>Profit / (Loss) before tax (5+6)</b>	<b>2,872</b>	<b>(90)</b>	<b>(1,372)</b>	<b>(3,320)</b>
<b>8</b>	<b>Tax expense</b>				
	Current tax	-	133	20	133
	Current tax for earlier periods	-	8	-	9
	Deferred tax	611	43	(371)	(692)
	<b>Total tax expense</b>	<b>611</b>	<b>184</b>	<b>(351)</b>	<b>(550)</b>
<b>9</b>	<b>Profit / (Loss) after tax (7-8)</b>	<b>2,261</b>	<b>(274)</b>	<b>(1,021)</b>	<b>(2,770)</b>
	<b>Other Comprehensive Income (OCI) (net of tax)</b>				
	<u>Items that will not be reclassified to profit or loss</u>				
	Remeasurement of post-employment benefit obligations (net of tax)	(16)	6	(10)	(44)
	<u>Items that will be reclassified to profit or loss</u>				
	Debt instruments through Other Comprehensive Income (net of tax)	(19)	(68)	11	(21)
	Share of OCI from Joint Ventures and Associate accounted for using equity method (net of tax)	(1)	(0)	(4)	(4)
<b>10</b>	<b>Total Other Comprehensive Income (OCI)</b>	<b>(36)</b>	<b>(62)</b>	<b>(2)</b>	<b>(69)</b>
<b>11</b>	<b>Total Comprehensive Income (9+10)</b>	<b>2,225</b>	<b>(336)</b>	<b>(1,023)</b>	<b>(2,839)</b>
<b>12</b>	<b>Profit / (Loss) attributable to:</b>				
	- Owners of the Company	2,286	(227)	(981)	(2,606)
	- Non-controlling interest	(25)	(47)	(40)	(164)
	<b>Total Profit / (Loss)</b>	<b>2,261</b>	<b>(274)</b>	<b>(1,021)</b>	<b>(2,770)</b>
	<b>Other Comprehensive Income attributable to:</b>				
	- Owners of the Company	(36)	(63)	(1)	(66)
	- Non-controlling interest	(1)	1	(1)	(3)
	<b>Total Other Comprehensive Income</b>	<b>(36)</b>	<b>(62)</b>	<b>(2)</b>	<b>(69)</b>
	<b>Total Comprehensive Income attributable to:</b>				
	- Owners of the Company	2,251	(290)	(982)	(2,672)
	- Non-controlling interest	(26)	(46)	(41)	(167)
	<b>Total Comprehensive Income</b>	<b>2,225</b>	<b>(336)</b>	<b>(1,023)</b>	<b>(2,839)</b>
<b>13</b>	<b>Paid-up equity share capital (Face value ₹ 10 per share)</b>	<b>5,068</b>	<b>5,068</b>	<b>5,068</b>	<b>5,068</b>
<b>14</b>	<b>Reserves (excluding Revaluation Reserve)</b>				<b>40,871</b>
<b>15</b>	<b>Earnings per share (of ₹ 10/- each) (not annualised for quarter) :</b>				
	Basic (Rs.)	4.51	(0.45)	(1.93)	(5.14)
	Diluted (Rs.)	4.51	(0.45)	(1.93)	(5.14)





**Notes:**

- The above consolidated unaudited financial results have been reviewed by the Audit committee in its meeting held on August 07, 2024 and approved by the Board of Directors in their meeting held on August 08, 2024. The consolidated unaudited financial results for the quarter ended June 30, 2024 were subject to limited review by the Statutory Auditors. The figures for the quarter ended March 31, 2024 are the balancing figures between audited figures in respect of full financial year and published year to date figures upto the third quarter of the said financial year which were subjected to review by statutory auditors.
- The consolidated financial results represent the results of Business operations of the National Commodity & Derivatives Exchange Limited (Exchange or Company or NCDEX) and its subsidiary companies, National Commodity Clearing Limited (NCCL) (100%), National E-Repository Limited (NERL) (67.22%), NCDEX Institute of Commodity Markets and Research (NICR) (100%), NCDEX E Markets Limited (NEML) and its jointly controlled entity Rashtriya e Market Services Private Limited (ReMS) and Meta Materials Circular Markets Private Limited (Joint venture with subsidiary NeML) (99.73%) (as at March 31, 2023 99.73%) and the Exchange's Associate company Power Exchange India Limited (PXIL) (31.63% from April 19, 2024 to June 05, 2024 and 24.21% w.e.f June 06, 2024 (34.21% upto March 26, 2024 and 33.08% w.e.f. March 27, 2024).
- Based on complaints of presence of "Mineral Oil" in some of the stocks, warehouses having pepper stock of approximately 6853 MT were sealed by Food Safety and Standard Authority of India, Kerala (FSSAI) and deliveries were stopped from the warehouses, till further notice. In the meantime, the Commissioner of Food Safety, Kerala passed Orders for release of pepper stocks free of mineral oil of approximately 463 MT. The presence of mineral oil was not a part of the National Commodity & Derivatives Exchange Limited ("Exchange") specifications and therefore any liability arising on account of the same cannot be under the settlement process of the Exchange. However, in order to retain market integrity, the Exchange had offered to facilitate improvement of pepper stock, subject to recovering the costs of improvement and accordingly prayed before the Hon'ble High Court of Kerala to allow the same. Based on this, the Hon'ble High Court of Kerala vide its order dated August 28, 2014, allowed the Exchange to clean the pepper stock lying in the warehouse with a right to recover the costs associated with the same. Subsequently, some of the holders of the stocks had requested Food Safety Authorities, Kerala to permit the reference of a second sample to the referral laboratory viz. The Central Food Laboratory, Kolkata. Further, Hon'ble High Court of Kerala, vide its order dated May 12, 2015 had directed the release of such quantity of pepper which is found free from impurities and contamination. Based on this, approximately 4,376 MT of pepper stock which was found free of mineral oil on testing by Central Food Laboratory, Kolkata, has been released to the holders & approximately 1,015 MT was further released after cleaning. In the earlier years, the Exchange had paid the total amount including taxes towards cleaning and other related costs of ₹ 1,696 lakhs (net of recovery of Rs. 9 lakhs till June 30, 2024). These payments are considered as receivable and shown under "other financial assets". As on June 30, 2024, the balance stock of Pepper pending at various stages of release under the custody of Food Safety Authority, Kerala is approximately 998 MT. Further, the Hon'ble High Court of Kerala, in a Writ Petition filed by the holders, passed an interim order dated 13th April, 2018, restricting the Exchange from taking any coercive actions against the holders and the said order is currently in force. In terms of the legal opinion obtained, the management is of the view that it has a fair chance of recovery of the costs incurred by it, since the same is backed by orders of the Hon'ble Court which provide a constructive lien on the goods lying with the Exchange approved warehouses. Accordingly, the Exchange has considered, the said receivable as good and recoverable and is of the opinion that there is no requirement to make further provision with respect to these cost in Exchange's account apart from a provision of Rs. 260 lakhs which was made in earlier years towards the cleaning of pepper stocks. The said provision is shown under the head "current provisions".

**4 Note on exceptional item**

Particulars	Quarter Ended			Year Ended
	June 30, 2024 (Unaudited)	March 31, 2024 (Unaudited)	June 30, 2023 (Unaudited)	March 31, 2024 (Audited)
Provision for Pre-incorporation expense of JV and other expense (Refer Note 4 (a))	-	-	2	
Recovery of pre-incorporation expense of JV (Refer Note 4 (a))	-	-	-	44
Insurance Claim (Refer note 4 (b))	-	365	-	365
Profit on stake sale in associate (net) (Refer Note 4 (c) (i) and (ii))	4,766	579	-	579
<b>Total</b>	<b>4,766</b>	<b>945</b>	<b>2</b>	<b>989</b>

- In case of subsidiary NCDEX e Markets Ltd (NeML), NeML and another Joint Venturer outside the group (parent, subsidiary and associate of NCDEX) have incorporated a Joint Venture Company Meta Materials Circular Markets Private Limited (MMCMPPL) during FY 2022-2023 and both Joint Venturers have 50% share. The total expenses incurred for the JV Company by NeML of Rs 2 lakhs for Quarter ended June 2023 had been shown as an exceptional item. NeML has a right to reimbursement from the JV Company as and when relevant approvals are received. The approval from regulatory authorities for Joint venture was received on July 20, 2023. The capital infusion has been made in the JV Company by JV partners on 27 July 2023. Rs 44 lakh Exceptional Income is on account of income booked for recovery of Preincorporation and other expenses incurred on behalf of MMCMPPL prior to receipt of approval from Regulatory authorities.
- In case of subsidiary NCCL, in the financial year 2019-20, NCCL had filed summary suits against the defaulting members for recovery of dues, which are pending before Hon. High Court, Bombay. The Company had also filed an insurance claim for the loss on account of non-recovery of these dues. During the quarter and year ended March 31, 2024, NCCL has received insurance claim proceeds of Rs. 1,889 lakh (including interest of Rs 698 lakh) in settlement of the claim filed. Out of the insurance proceeds received, NCCL has replenished Rs. 1,201 lakh (includes Rs. 10 lakh replenished from the aforesaid interest) for the amount earlier funded to Core Settlement Guarantee Fund (Core SGF). Out of the balance insurance proceeds, NCCL has transferred Rs. 322 lakh to Core SGF and has retained the net balance of Rs. 365 lakh based on SEBI letter SEBI/HO/MRD/RAC-1/P/OW/2024/13296/1 dated April 04, 2024, and the same has been credited to the profit & loss account and shown as an exceptional income.





- (c) (i) During the quarter and year ended March 31, 2024, the Exchange has sold 1.13% (6,60,128 equity shares) of its stake in PXIL (associate company) to a buyer for a consideration of Rs. 700 lakh. The net profit of Rs. 579 lakh (net of expenses Rs. 16 lakh), for the quarter and year ended March 31, 2024 on the said stake sale of Rs. 700 lakh, has been credited to the statement of profit and loss and shown as an exceptional item.
- (c) (ii) During the quarter ended June 30, 2024, the Exchange has sold 8.87% (51,86,877 equity shares) of its stake in PXIL (associate company) to certain buyers for a consideration of Rs. 5,656 lakh. The net profit of Rs. 4,766 lakh (net of expenses Rs. 17 lakh), earned during the quarter ended June 30, 2024 on the said stake sale of Rs. 5,656 lakh, has been credited to the statement of profit and loss and shown as an exceptional item.
- 5 In case of subsidiary NCCL, Securities and Exchange Board of India, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, has issued norms related to the computation and Minimum Required Contribution (MRC) to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%) from its own fund, Stock Exchange (minimum 25%) and members (maximum 25%). Based on this the Company has created the Core Settlement Guarantee Fund.

The details of Core SGF as on June 30, 2024 are as under.

(Rs. In lakh)					
Particulars	Settlement penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
<b>As on April 01, 2024</b>	6,675	9,968	3,297	-	<b>19,941</b>
Penalties levied & collected during the period #	35	-	-	-	<b>35</b>
Interest on replenished amount	1	-	-	-	<b>1</b>
Interest on Income Tax refund	1	4	1	-	<b>6</b>
Income on investment of SGF	124	181	59	-	<b>364</b>
Contribution returned to contributing stakeholders (refer note 6 below)	-	-	-	-	<b>-</b>
Income tax paid/provision	(0)	(0)	(0)	-	<b>(1)</b>
<b>As on June 30, 2024</b>	<b>6,836</b>	<b>10,153</b>	<b>3,357</b>	<b>-</b>	<b>20,346</b>

# Includes penalties amounting to Rs. 0.15 lakh collected but yet to transferred to Core SGF as on 30th June, 2024.

The above Core SGF amounting to Rs. 20,346 lakh has been considered by the management as a part of equity and is included under "Other Equity".

Details of earmarking of funds towards Core SGF are as under:

(Rs. In lakh)					
Particulars	Settlement penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
Fixed deposits included under 'Cash and cash equivalent'	-	-	-	-	<b>-</b>
Fixed deposits included under 'Bank balances other than cash and cash equivalents'	6,135	8,408	2,679	-	<b>17,223</b>
Fixed deposits included under 'Non-current bank balances'	493	1,325	524	-	<b>2,342</b>
Accrued Interest on Fixed Deposits	314	368	132	-	<b>814</b>
TDS on Interest/Income	0	21	5	-	<b>26</b>
Balance with Bank	0	0	0	-	<b>0</b>
<b>Sub-total</b>	<b>6,942</b>	<b>10,122</b>	<b>3,341</b>	<b>-</b>	<b>20,405</b>
Less : Provision for Tax	(107)	31	16	-	<b>(60)</b>
<b>Total</b>	<b>6,836</b>	<b>10,153</b>	<b>3,357</b>	<b>-</b>	<b>20,346</b>

National Commodity Clearing Limited (NCCL's) own contribution to Core SGF for the quarter ended June 30, 2024, March 31, 2024 and June 30, 2023 is Rs. NIL, Rs. NIL and Rs. NIL respectively and for the year ended March 31, 2024 is Rs. NIL.





- 6 The Exchange was permitted to hold up to 74% of the paid up share capital of NERL and to reduce it to 51% or below by December 21, 2018 as per letter 16/5-15/A&F-1959 dated December 8, 2016 and letter of intent dated December 23, 2016 of Warehousing Development and Regulatory Authority (WDRA). Since the shareholding of the Exchange (67.22%) was not in line with the above guidelines, the Exchange has sought and recieved permission from WDRA to continue to hold 67.22% in NERL. As per latest WDRA letter no. D-24015/2/2018-O/o US (A and F)/2728 dated February 1, 2024, WDRA has granted an extension of time to the Exchange for a period of six months from December 22, 2023 to reduce its shareholding in NERL to 51% or below. Further, the exchange has filed an application with WDRA on May 23, 2024 requesting for an extension of 18 months from June 22, 2024. The response from WDRA on the same is awaited.
- 7 As per SEBI directives, the Exchange has issued circulars informing the market participants that no fresh positions and launch of new contracts are allowed in Chana and Rapeseed-Mustard with effect from August 17, 2021 and October 8, 2021 respectively. In addition to this, the Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-124/2021 dated December 20, 2021 wherein no fresh positions and launch of new contracts are allowed for a period of one year in respect of certain commodities prescribed in the said circular including major commodities like Soyabean and Refined Soy Oil as well as earlier suspended commodities viz. Chana and Rapeseed-Mustard. The suspension of these commodities was extended for a period of one year i.e. till December 20, 2023. Subsequently, the suspension was further extended for a period of one more year i.e. till December 20, 2024. The Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-160/2023 dated October 27, 2023 to that effect. Accordingly, the revenue of the Exchange from transaction charges of these commodities has been impacted. The management, based on its assessment, is of the view that there is no impact on the carrying value of its assets. Therefore, no adjustments are made in the financial results for the quarter ended June 30, 2024.
- Despite the suspension of commodities, resultant losses, reduction in the net worth and negative operating cash flows of the Company, the net worth of the Company is maintained as per the regulatory guidelines and the Company is capable of meeting its current financial liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date out of its current financial assets. Also, the Exchange is putting efforts to grow its business in the existing commodities and diversify its business by exploring new products. Further, the company is in process of raising funds through preferential issue of equity shares to identified institutional shareholders (refer note 11) and diluting its excess holdings (as per regulatory requirements) in NERL (subsidiary company). During the quarter, the Company has divested its 8.87% stake in PXIL (associate company) for a consideration of Rs. 5,656 lakh (refer note 4 (c) (ii)). In view of the above and the business plan of the Company, the management is of the view that no material uncertainty exists and the financial results have been prepared based on the going concern assumption.
- 8 Considering the unabsorbed business losses and unabsorbed depreciation and future taxable profits, the Exchange expects that it will opt for lower tax rate under section 115BAA and hence MAT credit will not be available for setoff. Accordingly, during the quarter and year ended March 31, 2024, the Exchange had derecognized MAT credit of Rs. 206 lakh.
- 9 As at June 30, 2024, the holding company continues to recognize and carries net deferred tax assets of Rs. 4,074 lakh on account of business losses and unabsorbed depreciation on a reasonable certainty based on future taxable profits. Management expects that business losses and unabsorbed depreciation will be adjusted against the future taxable profits based on the approved business plan and projections by the holding company.
- 10 Other Income includes Interest on Income Tax refund of Rs. Nil for the quarter ended June 30, 2024, Rs. 3 lakh for the quarter ended June 30, 2023, Rs. 149 lakh and Rs. 249 lakh for the quarter and year ended March 31, 2024 respectively.
- 11 During the quarter, the Board and shareholders have approved the offer of 1,89,76,358 equity shares of the Exchange having face value of ₹10/- (Rupees Ten only) each at a price of Rs. 160.60 per equity share on a preferential basis / private placement for cash to identified institutional shareholders of the Exchange. The Company in its "Private Placement Offer Cum Application Letter" offered the said equity shares to identified institutional shareholders of the Exchange and the issue is open from July 08, 2024 till November 04, 2024.





**National Commodity & Derivatives Exchange Limited**  
**Segment information for consolidated financials for the quarter ended June 30, 2024**

- 12 The MD & CEO of the Parent Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Group's performance and allocates resources. The disclosure in respect of Segment information as per INDAS 108 "Operating Segments" for the quarter ended June 30, 2024 is given as follows:

(₹ in Lakhs)

Particulars	Quarter ended								Year ended							
	June 30, 2024 (Unaudited)				March 31, 2024 (Unaudited)				June 30, 2023 (Unaudited)				March 31, 2024 (Audited)			
	Total Income	Inter-segment Income	External Income	Segment Result	Total Income	Inter-segment Income	External Income	Segment Result	Total Income	Inter-segment Income	External Income	Segment Result	Total Income	Inter-segment Income	External Income	Segment Result
Commodity Exchange Services	1,062	(189)	873	(1,610)	1,150	(191)	959	(1,443)	1,185	(189)	996	(1,502)	5,282	(753)	4,529	(5,495)
Commodity Clearing Services	502	-	502	(174)	482	-	482	(61)	472	-	472	(66)	2,547	-	2,547	330
Repository Services	329	(9)	320	9	280	(9)	271	(85)	247	(9)	238	(58)	1,085	(35)	1,050	(240)
Research and Education Services	20	(14)	6	4	18	(12)	5	(6)	23	(19)	4	2	85	(62)	23	7
E-Market Service	538	(1)	537	(335)	828	(2)	827	113	973	(4)	968	96	3,303	(12)	3,291	(31)
Software Service	111	-	111	(78)	682	-	682	229	200	-	200	(8)	1,373	-	1,373	317
Corporate Buying/Trade Finance	4	-	4	(5)	25	-	25	(8)	61	-	61	29	260	-	260	130
Unallocable	115	-	115	-	139	-	139	-	127	-	127	-	527	-	527	-
<b>Total</b>	<b>2,681</b>	<b>(213)</b>	<b>2,468</b>	<b>(2,189)</b>	<b>3,605</b>	<b>(213)</b>	<b>3,391</b>	<b>(1,260)</b>	<b>3,288</b>	<b>(221)</b>	<b>3,067</b>	<b>(1,507)</b>	<b>14,462</b>	<b>(862)</b>	<b>13,600</b>	<b>(4,985)</b>
Unallocable (net off expenses)				14				17				(10)				5
Less: Finance Charge				29				34				32				136
Add / (Less): Share of profit (net) of associate(s)				310				242				179				807
<b>Profit before exceptional items</b>				<b>(1,894)</b>				<b>(1,035)</b>				<b>(1,370)</b>				<b>(4,309)</b>
Add / (Less): Exceptional items				4,766				945				2				989
<b>Profit before tax</b>				<b>2,872</b>				<b>(90)</b>				<b>(1,372)</b>				<b>(3,329)</b>
Tax Expenses																
Add / (Less): Provision for current tax				-				133				20				133
Add / (Less): Current tax for earlier years				-				8				-				9
Add / (Less): Provision for Deferred tax				611				43				(371)				(692)
<b>Profit after tax and before non-controlling interest</b>				<b>2,261</b>				<b>(274)</b>				<b>(1,021)</b>				<b>(2,778)</b>
Add / (Less): Non-controlling interests				(25)				(47)				(40)				(164)
<b>Profit after tax (owners')</b>				<b>2,286</b>				<b>(227)</b>				<b>(981)</b>				<b>(2,605)</b>

Particulars	As at				As at			
	June 30, 2024 (Unaudited)		March 31, 2024 (Audited)		June 30, 2023 (Unaudited)		March 31, 2024 (Audited)	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Commodity Exchange Services	25,566	8,603	22,867	8,666	20,980	8,506	22,867	8,666
Commodity Clearing Services	39,417	16,055	39,299	16,198	52,546	26,541	39,299	16,198
Repository Services	5,077	1,092	5,123	1,153	5,169	1,080	5,123	1,153
Research and Education Services	43	2	40	8	41	1	40	8
E-Market Service	4,235	7,500	4,173	8,065	8,101	8,601	4,173	8,065
Software Service	1,113	2	1,328	10	653	-	1,328	10
Corporate Buying/Trade Finance	103	-	104	-	2,348	-	104	-
Unallocable	9,114	1,189	11,153	2,391	5,278	1,629	11,153	2,391
<b>Total</b>	<b>84,669</b>	<b>34,443</b>	<b>84,087</b>	<b>36,490</b>	<b>95,115</b>	<b>46,358</b>	<b>84,087</b>	<b>36,490</b>

In case of subsidiary NEML, the company has identified and disclosed "E-market service", "Software Services" and "Corporate Buying/ Trade Finance" as reportable segments. The operating segment has been identified and reported taking into account its internal financial reporting and performance evaluation of its operations. Operating Segment is reported in the manner evaluated by Board under Ind AS 108 "Operating Segment".

Revenue and expenses directly attributable to segments are reported under each reportable segment. Revenues and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. The revenues and expenses, relating to the enterprise as a whole and not allocable to a particular segment on reasonable basis have been disclosed as "Unallocable".

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as "Unallocable". Property, plant and equipment that are used interchangeably among segments are not allocated to reportable segments.





- 13 The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on 28th September 2020 and the said Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The final rules are yet to be notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 14 In case of subsidiary NCCL, Securities and Exchange Board of India (SEBI) vide letter no. SEBI/HO/CDMRD/DEA/OW/P/2018/025765/1 dated September 12, 2018 granted recognition to NCCL as a 'Clearing Corporation' under Regulation 4 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 for one year. Subsequently, NCCL has made an application for grant of renewal of recognition as a clearing corporation and SEBI vide letter no. SEBI/HO/CDMRD/DRMP/OW/P/2019/22794/1 dated September 05, 2019 granted renewal of recognition to NCCL as a "Clearing Corporation" for a period of three years commencing from September 10, 2019. Further, NCCL has made an application for grant of renewal of recognition as a clearing corporation and SEBI vide letter no. SEBI/HO/MRD/RAC-1/P/OW/2022/47300/1 dated September 09, 2022 granted renewal of recognition to NCCL as a "Clearing Corporation" for a period of three years commencing from September 10, 2022.
- 15 NeML, subsidiary company had received an Adjudication Order dated 30th April 2024 from Director General of GST Investigation (DGGSTI) CGST Delhi North in respect of the SCN issued for the alleged TCS on GST liability to be collected by NeML as an e-commerce operator on taxable and exempt agricultural commodities thereby confirming the demand of Rs. 37,633 Lakh plus penalty @ 10% i.e. approximately Rs.3,700 Lakh aggregating to a total demand of Rs.41,333 lakh and interest under section 50 read with section 52 of the CGST Act, is also payable on Rs.37,633 Lakh for the period October 2018 to March 2022 under the above order. In response to the same, subsidiary company NeML has filed Writ Petition with Bombay High court against the preliminary order dated 24-04-2024 passed by the Adjudicating Authority and is contemplating to file another Writ Petition with Bombay High Court against the Adjudication Order dated 30-04-2024. Without prejudice, NeML, based on legal assessment is of the view that all the above notice and the tax demand are arbitrary in nature and contrary to the provisions of law. NeML will pursue all the legal remedies available to them to challenge such tax demand and the related proceedings. The NeML's management is confident of a favourable outcome in the aforesaid matter.
- 16 As at March 31, 2024 claims against the Jointly Controlled company (ReMSL) not acknowledged as debts in respect of Service Tax Matters amounted to Rs.780 lakh (As at 31st March 2023 Rs. 780 lakh). These matters were pending before the appellate authorities. On conclusion of the personal hearing, the Adjudicating authority revised the demand amount from Rs. 1,314 lakh to Rs.780 lakh. The department has contested the revision of the demand before the Appellate Tribunal. On receipt of the orders of the Adjudicating authority, the Jointly Controlled Company filed an appeal before the Customs Excise and Service Tax Appellate Tribunal (CESTAT) against the Orders, by depositing a sum of Rs.59 lakh being 7.5% of the tax demanded. The Management of the entity expects that ultimate resolution on appeal will be in favour of the entity and will not have a material adverse effect on the Group's financial position and results of operations. NeML share will be 50% in case liability is crystallised.
- 17 Figures for the previous period / year's have been regrouped, rearranged and reclassified wherever necessary.

Place : Mumbai  
Date : August 08, 2024



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

*[Signature]*  
Arun Raste  
Managing Director & Chief Executive Officer  
DIN - 08561128