

Independent Auditor's Report on annual audited consolidated financial results pursuant to the Regulation 33 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 of
National Commodity & Derivatives Exchange Limited**

Report on the audit of the Consolidated Financial Results

Opinion

1. We have audited the Consolidated Financial Results of **National Commodity & Derivatives Exchange Limited** ("the Parent" or "Holding Company") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of net profit/(loss) after tax and total comprehensive income of associate and jointly controlled entities for the quarter and year ended March 31, 2024, the statement of cash flow for the year ended March 31, 2024 and the statement of Assets and Liabilities on that date together with the notes thereon ("the Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2018, as amended (the "SECC Regulations"), read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015") and SEBI Circulars.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate/consolidated audited financial statements / financial information of subsidiaries, an associate and jointly controlled entities, the Statement:

- a. includes the annual financial results of the following companies;

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 (w.e.f. July 08, 2022)	Joint Venture of NEML
8	Power Exchange India Limited (PXIL)	Associate



- b. together with the notes thereon are presented in the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of consolidated net loss, consolidated total comprehensive loss and other financial information of the Group, an associate company and a jointly controlled entity for the year ended March 31, 2024, and the Statement of Consolidated Assets and Liabilities and the Statement of Consolidated Cash Flows as at and for the year ended on that date.

Basis of Opinion

- 2. We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, an associate company and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the "ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

- 3. We draw attention to note 3 to the consolidated financial results regarding the matters relating to the future contracts of pepper, the Holding Company had paid in earlier years total amount including taxes towards cleaning of the pepper stock in warehouses and other related costs of Rs. 1,696 lakhs (net of recovery of Rs. 9 lakhs till March 31, 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 court which provides a constructive lien on the goods lying with the Holding Company's approved warehouses. The Management has considered the receivable as good and recoverable, and is of the opinion that no requirement to make a further provision with respect to these costs in Exchange's account apart from a provision of Rs. 260 lakhs which was made in earlier years towards such pepper-cleaning costs.

Our opinion is not modified in respect of this matter.



4. We draw attention to Note 10 of the Consolidated Financial Results regarding holding company continues to recognize and carries net deferred tax assets of Rs. 5,186 lakh as at March 31, 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 opinion is not modified in respect of this matter.

5. We draw attention to Note 8 of the Consolidated 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 March 31, 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 8 to the consolidated 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 statements for the year ended March 31, 2024 and no material uncertainty exists and the financial statements have been prepared based on the going concern assumption.

Our opinion is not modified in respect of this matter.

6. We draw your attention to Note 17 to the consolidated financial results relating to an Emphasis of Matter paragraph included in the Independent Auditor's Report on the consolidated financial statements of NCDEX e Markets Limited (NEML), a Subsidiary of the Holding Company, issued by an independent firm of chartered accountants vide their report dated May 16, 2024, and is reproduced by us as under:

"We draw attention to note 33* to the consolidated financial statements regarding the order received by the Company 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 favourable outcome of the aforesaid matter and accordingly no adjustments have been made to the accompanying consolidated financial statements. Our opinion on the consolidated financial statements is not modified in respect of the above matter. Our opinion is not modified in respect of this matter."

Management's Responsibility for the Consolidated Financial Results

7. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been compiled from the audited consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Consolidated Financial Results that give a true and fair view of the consolidated net loss and consolidated total comprehensive loss and other financial information of the Group including an associate company and jointly controlled entities and the Statement of Consolidated Assets and Liabilities and the Statement of Consolidated Cash Flows in accordance with the applicable accounting standards prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations, 2015 and SECC Regulations.



8. The respective Boards of Directors of the companies included in the Group, an associate company and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group, an associate company and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group, an associate company and jointly controlled entities are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group, an associate company and jointly controlled entities are responsible for overseeing the financial reporting process of the Group, an associate company and jointly controlled entities.

Auditors' Responsibility for the Audit of the Consolidated Financial Results

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.



- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing an opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations and SECC Regulations.
- Conclude on the appropriateness of the management' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, an associate company and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, an associate company and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entity within the Group, an associate company and jointly controlled entities to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of the Company included in the Statement of which are the independent auditors. For the other entity included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried by them. We are solely responsible for our audit opinion.
- Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.



We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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.

Other Matters

10. i) We did not audit the consolidated financial statements of a subsidiary included in the consolidated financial results, whose consolidated financial statements, before consolidation adjustments, reflect total assets of Rs. 16,796 lakhs and net assets of Rs. 6,328 lakhs as at March 31, 2024 and total revenues of Rs. 1,676 lakhs and Rs. 5,464 lakhs for the quarter end year ended March 31, 2024 respectively, net profit of Rs. 201 lakhs and Rs. 249 lakhs for the quarter end year ended March 31, 2024 respectively, total comprehensive income of Rs. 195 lakhs and Rs. 233 lakhs for the quarter end year ended March 31, 2024 respectively, and net cash outflows of Rs. 166 lakhs for the year ended March 31, 2024, as considered in the consolidated financial results. This financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion 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 9 above.

The above consolidated financial results include the share of profit (including other comprehensive income) of Rs. 17 lakhs and Rs. 105 lakhs for the quarter and year ended March 31, 2024 respectively, in respect of a jointly controlled entity of the above subsidiary company, whose financial statements have not been audited by its auditors and have been furnished to the auditors of the above subsidiary company's management. The opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, is based solely on such unaudited financial information. According to the information and explanations given to us by the Management, the unaudited financial information is not material to the consolidated financial results of the Group.

Our opinion is not modified in respect of above matters.



- ii) We did not audit the financial statements of a subsidiary included in the consolidated financial results, whose financial statements, before consolidation adjustments, reflect total assets of Rs. 55 lakhs and net assets of Rs. 34 lakhs as at March 31, 2024 and total revenues of Rs. 18 lakhs and Rs. 85 lakhs for the quarter end year ended March 31, 2024 respectively, net loss of Rs. 8 lakhs and Rs. 6 lakhs for the quarter end year ended March 31, 2024 respectively, total comprehensive loss of Rs. 8 lakhs and Rs. 6 lakhs for the quarter end year ended March 31, 2024 respectively, and net cash inflows of Rs. 4 lakhs for the year ended March 31, 2024, as considered in the consolidated financial results. This financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion 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 9 above.

Our opinion is not modified in respect of above matter.

- iii) The consolidated financial results also include the Group's share of net profit after tax of Rs. 233 lakhs and Rs. 766 lakhs for the quarter end year ended March 31, 2024 respectively and total comprehensive income of Rs. 232 lakhs and Rs. 762 lakhs for the quarter end year ended March 31, 2024 respectively, as considered in the consolidated financial results, in respect of one associate company. This financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of the other auditors and the procedures performed by us as stated in paragraph 9 above.

Our opinion is not modified in respect of above matter.

- iv) In respect of Rashtriya e-Market Services Private Limited (ReMS), one jointly controlled entity, in the opinion of the ReMS, goods and services tax ('GST') is not applicable on the transaction charges billed by ReMS. Hence, the provision for GST has not been made in the ReMS books of accounts for the same. The financial impact, if any, due to applicability of GST on profit for the quarter and year ended March 31, 2024, of jointly controlled entity is Rs. 18 lakhs and Rs. 49 lakhs respectively. Therefore, the financial impact on the consolidated financial results for the quarter and year ended March 31, 2024, is Rs. 9 lakhs (50% of 18 lakhs) and Rs. 25 lakhs (50% of 49 lakhs) respectively, exclusive of interest and other imposition, if any. The cumulative financial impact as on March 31, 2024, if any, due to applicability of GST on the consolidated financial results is Rs. 957 lakhs (50% of Rs 1,913 lakhs) exclusive of interest and other impositions, if any.

Our opinion is not modified in respect of the above matter.



- v) The Statement includes the consolidated financial results for the quarter ended March 31, 2024 being the balancing figure between audited figures in respect of the full financial year and the unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our opinion is not modified in respect of above matter.

- vi) The Statement dealt with by this report has been prepared for the express purpose of complying with Regulation 33 of Securities Contracts (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012 (the "SECC Regulations"), as amended, read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"). This Statement is based on and should be read with the audited consolidated financial statements of the Company for the year ended March 31, 2024 on which we issued an unmodified audit opinion vide our report dated May 24, 2024.

Our opinion is not modified in respect of above matter.



Place: Mumbai
Date: May 24, 2024

For **Khandelwal Jain & Co.**

Chartered Accountants

Firm Registration No. 105049W

NARENDRAKUMA

R RAJKUMAR JAIN

Narendra Jain

Partner

Membership No. 048725

UDIN: 24048725BKEZCZ3627

Digitally signed by
NARENDRAKUMAR RAJKUMAR
JAIN

Date: 2024.05.24 15:26:55 +05'30'

National Commodity & Derivatives Exchange Limited
1st Floor, Ackruti Corporate Park, LBS Road, Kanjurmarg (West), Mumbai - 400 078, India
CIN : U51909MH2003PLC140116; Website : www.ncdex.com

Statement of Consolidated Financial Results for the Quarter and year ended March 31, 2024

(₹ in Lakh)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2024 (Unaudited)	December 31, 2023 (Unaudited)	March 31, 2023 (Unaudited)	March 31, 2024 (Audited)	March 31, 2023 (Audited)
1	Income					
	Revenue from operations	2,452	2,252	3,119	9,573	10,393
	Other income (Refer Note 16)	940	1,061	781	4,027	3,164
	Total Income	3,392	3,313	3,900	13,600	13,557
2	Expenses					
(a)	Purchase under Corporate Buying Arrangement	-	-	-	-	1,101
(b)	(Increase) / Decrease in inventories under Corporate Buying Arrangement	-	-	647	-	-
(c)	Employee benefits expense	2,243	2,258	2,178	9,100	8,817
(d)	Finance expense	34	36	35	136	151
(e)	Depreciation and amortization expense	641	633	592	2,462	2,512
(f)	Technology expenses	1,087	1,195	1,026	4,380	3,927
(g)	Other expenses	664	652	802	2,638	3,116
	Total Expenses	4,669	4,774	5,280	18,716	19,624
3	Profit / (Loss) before share of net profit from Joint Ventures and associate, exceptional item & income tax	(1,277)	(1,461)	(1,380)	(5,116)	(6,067)
4	Exceptional items (Refer Note 4)	945	-	10	989	(533)
5	Profit / (Loss) before share of net profit from Joint Ventures and Associate & income tax (3-4)	(332)	(1,461)	(1,390)	(4,127)	(6,600)
6	Share of net profit from Joint Venture and Associate accounted for using equity method	242	150	173	807	799
7	Profit / (Loss) before tax (5+6)	(90)	(1,311)	(1,217)	(3,320)	(5,801)
8	Tax expense					
	Current tax	133	(7)	-	133	11
	Current tax for earlier periods	8	1	(5)	9	(5)
	Deferred tax	43	(179)	(278)	(692)	(1,570)
	Total tax expense	184	(185)	(283)	(550)	(1,564)
9	Profit / (Loss) after tax (7-8)	(274)	(1,126)	(934)	(2,770)	(4,237)
	Other Comprehensive Income (OCI) (net of tax)					
	<u>Items that will not be reclassified to profit or loss</u>					
	Remeasurement of post-employment benefit obligations (net of tax)	6	(17)	4	(44)	(74)
	<u>Items that will be reclassified to profit or loss</u>					
	Debt instruments through Other Comprehensive Income (net of tax)	(68)	36	(28)	(21)	(77)
	Share of OCI from Joint Ventures and Associate accounted for using equity method (net of tax)	(0)	0	4	(4)	2
10	Total Other Comprehensive Income (OCI)	(62)	19	(20)	(69)	(149)
11	Total Comprehensive Income (9+10)	(336)	(1,107)	(954)	(2,839)	(4,386)
12	Profit / (Loss) attributable to:					
	- Owners of the Company	(227)	(1,091)	(885)	(2,606)	(4,057)
	- Non-controlling interest	(47)	(35)	(49)	(164)	(180)
	Total Profit / (Loss)	(274)	(1,126)	(934)	(2,770)	(4,237)
	Other Comprehensive Income attributable to:					
	- Owners of the Company	(63)	20	(20)	(66)	(147)
	- Non-controlling interest	1	(1)	-	(3)	(2)
	Total Other Comprehensive Income	(62)	19	(20)	(69)	(149)
	Total Comprehensive Income attributable to:					
	- Owners of the Company	(290)	(1,071)	(905)	(2,672)	(4,204)
	- Non-controlling interest	(46)	(36)	(49)	(167)	(182)
	Total Comprehensive Income	(336)	(1,107)	(954)	(2,839)	(4,386)
13	Paid-up equity share capital (Face value ₹ 10 per share)	5,068	5,068	5,068	5,068	5,068
14	Reserves (excluding Revaluation Reserve)				40,871	42,412
15	Earnings per share (of ₹ 10/- each) (not annualised for quarter) :					
	Basic (Rs.)	(0.45)	(2.15)	(1.75)	(5.14)	(8.01)
	Diluted (Rs.)	(0.45)	(2.15)	(1.75)	(5.14)	(8.01)



National Commodity & Derivatives Exchange Limited

CIN No .U51909MH2003PLC140116

Consolidated Statement of Assets and Liabilities as at March 31, 2024

(₹ in lakh)

Particulars	As at March 31, 2024 (Audited)	As at March 31, 2023 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	574	826
Right to use assets	1,371	1,544
Intangible assets	3,733	4,186
Intangible assets under development	446	501
Financial assets		
- Investment in Associate and Joint venture	5,502	4,404
Other financial assets		
- Investments	-	255
- Bank balances	2,079	8,242
- Others	311	317
Deferred tax assets (net)	5,363	4,654
Income tax assets (net)	1,784	2,302
Other non-current assets	36	46
Total non-current assets	21,199	27,276
Current Assets		
Financial assets		
- Investments	5,751	4,092
- Trade receivables	2,292	3,174
- Cash and cash equivalents	9,781	6,366
- Bank balances other than cash and cash equivalents	38,150	39,383
- Others	4,108	5,154
Income tax assets (net)	630	412
Other current assets	1,434	1,101
Total current assets	62,146	59,682
Investments held for sale in associate	742	641
TOTAL ASSETS	84,087	87,599
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	5,068	5,068
Other equity	40,871	42,412
Equity attributable to Owners	45,939	47,480
Non Controlling Interest	1,658	1,824
Total Equity	47,597	49,304
LIABILITIES		
Non-current liabilities		
Financial Liabilities		
- Deposits	894	769
- Lease Liabilities	966	1,196
Provisions	948	789
Total non-current liabilities	2,808	2,754
Current Liabilities		
Financial liabilities		
- Deposits	14,059	14,688
- Trade payable		
Total Outstanding dues of micro enterprises and small enterprises	83	140
Total Outstanding dues of other than micro enterprises and small enterprises	848	763
- Lease Liabilities	547	479
- Other Financial liabilities	14,026	15,743
Other current liabilities	2,305	2,129
Provisions	1,421	1,385
Current Tax Liabilities (Net)	393	215
Total current liabilities	33,682	35,541
TOTAL LIABILITIES	36,490	38,295
TOTAL EQUITY AND LIABILITIES	84,087	87,599



Particulars	For the year ended March 31,2024 (Audited)	For the year ended March 31,2023 (Audited)
A. Cash A. Cash flow from operating activities		
Profit before tax	(3,320)	(5,801)
<u>Adjustments for:</u>		
Depreciation & amortisation	2,462	2,512
(Profit) / Loss on sale / scrap of fixed assets (net)	(46)	(1)
(Profit) / Loss on sale of investments	(446)	(312)
Dividend Received from joint venture entity	(353)	-
Interest income	(2,241)	(1,963)
Share of profit from Joint venture and associate	(807)	(799)
Profit on stake sale in associate	(579)	-
Interest on lease liabilities	136	150
Interest on bank overdraft	-	0.4
Net gain on sale of investments measured at Fair Value through Profit or Loss	(30)	(19)
Remeasurement of Lease Liabilities	(26)	-
Provision for doubtful debts / ECL	18	1
Provision for Impairment on Fixed Asset (Software)	-	7
Sundry balances written off/ (written back)	2	(24)
Bad debts	4	-
Operating profit before working capital changes	(5,226)	(6,249)
<u>Movements in working capital:</u>		
Decrease / (Increase) in trade receivables	860	(284)
Decrease / (Increase) in other current assets	(335)	(479)
Decrease / (Increase) in other non current assets	14	4
Decrease / (Increase) other financial assets	973	(603)
Increase / (Decrease) in trade payables	28	10
Increase / (Decrease) in provisions	138	(39)
Increase / (Decrease) in financial liabilities	(1,746)	(1,515)
Increase / (Decrease) in other current liabilities	176	(15)
Decrease / (Increase) in Deposits	(504)	(557)
Cash generated / (used) from operations	(5,622)	(9,727)
Contribution to Core SGF and Settlement Penalties	1,848	122
Direct taxes (paid) / refund (net)	(1,767)	(84)
Net cash generated / (used) in operating activities (A)	(5,541)	(9,689)
B. Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,236)	(1,394)
Proceeds from sale / disposal of fixed assets	146	24
Proceeds on stake sale in associate (PXIL)	683	-
Purchase of current investments	(2,14,645)	(1,01,185)
Proceeds from sale of current investments	2,13,692	1,01,082
Investment in Joint Venture	(500)	-
Dividend Received from Associate	353	-
Interest received	3,709	3,401
Investment in fixed deposits (original maturity of more than three months)	(3,55,191)	(2,11,144)
Redemption/Maturity of fixed deposits (original maturity of more than three months)	3,62,586	2,18,930
Net cash generated / (used) in investing activities (B)	9,597	9,714
C. Cash Flows from financing activities		
Proceeds from issuance of shares to non-controlling interest	-	5
Finance Cost Paid	-	(0.4)
Dividend paid	-	(228)
Repayment of lease Liabilities	(641)	(618)
Net cash generated / (used) from financing activities (C)	(641)	(841)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	3,415	(816)
Cash and cash equivalents at the beginning of the year	6,366	7,183
Cash and cash equivalents at the end of the year	9,781	6,366
<u>Components of cash and cash equivalents</u>		
Cash and cheques on hand	0.2	0.14
With Banks		
- on current accounts	1,485	1,458
- on fixed deposits (Original maturity being three months or less)	6,133	2,144
- Investments in mutual funds (Highly Liquid Funds)	2,163	2,764
Total	9,781	6,366

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
2. Previous year figures have been regrouped / reclassified wherever necessary to conform to current year presentation.



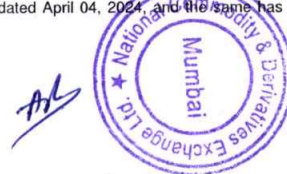
Notes:

- 1 The above consolidated financial results have been reviewed by the Audit committee in its meeting held on May 22, 2024 and approved by the Board of Directors in their meeting held on May 24, 2024. The financial results for the year ended March 31, 2024 were subject to audit by the Statutory Auditors of the Company and the figures for the quarter ended March 31, 2024 and March 31, 2023 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 respective financial year.
- 2 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) w.e.f 8th July, 2022 (99.73%) (as at March 31, 2023 99.73%) and the Exchange's Associate company Power Exchange India Limited (PXIL) (34.21% upto March 26, 2024 and 33.08% w.e.f. March 27, 2024) .
- 3 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 March 31, 2024). These payments are considered as receivable and shown under "other financial assets". As on March 31, 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	
	March 31, 2024	Dec 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
Capital raising expenses written off (Refer note 4(a))	-	-	-	-	(487)
Recovery of pre-incorporation expense of JV (Refer Note 4 (b))	-	-	-	44	-
Provision for Pre-incorporation expense of JV and other expense (Refer Note 4 (b))	-	-	10	-	(46)
Insurance Claim (Refer note 4 (c))	365	-	-	365	-
Profit on stake sale in associate (net) (Refer Note 4 (d))	579	-	-	579	-
Total	945	-	10	989	(533)

- (a) The Exchange had filed a draft red herring prospectus (DRHP) on February 11, 2020 with the Securities and Exchange Board of India (SEBI) and stock exchanges for the proposed initial public offering (IPO) of its equity shares, comprising of fresh issue and Offer for Sale of Equity Shares by the Selling Shareholders. On April 9, 2020 SEBI issued its final observations on the DRHP. The Exchange has not launched its IPO, hence 25% of the IPO related expenses were debited to statement of profit and loss account under other expenses during the FY 2020-21 and remaining amount (75%) amounting to Rs.318 lakhs was considered as recoverable from selling shareholders and shown under other current financial assets. Subsequently the Exchange has spent Rs. 106 lakhs towards corporate restructuring, which was also shown as recoverable. During the year ended March 31, 2023, the Exchange had written off the said recoverable amount of Rs. 424 lakhs along with GST recoverable thereon of Rs. 63 lakh aggregating to Rs. 487 lakh and debited it to the statement of profit & loss account and shown as exceptional item.
- (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 (MMCPL) during FY 2022-2023 and both Joint Venturers have 50% share. The total expenses incurred for the JV Company by NeML of ₹ 46 lakh had been shown as an exceptional item for FY 2022-23. NeML has a right to reimbursement from the JV Company as and when relevant approvals are received. 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 MMCPL prior to receipt of approval from Regulatory authorities.
- (c) 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.



- (d) As per shareholding pattern norms prescribed under Regulations 19(1) of the Central Electricity Regulatory Commission (CERC) (Power Market) Regulations, 2010, dated January 10, 2010, applicable to Power Exchange of India Ltd (PXIL), the shareholder (except for the member of Power Exchanges) can hold maximum upto 25% of paid up share capital. The power exchange was granted 3 years time from the date of notification to comply with the said norms. Since the shareholding of the Exchange (34.21%) was not in line with the above regulations, PXIL has sought and received permission from CERC to allow the Exchange to continue to hold 34.21% in PXIL. CERC vide its order dated 20th November, 2023 has granted an extension of time upto 30th September, 2024.

During the year ended March 31 2023, the Board had accorded its in-principle approval for sale of investment in associate namely PXIL, to the extent of 9.21% (53,84,391 equity shares) to comply with regulatory requirement and the same was classified as 'Asset held for sale'. During the quarter and year ended March 31, 2024, the Exchange has entered into an agreement to sell its stake to the extent of 2.58% (15,08,864 equity shares) in PXIL for a consideration of Rs. 1,600 lakh and an option to the buyer to acquire a further 0.65% stake (3,77,216 equity shares) for a consideration of Rs. 400 lakh, aggregating to 3.23% (18,86,080 equity shares) for Rs. 2,000 lakh. Out of this, the Exchange has sold the first tranche of 1.13% (6,60,128 equity shares) to the buyer for a consideration of Rs. 700 lakh, before March 31, 2024. The net profit of Rs. 579 lakh earned (net of expenses of Rs. 16 lakh) 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. As at March 31, 2024, the management continues to classify the balance 8.08% (47,24,263 equity shares) stake held in PXIL as 'Asset held for sale', being the excess holding over regulatory requirement.

- 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 March 31, 2024 are as under.

(Rs. In lakh)					
Particulars	Settlement penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
As on April 01, 2023	4,605	15,342	3,908	-	23,855
Penalties levied & collected during the period #	322	-	-	-	322
Replenishment of SGF	1,201	-	-	-	1,201
Interest on replenished amount	326	-	-	-	326
Interest on Income Tax refund	1	4	1	-	6
Income on investment of SGF	352	800	229	-	1,381
Income on investment of SGF (other than stated in (b) above) (c)	-	-	-	-	-
Contribution returned to contributing stakeholders (refer note 6 below)	-	(4,442)	(605)	-	(5,046)
Income tax paid/provision*	(131)	(1,735)	(237)	-	(2,103)
As on March 31, 2024	6,675	9,968	3,297	-	19,941

* Includes income tax paid Rs. 2,044 lakh & provision for income tax Rs. 59 lakh.

Includes penalties amounting to Rs. 0.15 lakh collected but yet to be transferred to Core SGF as on 31st March, 2024.

The above Core SGF amounting to Rs. 19,941 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'	-	-	-	-	-
Fixed deposits included under 'Bank balances other than cash and cash equivalents'	6,129	9,222	3,126	-	18,477
Fixed deposits included under 'Non-current bank balances'	88	196	56	-	340
Accrued Interest on Fixed Deposits	219	475	82	-	777
TDS on Interest/Income	14	45	17	-	76
Balance with Bank	5	0	-	-	5
Earmarked against Mutual Fund **	326	-	-	-	326
Sub-total	6,781	9,937	3,281	-	20,000
Less : Provision for Tax	(106)	31	16	-	(59)
Total	6,675	9,968	3,297	-	19,941

** Subsequently received from NCCL on April 10, 2024

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



- 6 The subsidiary company National Commodity Clearing Limited (NCCL), vide its letter dated September 5, 2018, had given an undertaking to SEBI for increasing the Core Settlement Guarantee Fund (Core SGF) to Rs. 250 crore by way of equitable additions every 6 months over the period of 3 years i.e. by September 30, 2021. Accordingly, the Company was required to have the Core SGF of Rs. 250 crore as on September 30, 2021. The Company, has been making applications to SEBI for extension of timelines. The last extension was granted till June 30, 2023 by SEBI vide its letter dated December 15, 2022.
- Subsequently, as per SEBI circular SEBI/HO/MRD/MRD-POD-1/P/CIR /2023/78 dated May 23, 2023 relating to revision in computation of Core Settlement Guarantee Fund in Commodity Derivatives Segment, Clearing Corporations in Commodity Derivatives Segment may align their core SGF in terms of SEBI circulars dated August 27, 2014 as well as July 11, 2018 and excess contribution, if any, may be returned to the contributing stakeholders on a pro-rata basis, after taking due approval from SEBI. Accordingly, NCCL has received approval from SEBI vide letter dated SEBI/HO/MRD/RAC-1/P/OW/2023/28875/1 dated July 18, 2023 for withdrawal of excess contribution of Rs. 6,185 lakh and Rs. 842 lakh by the NCCL and NCDEX respectively from Core SGF. Based on this approval, NCCL has withdrawn Rs. 4,442 lakh (net of tax of Rs. 1,736 lakh) up to December 31, 2023 from the NCCL's own contribution and NCCL has returned to the Company Rs. 605 lakh (net of tax of Rs. 236 lakh) up to March 31, 2024 from the company's own contributions. The above withdrawals by the company and NCCL (net of incometax) has been credited to Retained Earnings.
- 7 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 received 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. During the year ended March 31, 2023, the Board had accorded its in-principle approval for sale of investment in subsidiary namely NERL, to the extent of regulatory requirement and the same was classified as 'Asset held for sale'. As at March 31, 2024, the management continues to classify the investments held in NERL as 'Asset held for sale', to the extent of regulatory requirement.
- 8 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 and year ended March 31, 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 has initiated the 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) and PXIL (associate company). 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 statements have been prepared based on the going concern assumption.
- 9 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 has derecognized MAT credit of Rs. 206 lakh.
- 10 As at March 31, 2024, the group continues to recognize and carries net deferred tax assets of Rs. 5,186 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 Company.
- 11 During the quarter ended December 2023 and year ended March 31, 2024, the Board has accorded its in principle approval to offer such number of equity shares to identified institutional shareholders so as to increase their current shareholdings upto the maximum shareholding permissible as per the SEBI/RBI regulations at a price to be determined as per the valuation by a registered valuer and subject to such approvals as may be required. Subsequent to the balance sheet date, the Board has 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, subject to the approval of the shareholders of the Exchange and other regulatory/ statutory approvals, as may be required.



National Commodity & Derivatives Exchange Limited
Segment information for consolidated financials for the year ended March 31, 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 and year ended March 31, 2024 is given as follows:

Particulars	Quarter ended												Year ended							
	March 31, 2024 (Unaudited)				December 31, 2023 (Unaudited)				March 31, 2023 (Unaudited)				March 31, 2024 (Audited)				March 31, 2023 (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	Total Income	Inter-segment Income	External Income	Segment Result
Commodity Exchange Services	1,150	(191)	959	(1,443)	1,210	(189)	1,021	(1,585)	1,121	(155)	967	(567)	5,282	(753)	4,529	(5,498)	4,884	(705)	4,178	(5,433)
Commodity Clearing Services	482	-	482	(61)	748	-	748	199	481	-	481	(500)	2,547	-	2,547	330	2,072	-	2,072	(442)
Repository Services	280	(9)	271	(85)	286	(9)	277	(35)	217	(9)	208	(518)	1,085	(35)	1,050	(240)	958	(35)	923	(731)
Research and Education Services	18	(12)	5	(6)	21	(12)	9	7	84	(33)	51	47	85	(62)	23	7	215	(147)	68	40
E-Market Service	828	(2)	827	113	748	(2)	746	(164)	1,092	(7)	1,085	242	3,303	(12)	3,291	(31)	3,674	(21)	3,653	324
Software Service	682	-	682	229	306	-	306	111	349	-	349	52	1,373	-	1,373	317	888	-	888	(37)
Corporate Buying/Trade Finance	25	-	25	(8)	85	-	85	51	698	-	698	(133)	260	-	260	130	1,276	-	1,276	(48)
Unallocable	139	-	139	-	121	-	121	-	61	-	61	-	527	-	527	-	498	-	498	-
Total	3,605	(213)	3,391	(1,260)	3,525	(212)	3,313	(1,416)	4,103	(203)	3,900	(1,377)	14,462	(862)	13,600	(4,985)	14,465	(908)	13,556	(6,325)
Unallocable (net off expenses)				19				(10)				31				5				(78)
Less: Finance Charge				34				36				35				136				151
Add / (Less): Share of profit (net) of associate(s)				242				150				173				807				799
Profit before exceptional items				(1,033)				(1,311)				(1,207)				(4,309)				(5,756)
Add / (Less): Exceptional items				945				-				(10)				989				(46)
Profit before tax				(88)				(1,311)				(1,217)				(3,320)				(5,801)
Tax Expenses																				
Add / (Less): Provision for current tax				133				(7)				-				133				11
Add / (Less): Current tax for earlier years				8				1				(5)				9				(5)
Add / (Less): Provision for Deferred tax				43				(179)				(278)				(692)				(1,570)
Profit after tax and before non-controlling interest				(273)				(1,126)				(934)				(2,770)				(4,237)
Add / (Less): Non-controlling interests				(46)				(35)				(49)				(164)				(180)
Profit after tax (owners')				(227)				(1,091)				(885)				(2,606)				(4,057)

Particulars	As at				As at				As at			
	March 31, 2024 (Audited)		December 31, 2023 (Unaudited)		March 31, 2023 (Audited)		March 31, 2024 (Audited)		March 31, 2023 (Audited)		March 31, 2023 (Audited)	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Commodity Exchange Services	22,867	8,666	23,813	8,879	23,016	8,460	22,867	8,666	23,016	8,460		
Commodity Clearing Services	39,299	16,198	40,110	19,054	42,123	16,309	39,299	16,198	42,123	16,309		
Repository Services	5,123	1,153	5,100	1,122	3,915	1,121	5,123	1,153	3,915	1,121		
Research and Education Services	40	8	50	2	103	31	40	8	103	31		
E-Market Service	4,173	8,065	4,974	10,192	6,392	10,471	4,173	8,065	6,392	10,471		
Software Service	1,328	10	681	-	825	119	1,328	10	825	119		
Corporate Buying/Trade Finance	104	-	1,038	-	1,047	61	104	-	1,047	61		
Unallocable	11,153	2,391	11,615	1,997	10,178	1,723	11,153	2,391	10,178	1,723		
Total	84,087	36,490	87,381	41,246	87,599	38,295	84,087	36,490	87,599	38,295		

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.



AL

- 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 In case of subsidiary NCDEX E-Markets Ltd. (NeML), the purchase of agricultural commodities made under the corporate buying arrangement is on the basis of the purchase order/ specifications placed by the client. NeML does not hold commodities for self-consumption nor for trading purpose.
- NeML pays full amount of consideration to suppliers for purchase of commodities and receives 25% amount as advance from client. The commodities purchased are in title of NeML to protect the client failure to pay until the outstanding dues is received from client. The price risk is not with NeML as it monitors price movement on daily basis and makes mark to market calls if there is a fall in price and available margin reduces below threshold limits. Further NeML receives monthly fixed consideration in form of Interest from Corporate Buying Arrangement (CBA) on outstanding dues and reimbursement of expenses incurred (warehouse charges, insurance charges etc) till commodities is transferred to client. In the event of default by client, NeML has the right to sell the commodity and recover its outstandings along with pending dues such as interest from CBA/ expense reimbursement if any and transfer the balance consideration if any to client.
- 16 (a) Other Income includes Interest on Income Tax refund of Rs. 149 lakh and Rs. 249 lakh for the quarter and year ended March 31, 2024 respectively (Rs. 352 lakh for the year ended March 31, 2023).
- 16 (b) Other Income includes Rs. 353 lakh received from Power Exchange India Limited (PXIL) for the year ended March 31, 2024 as dividend for the Financial Year 2012-13 to FY 2019-20 on erstwhile 10% Optionally Convertible Cumulative Preference shares (later converted to Equity shares in FY 2019-20).
- 17 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.41,300 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.
- 18 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.
- 19 Figures for the previous period/year have been regrouped, rearranged and reclassified wherever necessary.

Place : Mumbai
Date : May 24, 2024

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


Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

