NCDEX

Pragati ka Solid Exchange

EMPOWERED BY TECHNOLOGY. DRIVEN BY TRUST

Annual Report

2020-21

NCDEX – TABLE OF CONTENT

YEAR AT A GLANCE

24 Commodities, **1** Indices & Options
Commodity offered for trading

357
Members

3.494 Million
Client base

9,491
Terminals

155
WRDA approved warehouses

39
Pledgees Banks & FIs

6.60 Lakh MT
Storage capacity (MT)

135
FPO's traded

322
FPO's registered

OTHER SALIENT HIGHLIGHTS FOR FY 2020-21

₹ **2,736.28** Crore
Highest Turnover Achieved in a Day
(10th March, 2021)

₹ **1,270.17** Crore
Average Daily Trade Value (ADTV)

₹ **2,711.94** Crore
Average Daily Open Interest (ADOI)

₹ **5,32,255** Tonnes
Commodities Deposited

₹ **4.18** Lakhs
Tonnes Commodities Delivered
(10th March, 2021)

MD & CEO'S MESSAGE

Despite the challenges posed by the pandemic, our Exchange takes pride to have maintained 100% uptime of the trading platform. During the year, the Exchange continued to invest in strengthening of our technology infrastructure with upgradation of our core trading system as well as the Exchange provided CTCL – NEXTRA. Further, the Exchange has also embarked on the journey of significantly upscaling our Primary Data Center and is in process of migrating it to World's second largest uptime certified Tier 4 facility.

DEAR STAKEHOLDERS,

The Financial Year 2020-21 was perhaps the most challenging but transforming year for the country as a whole and for NCDEX as an organization. The impact of the once-in-a-century type Pandemic towards the end of previous year has spilled over across the key sectors of the economy including financial and commodity markets. It took a substantial part of the year to adjust to the sea changes the Pandemic brought not only in the personal life but also the working styles and culture of the organizations.

The prolonged lock-downs brought the physical economy to a standstill for extended durations with phases of inactivity at different times across geographies during the year. While the Exchange had proactively put in place appropriate measures to ensure continuity in operations, the participation from physical markets was restricted. This impacted the Average Daily Turnover (ADT) of the exchange in the first quarter standing at ₹ 723 Crore. As the country adapted to living with the Pandemic and consequent to the efforts put in by the Business team, participation picked up gradually during the year. The ADTV in the subsequent three quarters recovered to ₹ 1,069 Crore, ₹ 1,557 Crore, and ₹ 1,706 Crore.

Despite all the challenges we faced, I am proud to say that NCDEX maintained its leadership in the agri-derivatives segment with 74% market share during the year. The performance, in the wake of increased competition, reinforces our position as an undisputed market leader in the agri-derivatives segment.

Despite the challenges posed by the pandemic, our Exchange takes pride to have maintained 100 % uptime of the trading platform. During the year, the Exchange continued to invest in strengthening of our technology infrastructure with upgradation of our core trading system as well as the Exchange provided CTCL – NEXTRA. Further, the Exchange has also embarked on the journey of significantly upscaling our Primary Data Center and is in process of migrating it to World's second largest uptime certified Tier 4 facility.

Indian Farmers have remained at the core of the NCDEX's socio-economic objectives and initiatives, the year proved to be the best with respect to market linkage activities of the exchange. To summarize, the tally of FPOs having accounts with the Exchange reached 322 of which 135 FPOs covering over 323,000 member farmers have participated in the actual trading. Collectively, these FPOs have traded over 56,000 tonnes in 18 commodities during the year. It is noteworthy that the exchange is poised to achieve a landmark of registering 1-Million farmers through FPOs in the coming year compared with around 8.5 Lakh farmers in the year under review.

The agri-commodities sector witnessed a major development with the launch of AGRIDEX, India's first return-based index futures contract in the agricultural space. We envisage that over time the index shall establish itself as a benchmark for hedgers and other stakeholders in price risk management of a basket of agri-commodities.

Last but not the least, the derivatives segment witnessed another revolutionary product launch in the third quarter i.e. Option in Goods. The Exchange along with SEBI had launched a novel scheme for FPOs to enable them to lock-in their selling price at the time of sowing rabi crops like chana and mustard. The scheme, in which FPOs buy a Put Option and lock-in the sale price of their crop, evoked an excellent response from FPOs in Maharashtra, Madhya Pradesh, Gujarat and Rajasthan among others. The product is expected to get a wider acceptance in the year ahead.

While the exchange has reached the pre-Covid-19 levels in its operations towards the later part of the year, its group companies too evolved as independent dynamic organizations achieving greater heights in their performances. NCDEX e-Markets Ltd (NeML) has achieved a milestone of procuring 10 Million tonne farm produce worth ₹ 500 Billion (₹ 50,000 Crore) through E-Samridhi portal set up for the state-owned National Agricultural Cooperative Marketing Federation three years ago. NeML has also on-boarded 400 FPOs to its electronic auction platform during the year.

National e-Repository Ltd, which has completed its third year of Repository operations, has witnessed its emerging business of loans against electronic Negotiable Warehouse Receipts jumping five-fold to over ₹ 600 Crores. NERL's total pledge loan portfolio too witnessed a sharp increase to over ₹ 700 Crores from ₹ 320 Crores in the previous year.

The government initiative to promulgate three farm laws, though kept in abeyance after the Apex Court's direction, have the potential to reform and revolutionize agricultural marketing. We perceive that the impetus of the Government on Atmanirbhar Bharat and setting up of ₹ 1 Lakh Crore corpus for Agriculture Infrastructure Fund will revitalize and spur innovative infrastructural developments in physical market for agri-commodities including modernization of APMCs and build-up of a robust modern warehousing network across the country.

The coming year is no doubt challenging, but also filled with a host of opportunities due to enhanced allocation for agri-infra spending, rebuilding of efficient supply chains, rising number of tech-driven start-ups in agriculture and increased focus on FPOs. The multiplier effect of these developments will complement NCDEX Group's efforts of raising farm incomes, by linking the farmers to the modern marketing infrastructure.

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I wish a happy and healthy new Financial year for you and your loved ones, and request you to follow Covid-19 appropriate behavior and stay safe.

Arun Raste
MD & CEO, NCDEX

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FPO HIGHLIGHTS FOR FY 2020-21

77
Total number of promoting/resource institutions engaged

8,84,546
Total number of farmers who are members of FPOs supported by above institution

14 States
Locations across Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Andhra Pradesh, Karnataka, Telangana, Kerala, Bihar, Jharkhand, Chhattisgarh, Uttar Pradesh, Punjab, Odisha

135
Farmer Producer Organizations participated on NCDEX platform

3,23,220
Number of farmers participated

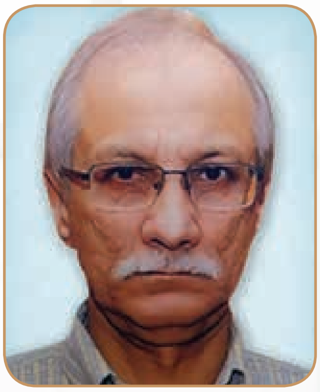
187
FPOs who have opened accounts but are yet to trade

56,188 MT traded across 18 Commodities
Commodities traded by the farmer collectives on the Exchange platform

COMPANY INFORMATION

Board of Directors	Mr. Ashish Bahuguna (appointed as Chairman with effect from August 13, 2021 and Public Interest Director with effect from June 15, 2020)	: Chairman and Public Interest Director
	Dr. Purvi Mehta (re-appointed with effect from January 11, 2021)	: Public Interest Director
	Mr. Prem Kumar Malhotra	: Public Interest Director
	Dr. Ashok Gulati	: Public Interest Director
	Mr. Hemant Adarkar (with effect from April 13, 2021)	: Public Interest Director
	Mr. Venkat Nageswar Chalasani (with effect from May 1, 2021)	: Public Interest Director
	Mr. Rakesh Kapur	: Shareholder Director
	Mr. Srinath Srinivasan	: Shareholder Director
	Mr. B. Venugopal	: Shareholder Director
	Mr. Manikumar S. (with effect from December 21, 2020)	: Shareholder Director
	Mr. Arun Raste (with effect from June 7, 2021)	: Managing Director & Chief Executive Officer
	Mr. Vijay Kumar V. (upto April 17, 2021)	: Managing Director & Chief Executive Officer
	Mr. Nirmalendu Jajodia (upto April 12, 2021)	: Public Interest Director
	Mr. Chaman Kumar (upto April 9, 2021)	: Chairman and Public Interest Director
	Mr. Sunil Kumar (upto December 20, 2020)	: Shareholder Director
	Mr. Ravindra Kumar Roye (Chairman upto May 3, 2020 & Public Interest Director upto June 14, 2020)	: Public Interest Director
Chief Financial Officer	Mr. Atul Roongta	
Company Secretary	Mr. Hoshi D. Bhagwagar (with effect from March 9, 2021)	
	Mr. Harish Kumar (up to March 8, 2021)	
Statutory Auditor	K. S. Aiyar & Co., Chartered Accountants # F-7, Laxmi Mills, Shakti Mills Lane, (Off Dr. E. Moses Rd), Mahalaxmi, Mumbai – 400 011	
Secretarial Auditor	Makarand M. Joshi & Co., Practicing Company Secretaries Ecstasy, 803/804, 9th Floor, City of Joy, J.S.D. Road, Mulund (W), Mumbai- 400080	
Bankers	Axis Bank Limited Canara Bank HDFC Bank Limited ICICI Bank Limited Punjab National Bank Union Bank of India	Bank of India Development Credit Bank IndusInd Bank Limited Kotak Mahindra Bank Limited Tamilnad Mercantile Bank Limited Yes Bank Limited
Registered Office	First Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Road, Kanjurmarg West, Mumbai 400 078.	
Branch Offices	**Ahmedabad:** 502, Kaivanna Complex, Off. C. G. Road, Near Panchvati Circle, Central Mall, Ambavadi, Ahmedabad 380015. **Indore:** 4th Floor, 401, Gold Arcade, Opposite Curewell Hospital, New Palasiya Road #1, Pent House, Indore 452 001. **Jaipur:** Prestige Tower, 2nd Floor, Office No 1A, Amrapali Circle, Vaishali Nagar, Jaipur 302021. **Jaipur:** Vinayak Heights, 5th Floor, Plot No 105 / 106, Goms Defence Colony, Gautam Marg, Vaishali Nagar, Jaipur - 302 021. **Kolkata:** Jasmine Tower, 5th Floor, Unit No.503B, 31 Shakespeare Sarani (Theater Road), above HSBC Bank, Kolkata 700017. **New Delhi:** Avanta Business Centre Mumbai Pvt Ltd 12th Floor, Ambadeep Building, Kasturba Gandhi Marg, Connaught Place, New Delhi – 110001.	
Registrar and Share Transfer Agents	Link Intime India Private Limited C-101, 24*7 park, L.B.S. Marg, Vikhroli (West), Mumbai 400083.	

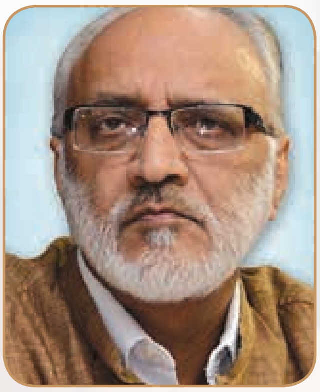
BOARD OF DIRECTORS



Mr. Ashish Bahuguna
Chairman
w.e.f. August 13, 2021 &
Public Interest Director
w.e.f. June 15, 2020

Dr. Purvi Mehta
Public Interest Director

Mr. Prem Kumar Malhotra
Public Interest Director



Dr. Ashok Gulati
Public Interest Director

Mr. Hemant Adarkar
Public Interest Director
w.e.f. April 13, 2021

Mr. Venkat Nageswar Chalasani
Public Interest Director
w.e.f. May 01, 2021

Mr. Rakesh Kapur
Shareholder Director

Mr. Srinath Srinivasan
Shareholder Director

Mr. B. Venugopal
Shareholder Director

Mr. Manikumar S.
Shareholder Director
w.e.f. December 21, 2020

Mr. Arun Raste
Managing Director &
Chief Executive Officer
w.e.f. June 07, 2021

Mr. Vijay Kumar V.
Managing Director &
Chief Executive Officer
upto April 17, 2021

Mr. Nirmalendu Jajodia
Public Interest Director
upto April 12, 2021

Mr. Chaman Kumar
Chairman & Public Interest Director
upto April 9, 2021

Mr. Sunil Kumar
Shareholder Director
upto December 20, 2020

Mr. Ravindra Kumar Roye
Chairman upto May 3, 2020 &
Public Interest Director upto June 14, 2020

NCDEX
Pragati ka Solid Exchange

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Eighteenth Annual Report and Audited Financial Statements of the National Commodity & Derivatives Exchange Limited (hereinafter called NCDEX/ the Exchange) for the financial year (FY) ended March 31, 2021.

PERFORMANCE

The following table shows the summary of financial performance of the Exchange on standalone as well as consolidated basis for the FY 2020-21:

(₹ in Lakhs)

Particulars	Standalone (the Exchange)		Consolidated (NCDEX Group)	
	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
Total income	6,324	8,187	14,890	17,459
Total expenses	9,648	10,272	17,266	17,806
Profit before exceptional items and tax	(3,324)	(2,085)	(2,376)	(347)
Share of net profit from joint venture and associate	-	-	369	955
Exceptional item including contribution to core SGF	(34)	1,835	(104)	(377)
Profit before tax	(3,358)	(250)	(2,111)	231
Tax expenses	(870)	(629)	(648)	(501)
Profit after tax	(2,488)	379	(1,463)	732
Other comprehensive income	75	11	60	(47)
Total comprehensive income for the year	(2,413)	390	(1,403)	685

Table 1: Summary of financial performance of the Exchange on standalone and consolidated basis for the FY 2020-21

I. Standalone Results

The total income of the Exchange for FY 2020-21 was ₹ 6,324 Lakhs, reflecting a reduction of 23% over FY 2019-20. This was mainly on account of lower average daily traded value (ADTV) of ₹ 1,270 Crores in FY 2020-21, as compared to ₹ 1,789 Crores in FY 2019-20 due to COVID-19 pandemic.

The total expenses of the Exchange for FY 2020-21 were ₹ 9,648 Lakhs, 6% lower than ₹ 10,272 Lakhs for FY 2019-20. The reduction in operating expenses is due to the various cost management initiatives taken by the Exchange and reduction in few expenses due to work from home (WFH) during COVID-19 pandemic.

Profit/(loss) before exceptional item and tax during FY 2020-21 was ₹ (3,324) Lakhs for FY 2020-21 as compared to ₹ (2,085) Lakhs for FY 2019-20.

During FY 2020-21, exceptional item of ₹ (34) Lakhs was on account of additional provision for diminution in value of investment in NICR. During FY 2019-20, exceptional item of ₹1,835 Lakhs was on account of the Exchange's contribution of ₹165 Lakhs to the Core Settlement Guarantee Fund setup by the NCCL and ₹ 2,000 Lakhs was towards the reversal of impairment loss in the Power Exchange India Limited (PXIL) investment. PXIL is an associate company of the NCDEX.

Profit after tax was loss of ₹(2,488) Lakhs for FY 2020-21 as compared to a profit of ₹379 Lakhs for FY 2019-20.

II. Consolidated Results

The total income of the NCDEX Group for FY 2020-21 was ₹14,890 Lakhs, reflecting a reduction of 15% over that of FY 2019-20. The reduction was mainly on account of lower ADTV, average daily open interest (ADOI) due to COVID-19 pandemic and lower investible corpus.

The total expenses of the NCDEX Group stood at ₹17,266 Lakhs, which was 3% lower than that in FY 2019-20. The reduction in operating expenses is due to the various cost management initiatives taken by the Exchange and reduction in few expenses due to WFH during COVID-19 pandemic.

The share in net profit from the Rashtriya e Market Services Private Limited (ReMS), a joint venture between the State Government of Karnataka and NCDEX e-Markets Limited (NeML) for FY 2020–21, was ₹49 Lakhs as compared to ₹432 Lakhs in FY 2019-20. The share in net profit from the PXIL for

Directors' Report (Contd.)

FY 2020-21, was ₹ 320 Lakhs as compared to ₹ 523 Lakhs in FY 2019-20.

For FY 2020-21, exceptional item of ₹(104) Lakhs was on account of provision for doubtful debt made with respect to GST on penalties recoverable from two defaulting members. For FY 2019-20, exceptional item of ₹(377) Lakhs was on account of ₹(668) Lakhs shortfall in pay-out to counter parties and a ₹291 Lakhs reversal of impairment loss in the PXIL investment.

The profit after tax was ₹(1,463) Lakhs during FY 2020-21, whereas it was ₹732 Lakhs during FY 2019-20.

REVIEW OF OPERATIONS

Highlights

- The highest turnover achieved in a day during FY 2020-21 was ₹ 2736 Crores.
- The top five traded commodities on the Exchange were Soy Oil, Soybean, RM Seed, Chana and Guar Seed.
- The ADTV in FY 2020-21 stood at ₹1270 Crores, vis-a-vis ₹ 1789 Crores in FY 2019–2020.

FY 2020-21, was an unprecedented year which challenged the existing norms of operations for all businesses across the globe. While agricultural production was resilient during the pandemic, there were disruptions in logistics and supply chain in the initial months. There was slow recovery during the second quarter of the FY 2020-21. The lockdown due to pandemic struck the country at the onset of Rabi season arrivals which also adversely impacted trade and deposits. Due to the closure of various physical markets, the Exchange had to also push ahead, the expiry of few contracts due to non-availability of spot prices. The underlying disruption only strengthened the efforts made by the Exchange to create awareness, widen the product offerings and use online platforms to enhance market connects at all levels. NCDEX is a pioneer in launching India's first tradeable commodity index AGRIDEX that has garnered support from hedgers, institutions and retail participants. To deepen its connect with market participants and work on a wider canvas of products more suited for participation by various stakeholders such as Farmer Producer Organizations (FPOs) and value chain participants, the Exchange also launched Options in Goods. Enhancements in product offerings like relaunch of Steel and Gur along with the launch of Hi-Pro Soymeal helped to connect new market participants to the Exchange. Exchange engagements with all the stakeholders coupled with launch of new products has helped to enhance investor confidence. Towards the end of the FY 2020-21, Exchange volumes and open interest normalized and moved towards an upward trajectory.

The major highlights of the FY 2020-21 are given below:

Business:

The Exchange recorded an ADTV of ₹1,270 Crores in FY 2020-21, as compared to ₹1,789 Crores ADTV in FY 2019-20. The fall in yearly ADTV was on account of drop in volumes due to supply chain disruption and disturbance in private trade. From a low in the first quarter, volumes witnessed increase from one quarter to another on resumption of normalcy in the physical markets.

All through the correction in volumes, the Exchange has maintained its leadership in agri futures trading in the country, with a market share of ~75 percent both in volume and open interest. Physical deliveries continue to be an integral part of trading on the Exchange platform. FY 2020-21 witnessed a gradual increase in deposits across commodities and this facilitated smooth delivery of commodities. The Exchange witnessed delivery volume of 4 Lakhs MT valued at ₹ 1752 Crores which is 85 percent of delivery volumes witnessed across commodity exchanges in agricultural commodities. Till date, the Exchange has seen deliveries of approximately 11.33 million MT through its settlement process. While, it was challenging to manage the storage and delivery ecosystem due to the challenges brought forth by the pandemic, the Clearing Corporation and our network of channel partners did an exceptional job in handling physical deposits during these unprecedented circumstances. This has helped retain our pre-eminence in the agricultural derivatives space.

The Exchange intensified and strengthened its market connect with existing stakeholders and also focused on widening its product offerings and participant base, in these challenging times. The Exchange was the pioneer in launching India's first tradeable commodity index, AGRIDEX. With AGRIDEX, the Exchange ventured into the space of structured products which garnered participation by hedgers, retail clients and institutional players. Additions were made to various product baskets with the relaunch of Gur and launch of Hi–Pro Soybean meal and Sesame. In a landmark achievement, the Exchange also created a footprint in the non-agri segment with the re-launch of steel.

Apart from refurbishing the product basket, we repackaged our options product into 'options in goods'. To seed the concept at the grass root level, the Exchange initiated a pilot program in association with Securities and Exchange Board of India (SEBI) to equip and facilitate FPOs to hedge their price risk. Hence as a market intermediary, the Exchange worked closely to impact and develop relevant tools to enable and enhance stakeholder experience.

The Exchange has continued its endeavour to educate market participants about commodities futures market through various knowledge-sharing programmes and investor education programmes (IEPs). In FY 2020-21, the Exchange conducted 145 IEPs, 119 investor awareness programmes, and 14 webinars focused on institutional participants. The Exchange has also engaged with the social media, TV and print media to create awareness of the commodity derivatives market.

Key Developments:

In the FY 2020-21, the Exchange and the commodity space saw a number of key developments, which are encapsulated below:

- **FPO Connect**

  Options Familiarization Program: The Exchange conceptualized and successfully executed the Options Familiarization Program for FPOs. This program was focused on enabling farmers to use market driven tools to hedge commodity price risk, and was supported by SEBI by channelizing regulatory fee towards subsidizing the premium payments of these option instruments. Two commodities namely Chana and RM Seed were chosen based on crop arrival pattern in the next season and FPOs fixed their price by buying put options of the arrival month. The success of this program can be gauged from the participation it garnered, both from the FPOs and the financial market players. Under this SEBI supported scheme, the Exchange was able to garner trade of 3,010 MT consisting of 1,980 MT of RM Seed and 1,030 MT of Chana. Also, as an ongoing activity, the Exchange has been able to garner some traction in all option contracts and has been undertaking extensive activities to create understanding amongst members and value chain participants.

  In recent years, the Indian agriculture sector has witnessed several transformations. A number of structural reforms, coupled with technological advancements and favourable monsoon years, have ensured that India has now moved from a food-scarce to food-surplus nation. However, record production often brings new challenges, mainly one, in which farmers are unable to realize remunerative prices for their produce. Aggregation of their produce through the FPOs is seen as one way to access transparent market ecosystem. To this end, the Exchange has invested considerable time and resources to bring awareness, train and hand-hold the FPOs for participating on the Exchange. The Exchange has constantly strived to engage with the FPOs to provide them with an alternate market channel for transparent price discovery and access to a price risk management platform.

  In fact, the Exchange has been working with the FPOs since 2016, having successfully on-boarded 322 FPOs till March 2021. Of these, 135 FPOs who have traded on the Exchange platform, represent 8,84,546 farmers from 13 states. They successfully traded 18 commodities and hedged 56,188 MT of their produce.

  In FY 2020-21, 62 FPOs representing a farmers' base of 3,54,543 opened their account with the Exchange. A quantity of 21,969 MT of 15 commodities representing a combined value of ₹9,017 Lakhs was traded by 61 FPOs for their price risk management and for finding a transparent alternate market place. 25 FPOs have also utilized the Exchange delivery ecosystem and successfully delivered 4,666 MT of produce valued at ₹1,744 Lakhs in 9 commodities.

  Being aware of the prevailing prices is one step closer to informed decision making. Continuing with the Exchange's efforts of price dissemination through free SMS services 68,665 farmers' phone numbers are registered for receiving future prices. In FY 2020-21, the Exchange conducted 4 awareness and training programmes, 106 webinars and 79 conference calls with 7,481 farmers participating in them; the Exchange also conducted virtual programmes for farmers, in association with Yara Fertilisers, with a focus on business plan preparation.

  FPO engagement continues to be a focus area for the Government of India. It has announced the formation of 10,000 more FPOs through NABARD, Small Farmers' Agribusiness Consortium ('SFAC') and National Co-operative Development Corporation ('NCDC'). The Exchange has been extensively engaging with

NABARD to work towards its efforts to connect the primary producers to the Exchange ecosystem, enabling them to manage their price risk.

- **Technology upgrade**

  Technology is an important component of the Exchange ecosystem. The challenging times did not deter the Exchange from upgrading its existing technology and also offer flawless uninterrupted trading experience. The Exchange upgraded its trading engine NEXTGEN and launched an enhanced version of NEXTRA. This development was also supported by a fully loaded cloud based test environment to equip Exchange participants with UAT testing facility at any point of time. This enabler will remove the tech hurdle faced by all new participants. Exchange website which is an essential digital footprint, was also overhauled with a new look and user friendly features.

- **Awards & Recognition**

  The Exchange participated in a competition organized by All India Management Association (AIMA) on "Innovations in crisis and Risk management capabilities" where the Exchange presented a case study introducing the "Options Familiarization Program". This case study passed through several rounds of presentations, alongside seven competing teams. The Exchange topped the contest and was felicitated with **"AIMA Innovation Practitioners Award 2020"**. The Exchange emerged as a winner on grounds of innovation, practical execution, resourcefulness and social impact.

The Exchange's Chief Compliance Officer, Ms. Seema Nayak was recognized as the "Top 10 Chief Compliance Officers -2020" by an exclusive print media, CEO Insights.

The path ahead:

As the Exchange steps into FY 2021–22 the country continues to be entrenched in the disruptions caused by the pandemic. However, the efforts taken by the Exchange to broad-base participation as well as the return to some sort of normalcy in the physical value chain augur well for the future. As the Exchange wraps up FY 2020-21 on a promising note, it looks forward to another fulfilling year that enables it to put forth new product offerings, launch sectoral indices and associate more market participants with it. The Exchange will continue to focus its efforts to make these markets more efficient, more synergized and more participative.

CAPITAL STRUCTURE

The Authorized Share Capital of the Exchange is ₹ 70,00,00,000/-, comprising: 7,00,00,000 equity shares of ₹ 10/- each. The Issued, Subscribed and Paid-up Capital of the Exchange is ₹50,67,60,000 divided into 5,06,76,000 equity shares of ₹ 10/- each.

INITIAL PUBLIC OFFERING

The Exchange had filed a Draft Red Herring Prospectus (DRHP) with SEBI, dated February 10, 2020 with respect to its proposed initial public offering of equity shares. SEBI vide its letter dated April 09, 2020, had issued its final observations on the DRHP. Accordingly, the Exchange was required to open the offer within 12 months of April 09, 2020. However, due to COVID-19 pandemic and the impact it had on the business of the Exchange, the Exchange decided not to launch the initial public offering during the FY 2020-21. The validity of the DRHP has expired on April 08, 2021.

MEMBERSHIP

As on the March 31, 2021, there were 357 members on the Exchange platform across the country.

CUSTOMER SERVICE GROUP

During the FY 2020-21, the customer service group (CSG) initiated numerous initiatives to improve customer experience. These initiatives were in addition to the internal process improvements, which have helped the Exchange in cost savings while providing better service. Throughout the pandemic, the customer service group ensured that the customer service help desk was fully operational and delivering seamlessly without any stoppage or breakdowns. Several initiatives were taken during the year to enhance customer experience.

The Exchange website has now been revamped with several changes, added features and functionalities, for easy user navigation. From compliance perspective, the Exchange has ensured that the website is compliant with all National Informatics Centre (NIC) guidelines for government websites. Additionally, the processes related to authorized person transfer / shifting for sale of business, pursuant to integration and business transfer (registered member companies) has been simplified further. Authorized person details are shared with the members on a weekly basis through the Web Extranet portal, which has significantly reduced calls and emails received at the Exchange, and further digitalization of authorized person modification requests have saved cost and improved resource utilization.

The trading application NEXTRA has been upgraded with enhanced features wherein members are now able to reset the passwords through their front-end, rather than raising requests to CSG as earlier. Training videos on NEXTRA and other important topics were created and uploaded on the Exchange website to increase member awareness and adopt a self-serve approach. To enhance customer experience, the Exchange has also incorporated the CTCL and Lease Line forms on the Website which has reduced the calls and emails drastically related to empanelment process.

DIVIDEND AND APPROPRIATIONS

For the FY ended March 31, 2021, your Directors have pleasure in recommending a dividend of 5 per cent (₹ 0.50 per equity share) on the equity shares issued by the Exchange. The Dividend on equity shares, when approved by the shareholders would amount to ₹ 253 Lakhs.

TRANSFER TO RESERVES

No amount is proposed to be transferred to the General Reserve out of the amount available for appropriations.

PUBLIC DEPOSIT

The Exchange has not accepted any public deposits and, as such no amount towards repayment of principal or payment of interest was outstanding as on March 31, 2021.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Exchange during the FY 2020-21.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Mr. Srinath Srinivasan retired by rotation at the Seventeenth Annual General Meeting held on September 25, 2020 and was re-appointed subject to approval of SEBI. SEBI vide its letter dated October 23, 2020 approved the appointment of Mr. Srinath Srinivasan as a Shareholder Director. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. B. Venugopal (DIN: 02638597) will be retiring by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment as Director. The Board recommends the name of Mr. B. Venugopal for re-appointment as Director of the Exchange in the "Shareholder Director" category. His appointment is subject to approval of SEBI.

The Directors who were appointed during the year are as under:

Sr. No.	Name of the Director	Designation	Date of appointment
1.	Mr. Ashish Bahuguna	Public Interest Director	June 15, 2020
2.	Mr. Manikumar S.	Shareholder Director	December 21, 2020

The Directors who retired and resigned during the FY 2020-21 are as under:

Sr. No.	Name of the Director	Designation	Date of Resignation/ Cessation
1.	Mr. Ravindra Kumar Roye	Public Interest Director	June 15, 2020
2.	Mr. Sunil Kumar	Shareholder Director	December 21, 2020

The Board wishes to place on record its sincere appreciation for the valuable advice and guidance provided by the outgoing Directors.

The changes in the Company Secretary of the Exchange during the FY 2020-21 are as under:

Sr. No.	Name	Date of appointment	Date of resignation
1.	Mr. Harish Kumar	March 25, 2019	March 08, 2021
2.	Mr. Hoshi D. Bhagwagar	March 09, 2021	---

Pursuant to the direction from SEBI, Mr. Harish Kumar was designated as a Key Management Personnel under the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018. Upon Mr. Harish Kumar's resignation, Mr. Hoshi D. Bhagwagar was designated as a Key Management Personnel under the said Regulations.

The Board places on record its sincere appreciation for the services rendered by Mr. Harish Kumar.

STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

The Exchange has received declarations from all the Independent Directors confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. All the Independent Directors have also given the declarations that they satisfy "fit & proper" criteria as stipulated under Regulation 20 of Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations, 2018'). The Board is of the opinion that the Independent Directors of the Exchange possess requisite qualifications, experience and expertise in the fields of finance and accounting, economics, risk management, management and administration, financial market, technology, market infrastructure, co-operatives, legal, agriculture markets, agriculture economics, macroeconomics, post-harvest technologies, international development; and they hold highest standards of integrity. Skills/ expertise/ competence of the Board of Directors is provided in the Corporate Governance Report which forms part of the Annual Report. All the Independent Directors have also given the declarations that they have registered themselves with Indian Institute of Corporate Affairs (IICA) in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014. Further, in terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of two years from the date of inclusion of their names in the data bank. The said online proficiency self-assessment test will be undertaken by the Independent Directors of the Exchange within the prescribed timelines.

ANNUAL EVALUATION

The formal annual evaluation of the performance of the Board, its Committees and Individual Directors was conducted in accordance with the provisions of the Companies Act, 2013, Regulation 17, 19 and Schedule II of the Listing Regulations, SECC Regulations, 2018 read with SEBI circulars dated January 5, 2017, January 10, 2019 and February 05, 2019. The evaluation was carried out on the basis of feedback obtained from the Directors on pre-defined parameters. The performance of the Board, its Committees and Individual Directors was found satisfactory.

BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2020-21

During the FY 2020-21, ten meetings of the Board of Directors were held. Details of the meetings of the Board of Directors are provided in the Corporate Governance Report which forms part of the Annual Report.

BOARD COMMITTEES

Details of the composition of Committees of the Board, meetings held, terms of reference and attendance of the Directors at such meetings during the FY 2020-21 are provided in the Corporate Governance Report which forms part of the Annual Report.

AUDIT COMMITTEE

The Exchange has constituted the Audit Committee as per the provisions of the Companies Act, 2013. The composition and terms of reference of the Audit Committee are provided in the Corporate Governance Report which forms part of the Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

The Exchange has constituted the Nomination and Remuneration Committee as per the provisions of the Companies Act, 2013. The composition and terms of reference of the Nomination and Remuneration Committee are provided in the Corporate Governance Report which forms part of the Annual Report. The Exchange has in place a Nomination and Remuneration Policy. The policy deals with matters like Directors' appointment and their remuneration, criteria for determining qualifications, positive attributes and independence of director, remuneration of Key Managerial Personnel and other employees. The Nomination and Remuneration Policy is available on Exchange's website at https://ncdex.com/about/disclosures

DETAILS OF MEETING OF SHAREHOLDERS

The Seventeenth Annual General Meeting of the Exchange was held on September 25, 2020. The Eighteenth Annual General Meeting of the Exchange will be held on Monday, September 27, 2021 in Mumbai.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The Exchange is a public limited company, whose securities are not listed on any of the stock exchanges. In terms of Regulation 33 of SECC Regulations, 2018, the disclosure requirements and corporate governance norms as specified for listed companies are mutatis mutandis applicable to a recognized stock exchange. Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance for the FY 2020-21 is forming part of the Annual Report. Further, a Compliance Certificate from Makarand M. Joshi & Co., Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance is forming part of the Corporate Governance report.

CORPORATE SOCIAL RESPONSIBILITY

The Exchange has framed a Corporate Social Responsibility (CSR) policy to implement its CSR vision:

"To actively contribute to the social and economic development of farmers by helping them gain better access to markets. In so doing build a better, sustainable way of life for rural communities and raise the country's human development index".

The CSR activities were started at the Exchange with an aim to create awareness among the farmers about the post-harvest management activities. The produce, which is not graded tends to fetch a lower price than the graded materials and more so during higher supply in the market. Higher arrivals just after harvest leads to depressed prices. Better quality produce which are cleaned, graded and sorted tends to realize higher price than uncleaned produce. It is also important to know the quality of the produce prior to taking it to the market to have a better negotiating ability.

Over the years, the Exchange felt that the farmers after achieving a level of awareness about improving the farm gate quality parameters need proactive support and handholding to actually tread the path. And thus started the 'Parakh' initiative, under which the Exchange strived to help farmers, through Farmer Producer Organizations (FPOs) with various agri infrastructure tools. CSR activities in previous years also concentrated in improving post-harvest quality of the produce nearer to the farm gate. FPOs in Rajasthan and Maharashtra was assisted with Cleaning and Grading machines; and Assaying Kits (with around a dozen equipment including weighing machine, moisture meter, etc.) apart from 2 greenfield curcumin testing labs for turmeric in Erode districts in Tamil Nadu. All these projects have shown very encouraging results as farmers using these facilities have been able to realize increased prices in comparison to their fellow farmers, who didn't use these facilities.

The annual report on CSR activities, as required under Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, is provided in **Annexure 1**.

AUDITORS/AUDIT

A. STATUTORY AUDITORS

K. S. Aiyar & Co, Chartered Accountants, were appointed as the Statutory Auditors of the Exchange for a period of 5 (Five) consecutive Financial Years from the conclusion of the Fourteenth Annual General Meeting of the Exchange until the conclusion of the Nineteenth Annual General Meeting of the Exchange.

As required under the provisions of section 139 (1) of the Companies Act, 2013, the Exchange has received a Certificate from the Auditors to the effect that their appointment is within the prescribed limit under Section 141 of the Companies Act, 2013 and that they are not disqualified for such appointment. There is no qualification, reservation or adverse remarks or disclaimer in the report given by K. S. Aiyar on the Financial Statements of the Exchange for the year ended March 31, 2021.

The Auditors have not observed any frauds in the course of the performance of their duties as auditor. This is reported in compliance with the provisions under sub-section (12) of section 143 of the Companies Act, 2013.

B. SECRETARIAL AUDITOR

In terms of section 204 (1) of Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Exchange appointed Makarand M. Joshi & Co., Practicing Company Secretaries, as Secretarial Auditor for the Financial Year 2020-21. In terms of sub-section (3) of section 134 of the Companies Act, 2013, Secretarial Audit Report issued by Makarand M. Joshi & Co. in Form MR-3 is attached as **Annexure 2**. There is no qualification, reservation or adverse remarks or disclaimer in the report given by Makarand M. Joshi & Co. in Form MR-3.

C. INTERNAL AUDITOR

In terms of section 138 of Companies Act, 2013 and pursuant to Rule 13 (1) (b) of the Companies (Accounts) Rules, 2014, the Exchange appointed KPMG as Internal Auditors of the Exchange for the Financial Year 2020-21.

D. COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of Cost Audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013, are not applicable for the business activities carried out by the Exchange.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Exchange complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India with respect to Board and General meetings.

ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Exchange has placed a copy of the Annual Return as at March 31, 2021 on its website at https://ncdex.com/about/annual-reports.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments have been disclosed in the Financial Statements.

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

All the transactions with related parties are in the ordinary course of business and on an arms length basis. The details of the related party transactions as required under the Ind AS 24 are set out in Note no. 33 to the standalone financial statements.

PARTICULARS OF EMPLOYEES

The information on the particulars of the employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and SECC Regulations, 2018, a statement containing the remuneration details is enclosed as **Annexure 3**.

INFORMATION REQUIRED TO BE FURNISHED PURSUANT TO RULE 17 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957

Detailed information pursuant to Rule 17 of the Securities Contracts (Regulation) Rules, 1957 is enclosed as **Annexure 4.**

RISK MANAGEMENT

The Exchange is focused on providing a transparent trading platform and is committed to working on strengthening the risk management framework of the commodity derivatives market. In compliance with SEBI requirements the Exchange had transferred all its clearing and settlement related activities to an independent clearing corporation, viz., the NCCL which is a wholly owned subsidiary of the Exchange in year FY 2018-19. Considering the revised risk profile of the Exchange new Risk Management Framework and Policies were implemented as per the industry best practices.

The Exchange has an independent risk governance structure for integrated risk management covering various categories of enterprise risk including Business, Operational, Financial, Regulatory, Technology, Cyber and Reputational and is cognizant of the management of group risks. At the top of the risk management hierarchy is the Board of Directors (Board) of the Exchange, which provides broad strategic direction to the risk management function. In accordance with SEBI guidelines, the Board has formed a Risk Management Committee (RMC), which is a sub-committee of the Board comprising Public Interest Directors and Independent External Experts. The RMC functions as per SEBI's terms of reference and oversees the risk management function of the Exchange. The Exchange also has a Risk Management Department (RMD), which looks after enterprise risk, group governance and information security including cyber security and coordinates the operational and internal audit of the Exchange by independent third party auditors. The head of the RMD reports to the Managing Director & CEO of the Exchange and the RMC, in accordance with the SEBI guidelines.

The Exchange's Risk Management Framework envisages a combination of a top–down and bottom–up approach for an integrated risk management process. While the Board and the RMC provide broad direction and guidance and supervise the entire process, the Exchange management identifies key risks by using a granular approach with the active involvement of functional heads of various departments, the entire process being coordinated and monitored by the RMD. Risk management in the Exchange is a comprehensive, disciplined and continuous process in which risks are identified, analysed, consciously accepted or mitigated and managed by strengthening existing processes or by introducing new controls wherever feasible.

SUBSIDIARY COMPANIES

The Exchange has four subsidiary companies namely, NCDEX e Markets Limited, National Commodity Clearing Limited, NCDEX Institute of Commodity Markets and Research and National E-Repository Limited. NCDEX e Markets Limited, the subsidiary of the Exchange, also has a joint venture Company: Rashtriya e Market Services Private Limited. The details in respect of these companies are provided hereunder. A statement containing the salient features of the financial statements of the above companies is given in Form AOC-1, which is enclosed as **Annexure 5.** The Financial statements of the subsidiary companies have been displayed on the website of the Exchange as a part of consolidated financials. In addition, the Exchange has an associate Company namely, Power Exchange India Limited.

NCDEX e Markets Limited (NeML)

NeML continues its mission of positively impacting lives of both the smallholder farmers (SHF) and bottom-of-the-pyramid citizens dependent on Government support for their food security. During this financial year, NeML has partnered with National Agricultural Cooperative Marketing Federation of India (NAFED) and Federation of Indian FPOs and Aggregators (FIFA) for setting up NAFED e-Kisan Mandi (NeKM). NeKM is a network of electronic trading platforms with physical infrastructure like warehouses, assayers, etc., at multiple proposed locations. This network of physical and virtual mandis is being set-up by NAFED in partnership with local FPOs with a nation-wide hub and spoke model and will be integrated with a National Level Digital Marketing Platform. NAFED plans to open 100 NeKMs and estimates a turnover of ₹ 100 crore annually from each mandi.

Additionally, NeML through its unified procurement portal set up for NAFED called E-Samridhi has achieved record procurement of pulses and oilseeds this year. In its brief existence of three years, E-Samridhi has notched up transactions of more than ₹50 thousand Crores and 1 crore MT of agri-commodities. Besides ensuring enhanced efficiencies and transparency, it has benefitted 11 Lakhs SHFs by facilitating remittances directly into their bank accounts.

During the FY 2020-21, NeML continued to progress on its journey to reinforce its position as the leading e-market player in the country and go beyond agricultural commodities. Accordingly, it partnered with Karma Ecotech to develop India's first and only delivery-based e-market place for buyers and sellers of plastic credits. NeML is confident that its e-market solution will be one of the primary tools in Government of India's ('GoI') efforts to mitigate the future risks associated with plastic waste in the country.

In line with the GoI's stated commitment to establish 10,000 FPOs for which it has set aside ₹4,496 crore for their formation and promotion till 2023-24, NeML further strengthened its linkages with FPOs by onboarding more than 400 FPOs in FY 2020-21. FPOs have reported procuring higher than prevailing market prices for their produce on NeML platforms. For the buyers too, there is guaranteed supply of required volumes as NeML platforms are a one-stop shop for them, saving them the inconvenience of buying fragmented lots for which they are more than willing to pay a premium to the marketplace.

Its joint initiative with the Karnataka Government - Rashtriya e Market Services Private Limited (ReMS) continued to positively impact the income of farmers in regulated APMC markets of the state. Being the first digitisation initiative of a *mandi* in the country, this was a path breaking and a pioneering initiative. Niti Ayog put forth empirical data that the Karnataka farmers got 38% higher price realizations on the ReMS platform than in the open markets. The Company launched six mobile apps to help farmers, and registered market functionaries, thus further enhancing the features of the State Agriculture Market (SAM). ReMS recently completed its full integration with e National Agriculture Market (e-NAM), a platform launched by the Central Government, which in turn is based on the much awarded ReMS architecture.

National Commodity Clearing Limited (NCCL)

The NCCL was granted recognition by SEBI to act as a clearing corporation on September 10, 2018 for a period of one year, subject to certain conditions prescribed therein. SEBI granted NCCL a renewal of the recognition to act as a clearing corporation for a further period of three years, commencing on September 10, 2019 and ending on September 9, 2022, subject to certain conditions prescribed therein.

The table below gives the statistics of trade, settlement and collateral processed during the FY 2020-21.

Trades	
Particulars	**2020-21**
Number of trades	63,09,552
Trading quantity	6,19,38,332
Trading value (₹ in Crores)	3,18,781.88
Settlement	
Particulars	**2020-21**
MTM settlement (₹ in Crores)	2,821.43
Physical settlement (₹ in Crores)	1,445.00

Collateral processed	2020-21	
Instrument processed	Count	Amount (₹ in crores)
Bank guarantee	408	617.64
Fixed deposit receipts	1582	1,446.13

Table 2: Statistics of trade, settlement and collateral processed during the FY 2020-21

National e-Repository Limited (NERL)

Background

NERL started its operations on September 26, 2017 and is regulated by Warehousing Development and Regulatory Authority ('WDRA') as a Repository and Platform for Creation and Management of Electronic Negotiable Warehouse Receipts ('eNWRs'). Apart from NCDEX, the other shareholders of NERL include National Bank for Agriculture and Rural Development (NABARD), the largest re-finance institution, ICICI Bank, one of the largest private sector Banks in India and State Bank of India, the largest public sector Bank in India. Such unique parentage makes it a unique preposition to provide repository services to the Indian Agricultural Market.

The main business of NERL is to offer a digital platform for the creation and management of eNWRs, issued in warehouses registered with the WDRA.

Exchange and Emerging Business:

FY 2020-21 was the third full year of operation for NERL after receiving the Permanent Certificate of Registration from WDRA. NERL also completed two years of operation in Emerging Business.

NERL closed the year with more than 4,200 customers (2,500 customers in FY 2019-20), 39 pledgee Banks (19 Banks in FY 2019-20), 200 new Warehouses (124 Warehouses in FY 2019-20) and 90 Repository Participants (RPs) across 10 states in India. NERL issued more than 76,500 eNWRs (Exchange + Emerging Business) for commodities in excess of 725,000 MT (Exchange + Emerging Business) deposited in registered warehouses of WDRA. Banks crossed pledge loans of more than ₹ 713 Crores (Exchange + Emerging Business) in the second year of operations on its platform.

It was for the first time that Banks crossed ₹ 100 Crores pledge finance against eNWR in a single month of March -21 and also crossed ₹ 1,000 Crores finance since inception.

The year started with challenges of COVID-19 lockdown. However, clients, banks and warehouses showed interest in the eNWR ecosystem, thus helping in achieving more than 3.9 times growth in deposits and more than 6.4 times growth in Pledge finance. With the RBI enhancing the loan limits against eNWR, NERL sees this as another shot in the arm, in the eNWR journey.

The result for FY 2020-21 is as below:

	No. of eNWR	
	FY2020-21	**FY2019-20**
Exchange	70,008	1,22,765
Emerging business*	6,574	2,246
Total	**76,582**	**1,25,011**
	No. of eNNWR	
Emerging business*	215	99

	Quantity of eNWR (MT)		Value (₹ in Crores)	
	FY2020-21	**FY2019-20**	**FY2020-21**	**FY2019-20**
Exchange	5,11,217.30	8,02,186.95	2051.64	3,722.49
Emerging business*	2,14,780.62	52,915.75	992.6	251.11
Total	**7,25,997.92**	**8,55,102.7**	**3,044.24**	**3,973.6**
	Quantity of eNNWR (MT)			
Emerging business*	4,970.91	99		

Loan against eNWR (₹ in Crores) for FY 2020-21

	FY2020-21	**FY2019-20**
Exchange	109.11	200.20
Emerging Business	604.15	120.46
Total	713.26	320.66

*Note: All businesses other than Exchange are termed as "Emerging Business".

Since inception (as on March 31, 2021)

	FY 2020-21	FY 2019-20
RPs (account maintenance)	90	88
RPs (pledgee)	39	30
Number of active depositors/ client accounts	4,600	3,463

NCDEX Institute of Commodity Markets and Research (NICR)

NICR is a wholly owned subsidiary of NCDEX and is registered under Section 25 of the erstwhile Companies Act, 1956. It offers a variety of certification courses, open-enrolment courses, as well as customised educational and training programmes, data analytics, research and consultancy projects under thematic areas of education. In FY 2020-21, under the education programme, NICR offered eight online self-learning mode certification courses in different formats and languages. A new course on basic technical analysis for agricultural commodities was also added to the course basket. All courses are available in digital form with an online test assessment partner.

NICR approached several educational institutes in Delhi and NCR, Uttar Pradesh and Maharashtra, and successfully enrolled candidates. Further, NICR hosted awareness programmes for college students on commodity derivatives and price risk management. NSE Academy Limited (NAL) and Kredent Infoedge Private Limited, a Kolkata-based online educational firm continues to partner with NICR to host commodity certification courses developed by NICR. In FY 2020-21, NICR successfully engaged with institutions of NABARD such as National Bank Staff College, Bankers Institute of Rural Development (BIRD) and also provided awareness programs to Navratnas like Container Corporation of India (CONCOR).

In FY 2020-21, NICR has conducted over 50 webinars on spreading awareness about commodity derivatives market and its importance in risk management. Besides, NICR also imparted training and faculty support to corporates and industry associations such as Rallis India and National Seed Association of India among others. NICR also arranged interactive training sessions and faculty support to institutes such as National Bank Staff College, Lucknow, most IIMs, IITs and MBA institutes.

NICR has also seen its presence felt internationally by participating in the international webinar on desi chickpea organized by Global Pulse Confederation and sharing its research reports with the premier pulses industry association.

In order to promote financial literacy and awareness about commodity derivatives and fundamentals affecting demand and supply of commodities, NICR produced research reports covering various commodities. These reports are generated at different frequencies viz., monthly commodity report covering exhaustive fundamentals of various exchange-traded commodities; fortnightly reports covering fundamentals of specific commodities over the fortnight; monsoon report on a weekly basis during the monsoon season and daily commodity performance report providing a glimpse of performances of not only commodities traded on NCDEX but also liquid commodities on other exchanges and equity indices.

These reports are shared not only with the internal stakeholders but also with the industry, the relevant governmental departments and other influencers in the ecosystem.

To further expand the outreach, NICR has increased its social media presence during the year by reaching over 2,000 followers on LinkedIn and Twitter via nearly 20 articles with market updates and underlining the importance of risk management in increasingly volatile markets.

After successful completion of a consultancy project on developing a Guidebook for FPOs in 2019-20, NICR has secured a repeat project from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, a German development agency, on eNWR and its adaptation for FPOs in India, to be completed in the middle of 2021.

A continuous assignment from NABARD to publish a booklet on success stories of FPOs participating in commodity derivatives market was on in FY 2020-21 as well.

NICR has also been selected as sub-consultant to Deloitte Touche Tohmatsu India LLP for a World Bank-funded project with Assam State Agricultural Marketing Board to provide technical advisory services on development of e-market place in Assam. The work on the project has commenced and the inception report has been submitted to the World Bank.

NICR has also been partnering Deloitte Touche Tohmatsu India for a World Bank-assisted livelihood project named State of Maharashtra's Agribusiness and Rural Transformation Programme (SMART). The inception report on the project has already been submitted.

NICR will continue to build on the reputation of the Exchange as a parent organization, provide research reports to market and access consultancy and research projects on the commodities ecosystem. To prepare the next generation of young informed decision-makers, NICR will continue its focus on education on price risk management in partnership with reputed educational institutions across the country.

Rashtriya e Market Services Private Limited (ReMS)

Agricultural marketing has made notable progress over a period of time, however still not kept pace with change in times and therefore faces new challenges in terms of providing efficient market for marketable surplus of agricultural commodities. Compulsion to sell only in regulated market yards having limited infrastructure, a market loaded against the farmer, monopoly practices, restricted competition amongst buyers and a host of other unhealthy practices characterized the agricultural markets. This situation prompted the Government of Karnataka to take pioneering steps to modernize, revolutionize trading practices in Agricultural Produce Market Committee ('APMCs').

In order to restructure the agricultural marketing system in the state, Government of Karnataka stepped forward and formed Agriculture Market Reforms Committee (AMRC) in 2013 to put out a comprehensive roadmap for sustainable development of markets. The AMRC after detailed study submitted a Report of recommendations to Government of Karnataka for bringing Agricultural marketing reforms in the state. The recommendations of the Committee were accepted and Karnataka Agricultural Marketing Policy 2013 was framed by the Government of Karnataka.

To implement the recommendations enunciated in the Policy, a Special Purpose Vehicle was formed between Government of Karnataka and NeML and accordingly, ReMS was incorporated with equal equity capital from the Government and NeML, to lead an innovative path in the Agriculture markets. One of the cornerstones of this innovation is harnessing the advances made in the field of Information Technology and web-based interfaces for farmers' benefit. This innovation has benefited farmers with higher prices and also encouraged remote participation of traders.

During the seven years of its journey, ReMS has progressively introduced its Unified Market platform in all the 162 regulated markets and 32 sub-markets in the state for competitive price discovery of the produce brought by farmers to markets.

Cumulative quantity traded on the platform from inception to March 31, 2021 was 8.21 crore Metric tonnes and valued at ₹ 2,21,042 Crores.

Reforms introduced in markets has brought in:

- Enhanced transparent price discovery mechanism
- Increased competition with participation of outside traders and bulk-buyers
- Dissemination of real-time price and market arrivals information to help farmers, for taking informed decisions as to the time and price at which they would be able fetch better returns
- Enhanced Market Access
- Enhanced market efficiency and transparent documentation
- Quality awareness created among farmers

The following new initiatives were taken by ReMS during the FY 2020-21:

- Government of Karnataka has promulgated an Ordinance on May 16, 2020 amending the Karnataka Agricultural Produce Marketing (Regulation & Development) Act, 1966 allowing farmers to sell their produce anywhere of their choice. Due to this, commodity arrivals in to regulated markets have considerably reduced in the FY 2020-21. Further, the Government of Karnataka has also drastically reduced the transaction charges payable by markets to ReMS. In this background, the Company is trying to capture new areas for promoting its business. ReMS has recently tied up with NABARD for conducting on line trading of FPOs produce. ReMS is looking at other prospective businesses like providing the platform for trading organic produce & millets, horticultural produce as also conducting transactions of NAFED and Central Warehousing Corporation. By this way, ReMS is hopeful of garnering new businesses in the near future, for its growth.
- Interoperability between UMP & e-NAM platforms:

  The Unified Market Platform ('UMP') of ReMS is being operated for online transactions in agricultural markets of Karnataka, whereas agricultural markets outside the state are carrying out transactions through the e-NAM portal developed by GoI on the lines of the UMP model. In order to facilitate the produce of the state farmers to have a larger reach and more competition, a bridge software was developed for interoperability between the UMP and e-NAM platforms following the "Single

Sign on approach". After completion of integration and testing of Proof of Concept ('PoC'), two pilot transactions were successfully carried out between Hubballi APMC in Karnataka and Badepalli APMC in Telangana State and between Hubballi APMC in Karnataka and Kurnool APMC in Andhra Pradesh. Interoperability was launched by the Hon'ble Minister for Agriculture and Farmers Welfare, GoI on May 01, 2020.

Power Exchange India Limited (PXIL)

PXIL is one of the only two power exchanges operating in the country, wherein buyers and sellers transact on the Exchange for trading in electricity. In addition to trading of power, the PXIL platform is also utilized for trading in Renewable Energy Certificates ('RECs').

The trading in electricity on PXIL happens under two product categories: The first is the collective segment in which buyers and sellers submit their bids on a Day-Ahead basis for meeting their next day's power requirements and in Real Time Market ('RTM') for meeting power requirement for half-hour (30-minute) duration an hour prior to delivery. The auctions are conducted separately at pre-defined time periods, Day Ahead Market ('DAM') is single auction conducted between 10:00 to 12:00 hours, whereas, in case of RTM 48 separate auctions are conducted during even time blocks of each hour. The second product category is the Term-Ahead segment, in which electricity is traded bilaterally between buyer(s) and seller(s) for different delivery periods. The Term-Ahead segment comprises four products, viz. 24 × 7 Intra-Day, Day-Ahead Contingency, Week-Ahead and Any Day Products. During the FY 2020-21, Green Term Ahead Market (GTAM) Products were introduced from March 24, 2021 after receipt of CERC approval on March 19, 2021. In GTAM, the buyer(s) and seller(s) transact in Renewable energy, of both Solar and Non-Solar type, with the Renewable energy purchased by Buyer helping in meeting Renewal Power Obligation ('RPO') requirement of Buyer. PXIL introduced Intra Day and Any Day Products in GTAM segment.

In FY 2020-21, the market size of 79.65 Billion Units ('BUs') of the volumes traded on Power Exchanges increased by nearly 41% when compared to 56.45 BU in FY 2019-20. PXIL had trading volumes of 5.71 BUs an increase by nearly 121% when compared to FY 2019-20 transaction volume of 2.57 BUs, representing a market share of nearly 7.16% when compared to 4.6% in FY 2019-20. In the REC segment, transaction was suspended by Appellate Tribunal for Electricity ('APTEL') from July 24, 2020, thus only three (3) monthly sessions were conducted from April-2020 till June-2020 during the FY 2020-21. During these three sessions, the total number of RECs traded at PXIL was 2.24 Lakhs against market size of 9.21 Lakhs leading to market share of 24%. In FY 2019-20, the RECs transacted at PXIL was nearly 29 Lakhs in market size of 89.28 Lakhs leading to market share of 32%.

PXIL filed a petition with the Hon'ble Central Electricity Regulatory Commission, requesting for extension of time for meeting the net-worth criteria under CERC (Power Market) Regulations, 2010. The Hon'ble Commission, vide order dated April 24, 2019, provided additional time of two years from the date of Order for meeting the prescribed net-worth norms, and provided three years additional time from the date of issuance of Order to meet the shareholding norms. The Hon'ble Commission also relaxed provision of Regulation 19 (1) of CERC (Power Market) Regulations, 2010 regarding maximum shareholding of each of the promoter shareholders from 25% to 35% for a period of two years.

PXIL entered into a software supply and services agreement on February 28, 2019 for purchasing the P-NEST trading software from NeML, a subsidiary of NCDEX. After completion of 'User Acceptance Test' ('UAT') and three rounds of mock session with market participants, the new IT-based trading system PRATYAY (earlier P-NEST) was launched at 00:00 hrs on January 20, 2020.

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

The Exchange has in place a "Policy against Sexual Harassment" in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Exchange has also constituted Internal Complaints Committee in line with the requirements of the said Act.

The disclosures required to be given under the said Act are as follows:

1	Number of complaints of sexual harassment received in the year	Nil
2	Number of complaints disposed off during the year	Nil
3	Number of cases pending for more than 90 days	Nil
4	Nature of action taken by the employer	Nil

VIGIL MECHANISHM

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the principles of good governance, the Exchange has devised and implemented a vigil mechanism, in the form of "Whistle Blower Policy". The purpose of Whistle Blower Policy is to allow the Employees, Directors and/or others associated with the Exchange to freely communicate their concerns about illegal or unethical practices and to raise concerns about unacceptable improper practices being followed in the organization.

The Whistle Blower Policy is available on website of the Exchange at https://ncdex.com/about/disclosures

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position have occurred subsequent to the close of the Financial Year ended March 31, 2021 and the date of the report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURT OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the FY 2020-21, no significant and material order was passed by the regulators or courts or tribunals impacting the going concern status and the Exchange operations in future.

ALTERATION TO THE ARTICLES OF ASSOCIATION OF THE EXCHANGE

During the FY 2020-21, the Board of the Exchange at its meeting held on November 12, 2020 amended its Articles of Association (AOA) to ensure that the AOA are in conformity with the provisions of SECC Regulations, 2018 and relevant circulars issued thereunder by SEBI, subject to the approval of SEBI. SEBI vide its letter dated March 22, 2021 accorded its approval to the proposed amendments to the AOA.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Exchange has maintained adequate internal financial controls over financial reporting. These controls include:

i) recording of transactions in a manner that facilitates preparation of financial statements as per the Indian Accounting Standards (INDAS),

ii) maintaining records that in reasonable detail, fairly and accurately reflect the transactions of the Exchange,

iii) ensuring that all expenditure and income are as per approval of the management,

iv) providing reasonable assurance regarding prevention and timely detection of unauthorized acquisition, use or disposition of Company's assets that could have material impact on the financial statements of the Exchange.

These financial controls were operating effectively as of March 31, 2021.

RESOURCES COMMITTED TOWARDS STRENTHENING REGULATORY FUNCTIONS AND TOWARDS ENSURING COMPLIANCE WITH REGULATORY REQUIREMENTS

The Exchange being a recognized stock exchange is governed by SEBI. SEBI from time to time has issued various regulations and guidelines applicable to the Exchange. The Exchange ensures compliance with the same and aims to remain at the forefront by creating a precedent for others to follow, in terms of compliance by implementing the best governance practices and disclosures.

During the year under review, the Exchange's regulatory division comprised departments, details of which are given below, taking care of various critical aspects of regulatory compliances.

Each such department is headed by a senior official of the Exchange, reporting to the Managing Director & CEO, who reports to Board of Directors. The total salary cost paid to employees of the Regulatory department, during Financial Year 2020-21, was ₹ 8,86,07,782/-.

The employee count in Regulatory departments as on March 31, 2021 was as under-

Department	Employee Count
Membership & Compliance	12
Inspection & Enforcement	18
Investor Services Cell	4
Sub-Total 1	**34**
Market Watch	13
Sub-Total 2	**13**
Surveillance & Investigation	
Market Intelligence	4
Surveillance & Investigation	20
Sub-Total 3	**24**
Grand Total	**71**

STATUTORY DISCLOSURES

As per the Companies (Accounts) Rules, 2014, the details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

Conservation of Energy

The Exchange has initiated various measures for conserving energy, such as migration of Data Centre and installing digital UPS. The other ongoing measures for conserving energy undertaken by the Exchange include regular servicing, periodic maintenance of all electrical equipment and prompt switching off of equipment when not required.

Technology Absorption

The Exchange takes pride to announce that the uptime of the Trading system was 100%, and there were no outages during the year.

The Exchange, despite adding new segments, complex functionalities and implementing critical system upgradations such as launch of Index Futures, Options in Goods, upgrading of Nextra as well as upgradation of Trading system, has still managed to maintain the uptime of 100%.

Cloud based Member Mock Environment

To enable the members to test their front office as well as back office solution integration with the Exchange, a cloud based member mock testing environment was set up which could be accessed over the internet using secured VPN connectivity. This has reduced the TAT and the cost of connectivity for members to the test environment as they now do not need to have a dedicated MPLS link for the test environment.

Unannounced Live Trading from DR Site

During the year, the Exchange successfully completed the required changes to enable unannounced Live trading from the DR site. Members are now not required to carry out any changes at their end to connect and trade from the Exchange's DR site.

The Exchange has successfully conducted unannounced Live Trading from the DR site twice during the year where the members were not informed about the Exchange operating from the DR site.

Enablement of Work from Home Facility

In view of the COVID-19 Pandemic, the Business Continuity Management Committee authorized the Technology team for enablement of Work from Home to facilitate the users to carry out their critical and support functions from their homes. The Technology team enabled the WFH facility within two days with all the required security controls in place. This ensured that all the critical and support functions were enabled for work from home before the lockdown came into effect. This further ensured unhindered functioning of Trading Operations.

Launch of Futures on AGRIDEX

The Exchange received the required approvals from SEBI to launch futures contract on AGRIDEX. System readiness for the same was ensured well before the regulatory approvals. The Exchange successfully launched Futures on AGRIDEX, the first tradeable Agri-based futures Index in India, on May 26, 2020.

Upgrade of Trading System

During the year, the Exchange successfully upgraded its core Trading system. The project was initiated in April 2020 followed by the delivery of an upgraded system for testing in October 2020. Between October 2020 & February 2021 Exchange conducted a record 15 mock trading sessions, aggressive follow up with members and Computer-to-Computer Link (CTCL) vendors to ensure market readiness. The upgraded trading system, went live on February 22, 2021 and the 1st settlement happened on February 23, 2021, all these with ZERO issues.

This was a critical and complex change involving simultaneous changes in the entire trading landscape including all downstream systems, exchange trading front end, market data dissemination system as well as Market CTCLs at member's end.

With the upgrade, the Exchange can leverage some of the product enhancements, which are part of the new upgraded product. The latest version of the product is also compatible with the latest hardware technologies in the market, facilitating easier hardware upgrades and certifications. The consolidation of the Exchange's specific code base into the latest version of the product has also resulted in ease of maintenance and commercial benefits in terms of reduced maintenance cost.

Upgrade of NEXTRA platform

The Exchange successfully upgraded NEXTRA to the latest platform and rolled out version 3.19.2 that was compatible with the upgraded trading system. This was critical and involved upgradation of operating system, database as well as NEXTRA software platform. This has been achieved with continuous and sustained efforts for ensuring Market readiness and coordination with relevant stakeholders for a smooth and successful rollout.

Secured Communication Protocol for File transfers

The Exchange migrated all the existing communications between different applications of the Exchange from FTP to secured file transfer protocol (FTPS). This ensured further strengthening of security of the data in motion.

NCDEX Website Launch

The Exchange successfully launched a new NCDEX website with a refreshed look and feel in December 2020. The entire architecture is built on open source platform utilizing cloud infrastructure along with built in redundancy and disaster recovery capabilities. Hybrid Cloud is now an integral part of the Exchange Infrastructure. A few of the important advantages of cloud are as follows -

- Flexibility to scale instantly
- Reduced need of investing in high-end infrastructure
- Built in High Availability
- Reduce Deployment time and faster roll-out of applications

Shifting of Primary Datacenter

During the year, the Exchange has embarked on the journey of significantly upscaling its data center Infrastructure. With the decision to shift its primary data center to a professionally managed data center service provider, the Exchange will now be hosting its data center in the World's second largest, uptime certified Tier 4 data center.

The new data center is designed, implemented and operated in such a way that it offers an uptime guarantee of above 99.995%. It also provides advanced and automated fire detection, alarming, evacuation and extinguishing systems to limit the impact of fire and ensure business continuity. Furthermore, the data center is also compliant with National Fire Protection Association (NPFA) guidelines to minimize the possibility and effects of fire. It offers better Power Usage Effectiveness (PUE) thus resulting in lesser power consumed and thus reduction in power bills. It has multiple fibre and riser paths giving better redundancy and availability. Majority of the path is within the campus thus are more secure and easy to maintain. The hyper density of racks gives agility to upscale as well as downsize as per the requirement. It has multiple telecom operator availability as well as multi DG Sets for better redundancy against power outage.

Foreign Exchange Earnings and Outgo

During the year under review, there has been a foreign exchange inflow to the extent of ₹ 181 Lakhs. There has been foreign exchange outgo to the extent of ₹ 771 Lakhs on account of technology expenses, professional and consultation fees, travelling and other expenses.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Act with respect to Directors' Responsibility Statement, it is hereby confirmed:

a. that in the preparation of accounts for the Financial Year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. that the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Exchange at the end of the Financial Year and of the loss of the Exchange for that period;

c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Exchange and for preventing and detecting fraud and other irregularities;

d. that the Directors have prepared the accounts for the Financial Year ended March 31, 2021 on a 'going concern' basis.

e. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors express their gratitude for the support and advice received from SEBI, the Ministry of Finance and other ministries of the Government of India and various State Governments. The Directors also acknowledge the immense contribution made by the employees of the Exchange.

The Directors also acknowledge the service provided by software and hardware service providers, bankers to the Exchange, clearing and settlement banks, warehouse service providers, members and clients, grading and assaying agencies, the media both print and visual and all other service providers the Exchange has been working with.

By order of the Board of Directors

Arun Raste	Ashish Bahuguna
Managing Director & Chief Executive Officer	Public Interest Director
DIN: 08561128	DIN: 02224776

Place: Mumbai
Date: August 12, 2021

ANNEXURE 1

Annual Report on CSR activities

1. The CSR policy of the Exchange is aimed at actively contributing to the social and economic development of farmers by helping them gain better access to markets and in so doing build a better, sustainable way of life for rural communities.

   As a part of its CSR drive, the Exchange implements welfare measures that build farmer capability and trains them to become suave marketers, by helping them enhance the marketability of crops through knowledge in post-harvest crop management, cleaning and sorting produce and establishing supply-chain linkages.

   As per Section 135(5) of Companies Act, 2013, the Board of Directors of a Company shall ensure that the Company, in every financial year spends at least 2% (two percent) of average net profits of the Company made during 3 (three) immediately preceding financial years in pursuance to the CSR Policy. Since 2% of the average net profits had a negative balance, no funds were available for CSR for the FY 2020-21. Due to which the Exchange was not required to undertake any CSR activity in the FY 2020-21. However, the CSR Committee and the Board of the Exchange still decided to continue supporting farmers through their FPOs and resource institutions with such equipment empowering them to receive a higher price at the market. The CSR Committee and the Board voluntarily recommended an amount of ₹ 25 Lakhs for the distribution of Gravity Separator and Moisture Meter to various Farmer Producer Companies and resource institutions in Madhya Pradesh in the financial year 2020-21, even though it was not statutorily required. Since the expenditure of ₹ 25 Lakhs fell under the provisions of section 181 of the Companies Act, 2013, the Exchange obtained the approval of the Shareholders at its Annual General meeting held on September 25, 2020.

   During the FY 2020-21, the Exchange supported farmers through their FPOs and resource institutions with such equipment empowering them to receive a higher price at the market. The Exchange assisted 6 resource institutions with seed cleaning and grading machines in the state of Madhya Pradesh. A state where the Exchange has a strong portfolio of active FPCs that work under the guidance of organizations like Small Farmers Agribusiness Consortium (SFAC) and NABARD. Moreover, Madhya Pradesh is one of the prime states on the agricultural map of India. About 51% of the cultivators are marginal farmers (average holding 0.4 ha), accounting for only 11% of the cultivated area. About 20% of the farmers are small farmers with an average size of 1.5 ha accounting for 16% of the cultivated area. The 8 FPOs have a catchment area of 290 villages in 6 districts covering more than 20,000 acres and representing more than 6,500 farmer members including women farmers. These institutions are supported by either NABARD or SFAC.

   The Exchange earnestly believes that the CSR activities implemented during FY 2020-21 will make a sustainable impact in the lives of the connected farmers by empowering them towards a better revenue earning opportunities.

2. The Composition of CSR Committee as on March 31, 2021:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Srinath Srinivasan	Shareholder Director (Chairman of the Committee)	2	2
2.	Mr. Chaman Kumar	Public Interest Director	2	2
3.	Mr. Sunil Kumar*	Shareholder Director	2	2
4.	Mr. Vijay Kumar V.	Managing Director & CEO	2	2
5.	Mr. Manikumar S.*	Shareholder Director	NA	NA

**Mr. Sunil Kumar ceased to be a Shareholder Director of the Exchange with effect from December 21, 2020. Accordingly, he also ceased to be Member of the Committee. Further, Mr. Manikumar S. was inducted as a Member of the Committee with effect from December 22, 2020.*

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: https://ncdex.com/about/ncdex-overview

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Not Applicable

6. Average net profit of the Company as per section 135(5): ₹ (1,833) Lakhs

7. (a) Two percent of average net profit of the Company as per section 135(5): Not Applicable

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c): Nil

8. (a) CSR amount spent ~~or unspent~~ for the financial year: ₹25 Lakhs*****

   **Even though the Exchange was not statutorily required to spend any amount on CSR, the Exchange had voluntarily spent ₹ 25 Lakhs towards distribution of Gravity Separator and Moisture Meter to various Farmer Producer Companies and Resource Institutions in the financial year 2020-21, post approval of the shareholders under section 181 of the Companies Act, 2013.*

   (b) Details of CSR amount spent against ongoing projects for the financial year: Nil

   (c) Details of CSR amount spent against other than ongoing projects for the financial year: ₹25 lakhs*

   (d) Amount spent in Administrative Overheads: Nil

   (e) Amount spent on Impact Assessment, if applicable: Not Applicable

   (f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹25 lakhs*

   (g) Excess amount for set off, if any: Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

   (a) Date of creation or acquisition of the capital asset(s): Not Applicable

   (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable

   (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.: Not Applicable

   (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

By order of the Board of Directors

Arun Raste	**Srinath Srinivasan**
Managing Director & Chief Executive Officer	Chairman of CSR Committee
DIN: 08561128	DIN: 00107184

Place: Mumbai
Date: August 10, 2021

ANNEXURE 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2021

[*Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*]

To
The Members,
National Commodity & Derivatives Exchange Limited
1st Floor, Akruti Corporate Park,
Near G. E. Garden, L. B. S. Road,
Kanjurmarg (West), Mumbai 400078

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **National Commodity & Derivatives Exchange Limited** (hereinafter called as the "**Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms, returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2021 (hereinafter called as the '**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms, returns filed and other records maintained by the Company for the Financial Year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (**'the Act'**) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 **('SCRA')** and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment. (Overseas Direct Investment and External Commercial Borrowings are **(Not Applicable to the Company during the Audit Period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company during the Audit Period)**

(c) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

(d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; **(Not Applicable to the Company during the Audit Period)**

(h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period) and**

(j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period).**

Annexure 2 (Contd.)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations, 2018').

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with SECC Regulations, 2018 which is specifically applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and SECC Regulations, 2018.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period

(i) SEBI vide its letters dated May 23, 2019 and February 05, 2020 had directed the Exchange to freeze voting rights and restrict entitlement to any corporate benefits, including dividend over and above 5% of the paid up capital of the Company, of two shareholders, till compliance with 17(2) of SECC Regulations, 2018 or upto August 03, 2020. Accordingly, in order to give effect to said SEBI direction, the Company had freezed and restricted the voting rights and corporate benefits of the non-compliant shareholders over and above 5% of the paid up capital of the Company till compliance of shareholding with 17(2) of SECC Regulations, 2018 or upto August 3, 2020.

Subsequently, SEBI vide it's another email dated June 09, 2020, further extended the timelines for compliance till the Initial Public Offering of the Company. In case the two Shareholders are not able to offload their shareholding through Offer for Sale in the IPO, an additional time of three months' has been accorded to them for complying with the SECC Regulations, 2018. This extension is with the condition that the other directions shall remain in force till compliance of the SECC Regulations, 2018.

(ii) SEBI vide its email dated 14th May, 2020 had deduced that two shareholders of the Company were covered under the definition of Persons Acting in Concert and consequently, the total acquisition of shares by them would be 5.92% of the paid up share capital which was in violation of Regulation 17(2) of SECC Regulations, 2018. Subsequently, SEBI vide its letter dated March 22, 2021 attaching an order dated March 19, 2021 approved up to maximum of 5% holding of equity shares in the Company by the two shareholders as 'Persons Acting in Concert' and directed them to divest their shareholding in the Company in excess of 5% within 6 months from the date of the said order, in order to comply with regulation 17(2) of SECC Regulations, 2018.

For Makarand M. Joshi & Co.
Company Secretaries

Makarand M. Joshi

FCS No.: 5533
C P No.: 3662
PR: 640/2019
UDIN: F005533C000775137

Date: 12/08/2021
Place: Mumbai

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

NCDEX
Pragati ka Solid Exchange

'ANNEXURE A'

To
The Members,
National Commodity & Derivatives Exchange Limited
1st Floor, Akruti Corporate Park,
Near G. E. Garden, L. B. S. Road,
Kanjurmarg (West), Mumbai 400078

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Company Secretaries

Makarand M. Joshi

FCS No.: 5533
C P No.: 3662
PR: 640/2019
UDIN: F005533C000775137

Date: 12/08/2021
Place: Mumbai

ANNEXURE 3

INFORMATION PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No	Employee's Name	Designation	Remuneration received during the FY 2020-21	Nature of employment	Qualifications	Total Experience as on March 31, 2021	Date of commencement of employment	Age (Yrs)	Name of the previous employer
1	Mr. Vijay Kumar V.	Managing Director & CEO	1,63,23,145	Full Time	MBA, B.Tech	34 years	January 18, 2018	59	Sharp Mint Limited
2	Mr. Atul Roongta	Chief Financial Officer	1,39,37,140	Full Time	B. Com, CA	27 Years	July 03, 2017	50	Boi Axa Investment Managers Private Limited
3	Ms. Seema Pramod Nayak	Chief Compliance Officer	75,99,132	Full Time	MBA (Marketing)	21 years	October 10, 2016	47	National Stock Exchange of India Limited
4	Mr. Kapil Dev	Executive Vice President & Head-Business and Products	57,83,388	Full Time	MBA (Agri Business)	14 years	May 19, 2018	36	Glencore Limited
5	Mr. Hitesh Savla	Chief - Market Operations & Internal Controls	54,46,329	Full Time	CA	23 years	April 25, 2005	43	BSE Limited
6	Ms. Aditi Mukherjee	Executive Vice President & Head -Human Resources	51,66,046	Full Time	B.Sc, EPHRM,PGPM	21 years	September 18, 2019	46	Tata Steel Limited
7	Mr. Viral Davda	Executive Vice President & Head-Technology	51,11,100	Full Time	B. Com, PGDIT	18 years	December 29, 2008	41	Datamatics Limited
8	Mr. Aleen Mukherjee	Chief Operating Officer - NICR	49,92,355	Full Time	MSc (Agri)	26 years	December 18, 2009	52	IGNA Farms Ghana Limited
9	Mr. Avinash Mohan	Executive Vice President & Head-Surveillance & Investigation	48,45,233	Full Time	B.Com, MMS	21 years	May 17, 2005	43	National Stock Exchange of India Limited
10	Ms. Ramadevi Srinivasan	Executive Vice President & Head- Enterprise Risk & Governance	46,92,480	Full Time	IIB, CA	35 years	January 03, 2019	58	National Commodity & Derivatives Exchange Limited
11	Mr. Harish Kumar *	Senior Vice President & Company Secretary	38,98,120	Full Time	CS, LLB	14 years	March 12, 2019	44	Yes Bank Limited
12	Mr. Hoshi D. Bhagwagar*	Senior Vice President & Company Secretary	4,56,782	Full Time	CS, LLB	33 Years	February 17, 2021	56	Bombay Burmah Trading Corporation Limited

employed for part of the year.

Notes:

1. The above mentioned remuneration is exclusive of provision or payment made towards Gratuity.
2. The above mentioned remuneration is inclusive of Salary as per Provisions contained in Section 17(1) + Employer's PF contribution + NPS contribution + Motor Car Expense Reimbursement + Perquisite Value.
3. None of the employees mentioned above is holding equity shares in the Exchange within the meaning of Rule 5 (2) (iii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. None of the employees mentioned above are related to any of the Directors of the Exchange.
5. The above mentioned remuneration does not include 50% of Performance Based Incentive withheld as per SECC Regulations, 2018, as may be applicable.

Annexure 3 (Contd.)

INFORMATION REQUIRED UNDER REGULATION 27 (5) & (6) OF SECC REGULATIONS, 2018, FOR THE PERIOD FROM APRIL 01, 2020 TO MARCH 31, 2021.

Sr. No.	Name of Key Management Personnel	Designation	Compensation (₹)	Ratio of the Compensation of Key Management Personnel to median Compensation
1	Mr. Vijay Kumar V.	Managing Director & CEO	1,63,23,145	21.66
2	Mr. Atul Roongta	Chief Financial Officer	1,39,37,140	18.49
3	Ms. Seema Pramod Nayak	Chief Compliance Officer	75,99,132	10.08
4	Mr. Kapil Dev	Executive Vice President & Head - Business and Products	57,83,388	7.67
5	Mr. Hitesh Savla	Chief - Market Operations & Internal Controls	54,46,329	7.23
6	Ms. Aditi Mukherjee	Executive Vice President & Head - Human Resources	51,66,046	6.85
7	Mr. Viral Davda	Executive Vice President & Head - Technology	51,11,100	6.78
8	Mr. Avinash Mohan	Executive Vice President & Head - Surveillance & Investigation	48,45,233	6.43
9	Ms. Ramadevi Srinivasan	Executive Vice President & Head - Enterprise Risk & Governance	46,92,480	6.23
10	Mr. Harish Kumar* (upto March 08, 2021)	Senior Vice President & Company Secretary	38,98,120	5.17
11	Mr. Hoshi D. Bhagwagar* (with effect from February 17, 2021)	Senior Vice President & Company Secretary	4,56,782	0.61

** Employed for part of the year*

ANNEXURE 4

INFORMATION REQUIRED TO BE FURNISHED PURSUANT TO RULE 17 OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957

RULE 17 (1)(a) CHANGES IN RULES AND BYE-LAWS

No amendments were carried out to the Rules and Bye laws of the Exchange for the FY 2020-21.

RULE 17 (1)(b) CHANGES IN THE COMPOSITION OF THE GOVERNING BODY

1. Mr. Ravindra Kumar Roye ceased to be the Public Interest Director of the Exchange with effect from June 15, 2020.
2. Mr. Ashish Bahuguna was appointed as the Public Interest Director of the Exchange with effect from June 15, 2020.
3. Mr. Sunil Kumar ceased to be the Shareholder Director of the Exchange with effect from December 21, 2020.
4. Mr. Manikumar S. was appointed as the Shareholder Director of the Exchange with effect from December 21, 2020.

RULE 17 (1)(c) SUB-COMMITTEES SET UP, CHANGES IN THE COMPOSITION OF EXISTING ONES

The following are the Committees of the Exchange as on March 31, 2021:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Risk Management Committee
4. Technology Standing Committee
5. Public Interest Directors' Committee
6. Corporate Social Responsibility Committee
7. Regulatory Oversight Committee
8. Stakeholders Relationship Committee
9. Member and Core Settlement Guarantee Fund Committee
10. Advisory Committee
11. Business Strategy Committee
12. Capital Raising Committee
13. Farmer Engagement Group

Changes in the composition of the Committee

1. Audit Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Mr. Ravindra Kumar Roye	Mr. Chaman Kumar
2	Mr. Chaman Kumar	Mr. Ashish Bahuguna
3	Mr. Rakesh Kapur	Mr. Rakesh Kapur

*re-constituted w.e.f. June 15, 2020

2. Nomination and Remuneration Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Mr. Chaman Kumar	Mr. Ashish Bahuguna
2	Mr. Ravindra Kumar Roye	Dr. Purvi Mehta
3	Dr. Purvi Mehta	Mr. Chaman Kumar
4	Dr. Ashok Gulati	Mr. Prem Kumar Malhotra

*re-constituted w.e.f. January 15, 2021

3. Risk Management Committee

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Dr. Purvi Mehta	Dr. Purvi Mehta
2	Mr. Nirmalendu Jajodia	Mr. Nirmalendu Jajodia
3	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
4	Ms. Susan Thomas	Ms. Susan Thomas
5	Mr. Sanjeev Shukla	Mr. Sanjeev Shukla

4. Technology Standing Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Mr. Nirmalendu Jajodia	Mr. Nirmalendu Jajodia
2	Mr. Ravindra Kumar Roye	Mr. Chaman Kumar
3	Mr. Chaman Kumar	Mr. Ashish Bahuguna
4	Mr. Pravir Vohra	Mr. Pravir Vohra
5	Mr. Hemant Adarkar	Mr. Hemant Adarkar

*re-constituted w.e.f. June 15, 2020

5. Public Interest Directors' Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Mr. Ravindra Kumar Roye	Mr. Chaman Kumar
2	Dr. Purvi Mehta	Dr. Purvi Mehta
3	Mr. Chaman Kumar	Mr. Nirmalendu Jajodia
4	Mr. Nirmalendu Jajodia	Mr. Prem Kumar Malhotra
5	Mr. Prem Kumar Malhotra	Dr. Ashok Gulati
6	Dr. Ashok Gulati	Mr. Ashish Bahuguna

*re-constituted w.e.f. June 15, 2020

6. Corporate Social Responsibility Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Mr. Srinath Srinivasan	Mr. Srinath Srinivasan
2	Mr. Chaman Kumar	Mr. Chaman Kumar
3	Mr. Sunil Kumar	Mr. Manikumar S.
4	Mr. Vijay Kumar V.	Mr. Vijay Kumar V.

*re-constituted w.e.f. December 22, 2020

7. Regulatory Oversight Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
2	Mr. Ravindra Kumar Roye	Dr. Purvi Mehta
3	Dr. Purvi Mehta	Mr. Chaman Kumar
4	Mr. Nirmalendu Jajodia	Mr. Nirmalendu Jajodia
5	Mr. Ravinder Sachdev	Mr. Ravinder Sachdev

*re-constituted w.e.f. June 15, 2020

8. Stakeholders Relationship Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
2	Mr. Nirmalendu Jajodia	Mr. Nirmalendu Jajodia
3	Mr. Sunil Kumar	Mr. Manikumar S.

*re-constituted w.e.f. December 22, 2020

Annexure 4 (Contd.)

9. Member and Core Settlement Guarantee Fund Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Mr. Chaman Kumar	Mr. Chaman Kumar
2	Mr. Ravindra Kumar Roye	Mr. Prem Kumar Malhotra
3	Mr. Prem Kumar Malhotra	Mr. Ashish Bahuguna
4	Mr. Sampath Jagannathan	Mr. Sampath Jagannathan
5	Mr. Vijay Kumar V.	Mr. Vijay Kumar V.

*re-constituted w.e.f. June 15, 2020

10. Advisory Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Mr. Ravindra Kumar Roye	Mr. Chaman Kumar
2	Dr. Purvi Mehta	Dr. Purvi Mehta
3	Mr. Chaman Kumar	Mr. Nirmalendu Jajodia
4	Mr. Nirmalendu Jajodia	Mr. Ashish Bahuguna
5	Mr. D. K. Aggarwal – SMC Comtrade Limited	Mr. D. K. Aggarwal – SMC Comtrade Limited
6	Ms. Rajini Panicker – Philip Capital (India) Private Limited	Ms. Rajini Panicker – Philip Capital (India) Private Limited
7	Mr. Suresh Arora – Raghunandan Industries Private Limited	Mr. Ravikant Kanoongo – Hindustan Technosol Private Limited
8	Mr. Ravikant Kanoongo – Hindustan Technosol Private Limited	Mr. Sunil Katke – Axis Securities Limited
9	Mr. Sunil Katke – Axis Securities Limited	Mr. Kapil Mittal – Raghunandan Industries Private Limited

*re-constituted w.e.f. February 12, 2021

11. Business Strategy Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Mr. Rakesh Kapur	Mr. Rakesh Kapur
2	Mr. Ravindra Kumar Roye	Mr. Chaman Kumar
3	Dr. Ashok Gulati	Dr. Ashok Gulati
4	Mr. Srinath Srinivasan	Mr. Srinath Srinivasan
5	Mr. Sunil Kumar	Mr. Manikumar S.
6	Mr. Vijay Kumar V.	Mr. Vijay Kumar V.

*re-constituted w.e.f. December 22, 2020

12. Capital Raising Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Mr. Srinath Srinivasan	Mr. Srinath Srinivasan
2	Mr. Ravindra Kumar Roye	Mr. Chaman Kumar
3	Mr. Rakesh Kapur	Mr. Ashish Bahuguna
4	Mr. B. Venugopal	Mr. Rakesh Kapur
5	Mr. Sunil Kumar	Mr. B. Venugopal
6	Mr. Vijay Kumar V.	Mr. Manikumar S.
7	----	Mr. Vijay Kumar V.

*re-constituted w.e.f. December 22, 2020

13. Farmer Engagement Group*

Sr. No.	MEMBERS AS ON MARCH 31, 2020	MEMBERS AS ON MARCH 31, 2021
1	Mr. Sunil Kumar	Mr. Manikumar S.
2	Mr. Ravindra Kumar Roye	Dr. Purvi Mehta
3	Dr. Purvi Mehta	Mr. Chaman Kumar
4	Dr. Ashok Gulati	Dr. Ashok Gulati
5	Mr. Rakesh Kapur	Mr. Rakesh Kapur
6	Mr. Rohtash Mal	Mr. Rohtash Mal
7	Mr. Srinivas Rao	Mr. Srinivas Rao
8	Mr. Rajesh Kumar Sinha	Mr. Vijay Kumar V.
9	Mr. Vijay Kumar V.	---

*re-constituted w.e.f December 22, 2020

RULE 17 (1)(d) ADMISSIONS, RE-ADMISSIONS, DEATHS OR RESIGNATIONS OF MEMBERS

Details for FY 2020-21 are given below:

	Total	Trading cum Clearing Member (TCM)	Trading Member (TM)	Strategic Trading cum Clearing Member (STCM)
Members as on March 31, 2020	375	151	218	6
Surrendered/Expelled/Defaulter/ Ceased during the year	22	8	14	0
New members added	4	1	3	0
Members as on March 31, 2021	357	137*	214*	6

*9 members converted from TCM to TM and 2 members converted from TM to TCM

RULE 17 (1)(e) DETAILS OF DISCIPLINARY ACTION TAKEN AGAINST MEMBERS

The Exchange has imposed fines/penalties on members and taken other disciplinary actions (viz. expelled and declared the concerned member(s) as defaulter) for violation of Rules, Bye Laws, Regulations/ Circulars issued by the Exchange/ pursuant to SEBI directives.

RULE 17 (1)(f) ARBITRATION OF DISPUTES (NATURE AND NUMBER) BETWEEN MEMBERS AND NON-MEMBERS

I) Status of Arbitration of cases for the year 2020-21:

1	**Type of cases – Arbitration**	
	1) Non payment of dues by clients	
	2) Non refund of money by Member	
2	Number of cases referred for arbitration	21 + 20 cases carried forward from last FY 2019-20
3	Number of Cases of non payment of dues by clients	37
4	Number of Cases of non refund of money by Member	4
5	Number of Cases in which Award is passed in Arbitration	37
6	Number of Cases in which case is withdrawn before Award	1
7	Number of Cases in progress on March 31, 2021 in Arbitration	3

Annexure 4 (Contd.)

II) Status of Appellate Arbitration of cases for the year 2020-21:

1	**Type of cases – Appellate Arbitration**	
	1) Non payment of dues by clients	
	2) Non refund of money by Member	
2	Number of cases referred for Appellate arbitration	3 + 2 cases carried forward from last FY 2019-20
3	Number of Cases of Non payment of dues by clients	0
4	Number of Cases of Non refund of money by Members	0
5	Number of Cases in which Award is passed	2
6	Number of Cases in which case is withdrawn before Award	0
7	Number of Cases in progress on March 31, 2021 in Appellate Arbitration	3*

*3 Appeals filed by Clients for setting aside/expunge of Awards passed against Clients in the Arbitration mechanism of the Exchange

RULE 17 (1)(g) DEFAULTS COMMITTED BY MEMBERS

Expiry Month	Symbol	Shortages	Unit
Apr-20	BARLEYJPR	10	MT
May-20	MAIZE	20	MT
May-20	SYBEANIDR	20	MT
May-20	TMCFGRNZM	50	MT
Jun-20	BARLEYJPR	10	MT
Jun-20	RMSEED	10	MT
Jun-20	TMCFGRNZM	155	MT
Jul-20	TMCFGRNZM	10	MT
Aug-20	RMSEED	680	MT
Aug-20	TMCFGRNZM	15	MT
Sep-20	COCUDAKL	20	MT
Sep-20	MAIZE	200	MT
Sep-20	SYBEANIDR	5	MT
Sep-20	TMCFGRNZM	175	MT
Oct-20	GUARSEED10	10	MT
Nov-20	RMSEED	40	MT
Jan-21	CHANA	70	MT
Jan-21	GUR	30	MT
Feb-21	GUARSEED10	5	MT
Feb-21	SYBEANIDR	10	MT
Mar-21	SYBEANIDR	80	MT

RULE 17 (1)(h) ACTION TAKEN TO COMBAT ANY EMERGENCY IN TRADE

There was no incident of any emergency in trade during the Financial Year 2020-21.

RULE 17 (1)(i) SECURITIES LISTED AND DE-LISTED

Not Applicable

RULE 17 (1)(j) SECURITIES BROUGHT ON OR REMOVED FROM THE FORWARD LIST

Not Applicable

ANNEXURE 5

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Amount in Lakhs)

Name of the subsidiary	NCDEX e Markets Limited (Consolidated)	National Commodity Clearing Limited	National E-Repository Limited	NCDEX Institute of Commodity Markets and Research
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.	N.A.	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	N.A.	N.A.	N.A.
Share capital	3,553	12,125	8,100	207
Other Equity	3,291	10,573	(1,731)	(219)
Total Liabilities	16,787	28,830	1,062	54
Total Assets	23,632	51,528	7,431	42
Investments (including Fixed deposits)	15,805	46,739	3,477	-
Turnover (Revenue from operations)	5,855	1,200	547	116
Profit before taxation	1,501	(70)	(730)	(19)
Provision for taxation	469	(15)	(183)	-
Profit after taxation	1,032	(55)	(546)	(19)
Other Comprehensive Income	(14)	(0)	(2)	-
Total Comprehensive Income	1,018	(55)	(544)	(19)
Proposed Dividend	-	-	-	-
% of shareholding	99.89%	100%	67.22%	100%

Notes:

The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: None
2. Names of subsidiaries which have been liquidated or sold during the year: None

Annexure 5 (Contd.)

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014, related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Power Exchange India Limited
1. Latest audited Balance Sheet date	March 31, 2021
2. Shares of Associate/Joint Ventures held by the Company on the year end	
No.	Equity shares - 2,00,00,000 Preference shares – NIL
Amount of Investment in Associates/Joint Venture	Equity shares - 200,000,000 Preference shares – NIL
Extent of Holding %	Equity shareholding - 34.21 % Preference shareholding – NIL
3. Description of how there is significant influence	Significant influence is due to equity shareholding which is more than 20% of the total paid up share capital.
4. Reason why the associate/joint venture is not consolidated	Not applicable Consolidation as per Equity method as prescribed under Ind AS 28
5. Networth attributable to Shareholding as per latest audited Balance Sheet (Exchange Share of Net Worth)	₹ 1,112 Lakhs (Audited figure as on March 31, 2021)
6. Profit / Loss for the year	Audited figure as on March 31, 2021 Profit/Loss for the year after Tax is ₹ 891 Lakhs (Exchange's share of profit after tax is ₹ 305 Lakhs)
i. Considered in Consolidation	₹ 305 Lakhs (Exchange share of profit)
ii. Not Considered in Consolidation	NIL

1. Names of associates or joint ventures which are yet to commence operations: None
2. Names of associates or joint ventures which have been liquidated or sold during the year: None

By order of the Board of Directors

Arun Raste
Managing Director & Chief Executive Officer
DIN: 08561128

Ashish Bahuguna
Public Interest Director
DIN: 02224776

Place: Mumbai
Date: August 12, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Government initiatives helped mitigate the COVID-19 pandemic led economic crisis to certain extent

The financial year started with Novel Coronavirus (COVID-19) pandemic, leading to the worst global economic crisis since the Great Depression of the 1930s. Hardly any country has been spared from the brunt of it. In the absence of any cure for the disease, most countries have followed strict lockdowns and social distancing to contain the spread of the virus that has curtailed the movement of people, disrupted the manufacturing and supply chains across the sectors, and sharply reduced the demand for energy and other commodities. It has severely affected consumption, investment, trade and employment across the globe. The economic impact of the pandemic will take a long time to mitigate.

In India, APMC mandis across the country remained closed for several weeks initially when lockdown was imposed and later, farmers themselves shied away from visiting mandis amidst fear of getting infections. However, government later allowed direct purchase from farmers that facilitated traders, large buyers and processors to conduct agricultural trade smoothly. Backed by abundant farm produce and government initiatives, procurements, PDS offtake, warehouse stocks, and export of food grains hit highs in the current fiscal. The government procurement and distribution of food grains through PDS too reached the levels not seen before.

During the nationwide lockdown, the government launched Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY). Under this, nearly 800 million beneficiaries under the National Food Security Act, 2013 (NFSA) were provided with an extra 5 kg grain per month free for April-November 2020, translating into an additional allocation of over 32 million tonnes.

GDP Performance during 2020-21

The COVID-19 also caused one of the worst quarterly contractions in Gross Domestic Product (GDP) since India started reporting GDP data in 1996. Amid a nationwide lockdown in 2020, the economy saw a contraction of 24.4% in the first quarter (April-June) followed by a contraction of 8% in the second quarter (July-September). The GDP started improving from third quarter with unlocking in the economy, posting a positive growth of 0.4% and 1.6%, respectively, in the third and fourth quarters of the financial year. The overall GDP growth for the FY 2020-21 remained at -7.3% as compared to 4.0% in FY 2019-20.

The stringent lockdown measures, which put a huge dent on the economy, caused all sectors, apart from agriculture to suffer huge losses. The resilience of agriculture in the face of adversities made it the only sector to have clocked a positive growth of 3.4% at constant prices in FY 2020-21. The share of agriculture in GDP has reached almost 20% for the first time in the last 17 years, making it the sole bright spot in GDP performance during FY 2020-21. According to the Economic Survey 2020-2021, the share of agriculture in GDP increased to 19.9% in 2020-21 from 17.8% in FY 2019-20.

Record Agricultural Production

The impact of the good monsoon reflected in the production of cereals this year. According to the second advance estimates of agricultural production, food grains production in FY 2020-21 was estimated at record levels of 303.3 million tonnes as against 297.5 million tonnes in 2019-20. This can be attributed to the record crop in rice, wheat, maize and pulses. Rice production is estimated at 120.3 million tonnes in the FY 2020-21 as against 118.8 million tonnes in the previous year, wheat output seen at 109.2 million tonnes from 107.8 million tonnes in the previous year, and pulses output is projected at 24.4 million tonnes compared with 23.0 million tonnes a year ago.

Further, oilseeds production is estimated at 37.3 million tonnes this year compared to 33.2 million tonnes last year and sugarcane pegged at 397.6 million tonnes from 370.5 million tonnes. Cotton output is predicted to increase to 36.5 million bales (170kg each) from the 36.0 million bales last year.

Farm Laws 2020

The government, under the Aatma Nirbhar Bharat Abhiyan, brought three new bills to transform the agricultural marketing and were enacted by the Indian Parliament during its monsoon session. The three Acts, namely, the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020; Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020; and the Essential Commodities (Amendment) Act, 2020 are meant to attract private corporate investments in agricultural ecosystem to make it lucrative for farmers. The idea behind the same is that when corporates and exporters directly engage with farmers, it will incentivize corporates to invest in the agricultural ecosystem and give farmers better access to markets, infrastructure and modern technology.

These laws allow farmers to sell their produce even outside of AMPC mandis, within or outside of the state, exempting traders from the need for license to purchase agricultural produce from farmers in the trade area outside the APMC mandi, and dispute settlement within 30 days, etc. among others. However, farmers in few states have had some apprehensions about these laws and the Supreme court, on January 12, 2021, stayed the implementation of the Farm Acts, 2020 and appointed a committee to look into farmer grievances related to the farm laws.

Union Budget 2021-22

Focusing on the idea of Aatma Nirbhar Bharat, the Union Budget 2021-22 was presented in the digital format for the first time in the history. The Budget was based on six pillars - Health and well-being, Physical and financial capital and infrastructure, Inclusive development for aspirational India, Reinvigorating Human Capital, Innovation and R&D, and 'Minimum Government, Maximum Governance'.

The Centre allocated a massive ₹ 20-Lakhs crore Aatma Nirbhar Bharat Abhiyan equaling 10% of the national GDP to boost the ailing economy. Agriculture sector received a major boost in the Aatma Nirbhar Bharat package for creation of long term infrastructure and bringing marketing reforms.

The budget continued to focus on improving the farm gate infrastructure like warehousing, cold chains, post-harvest management infrastructure, dairy infrastructure along with investment in cattle feed, beekeeping and herbal and medicinal plants, bringing APMC under Agriculture Infrastructure Fund among others. The Budget also proposed agriculture infrastructure development cess. Further, farm credit target was increased to ₹ 16.5 Lakhs crore in FY 2021-22 against the target of ₹ 15 Lakhs crore in FY 2020-21. Focus will be to increase credit flows to animal husbandry, dairy, and fisheries. These initiatives were intended to improve the demand in the rural sector which will act as a growth engine for the whole economy.

Opportunities and threats for the FY 2020–21

The FY 2020-21 began amidst an unprecedented scenario that required new normals for operating businesses. Agricultural sector and agri businesses were impacted by supply chain disruptions but recouped by the second and the third quarter of FY 2020-21.

The Exchange is the financial indicator for the agricultural sector and has also exhibited the same resilience as the physical markets. Supply and logistic disruptions forced a slow start to the rabi season in Quarter I FY 2020-21 but after the unlock, the physical market operations have been restored to a large extent. Further, the arrivals in the Kharif season have also been normalized resulting in better volumes in major kharif crops. The overall deposits on the Exchange have gone up by 45% on account of a good kharif crop and a spill over effect of delays in the previous two quarters on account of supply chain disruptions during the COVID-19 lockdown conditions.

The Exchange has maintained its leadership position in agri futures trading in the country, with a market share of 75 percent, both in volume and open interest. The physical markets play a significant role in the agri derivatives segment, and while the pandemic situation was challenging, the Exchange followed a strategic path and achieved a number of milestones.

The overall products offerings were enhanced by not only attempting to complete few verticals like Soyabean Complex with the launch of Hi–Pro Soyabean meal but also entering the non agri segment with the launch of Steel Long. Structured agri derivative products were introduced for the first time by the Exchange with the launch of AGRIDEX, which is a return based tradeable commodity index. Relaunch of Gur marked the presence of the Exchange in the sweetener category.

Wider product offerings attracted institutional participation on the Exchange and the year witnessed participation from the mutual fund segment for the first time. This development has reinforced agri commodity derivatives as an asset class and recognized the Exchange as a relevant platform for the same.

Technology enhancements have been a key focus area throughout 2020 and the Exchange ensured a smooth trading experience even during challenging times. Our trading engine was completely revamped along with upgradation of our front end product NEXTRA to enhance investor experience. As organizations move to more professionally managed data centres, the Exchange is in the process of relocating its on-site data centre as well. The Exchange enabled a cloud based test environment for Exchange members, empowering them with a facility that is available at any point of time instead of waiting for mock sessions.

The farmers are at the heart of the Exchange – enabling and equipping them to manage their price risk has been a key target. In association with SEBI, the Exchange launched the options familiarization program that received participation from 43 FPOs and involved 3100 MT of trade in Chana & RM Seed.

Under this program the SEBI regulatory fees was channelized towards subsidizing premium for the FPOs which equipped these FPOs to manage their price risk efficiently.

Our overall engagement and penetration with the farmers has increased with a total of 884,546 farmers associated with 135 FPOs using the Exchange platform to manage their price risk.

The risk infrastructure was completely overhauled in the last financial year with initial margin thresholds enhanced and various margins like concentration margin and event based additional surveillance margin were balanced to offer participants a safe trading environment.

Stepping into the next financial year the Exchange continues on a path to enhance technology by offering a spread engine based on implied in and out. Product enhancements in agri and non agri baskets will make the platform more versatile in the year ahead. Long awaited addition to indices basket in the form of sectoral indices are expected to attract new sets of participants in financial year 2021. Agri commodity derivatives will now be permitted to observe an enhanced daily price limit. As the Exchange moves along it wishes to make this journey more growth oriented and mutually rewarding for its stakeholders.

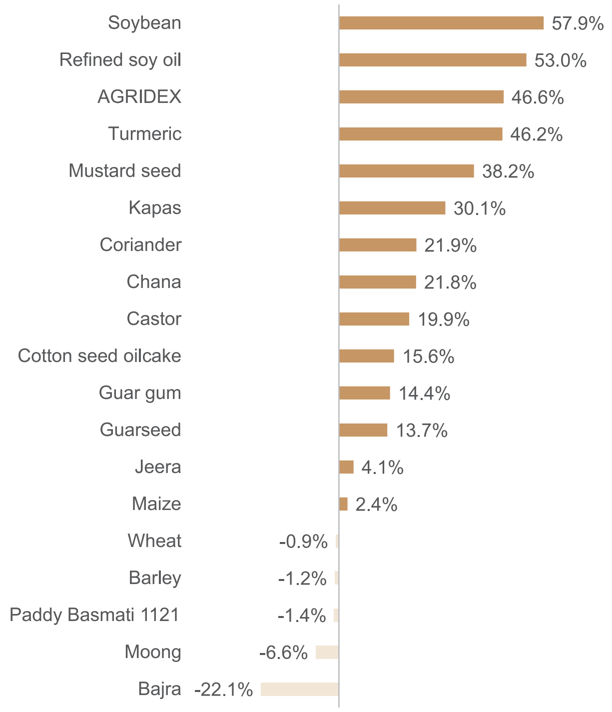
SEGMENT-WISE, PRODUCT-WISE PERFORMANCE

In FY 2020-21, commodity markets, especially the supply chains, were buffeted by COVID-19 led uncertainties and risks. The pandemic outbreak and extended lockdowns caused commodity prices to plunge initially, however they recovered later, backed by the global economic rebound and improved growth prospects and also due to easing of logistical bottlenecks. The vaccination campaigns across the globe and stronger than expected global growth have buoyed commodity prices. Crude oil prices rebounded from record lows reached during the pandemic, supported by a rapid global economic recovery and continued production cuts by the Organization of the Petroleum Exporting Countries (OPEC) and its partners. Demand is expected to remain firm over 2021 as vaccines become widely available, pandemic restrictions are eased, and the global recovery is sustained. Agricultural and food prices have risen substantially this year due to supply shortfalls in South America and strong demand from China.

However, the outlook is heavily dependent on progress in containing the COVID-19 pandemic as well as policy support measures in advanced economies and production decisions in major commodity producers.

On the domestic front, almost all agri-commodities gained significantly led by edible oil complex, especially Soybean and Refined soy oil that soared over 50% this fiscal. A commodity wise performance (based on the Futures prices) of major commodities during FY 2020-21 is given in the chart below:

Agricultural Commodites Price Performance - FY 2020-21

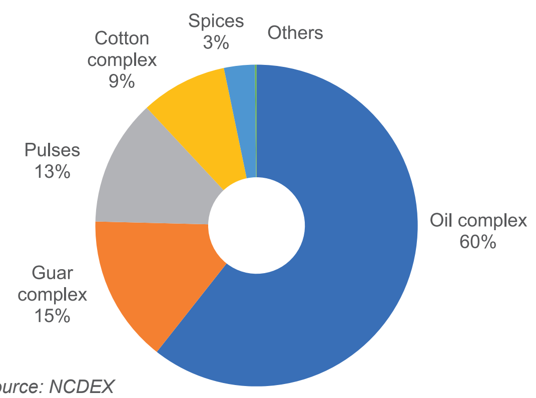


Source: NCDEX

Turnover of Top Five Commodities during FY 2020-21

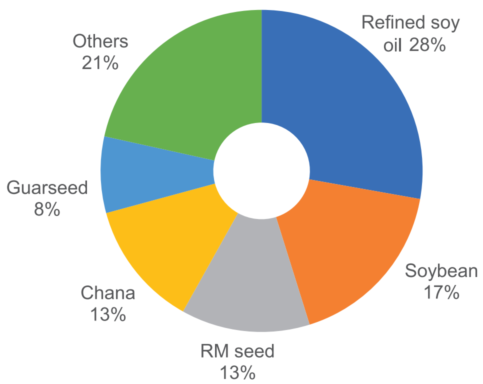
COVID-19 pandemic led to disruption in most of the economic activities. The Exchange turnover was also affected adversely. The Exchange witnessed an average daily turnover of around ₹ 1,270 crore in FY 2020-21, down by around 29% from around ₹ 1,789 crore during FY 2019-20. With 60% share, the edible oil complex held the largest share in total turnover during the fiscal. Guar complex contributed 15% to the total turnover followed by pulses and cotton. Among individual commodities, refined soy oil had the highest share of 28%, followed by soybean (17%), RM seed (13%) and chana (13%). Other major contributors to the turnover were guarseed, guar gum, cotton seed oilcake, castor and kapas. The segment-wise performance of commodities traded at the Exchange was as follows:

Per cent share of commodity groups in turnover during FY 2020-21



Source: NCDEX

Turnover of top 5 commodities during FY 2020-21



Source: NCDEX

Oil & Oilseeds Complex

Backed by the US President Biden's call for the U.S. to cut carbon-emission levels in half by 2030, the demand for soy oil is likely to rise, from the biofuels industry. The U.S. Agriculture Department estimates the biofuels sector to consume 9.5 billion pounds of soybean oil in the 2020-21 marketing year. This can increase further in coming fiscal. The enthusiasm for this new generation of renewable fuels pushed the soy complex prices up during the year. In Southeast Asia, coronavirus-related labour shortages have reduced production of palm oil and its stocks world-wide are at their lowest level in last four years. This has also been a major factor pushing vegetable-oil prices higher.

On NCDEX, the edible oil complex has seen a robust performance contributing 60% to the turnover and Soybean remained the second largest contributor (17% share) to the overall turnover in value terms during FY 2020-21. The turnover value of Refined soy oil increased significantly by around 48% during the year as compared to the previous year. Mustard seed also witnessed steep increase of 54% in turnover value this year. However, the peak open interest of Soybean (3.08 Lakhs tonnes) and Refined soy oil (0.8 Lakhs tonnes) were down by 15% and 30%, respectively, as compared to peak open interest during the previous year.

The Exchange diversified the edible oil complex basket with the launch of two new contracts namely Sesame seed and Soybean meal under the segment. India is a major exporter of Sesame seeds and the launch of this contract will provide an appropriate instrument and an additional asset for trading and price risk management for the stakeholders. Further, the launch of Hi-Pro soybean meal contract could serve the soybean processing industry as the most cost-effective tool to manage price risks in local currency in the extremely volatile domestic and international markets.

Cereals, Pulses and Cotton Complex

Among cereals, wheat production is estimated at a record of over 108 million tonnes in FY 2020-21. Maize production is also at all-time high of over 30 million tonnes. Pulses production is also targeted at a record high of over 25.6 million tonnes in FY 2020-21. However, COVID-19 led disruption weighed on the Exchange turnover and both, the cereals and pulses witnessed a downfall in turnover value by 90% and 15%, respectively.

Record procurement of food grains by the Government during FY 2020-21 supported farmers during the challenging period of COVID-19 pandemic. While the spike in off take is an outcome of the pandemic, free food has undoubtedly been the single biggest relief measure for the worst affected from the economic disruptions.

India is one of the largest producer of cotton accounting for about 26% of the world production. The country is expected to produce 371 Lakhs bales (170 kg each) of cotton in FY 2020-21 as against 365 Lakhs bales during previous year. In cotton complex, while turnover of kapas declined by 34%, peak open interest of cotton seed oilcake was up by 24% during the fiscal.

Guar and Spices

With around 15% share, guar complex remained the second largest contributor to the total turnover of the Exchange during FY 2020-21. However, both the turnover and peak open interest declined during this fiscal as compared to the previous year.

Spices contributed around 3% to the Exchange turnover during the year. Turmeric contributed 45% of the turnover within the group followed by Jeera (32%) and Coriander (23%). The pandemic led disruptions resulted in decline of turnover as well as peak open interest of all the spices during the fiscal as compared with previous year.

Metals

India is on the cusp of an exponential growth in infrastructure sector due to government impetus on making the country a USD5-trillion economy in the coming years. As a result, the consumption of steel is likely to see a significant increase. In order to provide stakeholders a reliable and transparent risk management tool to hedge against volatile prices, the Exchange re-launched steel long contract with basis centre at mandi Gobindgarh, Punjab. The contract is slowly and steadily gaining the acceptance in the market.

OUTLOOK

The country had been witnessing a pre-pandemic slowdown, and the COVID-19 pandemic magnified pre-existing risks to India's economic outlook. Commodity markets across the world have been affected by the historical sudden disruption in economic activities. In order to boost the economy, the government announced an overall economic stimulus package worth ₹ 20 Lakhs crore (USD280 billion) in May 2020. By July 2020, a number of economic indicators showed signs of rebound and recovery. Further, in October and November, the government announced two more economic stimulus packages, bringing the total economic stimulus to ₹ 29.87 Lakhs crore (USD420 billion), under the Atmanirbhar Bharat Abhiyan.

Although the Indian economy continues to wrestle with the second wave of the pandemic, the speed and scale of vaccination will shape the path of recovery. While the recent spike in infections and the imminent threat of delta variant might pose some challenge, several sectors such as agriculture and contactless services have shown resilience. Further, the country is expected to benefit from policy support including higher spending on building assets and infrastructure, rural development, health, coupled with a stronger-than expected recovery in services and manufacturing and surge in industrial production and exports would augment the recovery path.

RISK AND CONCERNS

The Exchange business is largely dependent on strong fundamentals in the economy particularly in the Agri-sector. Adverse economic conditions including market trends and other factors beyond our control could have an adverse impact on our business, financial condition and results of operations. Our Risk Management Framework recognizes this as a business or strategic risk and the management is working on strategic business plans under the overall guidance of the Board of Directors and the Business Strategy Committee. The Exchange operations are almost entirely technology-driven and our systems require continuous upgrading and technology costs form a significant portion of total costs for the Exchange. The Exchange operates in a highly regulated environment and increase in compliance and regulatory costs are beyond its control. Further, as the Exchange operates predominantly in the agri space, the Exchange is vulnerable to changes in Government policies that could significantly affect trading volumes. However, the Exchange is actively working with Government agencies to bring about the development of commodity markets in general, which in turn would have a favourable impact on the Exchange business.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Exchange has an Internal Control Framework commensurate with the size and nature of operations. Its internal control procedures and processes are designed to comply with industry best practices and to ensure compliance with applicable statutory and legal requirements. The Audit Committee of the Exchange, which is a sub-committee of the Board of Directors, has oversight on the Internal Control Framework. The Exchange has appointed an independent third party firm of chartered accountants as its internal auditors to review the effectiveness of the internal control systems and submit its observations, if any, to the Audit Committee of the Board. The scope of the internal audit function includes not only compliance with applicable regulatory and statutory framework, but also comments / suggestions to improve process efficiencies. As such, the internal auditors review the operational processes in various departments of the Exchange and carry out the internal audit of the financial reporting function. The Audit Committee periodically reviews the reports of the internal auditors along with the management responses on

Management Discussion and Analysis Report (Contd.)

observations / suggestions made by the auditors. The Audit Committee also periodically meets the internal auditors and statutory auditors to review the adequacy of the internal controls in the Exchange.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED

Human Resource

The Exchange is an organization with strong values, aligned to its mission and strategy. The human resources strategy of the Exchange is deployed through the various policies and processes and are periodically reviewed on the basis of overall business goals, employee feedback and benchmarking exercise undertaken from time to time.

Workforce Demographics

The Exchange is an equal-opportunity employer and hires talent with strong domain and industry knowledge, through diverse sourcing channels. As on March 31, 2021, the Exchange workforce of 202 comprises majorly Generation X, with a healthy female gender ratio. Employees of the Exchange are all skilled and largely qualified professionals like CA/CS/MBA/BE/B.Tech and PG.

Gender Diversity

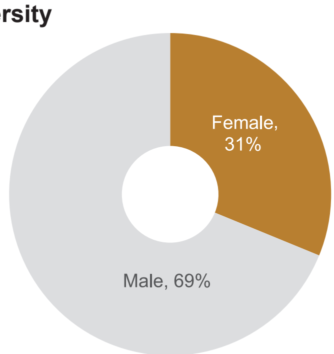


Fig. 3a: Gender diversity percentage at the Exchange

Generational Diversity

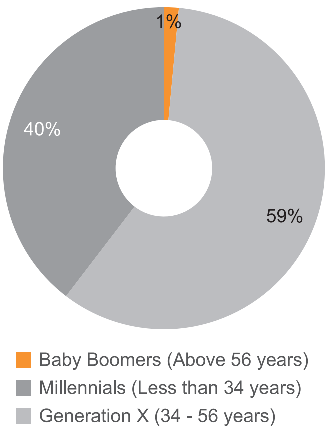


Fig. 3b: Generational diversity percentage at the Exchange

The workforce of the Exchange comprises mostly professionals and skilled manpower. The break-up of our full-time employees is as shown in the chart.

Educational Diversity

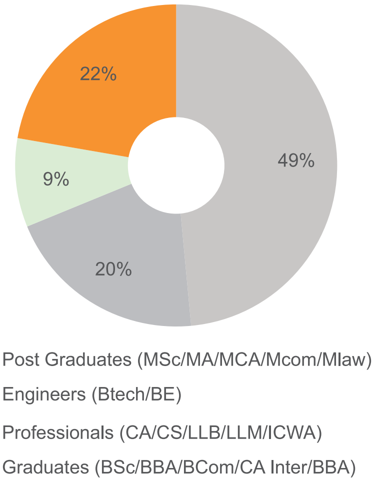


Fig. 3c: Break up of education diversity among full-time employees at the Exchange

Recruitment

The Exchange employs people, keeping in focus, the skill needs of the organization. These skill requirements include high technology orientation, diverse product domain expertise in agriculture and operational knowledge in similar sectors or various segments of the financial sector, with requisite or analogous work background.

The Exchange has a well-documented framework and process driven approach towards recruitment and on-boarding. The Exchange encourages referral programmes and internal job postings to fulfil our junior to middle-level talent needs. Exchange has a high focus on Campus hiring with the objective of building an academic partnership with agri business education institutions in India. The Exchange recruited 8 Management Trainees (Full Time Employee) and 12 Project Interns across functions from various institutes. Online tests were introduced in the recruitment process for certain levels/job roles to supplement interview based assessment, thereby enhancing quality of talent intake.

Our senior management hiring process is guided by the recruitment policy approved by the Nomination and Remuneration Committee of the Exchange. All new joiners undergo a week-long induction program for better assimilation of the organization's culture and understanding of the business.

This year due to COVID pandemic, the on-boarding and induction process has been made virtual.

The Exchange has outsourced routine jobs while retaining strategic and critical activities in-house. To the extent feasible, routine tasks are being continuously automated. Primarily in the technology department, there is a mix of in sourcing and outsourcing. The Exchange constantly fine-tunes this mix to improve organizational efficiency.

The number of employees, as on March 31, 2021 was 202. The breakup of employees in the Exchange is, as under:

Group/Department	Number of Employees	
	As on March 31, 2020	As on March 31, 2021
Business Group	39	44
Quant and Market structure	8	4
Farmer Producer Organization	5	5
Corporate Office	2	2
Corporate Services	29	26
Enterprise Risk and Governance	7	6
Human Resources	6	6
NICR	4	3
Regulatory Group	72	71
Technology	30	35
Total	**202**	**202**

Table 4: Break-up of the number of employees at the Exchange

HR Policies and Framework

The Exchange has clearly defined policies for all key HR functions, Code of Conduct guidelines, Whistle-blower Policy, Policy on Statutory Training Programmes, Succession Plan policy and a framework for disciplinary processes. These policies are made available to employees through online access to HRIS. These policies provide requisite knowledge to take informed decisions.

Occupational Health and Safety

The HR policies of the Exchange cover a wide range of benefits from retiral, health, death and disability to canteen subsidies. The benefits are deployed through insurance policies such as Group Mediclaim Policy, Group Personnel Accident Insurance Policy, Group Term Life Insurance Policy and Annual Health Checks. Such policies keep the organization invested in the well-being of employees both within and outside the workplace.

During the COVID-19 Pandemic, Exchange has taken a holistic approach on health and wellness. The Exchange took initiatives such as declaring ‘Work from Home’ arrangements for staff wherever possible, regular sanitization of office premises, adoption of COVID-19 guidelines issued by the government authorities, regular review of the COVID-19 pandemic situation and changes in working guidelines based on the situation, etc.

The Exchange is committed to employees’ health and safety. In order to safeguard employee health, the Exchange introduced an additional stand-alone medical insurance policy for coverage of COVID-19 in Q1 of FY 2020-21, which is in addition to the regular Group Mediclaim Policy covering all regular employees of the Exchange. The Exchange also introduced Special Leave for a temporary period for employees who tested COVID positive. The objective was to provide additional leave to COVID-19 positive patients, thereby enabling adequate health recuperation time for employees of the Exchange. This Special Leave is an additional leave category introduced in the existing leave policy of the Exchange.

Apart from this, the Exchange has kept several health campaigns under “Wellness Ki Paathshaala”, which provided fitness and wellness advisory on a periodic basis. Multiple sessions by health experts on subjects such as “COVID 19 & Maternal Care”, “Parenting in new normal”, “How to rebound stronger from COVID-19”, “Adapting to new ecosystem”, “No-FAD Diet”, etc. were conducted. Engagement events around fitness were held virtually in likes of “Masala Bhangra”, “Zumba Sessions”, “Aerobic sessions,” “Yoga session”, etc.

Performance Management Framework

The Exchange has a structured process of performance evaluation which is driven through the system named as “MyUnnati”. The performance management process (PMS) is automated and captures goals, targets, achievements and development needs. The Exchange follows a top down approach for goal setting. The departmental goals are based on organizational goals, while individual goals are based on the departmental goals. The Exchange also focuses on designing an ‘Individual Development Plan’ for every individual during the goal setting process based on the 70:20:10 model of learning. The performance evaluation is carried out through a transparent and consultative process with a biannual review.

Management Discussion and Analysis Report (Contd.)

As an outcome of the fair performance assessment process, career growth of employees is addressed through promotions and internal rotations. Promotions at senior level are based on feedback received from a cross-functional leadership panel conducting career development interviews of eligible nominees.

Learning and Development

As an organization, the Exchange advocates self-learning and conducts training sessions for its employees. The certification policy of the Exchange encourages employees to add to their skills and qualifications.

Employee awareness sessions on various compliances, such as Information Security, Code of Conduct, Prevention of Money Laundering, Compliance & Enforcement, Whistleblower Policy and Prevention of Sexual Harassment (POSH) have been conducted periodically and are mandatory as a part of onboarding and induction process.

The Exchange promotes 70:20:10 model of learning to cater to the Individual Development plan of all employees.

LEARN AND DEVELOP **THROUGH EXPERIENCE**

LEARN AND DEVELOP **THROUGH OTHERS**

LEARN AND DEVELOP **THROUGH STRUCTURED COURSES & PROGRAMS**

On the job learning and learning through peers is encouraged to bridge the functional and technical gaps. However various programs under functional, behavioral and technical areas are conducted in a structured manner via a quarterly release of training calendar as a part of 10% learning.

Behavioral and competency-based training programmes such as Business Communication and Writing Skills, First Time Managers, Time & Stress Management Training were held to address the development needs of our managerial cadres.

Employees were recommended to upskill themselves by attending various functional and technical programs on Broking, Risk Management, Governance and Compliance, Strategy formulation, Marketing and Data Visualizations Skills, from various training agencies and renowned institutes like NISM, ISB, IIM, AIMA, etc.

To address and equip Managers on remote managing teams and situations, programs such as Virtual Team Management for Managers, were conducted to keep the motivation and productivity level high during the FY 2020-21.

Total 1,014 training man-hours at various levels were achieved in FY 2020-21 as part of 10% structured programs, which covered 43% of the employees across levels.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Exchange has recorded an ADTV of ₹1,270 crore for FY 2020–21. The top five performing commodities in the Financial Year 2020–21 were soy oil, soybean, RM seed, chana and guar seed.

The Exchange has ended the FY 2020-21 with profit/ (loss) after tax of ₹ (2,488) Lakhs. The total income for the year was ₹ 6,324 Lakhs as compared to ₹8,187 Lakhs in FY

2019–20. The total expenditure was ₹ 9,648 Lakhs as compared to ₹ 10,272 Lakhs in FY 2019–20.

Income

The income from transaction charges for FY 2020-21 was ₹ 3,117 Lakhs as compared to ₹ 4,639 Lakhs in FY 2019-20, which is a decrease of 32.8% primarily attributable to the lower traded value due to COVID-19 pandemic.

The income from investments for FY 2020–21 was ₹ 1,073 Lakhs as compared to ₹ 1,363 Lakhs in FY 2019–20, which is lower by 21.3%. The fall in investment income was due to reduction in average yield and average investible corpus.

The other income for FY 2020–21 was ₹ 2,134 Lakhs, which is 2.4% lower than FY 2019–20.

Expenditure

The total personnel expense for FY 2020–21 was ₹ 3,286 Lakhs as compared to ₹ 3,376 Lakhs in FY 2019–20, a decrease of 2.7%.

Other operating expenses for the year were ₹ 4,721 Lakhs as compared to ₹ 5,086 Lakhs in FY 2019–20. The reduction in operating expenses was due to the various cost management initiatives taken by the Exchange and the reduction in expenditure related to WFH (work from home) during COVID-19 pandemic.

Disclosure on Accounting Treatment

The Exchange has followed Indian Accounting Standards (IND AS) issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 to the extent applicable, in the preparation of Financial statements for the FY 2020-21. There is no deviation from Indian Accounting Standards.

Details of significant changes in Key Financial Ratios:

The Exchange has identified the following ratios as key financial ratios:

Key Financial Ratios	Consolidated	
	FY 2020-21	FY 2019-20
Debtors Turnover	3.59	4.09
Current ratio	1.67	1.71
Net Profit Margin ratio	(13%)	6%
Return on Net worth	(2%)	2%

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE – EXCHANGE'S PHILOSOPHY

Introduction

The Exchange is a professionally managed Company and owned by national level financial institutions, exchange, banks, private sector companies and private equity funds.

Exchange philosophy on Corporate Governance

The Exchange's corporate governance philosophy is based on transparency and disclosures, integrity and accountability. The Corporate Governance structure of the Exchange is based on an effective independent Board, separation of the Board's supervisory role from that of executive management and constitution of Board Committees. The Exchange has constituted various Board committees namely Audit Committee, Nomination and Remuneration Committee, Regulatory Oversight Committee, Member and Core Settlement Guarantee Fund Committee, Risk Management Committee, Technology Standing Committee, Public Interest Directors' Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Advisory Committee, Business Strategy Committee, Capital Raising Committee and Farmer Engagement Group.

As per Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, the disclosure requirements and corporate governance norms as specified for a listed Exchange are mutatis mutandis applicable to the Exchange. The Exchange is also committed to adopting best and transparent practices in letter and spirit. Towards this end, the information given in this section constitutes the report on Corporate Governance for the Financial Year 2020-21.

The details of composition and attendance of the Members of the Board/Board Committees are as given below.

BOARD OF DIRECTORS

Composition

The Board comprises of eleven directors, of whom five are Shareholder Directors including Managing Director & Chief Executive Officer and six are Public Interest Directors.

Board Meetings held during the Financial Year 2020-21 and attendance record

During the Financial Year 2020-21, Ten meetings of the Board were held on June 12, 2020, adjourned meeting on June 29, 2020, August 12, 2020, September 02, 2020, November 12, 2020, November 26, 2020, December 22, 2020, January 15, 2021, February 12, 2021 and March 25, 2021. Apart from these meetings, the Board of Directors also considered and approved certain matters by way of circular resolutions. The following table gives the composition of the Board, the category of the Directors and the meetings attended by them.

Name of Director	Number of Board Meetings held during tenure	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships in Board Committees of the Exchange including Voluntary Committees	Number of Directorships in other Indian public Companies as on March 31, 2021	Number of shares held in the Exchange as on March 31, 2021	Number of Committee positions held in other Public Companies**	
							Chairman	Member
Non-executive, Public Interest Directors								
Mr. Ravindra Kumar Roye[1]	1	1	NA	10	NA	NA	NA	NA
Dr. Purvi Mehta	10	10	No	6	Nil	Nil	Nil	Nil
Mr. Chaman Kumar	10	10	Yes	11	Nil	Nil	Nil	Nil
Mr. Nirmalendu Jajodia	10	10	Yes	6	Nil	Nil	Nil	Nil
Mr. Prem Kumar Malhotra	10	10	Yes	7	1	Nil	Nil	Nil
Dr. Ashok Gulati	10	8	Yes	4	1	Nil	Nil	1
Mr. Ashish Bahuguna[2]	9	9	Yes	8	Nil	Nil	Nil	Nil
Non-executive, Shareholder Directors								
Mr. Rakesh Kapur	10	10	No	4	7[3]	Nil	Nil	1
Mr. Srinath Srinivasan	10	10	Yes	3	2	Nil	Nil	Nil

Name of Director	Number of Board Meetings held during tenure	Number of Board Meetings Attended	Whether attended last AGM	Number of Memberships in Board Committees of the Exchange including Voluntary Committees	Number of Directorships in other Indian public Companies as on March 31, 2021	Number of shares held in the Exchange as on March 31, 2021	Number of Committee positions held in other Public Companies**	
							Chairman	Member
Mr. Sunil Kumar[4]	6	6	No	5	NA	NA	NA	NA
Mr. Manikumar S. [5]	4	4	NA	2	Nil	Nil	Nil	Nil
Mr. B. Venugopal	10	10	Yes	1	2[6]	Nil	Nil	2[6]
Executive Director								
Mr. Vijay Kumar V. Managing Director & CEO	10	9	Yes	6	3	Nil	Nil	2

** *Membership/Chairpersonship of only Audit Committee and Stakeholders Relationship committee of all Public Companies have been considered.*

1. Mr. Ravindra Kumar Roye ceased to be the Public Interest Director of the Exchange with effect from June 15, 2020.
2. Mr. Ashish Bahuguna was appointed as the Public Interest Director of the Exchange with effect from June 15, 2020.
3. Includes directorship in Indian Farmers Fertiliser Cooperative Limited (not considered as a public company pursuant to provisions of the Companies Act, 2013).
4. Mr. Sunil Kumar ceased to be the Shareholder Director of the Exchange with effect from December 21, 2020.
5. Mr. Manikumar S. was appointed as the Shareholder Director of the Exchange with effect from December 21, 2020.
6. Includes directorship in State Bank of India (SBI) (not considered as a public company pursuant to provisions of the Companies Act, 2013). Includes Committee membership in SBI.

Directorship of Directors in Listed Entities other than the Exchange as on March 31, 2021

Name of Director	Directors in Listed Entities other than the Exchange	Category of Directorship held in listed entities other than the Exchange
Dr. Ashok Gulati	Kotak Mahindra Bank Limited	Independent Director
Mr. B. Venugopal	State Bank of India	Shareholder Director

Other disclosures

- There is no relationship between the Directors of the Exchange inter-se.
- Web link for details of Familiarization programs imparted to Independent Directors: https://ncdex.com/about/disclosures.

Skills/ expertise/ competence of the Board of Directors

The list of core skills/ expertise/ competencies/ identified by the Board of Directors of the Exchange essential for effective functioning of the Exchange, is as under:

Name of Director	Skills/ expertise/ competence
Mr. Chaman Kumar	Management & Administration, Cooperatives and Finance & Accounting
Mr. Ashish Bahuguna[1]	Management and Administration, Agriculture Markets, Economics, Market Infrastructure, Risk Management, Co-operatives and Legal
Dr. Ashok Gulati	Agricultural Economist and Macro Economics
Mr. Nirmalendu Jajodia	Management & Administration, Risk Management, Financial Market, Technology, Market Infrastructure, Operations and Process Management
Mr. Prem Kumar Malhotra	Legal, Management and Administration
Dr. Purvi Mehta	Economics, Market Infra, Cooperatives, International Development, Post-Harvest Technologies and other relevant experience
Mr. Ravindra Kumar Roye[2]	Finance & Accounting, Management & Administration, Financial Market and Economics

Report on Corporate Governance (Contd.)

Name of Director	Skills/ expertise/ competence
Mr. B. Venugopal	Economics, Finance & Accounting, Management & Administration, Risk Management, Financial Market and Information Technology
Mr. Rakesh Kapur	Economics, Finance & Accounting, Management & Administration, Risk Management, Financial Markets, Agriculture Markets and Cooperatives.
Mr. Sunil Kumar[3]	Market Infra, Cooperatives, Management and Administration, Risk Management and other relevant experience
Mr. Manikumar S. [4]	Finance & Accounting, Management and Administration, Co-operatives, HR & Organizational Development and Agriculture Markets
Mr. Srinath Srinivasan	Economics, Finance & Accounting, Management & Administration, Risk Management, Financial Market and Market Infra
Mr. Vijay Kumar V.	Economics, Finance and Accounting, Management and Administration, Risk Management, Financial Market and Market Infra

1. Mr. Ashish Bahuguna was appointed as the Public Interest Director of the Exchange with effect from June 15, 2020.
2. Mr. Ravindra Kumar Roye ceased to be the Public Interest Director of the Exchange with effect from June 15, 2020.
3. Mr. Sunil Kumar ceased to be the Shareholder Director of the Exchange with effect from December 21, 2020.
4. Mr. Manikumar S. was appointed as the Shareholder Director of the Exchange with effect from December 21, 2020.

Confirmation by Public Interest Directors on Independence

The Board of the Exchange confirms that all the Public Interest Directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and are independent of the Management.

Resignation of Independent Director

No Independent Director / Public Interest Director has resigned during the Financial Year 2020-21. However, Mr. Ravindra Kumar Roye ceased to be the Public Interest Director of the Exchange with effect from June 15, 2020 due to completion of his tenure.

COMMITTEES OF THE BOARD

The Board Committees focus on specific areas as per their terms of reference and take informed decisions. Each Committee functions within the given scope and powers as per the delegation of powers by the Board of Directors, applicable provisions of the Companies Act, 2013, Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time. The information with respect to Committees is as follows:

I. AUDIT COMMITTEE

The Committee consists of three Directors which include two Public Interest Directors and one Shareholder Director. The Statutory Auditors and Internal Auditors are invited to attend the meetings of the Committee from time to time and the Company Secretary acts as the Secretary to the Audit Committee. The terms of reference of the Audit Committee, inter alia, are as under:

- Recommendation for appointment, remuneration and terms of appointment of auditors (both Internal & Statutory Auditors) of the Company
- Review and monitor the auditors' independence and performance, and effectiveness of audit process
- Examination of the financial statements and Auditors' Report thereon
- Approval or any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers (if any) and related matters
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

- Oversight of the entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. changes, if any, in accounting policies and practices and reasons for the same;
    b. major accounting entries involving estimates based on the exercise of judgment by management;
    c. significant adjustments made in the financial statements arising out of audit findings;
    d. compliance with listing and other legal requirements relating to financial statements;
    e. disclosure of any related party transactions;
    f. modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with internal auditors of any significant findings and follow up there on
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the whistle blower mechanism
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
- Carrying out any other function as is mentioned in the terms of reference of the audit committee
- The Audit Committee shall mandatorily review the following information:
    - management discussion and analysis of financial condition and results of operations;
    - statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - management letters / letters of internal control weaknesses issued by the statutory auditors;
    - internal audit reports relating to internal control weaknesses; and
    - the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee

Report on Corporate Governance (Contd.)

- statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable,
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice

- To review the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision

- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority

During the Financial Year 2020-21, four meetings of the Committee were held on June 11, 2020, August 11, 2020, November 11, 2020 and February 11, 2021. The composition and attendance of the Members is given below:

Name of the Committee Member	Number of meetings held during the relevant period	Number of meetings attended
Mr. Ravindra Kumar Roye[1]	1	1
Mr. Chaman Kumar, Chairman of the Committee[2]	4	4
Mr. Rakesh Kapur	4	4
Mr. Ashish Bahuguna[3]	3	3

1. Mr. Ravindra Kumar Roye ceased to be the Member and Chairman of the Committee with effect from June 15, 2020
2. Mr. Chaman Kumar was appointed as the Chairman of the Committee with effect from June 15, 2020
3. Mr. Ashish Bahuguna was inducted as a Member of the Committee with effect from June 15, 2020

II. NOMINATION AND REMUNERATION COMMITTEE

The Committee consists of four Public Interest Directors. During the Financial Year 2020-21, twenty eight meetings of the Committee were held on April 03, 2020, June 12, 2020, July 27, 2020, August 06, 2020, August 10, 2020, August 28, 2020, September 18, 2020, October 01, 2020, October 05, 2020, October 08, 2020, October 10, 2020, October 13, 2020, October 27, 2020, November 03, 2020, November 06, 2020, November 25, 2020, December 14, 2020, December 19, 2020, January 08, 2021, January 25, 2021, January 27, 2021, February 03, 2021, March 02, 2021, March 06, 2021, March 08, 2021, March 09, 2021, March 15, 2021 and March 22, 2021. The terms of reference of the Nomination & Remuneration Committee, inter alia, are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of performance of independent directors and the board of directors
- Devising a policy on diversity of board of directors
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
- To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance
- To lay down policy for compensation of KMP under SECC Regulations, 2018 in terms of the compensation norms prescribed by SEBI
- To determine the tenure of KMP to be posted to a regulatory department
- Framing the guidelines and management of the employee stock option scheme to the staff and whole-time Directors of the Company
- Develop and approve key policies in respect of human resources, organizational matters etc

- Identifying a Key management personnel, other than personnel as specifically provided in its definition under SECC Regulations, 2018
- Laying down the policy for compensation of key management personnel in terms of the compensation norms prescribed by SEBI
- Determining the compensation of KMPs in terms of the compensation policy
- Selecting the Managing Director
- Framing & reviewing the performance review policy to carry out evaluation of every director's performance, including that of Public Interest Director
- Recommending whether to extend the term of appointment of the Public Interest Director
- Recommending to the Board, all remuneration, in whatever form, payable to senior management
- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority

The composition and attendance of the Members is given below:

Name of the Committee Member	Number of meetings held during the relevant period	Number of meetings attended
Mr. Ashish Bahuguna, Chairman of the Committee[1]	26	26
Mr. Chaman Kumar[2]	28	28
Mr. Ravindra Kumar Roye[3]	2	2
Dr. Purvi Mehta	28	28
Dr. Ashok Gulati[4]	19	19
Mr. Prem Kumar Malhotra[5]	9	9
Ms. Veena Swarup[6]	14	14

1. Mr. Ashish Bahuguna was inducted as a Member of the Committee with effect from June 15, 2020 and appointed as the Chairman of the Committee with effect from January 15, 2021
2. Mr. Chaman Kumar ceased to be the Chairman of the Committee with effect from May 04, 2020
3. Mr. Ravindra Kumar Roye ceased to be the Member of the Committee with effect from June 15, 2020
4. Dr. Ashok Gulati was appointed as the Chairman of the Committee with effect from June 12, 2020 and he ceased to be the Member of the Committee with effect from January 15, 2021
5. Mr. Prem Kumar Malhotra was inducted as a Member of the Committee with effect from January 15, 2021
6. Ms. Veena Swarup was inducted as a Member of the Committee in the capacity of an Independent External Expert for the limited purpose of selection of Managing Director & Chief Executive Officer

III. RISK MANAGEMENT COMMITTEE

The Committee consists of Dr. Purvi Mehta, Chairperson of the Committee, Mr. Prem Kumar Malhotra, Mr. Nirmalendu Jajodia, Ms. Susan Thomas and Mr. Sanjeev Shukla. During the year, four meetings were held on May 13, 2020, August 10, 2020, November 10, 2020 and February 10, 2021. The terms of reference of the Risk Management Committee, inter-alia, are as under:

- To formulate a detailed risk management policy which shall be approved by the Board of the Exchange
- To review the Risk Management Framework & risk mitigation measures from time to time
- To Monitor and review enterprise-wide risk management plan and lay down procedures to inform Board members about the risk assessment and minimization procedures
- The head of the risk management department shall report to the risk management committee and to the Managing Director of the Exchange
- The risk management committee shall monitor implementation of the risk management policy and keep SEBI and the Board of the Exchange informed about its implementation and deviation, if any
- Such other functions as may be specified by SEBI or any other Statutory or Regulatory Authority

IV. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee consists of Mr. Srinath Srinivasan, Chairman of the Committee, Mr. Chaman Kumar, Mr. Manikumar S. and Mr. Vijay Kumar V. During the year, two meetings of the Committee were held on

June 12, 2020 and August 11, 2020. The terms of reference of the CSR Committee, inter-alia, are as under:

The CSR Committee, inter alia, formulates and recommend to the Board, a Corporate Social Responsibility Policy, the amount of expenditure to be incurred on the activities and monitors the implementation of Corporate Social Responsibility Policy of the Company from time to time.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of Mr. Prem Kumar Malhotra, Chairman of the Committee, Mr. Nirmalendu Jajodia and Mr. Manikumar S. During the year, one meeting of the Committee was held on November 10, 2020. The terms of reference of the Stakeholders Relationship Committee, inter-alia, are as under:

- To approve transfer, transmission, dematerialization, rematerialization, splitting and/or consolidation of share certificates, issue of duplicates etc. of shares and debentures in accordance with the Articles of Association of the Exchange
- To consider and resolve the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- To consider, decide and take appropriate action in any matter which may arise between the Exchange and the shareholders as a result of any agreement or otherwise
- To review the measures taken for effective exercise of voting rights by shareholders
- To review the adherence to the service standards adopted by the entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- To review the various measures and initiatives taken by the entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company
- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority

VI. MEMBER AND CORE SETTLEMENT GUARANTEE FUND COMMITTEE

The Member and Core Settlement Guarantee Fund Committee consists of Mr. Chaman Kumar, Chairman of the Committee, Mr. Ashish Bahuguna, Mr. Prem Kumar Malhotra, Mr. Sampath Jagannathan and Mr. Vijay Kumar V. The terms of reference of the Member and Core Settlement Guarantee Fund Committee, inter-alia, are as under:

- To scrutinize, evaluate, accept or reject applications for admission of members and transfer of membership and approve voluntary withdrawal of membership
- Formulate the policy for regulatory actions including warning, monetary fine, suspension, withdrawal of trading, declaring a member as defaulter, expulsion, to be taken for various violations by the members of the exchange
- Based on the laid down policy, consider the cases of violations observed during inspection, etc. and impose appropriate regulatory measures on the members of the exchange
- While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice'
- Realize all the assets / deposits of the defaulter/ expelled member and appropriate the same amongst various dues and claims against the defaulter/ expelled member in accordance with the Rules, Byelaws and Regulations of the Exchange
- In the event both the clearing member and the constituent trading member are declared defaulter, then the membership selection committee of the stock exchange and that of the clearing corporation shall work together to realise the assets of both the clearing member and the trading member
- Admission or rejection of claims of client/trading members/clearing members over the assets of the defaulter/expelled member

- Recommendation in respect of the claims to the Trustees of the IPF on whether the claim is to be paid out of IPF or otherwise
- To review claim(s) of the client(s) of defaulter Trading Member(s) (first review), in case an application for first review has been received from the client who is not satisfied with processing of claim(s)
- To oversee contribution towards Core Settlement Guarantee Fund (SGF) of the Clearing Corporation
- Such other functions as may be specified by SEBI or any other Statutory or Regulatory Authority

VII. ADVISORY COMMITTEE

The Advisory Committee consists of Mr. Chaman Kumar, Chairman of the Committee, Mr. Ashish Bahuguna, Mr. Nirmalendu Jajodia, Dr. Purvi Mehta, Mr. D.K. Aggarwal, Ms. Rajini Panicker, Mr. Kapil Mittal, Mr. Ravikant Kanoongo and Mr. Sunil Katke. The terms of reference of the Advisory Committee, inter-alia, are as under:

- Advise the governing board on non-regulatory and operational matters including product design, technology, charges and levies
- Such other functions as may be specified by SEBI or any other Statutory or Regulatory Authority

VIII. TECHNOLOGY STANDING COMMITTEE

The Technology Standing Committee consists of Mr. Nirmalendu Jajodia, Chairman of the Committee, Mr. Ashish Bahuguna, Mr. Chaman Kumar, Mr. Pravir Vohra & Mr. Hemant Adarkar. The terms of reference of the Committee, inter-alia, are as under:

- Monitor whether the technology used remains up to date and meets the growing demands of the markets
- Monitor the adequacy of systems capacity and efficiency
- To look into the changes being suggested by the Exchange to the existing software/hardware
- Investigate into problems of computerized trading system, such as hanging/ slowdown/ breakdown
- Ensure that transparency is maintained in disseminating information regarding slowdown/ breakdown in Online Trading System
- Submit a report to the Board of Directors of the Exchange who shall deliberate on the report and take suitable action/ remedial measure
- Explain any stoppage beyond five minutes and report to SEBI. The Exchange shall issue a press release specifying the reasons for the breakdown
- Review the implementation of Board approved Cyber Security and Resilience policy and its framework
- Such other matters as may be referred by the Board of the Exchange and/or SEBI

IX. PUBLIC INTEREST DIRECTORS' COMMITTEE

The Public Interest Directors' Committee consists of Mr. Chaman Kumar, Chairman of the Committee, Mr. Ashish Bahuguna, Mr. Nirmalendu Jajodia, Dr. Purvi Mehta, Mr. Prem Kumar Malhotra and Dr. Ashok Gulati. The terms of reference of the Public Interest Directors' Committee, inter-alia are as under:

- To review and exchange views on critical issues
- To identify important issues which may involve conflict of interest for the Exchange, or may have significant impact on the functioning of the Exchange, or may not be in the interest of securities market. The same shall be reported to the SEBI
- Review Status of compliance with SEBI Letters/ circulars
- Review the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions
- The Public Interest Directors shall prepare a report on the working of the Committees of which they are Members and circulate the same to other Public Interest Directors
- A consolidated report shall then be submitted to the Board of Directors of the Exchange
- To review actions to be taken to implement suggestions/observations in SEBI's inspection report

- All the independent directors shall necessarily attend every meeting of the committee
- To review the performance of non-independent directors and the Board as a whole
- To review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors

• To assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties

• To review claim(s) of the client(s) of defaulter Trading Member(s) (second review), in case an application for second review has been received from the client who is not satisfied with the review of the claim by the Member and Core Settlement Guarantee Fund Committee of the Exchange (first review)

• Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority

X. REGULATORY OVERSIGHT COMMITTEE

The Regulatory Oversight Committee consists of Mr. Prem Kumar Malhotra, Chairman of the Committee, Mr. Chaman Kumar, Mr. Nirmalendu Jajodia, Dr. Purvi Mehta and Mr. Ravinder Sachdev. The terms of reference of the Regulatory Oversight Committee, inter-alia, are as under:

- Oversee matters related to member regulation such as admission of members, inspection, disciplinary action, etc.
- Oversee SEBI inspection observations on membership related issues
- Estimate the adequacy of resources dedicated to member regulation
- Oversee matters related to listing of securities such as admission of securities for trading, suspension/revocation, etc.
- Oversee SEBI inspection observations on listing related issues
- Estimate the adequacy of resources dedicated to listing related function
- Oversee trading and surveillance related functions such as monitoring of market through order and trade level alerts, security level alerts, processing of alerts, price band changes, rumour verifications, shifting of securities to trade for trade segment, action against listed companies as a part of Surveillance Action, detailed investigations undertaken, disciplinary actions, etc., as may be applicable to the relevant segments of the Exchange
- Oversee SEBI inspection observations on surveillance related issues and also decisions taken in the periodic surveillance meeting at SEBI
- Estimate the adequacy of resources dedicated to trading and surveillance function
- Oversee matters related to product design and review the design of the already approved and running contracts
- Oversee SEBI inspection observation on Product Design related issues
- Estimate the adequacy of resources dedicated to Product design related function
- Review the actions taken to implement the suggestions of SEBI's Inspection Reports, place the same before the Board of the Exchange
- To follow up, ensure compliance/implementation of the inspection observations
- Supervising the functioning of Investors Services Cell of the Exchange, which includes review of complaint resolution process, review of complaints remaining unresolved over long period of time, estimate the adequacy of resources dedicated to investor services, etc.
- Supervise Investor Service Fund, including its utilization
- Annual review of arbitrators and arbitration awards (both quantum and quality of the awards)
- Lay down procedures for the implementation of the Ethics Code
- Prescribe reporting formats for the disclosures required under the Ethics Code
- Oversee the implementation of the code of ethics
- Periodically monitor the dealings in securities of the Key Management Personnel

- Periodically monitor the trading conducted by firms/corporate entities in which the directors hold twenty percent or more beneficial interest or hold a controlling interest
- Monitor implementation of SECC Regulations and other applicable rules and regulations along-with SEBI Circulars and other directions issued thereunder
- Review the fees and charges levied by the Exchange
- The head(s) of department(s) handling above matters shall report directly to the committee and also to the Managing Director. Any action against the head(s) of dept. shall be subject to an appeal to the committee, within such period as may be determined by the Board of the Exchange
- Such other functions as may be specified by SEBI or any other Statutory or Regulatory Authority

XI. CAPITAL RAISING COMMITTEE

The Capital Raising Committee consists of Mr. Srinath Srinivasan, Chairman of the Committee, Mr. Chaman Kumar, Mr. Ashish Bahuguna, Mr. B. Venugopal, Mr. Manikumar S., Mr. Rakesh Kapur and Mr. Vijay Kumar V. The terms of reference of the Capital Raising Committee, inter-alia, are as under:

Strategic review

1. To review the marketing strategy of the IPO/ capital raising/capital structure plan as presented by the management of the exchange.

Capital Structure Program Governance Review

2. To review the roadmap and timelines for execution of IPO/capital raising/capital structure plan of the Exchange;
3. To review and provide inputs to all the documents in connection with the pre-IPO placement / IPO/ capital raising/capital structure plan such as the information memorandum (if applicable), draft red herring prospectus, red herring prospectus, prospectus, etc. as may be required;

Other operational matters

4. To review and recommend to the board of directors the terms of appointment (including fees payable to them) of the IPO advisors, book running lead managers, underwriters to the issue, bankers to the issue, registrar, advertising agency, printers and legal counsel etc.
5. To review and recommend all the expenditure in connection with the IPO/capital raising/capital structure plan of the Exchange.

   Additional Matters in relation to the IPO and the pre-IPO placement, as applicable

6. to make applications to the stock exchanges for in-principle approval for listing of its equity shares and file, execute and to deliver or arrange to deliver necessary documentation, including a copy of the draft red herring prospectus filed with Securities and Exchange Board of India ("SEBI"), as may be required for the purpose and seeking the listing of the equity shares on any Indian stock exchange, and taking all actions that may be necessary in connection with obtaining such listing;
7. to finalise and send to the shareholders, the letter of invitation to participate in the IPO, including any modification, revisions and amendments thereto;
8. to receive and exercise, all powers that may be delegated upon the Exchange by selling shareholders in relation to the IPO;
9. authorizing and empowering any concerned person, for and on behalf of the Exchange, to execute and deliver, on a several basis, any declarations, affidavits, certificates, consents and arrangements, as well as amendments or supplements thereto, as may be required from time to time, in connection with the IPO;
10. to seek, if required, the consent/ waiver of the lenders to the Exchange and/or the lenders to the subsidiaries of the Exchange, industry data providers, parties with whom the Exchange has entered into various commercial and other agreements including without limitation, customers, suppliers, strategic partners of the Exchange, any concerned government and regulatory authorities in India or outside India, and any other consent, approval or waiver that may be required in connection with the IPO or any actions connected therewith, if any;

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11. to make applications to, seek clarifications and obtain approvals from, if necessary, the Reserve Bank of India, SEBI or any other statutory or governmental authorities in connection with the pre-IPO placement and IPO and, wherever necessary, accept and incorporate such modifications/ amendments/ alterations/ corrections as may be required in the information memorandum (if applicable), draft red herring prospectus, the red herring prospectus and the prospectus, on behalf of the board of directors;
12. to negotiate, finalise, settle, execute and deliver or arrange the delivery of the book running lead managers' mandate or engagement letter(s), the offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever;
13. to open and operate any bank account(s) and share escrow accounts required of the Exchange for the purposes of the IPO and the pre-IPO placement, including the cash escrow account, the public issue account and refund account as may be required;
14. finalising, settling, approving, adoption and filing the information memorandum (if applicable) and, in consultation with the book running lead managers, where applicable, the draft red herring prospectus, red herring prospectus and the prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient) and the preliminary and final international wrap for the IPO together with any addenda, corrigenda and supplements thereto as finalised in consultation with the book running lead managers, in accordance with all applicable laws, rules, regulations, notifications, circulars, orders and guidelines and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/modifications as may be required by and to submit undertakings/ certificates or provide clarifications to SEBI or any other relevant governmental and statutory authority in accordance with applicable laws;
15. arranging for the submission of the information memorandum (if applicable) and the draft red herring prospectus to be submitted to the SEBI and the stock exchanges for receiving comments, the red herring prospectus and the prospectus to be registered with the Registrar of Companies, Maharashtra at Mumbai, and any corrigendum, amendments supplements thereto;
16. to issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying equity shares in the capital of the Exchange with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices, regulations and applicable law, including listing on one or more stock exchanges, with power to authorise one or more officers of the Exchange to sign all or any of the aforestated documents;
17. authorise and approve notices and advertisements in relation to the IPO in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") in consultation with the relevant intermediaries appointed for the IPO;
18. finalise the basis of allotment of the equity shares;
19. accept and appropriate proceeds of the fresh issue in accordance with the applicable laws;
20. to do all such deeds and acts as may be required to dematerialise the equity shares of the Exchange and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Exchange to execute all or any of the aforestated documents;
21. to settle all questions, remove any difficulties or doubts that may arise from time to time with respect to the IPO, including with respect to the issue, offer or allotment of the equity shares, terms of the IPO, utilization of the IPO proceeds, appointment of intermediaries for the IPO and such other issues as it may, in its absolute discretion deem fit;

22. to take such action, give such directions, as may be necessary or desirable as regards the IPO and to do all such acts, matters, deeds and things, including but not limited to the allotment of equity shares against the valid applications received in the IPO, as are in the best interests of the Exchange;

23. to negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as may be deemed necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the IPO. Any documents or instruments so executed and delivered or acts and things done or caused to be done by the board of directors shall be conclusive evidence of the authority of the board of directors in doing so; and

24. to delegate any of the powers mentioned in 1 to 23 to such persons as the Capital Raising Committee may deem necessary.

XII. BUSINESS STRATEGY COMMITTEE

The Business Strategy Committee consists of Mr. Rakesh Kapur, Chairman of the Committee, Mr. Chaman Kumar, Dr. Ashok Gulati, Mr. Srinath Srinivasan, Mr. Manikumar S. and Mr. Vijay Kumar V. The terms of reference of the Business Strategy Committee, inter-alia, are as under:

- Evolve business goals and business policies
- Consider and approve annual business plans, budgets and other cross functional business initiatives
- Allocate resources, both Capital and revenue
- Monitor market, competitive and regulatory developments and provide feedback
- Any other functions, specifically directed by the Board
- Perform any other act, duty as stipulated by the Companies Act, SEBI or any other regulatory authority, as prescribed from time to time

XIII. FARMER ENGAGEMENT GROUP

The Farmer Engagement Group consists of Mr. Chaman Kumar, Dr. Ashok Gulati, Dr. Purvi Mehta, Mr. Rakesh Kapur, Mr. Manikumar S., Mr. Rohtash Mal, Mr. M. Srinivas Rao and Mr. Vijay Kumar V.

The Farmer Engagement Group is formed with the objective to connect farmers to reliable markets, which would unlock income opportunities for smallholder farmers by facilitating their access to correct price signals before planting begins, managing price risk at harvest time, and giving them other forms of support including post-harvest training on quality standards, financing and warehousing.

PERFORMANCE EVALUATION CRITERIA OF THE BOARD

The performance evaluation of the Board is governed by the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations 2018 read with various circulars issued in this regard. The performance evaluation includes performance evaluation of:

(i) Board as a whole

(ii) Assessment of quality, quantity and timeliness of the flow of information to the Board

(iii) Various Committees of the Board

(iv) Chairperson of the Board

(v) Individual Directors (viz., Shareholder Directors, Public Interest Directors and Managing Director)

The criteria for evaluation of each of the above is as under:

(i) Performance Evaluation of Board as a whole

The criteria for performance evaluation of Board of Directors inter-alia includes:

- Board Composition - Adequate representation of Independent Directors, optimum combination of knowledge, competencies, experience and skill
- Board Meetings - The Board meetings are regularly held and the Board meets frequently, the Board receive agenda of the meeting on time and the agenda has all relevant information to take decision on the matter, outstanding items of the previous meetings are followed up and taken up in subsequent agenda, able to finish discussion and decision on all agenda items in the meetings, every issue is discussed comprehensively and depending on the importance of the subject discussions generally add value to the decision making, all members actively participate in

discussions, functions constructively as a team, the minutes of the meeting are recorded properly and circulated on time and dissenting views are recorded in the minutes, all the information pertaining to the meeting are disseminated to the members timely, frequently, accurately and regularly

- Function of the Board and Board's participation - The Board understands the business well enough to guide the short and long term performance, reviews and knows the vision, strategy and business plan, devotes significant time on the management of current and potential strategic issues, overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance objectives, monitored implementation and corporate performance, and oversees major capital expenditures, acquisitions and divestments, investment proposals, related party transactions, internal financial controls, reviews key appointments, monitors and manages potential conflict of interest of management and directors, constructively challenges the Management with respect to strategy and performance, the atmosphere (of the Boardroom) encourages critical thinking, the discussions reach closure, Board ensures that the Management has put in place a proper risk management process, ensures its Committees are functioning properly, ensures that there is an effective investor relations policy which provides for investor grievance mechanism and CSR policy in place, overall ensures high standards in compliance and Corporate Governance, works towards creation of stakeholders value, ensures mechanism of communication with various stakeholders, acts on a fully informed basis and in good faith with diligence in the best interest of the Company

- Board and management - The Board dialogue is of high quality and the Board has sufficient and adequate dialogue with the management, the Directors share their knowledge and experience to help the CEO and the Company, the Board evaluates and monitors management, especially the CEO regularly and fairly and provides constructive feedback and strategic guidance, reviews the level of independence of management from the Board to ensure that the level of independence is adequate, the Board and the management are able to actively access each other and exchange information, the Board ensure that an appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board, there is a good focus of the Board with the Management on the few high impact subjects, the Board is receiving information particularly on new laws, regulations, etc from time to time

- Professional development - Whether adequate induction and professional development programmes are made available to new and old directors, whether continuing directors training is provided to ensure that the members of the Board of directors are kept upto date, the Board is receiving information particularly on new laws, regulations, etc from time to time

(ii) Assessment of quality, quantity and timeliness of the flow of information to the Board

The criteria inter-alia includes vision and strategy, people development, safety, health and environment, Risk Management, financial performance and Financial results reporting, Investments, Internal audit, Board and Committee meetings, Annual report and flow of information to the Board, Committees thereof.

(iii) Performance evaluation of various Committees of the Board

The criteria for performance evaluation of various Committees inter- alia includes Committees effectiveness in carrying out its mandate and confronting important, meaningful issues, whether Composition of the Committee is in compliance with the provisions of applicable laws and the Committee meets regularly as per its terms of reference and requirements of law, whether Committee has fulfilled its functions as assigned by the Board and laws as may be applicable, whether members of the Committee receives complete and timely agenda and provide an independent opinion on agenda items while respecting the assent or dissent of other members, whether minutes of the Committee meetings are effectively prepared, whether Committee encourages two way communication between the Committee and Management of the Exchange, whether adequate independence of the Committee is ensured from the Board and whether significant recommendations of the Committee are communicated to the Board.

(iv) Performance evaluation of Chairperson of the Board

The performance evaluation of Chairperson of the Board inter-alia includes Qualifications and experience, Knowledge and Competency, Fulfilment of functions, Ability to function as a team, Initiative, Availability and attendance, Commitment, Contribution, Integrity, Independence, Independent views and judgment, Effectiveness of leadership and ability to steer the meetings and ability to keep shareholders' interest in mind

(v) Individual Directors (viz., Shareholder Directors, Public Interest Directors and Managing Director)

Public Interest Directors

The performance evaluation of Public Interest Directors is governed by the Policy of Performance Review by Public Interest Directors. The performance evaluation criteria for Public Interest Directors inter-alia includes qualifications and experience, knowledge and competency, fulfilment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence, independent view and judgement.

Shareholder Directors

The performance evaluation criteria for Shareholder Directors inter-alia includes engagement, leadership, analytical skills, quality of decision-making, interaction, governance and ethic and stakeholders responsibility.

Managing Director

The performance evaluation criteria for Managing Director inter-alia includes leadership, performance and execution, financial planning, governance and relationship with the Board, people development, stakeholders' responsibility and analytical thinking and competitive edge.

REMUNERATION OF DIRECTORS

The non-executive Directors are paid sitting fees of ₹ 60,000 for attending each meeting of the Board and Audit Committee and ₹ 40,000 for attending each meeting of the Committee other than Audit Committee. Non-Executive Directors are also reimbursed expenses incurred by them for attending meetings of the Board and its Committees at actuals.

Name of the Board/Committee	Sitting Fees (per meeting) (Amount in ₹)
Board Meeting	60,000
Audit Committee	60,000
Other Committees of the Board	40,000

The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and Committees during the Financial Year 2020-21 is as follows:

Name of the Director	Sitting Fees		
	Board Meetings	Committee Meetings	Total
Mr. Chaman Kumar	6,00,000	26,00,000	32,00,000
Dr. Ashok Gulati	4,80,000	10,80,000	15,60,000
Mr. Nirmalendu Jajodia	6,00,000	7,60,000	13,60,000
Mr. Prem Kumar Malhotra	6,00,000	10,40,000	16,40,000
Dr. Purvi Mehta	6,00,000	18,00,000	24,00,000
Mr. Ashish Bahuguna[1]	5,40,000	19,40,000	24,80,000
Mr. Ravindra Kumar Roye[2]	60,000	4,60,000	5,20,000
Mr. B. Venugopal	6,00,000	2,80,000	8,80,000
Mr. Rakesh Kapur	6,00,000	8,00,000	14,00,000
Mr. Srinath Srinivasan	6,00,000	5,20,000	11,20,000
Mr. Sunil Kumar[3]	3,60,000	3,60,000	7,20,000
Mr. Manikumar S.[4]	2,40,000	200,000	4,40,000

1. Mr. Ashish Bahuguna was appointed as the Public Interest Director of the Exchange with effect from June 15, 2020.
2. Mr. Ravindra Kumar Roye ceased to be the Public Interest Director of the Exchange with effect from June 15, 2020.
3. Mr. Sunil Kumar ceased to be the Shareholder Director of the Exchange with effect from December 21, 2020.
4. Mr. Manikumar S. was appointed as the Shareholder Director of the Exchange with effect from December 21, 2020.

The details of remuneration paid to Managing Director & CEO during the Financial Year 2020-21 is given below:

Sr. No.	Particulars of Remuneration	Name of Managing Director & Chief Executive Officer
		Mr. Vijay Kumar V. (From April 01, 2020 to March 31, 2021)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(a) ₹ 1,45,36,841/-
	(b) NPS contribution, Motor Car Expenses and Value of perquisites u/s 17(2) Income-tax Act, 1961	(b) ₹ 11,23,904/-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	(c) Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil

Report on Corporate Governance (Contd.)

Sr. No.	Particulars of Remuneration	Name of Managing Director & Chief Executive Officer
4.	Commission - as % of profit - others, specify...	Nil
5.	Others, please specify	Nil
Total (A)		**₹ 1,56,60,745/-**
Ceiling as per the Act		The Exchange had obtained approval of shareholders at their 13th Extra Ordinary General meeting held on December 15, 2017 for the remuneration payable to Mr. Vijay Kumar V. for the period January 18, 2018 to January 17, 2021. The Shareholders at their 16th Extra Ordinary General Meeting held on May 17, 2021 have ratified the remuneration paid/ payable to Mr. Vijay Kumar V. for the period January 18, 2021 to April 17, 2021.

Note: The above mentioned remuneration excludes payment made towards Employer's Provident Fund contribution.

Other Disclosures

- None of the Non-Executive Directors of the Exchange are paid any performance linked incentive.
- The salary structure of Managing Director & CEO includes performance based variable pay.
- The Exchange has not issued any stock options.
- None of the Non-Executive Directors have any pecuniary relationship or transactions with the Exchange.
- None of the Non-Executive Directors have entered into any service contract with the Exchange.

Stakeholders Grievance Committee:

The Exchange has a Stakeholders Relationship Committee which considers and resolves the grievances of the stakeholders grievances.

a) Name of Non-Executive Director heading the Committee: Mr. Prem Kumar Malhotra, Chairman of the Committee

b) Name and designation of Compliance Officer: Mr. Harish Kumar (from April 01, 2020 till March 08, 2021) and Mr. Hoshi D. Bhagwagar (with effect from March 09, 2021)

c) Number of shareholders' complaints received so far: Nil

d) Number not solved to the satisfaction of shareholders: Nil

e) Number of pending complaints: Nil

DETAILS OF GENERAL MEETINGS

The particulars of last 3 Annual General Meetings of the Exchange are as follows –

Financial Year	Date of AGMs	Time	Venue	Special resolutions adopted
2017-18	September 26, 2018	10:00 a.m.	Windsor, 503, 5th Floor, Off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai 400 098	No
2018-19	September 26, 2019	10:30 a.m.	First Floor, Ackruti Corporate Park, Near G. E. Garden, L. B. S. Marg, Kanjurmarg (West), Mumbai 400078	Yes i. Fresh Issue of such number of Equity Shares aggregating up to ₹100 Crores ii Amendment to the Articles of Association of the Exchange
2019-20	September 25, 2020	11:00 a.m.	Video Conferencing/ Other Audio Visual Means (deemed venue: First Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Marg, Kanjurmarg (West), Mumbai 400078)	No

• The provisions relating to postal ballot are not applicable to the Exchange.

MEANS OF COMMUNICATION

The Financial Statements are displayed on the website of the Exchange – www.ncdex.com. Other disclosures and announcements are also displayed on the website of the Exchange.

GENERAL INFORMATION FOR SHAREHOLDERS

(i) Annual General Meeting
The Eighteenth Annual General Meeting will be held on Monday, September 27, 2021 at 11.00 a.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM').

(ii) Financial Year: April 01, 2020 to March 31, 2021

(iii) Dividend Payment Date: The Board has recommended, subject to the approval of Members at the Annual General Meeting, a dividend of 5% i.e. ₹0.50 per equity share. The dividend will be paid within the statutory time limit as prescribed in the Companies Act, 2013, to those Members whose names appear as beneficial owner(s) in the records of the Depository as on the record date which is Monday, September 27, 2021.

(iv) The equity shares of the Exchange are not listed on any stock exchange.

(v) Registrar to an issue and share transfer agents:
Link Intime India Private Limited
C-101, 247 park, L.B.S. Marg, Vikhroli (West),
Mumbai 400083

(vi) Share transfer system: The transfer of equity shares of the Exchange is as per the provisions of the Companies Act, 2013 and the provisions of the Articles of Association of the Exchange and the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporation) Regulations 2018.

(vii) Distribution of shareholding:

Categories	Shareholding	Percentage
Individuals	3,582,459	7.07
Corporates	16,424,176	32.41
Financial Institutions	11,250,000	22.20
Banks	6,749,965	13.32
Venture Capital	7,601,400	15.00
Any Other (specify) - (Co-Operative Society)	5,068,000	10.00
Total	**50,676,000**	**100.00**

(viii) Dematerialization of shares and liquidity: All the shares of the Exchange are in demat form.

(ix) Outstanding global depository receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

(x) Commodity price risk or foreign exchange risk and hedging activities: Not Applicable

(xi) Plant locations: Nil

(xii) Address for correspondence: First Floor, Akruti Corporate Park, Near G. E. Garden, L.B.S. Road, Kanjurmarg West, Mumbai 400 078.
Email: secretarialteam@ncdex.com.

(xiii) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant Financial Year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the entity involving mobilization of funds, whether in India or abroad: Not applicable

DISCLOSURES

(i) There were no significant related party transactions of material nature that may have potential conflict with the interest of the Exchange.

(ii) Details of non-compliance, penalties, strictures imposed by SEBI or any statutory authority, on any matter related to capital markets, during the last three years: Not Applicable.

(iii) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee: The Exchange promotes ethical behaviour in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The Exchange has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to the top management which in turn is notified to the workgroups. The identity of the persons reporting violations is protected. It is affirmed that no personnel of the Exchange has been denied access to the Audit Committee.

(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements: The Exchange has complied with all the applicable mandatory requirements. Further, the Exchange has adopted non-mandatory requirements with respect to unmodified audit opinion, separate posts of chairperson and chief executive officer and reporting of internal auditor.

(v) Web link where policy for determining 'material' subsidiaries is disclosed: https://ncdex.com/about/disclosures

(vi) Web link where policy on dealing with related party transactions: https://ncdex.com/about/disclosures

(vii) Disclosure of commodity price risks and commodity hedging activities: Not Applicable

(viii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable

(ix) Certificate from a Company Secretary in practice that none of the Directors on the Board of the Exchange have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority: Certificate from Company Secretary in practice is attached as **Annexure 1.**

(x) Disclosure where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant Financial Year, with reasons thereof: None

(xi) Total fees for all services paid by the Exchange and its Subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/ network entity of which Statutory auditor is part is provided herein below:

(₹ in Lakhs)

Payment to Auditors	
As Auditors	33
For other services	22
For reimbursement of expenses	0
Total	**55**

(xii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

No. of Complaints filed during the Financial Year	No. of Complaints disposed of during the Financial Year	No. of Complaints pending as on end of the Financial Year	Action taken by the Employer
Nil	Nil	Nil	Nil

(xiii) Non-compliance of any requirement of corporate governance report: The Exchange has complied with the applicable provisions relating to Corporate Governance Report.

(xiv) The Exchange is in compliance with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

(xv) Code of Conduct: The Exchange has framed and adopted a Code of Conduct Policy, which is approved by the Board. Affirmation of compliance with the Code of Conduct/Ethics is attached to this report as **Annexure 2**.

(xvi) Compliance certificate from practicing Company Secretary is attached as **Annexure 3**.

(xvii) Disclosure with respect to demat suspense account/ unclaimed suspense account: Nil

ANNEXURE 1

To,
The Members of **National Commodity & Derivatives Exchange Limited**
1st Floor, Akruti Corporate Park, Near G. E. Garden,
L. B. S. Road, Kanjurmarg (West), Mumbai 400078

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **National Commodity & Derivatives Exchange Limited having CIN U51909MH2003PLC140116** and having registered office at 1st Floor, Akruti Corporate Park, Near G. E. Garden, L. B. S. Road, Kanjurmarg (West), Mumbai 400078 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from to time). In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company & its Officers, I hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of Company for the Financial Year ended March 31, 2021, by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	Designation	DIN	Date of Appointment
1.	Mr. Chaman Kumar	Chairman & Public Interest Director	02064012	10-04-2018
2.	Dr. Ashok Gulati	Public Interest Director	07062601	03-01-2019
3.	Mr. Ashish Bahuguna	Public Interest Director	02224776	15-06-2020
4.	Mr. Nirmalendu Jajodia	Public Interest Director	01937128	13-04-2018
5.	Mr. Prem Kumar Malhotra	Public Interest Director	07731762	09-08-2018
6.	Dr. Purvi Mehta	Public Interest Director	01596457	11-01-2018
7.	Mr. Venugopal Nayar Bhaskaran	Shareholder Director	02638597	11-01-2018
8.	Mr. Rakesh Kapur	Shareholder Director	00007230	26-04-2008
9.	Mr. Srinath Srinivasan	Shareholder Director	00107184	24-02-2014
10.	Mr. Sivaramakrishnan Manikumar	Shareholder Director	08956660	21-12-2020
11.	Mr. Vijay Kumar V	Managing Director	06651068	18-01-2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For U. HEGDE &ASSOCIATES,
Company Secretaries

Umashankar K. Hegde
Proprietor
C.P. No- 11161 # M.No- ACS 22133
ICSI UDIN: A022133C000540244

Place: Mumbai
Date: 29/06/2021

ANNEXURE 2

Compliance with the Code of Conduct by the Directors & Members of the Senior Management of the Exchange for the Financial Year 2020-21

I confirm that for the year under review all Directors and Members of the Senior Management have affirmed compliance with the Code of Conduct of the Exchange.

Arun Raste
Managing Director & Chief Executive Officer

Place: Mumbai
Date: August 12, 2021

ANNEXURE 3

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
National Commodity & Derivatives Exchange Limited

We have examined all relevant records of National Commodity & Derivatives Exchange Limited (the Company) for the purpose of certifying compliance of the disclosure requirements and corporate governance norms as specified for the Listed Companies for the financial year ended March 31, 2021. In terms of Regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 the disclosure requirements and corporate governance norms as specified for listed companies have become mutatis mutandis applicable to a recognised Stock Exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Makarand M. Joshi & Co.
Company Secretaries

Makarand M. Joshi
FCS: F5533
CP: 3662
PR: 640/2019
UDIN: F005533C000775258

Date: 12/08/2021
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of National Commodity & Derivatives Exchange Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **National Commodity & Derivatives Exchange Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of cash flows for the year then ended, and notes to financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

Emphasis of Matter

We draw attention to:

Note 32 to the standalone financial statements. In respect of the matters relating to the future contracts of pepper, 'other receivables' as on March 31, 2021, includes various costs amounting to ₹ 1700 lakhs towards cleaning of the pepper stock in warehouses. The order of Hon'ble High Court of Kerala dated August 28, 2014 has allowed the 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.

In terms of the legal opinion obtained by the Company, it therefore has a fair chance of recovery of the costs incurred by them since the Company is backed by orders of the Court which provides a constructive lien on the goods lying under the physical control of the Company through its approved warehouses. The Management has considered the receivable as good and recoverable, apart from a provision of ₹ 260 lakhs which was made in earlier years towards such pepper-cleaning costs.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the following matter as Key Audit Matter/s for the year.

Key Audit Matter - Litigation, Claims and Contingent Liabilities:

(Refer Notes 31(a) and 32, to be read along with Emphasis of Matter in Independent Auditor's Report of the standalone financial statements)

The Company is exposed to a variety of different laws and regulations thereof which encompasses legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations and commercial claims.

Independent Auditor's Report (Contd.)

Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses.

Given the different views possible, basis the interpretations, complexity and the magnitude

of the potential exposures, and the judgment necessary to determine required disclosures,

this is a key audit matter.

Auditor's Responses - Principal audit procedures performed:

- We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities.
- We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'.
- Examined the Company's legal expenses on sample basis and read the minutes of the board meetings and the regulatory oversight committee in order to ensure completeness.
- We considered legal opinion obtained by the management from external law firms to challenge the basis used for provisions recognized or the disclosures made in the standalone financial statements.
- For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including annexures thereto and Management Discussion Analysis but does not include the financial statements and our auditor's report thereon. The Directors' Report including annexures thereto and Management Discussion Analysis is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Directors' Report including annexures thereto and Management Discussion Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of the Management for the Standalone Financial Statements

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Government of India – Ministry of Corporate Affairs, in terms of sub-section (11) of section 143 of the Act, we enclose in the annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of the pending litigations its financial position in its financial statements – refer notes 31(a) and 32 to the financial statements.

      (ii) The Company does not have any long-term contracts for which there were any material foreseeable losses. The Company does not have any derivative contracts.

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No: 112888
UDIN: 21112888AAAAEJ2109

Place: Mumbai
Date: June 09, 2021

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on March 31, 2021, of **National Commodity & Derivatives Exchange Limited)**

In our opinion, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us during the normal course of audit, which were necessary to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management during the year, in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.

(c) The Company does not hold any immovable properties. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company is a commodity exchange and does not maintain any inventory. Therefore, the provisions of clause 3 (ii) of the Order are not applicable to the Company.

(iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.

(iv) As informed, the Company has not advanced any loans, made any investments or given any guarantees and securities. Accordingly, clause 3 (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit from the public and consequently the directives issued by the Reserve Bank of India, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, with regard to the deposits accepted from the public are not applicable to the Company. No order has been passed by the Company Law Board, National Law Tribunal or Reserve Bank of India or any other court or any other tribunal.

(vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act for the products of the Company.

(vii) (a) According to the records of the Company, it is generally regular in depositing with the appropriate authorities undisputed statutory dues applicable to it, including provident fund, income tax, goods and services tax, duty of customs, cess and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of above which were outstanding, as at March 31, 2021 for a period of more than six months from the date on which they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, goods and services tax and duty of customs which have not been deposited on account of any dispute except as stated below:

Name of Statute (Nature of dues)	Year to which the amount relates	Forum where the dispute is pending	Amount (₹ in lakhs)
Income Tax Act, 1961. (Tax/ Interest)	2006-07	High Court	171
Income Tax Act, 1961. (Tax/ Interest)	2007-08		113
Income Tax Act, 1961. (Tax/ Interest)	2009-10		162
Income Tax Act, 1961. (Tax/ Interest)	2010-11		123

Annexure to the Auditor's Report (Contd.)

Name of Statute (Nature of dues)	Year to which the amount relates	Forum where the dispute is pending	Amount (₹ in lakhs)
Income Tax Act, 1961. (Tax/ Interest)	2011-12	Commissioner of Income Tax (Appeals) – Mumbai	224
Income Tax Act, 1961. (Tax/ Interest)	2012-13		168
Income Tax Act, 1961. (Tax/ Interest)	2013-14		74
Income Tax Act, 1961. (Tax/ Interest)	2015-16		412
Income Tax Act, 1961. (Tax/ Interest)	2016-17		318
Income Tax Act, 1961. (Tax/ Interest)	2017-18		219

(viii) According to the information and explanations given to us, the Company has not taken any money from any financial institution, bank, Government or debenture holder, and accordingly clause 3 (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.

(x) According to the information and explanations furnished by the management, which have been relied upon by us, there were no frauds by the Company or on the Company by any of its employees or officers noticed or reported during the course of our audit.

(xi) In our opinion, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No: 112888
UDIN: 21112888AAAAEJ2109

Place: Mumbai
Date: June 09, 2021

ANNEXURE - B to the Independent Auditor's Report of even date on the Financial Statements of National Commodity & Derivatives Exchange Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to financial statements of **National Commodity & Derivatives Exchange Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Exchange's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure - B to the Independent Auditor's Report of even date on the Financial Statements of National Commodity & Derivatives Exchange Limited (Contd.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No: 112888
UDIN: 21112888AAAAEJ2109

Place: Mumbai
Date: June 09, 2021

NCDEX
Pragati ka Solid Exchange

BALANCE SHEET

as at March 31, 2021

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020 *
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	939	1,088
Capital work-in-progress	2	-	117
Right to use assets	39	518	985
Intangible assets	3	3,503	3,647
Intangible assets under development	3	337	194
Investment in subsidiaries, associates and joint ventures	4	23,455	22,885
Financial assets			
- Other financial assets			
- Bank balances	5(a)	694	2,664
- Others	5(b)	321	379
Deferred tax assets (net)	15	2,135	1,290
Income tax assets (net)	6	1,658	4,071
Other non-current assets	7	36	50
Total non-current assets		**33,596**	**37,370**
Current Assets			
Financial assets			
- Investment	8	3,650	3,703
- Trade receivables	9	797	596
- Cash and cash equivalents	10	3,558	2,783
- Bank balances other than cash and cash equivalents	11	5,908	6,964
- Others	5(b)	1,130	825
Other current assets	7	2,374	2,265
Total current assets		**17,417**	**17,136**
TOTAL ASSETS		**51,013**	**54,506**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	5,068	5,068
Other equity	13	37,228	39,894
Total Equity		**42,296**	**44,962**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Deposits	16	973	991
- Lease Liabilities	39	95	488
- Other Financial liabilities		143	-
Provisions	14	103	129
Total non-current liabilities		**1,314**	**1,608**
Current liabilities			
Financial liabilities			
- Deposits	16	3,781	4,263
- Trade payables			
Total Outstanding dues of micro enterprises and small enterprises	17	8	43
Total Outstanding dues of other than micro enterprises and small enterprises	17	827	1,071
- Lease Liabilities	39	464	559
- Other Financial liabilities	18	1,155	1,006
Other current liabilities	19	1,066	896
Provisions	14	102	98
Total current liabilities		**7,403**	**7,936**
TOTAL LIABILITIES		**8,717**	**9,544**
TOTAL EQUITY AND LIABILITIES		**51,013**	**54,506**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.
* Restated (Refer note - 40)

As per our report of even date

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No : 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Place : Mumbai
Date : June 09, 2021

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Public Interest Director
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

STATEMENT OF PROFIT & LOSS

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020 *
INCOME			
Revenue from operations	20	3,759	5,418
Other Income	21	2,565	2,769
Total income		**6,324**	**8,187**
EXPENSE			
Employee benefits expense	22	3,286	3,376
Finance cost	23	68	106
Depreciation & amortization expense	24	1,573	1,704
Other expenses	25	4,721	5,086
Total expenses		**9,648**	**10,272**
Profit / (loss) before exceptional items, contribution to Core SGF and income tax		**(3,324)**	**(2,085)**
Contribution to Core SGF	36	-	(165)
Profit / (loss) before exceptional items and income tax		**(3,324)**	**(2,250)**
Exceptional item	26	(34)	2,000
Profit / (Loss) before tax		**(3,358)**	**(250)**
Tax expense			
Current tax	27	-	-
Deferred tax expense/ (credit)	27	(870)	(629)
Profit / (Loss) for the year (A)		**(2,488)**	**379**
Other Comprehensive Income:			
Items that will not be reclassified to the Statement of profit and loss;			
Remeasurement of post-employment benefit obligations		16	(37)
Income tax impact on above		(4)	12
Item that will be reclassified to the Statement of profit and loss;			
Debt instruments through Other Comprehensive Income		83	46
Income tax impact on above		(20)	(10)
Other comprehensive income for the year, net of taxes (B)		**75**	**11**
Total comprehensive income for the year (A+B)		**(2,413)**	**390**
Earnings per share (Face Value of ₹ 10 each)			
(1) Basic (₹)		-4.91	0.75
(2) Diluted (₹)		-4.91	0.75
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

* Restated (Refer note - 40)

As per our report of even date

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No : 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Place : Mumbai
Date : June 09, 2021

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

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DIN - 02224776

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Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

NCDEX
Pragati ka Solid Exchange

STATEMENT OF CASH FLOW

for the year ended March 31, 2021

(₹ in Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash flow from operating activities**		
	Profit before tax	(3,358)	(250)
	Adjustments for:		
	Depreciation & amortisation	1,573	1,704
	Provision for leave encashment	12	5
	Provision for gratuity	(18)	44
	(Profit) / Loss on sale of fixed asset	(16)	8
	(Profit) / Loss on sale of investments	(72)	(124)
	Interest income	(823)	(1,239)
	Reversal of impairment loss of PXIL Investment	-	(2,000)
	Provision for dimunition in value of Investment	34	-
	Profit on lease rent concession	(20)	-
	Provision no longer required	(1)	-
	Interest expenses on lease liability	68	106
	Operating profit before working capital changes	**(2,621)**	**(1,746)**
	Movements in working capital:		
	Decrease / (Increase) in trade receivables	(201)	230
	Decrease / (Increase) in other current assets	(109)	(209)
	Decrease / (Increase) in other non current assets	13	46
	Decrease / (Increase) in inter corporate loans	-	(25)
	Decrease / (Increase) in other financial assets	(291)	(220)
	Increase / (Decrease) in trade payables	(279)	278
	Increase / (Decrease) in financial liabilities	(443)	(42)
	Increase / (Decrease) in other current liabilities	170	(80)
	Cash generated / (used) from operations	(3,761)	(1,768)
	Direct taxes (paid) / refund (net)	2,412	(908)
	Net cash generated / (used) in operating activities (A)	**(1,349)**	**(2,676)**
B.	**Cash flows from investing activities**		
	Purchase of fixed assets, including intangible assets, CWIP and capital advances	(596)	(290)
	Proceeds from sale / disposal of fixed assets	17	0
	Investment in shares of NCCL Limited	(576)	(975)
	Purchase of current investments	(14,121)	(29,668)
	Proceeds from sale of current investments	14,329	30,962
	Interest received	838	1,262
	Investment in fixed deposits (original maturity of more than three months)	(9,787)	(10,541)
	Redemption / Maturity of fixed deposits (original maturity of more than three months)	12,813	15,476
	Net cash generated / (used) in investing activities (B)	**2,917**	**6,226**

STATEMENT OF CASH FLOW

for the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash Flows from financing activities		
Dividend paid	(187)	(228)
Dividend tax paid	-	(52)
Payment of lease Liabilities (Net off lease rent concession)	(606)	(702)
Net cash generated / (used) from financing activities (C)	**(793)**	**(982)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**775**	**2,568**
Cash and cash equivalents at the beginning of the year	**2,783**	**215**
Cash and cash equivalents at the end of the year	**3,558**	**2,783**
Components of cash and cash equivalents (Refer note - 10)		
Cash and cheques on hand		
With Banks		
- on current accounts (Note-1)	1,016	172
- on fixed deposits (Original maturity being three months or less) (Note-2)	2,542	2,611
Total	**3,558**	**2,783**

Note-1 Includes ₹ NIL (March 31, 2020 : ₹ 3 lakh) in Escrow account " NCDEX Joint Price Dissemination Account".
Includes ₹ 0.06 lakh (March 31, 2020 : ₹ 0.26 lakh) for Investor Service Fund.
Includes ₹ 66 lakh (March 31, 2020 ₹ 62 lakh) represents earmarked for Base Minimum Capital.

Note-2 Includes ₹ 339 lakh (March 31, 2020 ₹ 50 lakh) represents deposit earmarked for Base Minimum Capital.
Includes ₹ 115 lakh (March 31, 2020 ₹ 56 lakh) represents deposit earmarked for SAT order .

Summary of significant accounting policies - Note 1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No : 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Place : Mumbai
Date : June 09, 2021

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Public Interest Director
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(A) Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at April 01, 2020	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**5,068**

(B) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General reserve	Retained Earnings *	FVTOCI Debt instrument	
Balance as at April 01, 2019	**13,956**	**1,110**	**24,788**	**16**	**39,870**
Prior period Tax impact adjustment			6		6
Adjusted Balance as at April 01, 2019	**13,956**	**1,110**	**24,794**	**16**	39,876
Addition in current year	-	-	379	-	379
Items of Other Comprehensive Income for the year, net of tax					
Remeasurement benefit of defined benefit plans	-	-	(26)	-	(26)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	36	36
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	(253)	-	(253)
Dividend distribution tax (Transaction with owners in their capacity as owners)	-	-	(52)	-	(52)
Transitional Impact Lease accounting	-	-	(66)	-	(66)
Balance as at March 31, 2020	**13,956**	**1,110**	**24,776**	**52**	**39,894**
Addition in current year	-	-	(2,488)	-	(2,488)
Items of Other Comprehensive Income for the year, net of tax	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	12	-	12
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	63	63
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	(253)	-	(253)
Dividend distribution tax (Transaction with owners in their capacity as owners)	-	-	-	-	-
Balance as at March 31, 2021	**13,956**	**1,110**	**22,047**	**115**	**37,228**
Summary of significant accounting policies	1				

The accompanying notes are an integral part of the financial statements.

* Restated (Refer note - 40)

As per our report of even date

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No : 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Place : Mumbai
Date : June 09, 2021

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Public Interest Director
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS

for the year ended March 31, 2021

BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Background

National Commodity & Derivatives Exchange Limited ("the Company" or "the Exchange" or "NCDEX") is a national level, technology driven de-mutualised on-line commodity exchange. The Company is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at First Floor, Akruti Corporate Park, Near G. E. Garden, L.B.S. Road, Kanjurmarg West, Mumbai 400 078. The Company was incorporated on April 23, 2003, under the provisions of the Companies Act, 1956. NCDEX is regulated by Securities and Exchange Board of India.

1 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements ("financial statements").These policies have been consistently applied to all the years presented, unless otherwise stated.

a Statement of Compliance

The financial statements as at and for the year ended March 31, 2021 and March 31, 2020 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provision of the act to the extent applicable.

The financial statements are approved for issue by the Company's Board of Directors on June 09, 2021.

b Historical Cost Convention

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

i. certain financial assets and liabilities and contingent consideration that is measured at fair value;

ii. assets held for sale measured at lower of cost or fair value less cost to sell;

iii. defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation.

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

c Foreign Currencies

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

Transactions and balances

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

Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the Statement of profit and loss as income or expense.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or Statement of profit and loss are also recognised in OCI or Statement of profit and loss, respectively).

d Use of estimates and judgment

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the accounting policies. Changes in the estimates are accounted for in the year when actual figures are known and not as a restatement to the comparable figures. Application of accounting policy that require critical accounting estimates and assumptions having the most significant effect on the amounts recognised in the financial statements are:

Estimated useful life of property, plant and equipment and intangible assets

Useful life of property, plant and equipment, intangible assets and investment property are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Recognition of deferred tax assets

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Contingent liabilities

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Exchange makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Exchange considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Exchange's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

e Current and Non-current classification

The Exchange presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle i.e. twelve months

ii. Held primarily for the purpose of trading, or

iii. Expected to be realised within twelve months after the reporting period other than for (i) above, or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

v. Current assets also includes current portion of non-current financial assets.

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle i.e twelve months

ii. It is held primarily for the purpose of trading

iii. It is due to be settled within twelve months after the reporting period other than for (i) above, or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

f Investments in subsidiaries, associates and joint ventures

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

When the Exchange issues financial guarantees on behalf of subsidiaries, initially it measures the financial guarantees at their fair value and subsequently measures at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

The Exchange records the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as deferred revenue. Such deemed investment is added to the carrying amount of investment in subsidiaries.

Deferred revenue is recognized in the Statement of profit and loss over the remaining period of financial guarantee issued.

g Non-current assets held for sale

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

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

h Fair Value Measurement

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

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

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

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

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

• Level 1 — Quoted (unadjusted)

This hierarchy includes financial instruments measured using quoted prices.

• Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include the following:

a) quoted prices for similar assets or liabilities in active markets.

b) quoted prices for identical or similar assets or liabilities in markets that are not active.

c) inputs other than quoted prices that are observable for the asset or liability.

d) Market – corroborated inputs.

• Level 3

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

i Revenue Recognition

Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

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

Transaction charges

Transaction charges are recognised as income on trade date basis.

Annual subscription charges

Annual subscription charges are recognised as income on a time proportion basis beginning from the month in which member is enabled.

Admission fees

Admission fees are recognized as income at the time an applicant is converted as member or provisional member.

Delivery Charges

Delivery charges are recognized as income at the point when the service is rendered i.e. delivery of commodities.

Interest Income

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

Dividends

Dividend income is recognized when the Exchange's right to receive payment is established by the reporting date.

Risk Management Fees

Risk Management Fees is recognized at the point when open interest is increased as compared to previous day.

Warehouse Charges

Warehouse charges are recognized when a new location is accredited by a warehouse service provider (WSP) and when WSP information is processed.

j Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Exchange will comply with all attached conditions.

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

Government grants relating to income are deferred and recognised in the Statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of profit and loss over the period in which depreciation of the related assets will be charged to the statement of profit and loss.

k Income taxes

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

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

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Standalone Financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amount will be available to utilise those temporary differences and losses. At each reporting date the Exchange reassesses unrecognized deferred tax assets and recognizes the same to the extent it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Exchange recognizes MAT credit available as an asset only to the extent it is probable that the Exchange will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Exchange recognizes MAT credit as an asset on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of profit and loss and shown as "MAT Credit Entitlement". The Exchange reviews the " MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is not probable that the Exchange will pay normal tax during the specified period.

l Property, Plant and Equipment (PPE)

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working condition for its intended use (net of CENVAT / GST) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. It includes professional fees and borrowing costs for qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Exchange and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance costs are recognized in the Statement of profit and loss as incurred.

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

Depreciation is provided on straight line method over the useful life of the assets.

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

Leasehold improvement is amortized over the lease term i.e. the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

The residual value of all assets is taken to be "NIL".

The useful life of property, plant and equipment are as follows :

Asset Class	Useful Life
Improvement to Lease hold Property	Over the period of lease
Furniture & Fixtures	10 years
Electrical Installations	10 years
Computer Hardware	3 – 6 years
Office Equipment's	5 years
Motor Car	8 years

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

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

m Intangible Asset

Recognition of intangible assets

a. Computer software

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

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

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

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

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

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

The carrying value of computer software costs is reviewed for impairment annually when the asset is not in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of profit and loss when the asset is derecognized.

Intangible assets under development

All costs incurred in development, are initially capitalized as Intangible assets under development - till the time these are either transferred to Intangible Assets on completion or expensed as Software Development cost (including allocated depreciation) as and when determined of no further use.

n Lease

As a lessee

Leases of property, plant and equipment that substantially transfers all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

(a) Finance leases

Finance leases when acquired, are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) Operating Leases

Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Effective April 01, 2019, the Exchange adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 01, 2019.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Exchange assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

(1) the contract involves the use of an identified asset

(2) the compay has substantially all of the economic benefits from use of the asset through the period of the lease and

(3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the Exchange recognizes a right to use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Exchange recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. Right to use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right to use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right to use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right to use asset reflects that the Exchange expects to exercise a purchase option, the related right to use asset is depreciated over the useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right to use asset if the group changes its assessment if whether it will exercise an extension or a termination option. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability and Right to use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

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

Transition

Effective April 1, 2019, the Exchange adopted Ind AS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Exchange recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right to use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application.

o Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

p Provisions, Contingent liabilities and Contingent assets

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

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

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

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

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

q Employee Benefit

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in Statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the Standalone Balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of profit and loss.

The obligations are presented as current liabilities in the Standalone Statement of Assets and Liabilities since the Exchange does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Exchange operates the following post-employment schemes:

a. defined benefit plans such as gratuity, and

b. defined contribution plans such as provident fund.

Defined benefit Plan

- **Gratuity obligations**

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

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

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

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

Defined Contribution Plan

- **Provident fund**
  Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.

Leave Encashment

Leave encashment is measured on the basis of actuarial report.

r Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

s Impairment of non-financial assets

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

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

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the Statement of profit and loss.

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

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

t Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories based on the Exchange's business model :

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

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI

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

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Exchange may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Investment in subsidiaries, joint ventures and associates

Investment in subsidiaries, joint ventures and associates are carried at cost in the standalone financial statements.

Equity investments

All equity investments are measured at fair value. For equity instruments, the Exchange may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Exchange makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Exchange decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to the Statement of profit and loss, even on sale of investment. However, the Exchange may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Trade receivables

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

Cash and Cash equivalents

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

De-recognition

A financial asset is de-recognized only when :

i. The Exchange has transferred the rights to receive cash flows from the financial asset or

ii. Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Exchange has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de- recognized.

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

Impairment of financial assets

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

i. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

ii. Financial assets that are debt instruments and are measured as at FVTOCI.

iii. Lease receivables under Ind AS 17

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

iv. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

v. Loan commitments which are not measured as at FVTPL

vi. Financial guarantee contracts which are not measured as at FVTPL

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

i. Trade receivables or contract revenue receivables; and

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of profit and loss.

Financial liabilities

Classification as debt or equity
Financial liabilities and equity instruments issued by the Exchange are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement
Financial liabilities are recognised when the Exchange becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit or loss.

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

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

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the Statement of profit and loss when the liabilities are derecognized. Interest expenses on these financial liabilities is included in finance cost using EIR method.

Financial guarantee contracts
Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

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

u Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

v Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

w Cash flow statement

The 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.

x Application of new and revised Ind -AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 to the extent applicable have been considered in preparing these financial statements.

y Recent accounting pronouncements:-

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Exchange will evaluate the same to give effect to them as required by law.

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

2 PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Computer Hardware	Improvement to Lease hold Property	Telecommunication Equipment's	Office Equipment's	Electrical Installations	Furniture and Fixtures	Motor Car	Total	Capital work-in-progress
Cost or Deemed Cost									
Opening as at April 01, 2019	1,709	260	1,176	72	170	90	33	3,510	-
Additions	16	-	-	15	38	8	-	76	117
Disposals / Adjustments	5	46	-	1	2	2	-	55	-
Closing gross carrying amount	**1,720**	**215**	**1,176**	**85**	**206**	**97**	**33**	**3,531**	**117**
Accumulated depreciation and impairment									
Opening as at April 01, 2019	1,099	158	551	51	123	33	13	2,028	-
Depreciation for the year	179	60	189	14	8	8	4	463	-
Disposals / Adjustments	4	39	-	1	2	1	-	47	-
Closing accumulated depreciation	**1,274**	**179**	**740**	**63**	**130**	**39**	**18**	**2,444**	**-**
Net carrying amount as at March 31, 2020	**446**	**35**	**436**	**22**	**76**	**57**	**15**	**1,088**	**117**
Cost or Deemed Cost									
Opening as at April 01, 2020	1,720	215	1,176	85	206	97	33	3,532	117
Additions	229	-	21		7	-	-	257	-
Disposals / Adjustments	132	34	89	37	97	12	-	401	117
Closing gross carrying amount	**1,817**	**181**	**1,108**	**48**	**116**	**85**	**33**	**3,388**	**-**
Accumulated depreciation and impairment									
Opening as at April 01, 2020	1,274	179	740	63	130	39	18	2,443	-
Depreciation for the year	189	15	166	7	15	9	4	405	-
Disposals / Adjustments	132	34	89	37	97	10	-	399	-
Closing accumulated depreciation	**1,331**	**160**	**817**	**33**	**48**	**38**	**22**	**2,449**	**-**
Net carrying amount as at March 31, 2021	**486**	**21**	**291**	**15**	**68**	**47**	**11**	**939**	**-**

3 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software	Total	Intangible assets under development	Total
Cost or Deemed Cost				
Opening as at April 01, 2019	6,089	6,089	56	56
Additions	120	120	220	220
Disposals / Adjustments	-	-	-	-
Capitalized during the year	-	-	82	82
Closing gross carrying amount	**6,209**	**6,209**	**194**	**194**
Accumulated amortization and impairment losses				
Opening as at April 01, 2019	1,934	1,934	-	-
Amortization for the year	628	628	-	-
Disposals / Adjustments	-	-	-	-
Closing accumulated amortization	**2,562**	**2,563**	**-**	**-**
Net carrying amount as at March 31, 2020	**3,647**	**3,646**	**194**	**194**
Cost or Deemed Cost				
Opening as at April 01, 2020	6,209	6,209	194	194
Additions	484	484	977	977
Disposals / Adjustments	-	-	834	834
Capitalized during the year	-	-	-	-
Closing gross carrying amount	**6,693**	**6,693**	**337**	**337**
Accumulated amortization and impairment losses				
Opening as at April 01, 2020	2,562	2,562	-	-
Amortization for the year	628	628	-	-
Disposals / Adjustments	-	-	-	-
Closing accumulated amortization	**3,190**	**3,190**	**-**	**-**
Net carrying amount as at March 31, 2021	**3,503**	**3,503**	**337**	**337**

4 NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
Investment in subsidiaries, associates and joint ventures				
I Investment in unquoted equity Shares				
(i) In Subsidiary Companies				
Equity shares of ₹10/- each fully paid up in NCDEX e Markets Limited	3,54,99,400	3,550	3,54,99,400	3,550
Equity Shares of ₹10/- each fully paid up in NCDEX Institute of Commodity Markets & Research (Refer Note 44)	20,75,000	-	50,000	5
Equity shares of ₹10/- each fully paid up in National Commodity Clearing Limited	12,46,00,000	12,460	11,88,50,000	11,885
Equity shares of ₹10/- each fully paid up in National E-Repository Limited	5,44,51,000	5,445	5,44,51,000	5,445

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
(ii) In Associates				
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited (Refer note - 36(2))	2,00,00,000	2,000	2,00,00,000	2,000
Total		**23,455**		**22,885**
Aggregate amount of investments		**23,662**		**22,885**
***Aggregate provision for diminution in value of unquoted investments**		**207**		**-**

5 OTHER FINANCIAL ASSET

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020 *
(a) Non-current bank balances				
Deposits with bank - original maturity more than 12 months (Refer Note-1)	694	2,664	-	-
Total (a)	**694**	**2,664**	**-**	**-**
(b) Others				
Considered Good- Unsecured				
Recoverable from subsidiaries	-	-	489	257
Recoverable from Selling Shareholder (Refer Note 42)			314	199
Interest accrued on fixed deposits	16	66	325	290
Security Deposit	305	313	-	-
Other assets	-	-	2	25
Receivables - credit impaired				
Others receivables - credit impaired	32	32	-	-
Less: Allowance for expected credit loss	(32)	(32)	-	-
	-	-	-	-
Loans and advances to subsidiaries (Refer Note - 44)				
Unsecured, considered good	-	-	-	54
Unsecured, credit impaired	-	-	-	173
Less: Allowance for expected credit loss	-	-	-	(173)
	-	-	-	54
Total (b)	**321**	**379**	**1,130**	**825**

Note-1 Includes ₹ 155 Lakhs (March 31, 2020 ₹ 339 Lakhs) represents deposit earmarked for Base Minimum Capital.
Includes ₹ 9 Lakhs (March 31, 2020 ₹ NIL) represents deposit earmarked for SAT order .

* Restated (Refer note - 40)

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

6 INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020*
Advance income tax paid including tax deducted at source receivable (net of provision)	1,658	4,071
Total	**1,658**	**4,071**

* Restated (Refer note - 40)

7 OTHER ASSETS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good				
Capital Advances	-	1	-	-
Prepaid Expenses **	36	49	255	339
Balances with Government authorities	-	-	373	173
Other Receivables	-	-	1,746	1,753
Total	**36**	**50**	**2,374**	**2,265**

* Restated (Refer note - 40)
** Current prepaid expenses included IPO expenses of ₹ NIL (₹ 66 Lakhs March 31, 2020)

8 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	Units	Amount	Units	Amount
A) Investment in bonds				
Bonds (Quoted)				
NHAI Bonds 2015 Tax Free Bonds Tranche I Series II A for 15 years @ 7.35% p.a.	57,140	686	57,140	646
7.35% NABARD Tax free bonds Maturity dated March 23 2031@annualised YTM 6.01%	67,475	817	67,475	777
8.48% NTPC Tax free bonds Maturity dated December 16, 2028 at 6.005% p.a	44,799	562	44,799	560
Total Bonds (a)		**2,065**		**1,983**
B) Investment in mutual funds				
Mutual Funds (Unquoted)				
Aditya Birla Sunlife Cash Plus Growth Direct Plan	-	-	57,942	185
Aditya Birla Sunlife Cash Plus Growth Direct Plan *	8,476	28	16,580	53
Axis Liquid Fund Direct Growth	536	12	7,743	171
Axis Liquid Fund Direct Growth **	127	3	4,310	95
HDFC- Overnight Fund -Direct Plan -Growth	6,540	200	-	-
HDFC- Liquid Fund -Direct Plan -Growth	2,603	105	5,139	201
HDFC- Liquid Fund -Direct Plan -Growth *	659	27	198	8
ICICI Prudential Overnight Fund - Direct Plan Growth Option	2,97,185	330	-	-
ICICI Prudential Liquid Plan - Direct Plan Growth Option 2016-17	-	-	29,019	85
ICICI Prudential Liquid Plan - Direct Plan Growth Option	-	-	43,728	128

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	Units	Amount	Units	Amount
Kotak Liquid Scheme- Direct Plan-Growth Option ***	1,094	46	-	-
Kotak Liquid Scheme- Direct Plan-Growth Option	-	-	2,073	83
Reliance Fixed Horizon Fund - XXXV - Series 14	50,00,000	634	50,00,000	596
SBI Liquid Fund - Direct Growth	6,208	200	3,700	115
Total - Current Investments (b)		**1,585**		**1,720**
Aggregate amount of total investments(a+b)		**3,650**		**3,703**
* Represents investment earmarked for Investor Service Fund				
** Represents Investment earmarked for Regulatory fee forgone by SEBI				
*** Represents investment earmarked for Base Minimum Capital (BMC)				

9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2021	As at March 31, 2020
a) Trade Receivables considered good - Secured*	548	380
b) Trade Receivables considered good - Unsecured	249	216
c) Trade Receivables - credit impaired	-	-
	797	**596**
Less: Expected credit loss allowance	-	-
Total	**797**	**596**

* Secured by deposits received from members

10 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Cash in hand	-	-
Balances with bank		
In current accounts (Note-1)	1,016	172
Deposits with original maturity of three months or less (Refer Note -2)	2,542	2,611
Total	**3,558**	**2,783**

Note-1 Includes ₹ NIL (March 31, 2020 : ₹ 3 Lakhs) in Escrow account " NCDEX Joint Price Dissemination Account".
Includes ₹ 0.06 Lakhs (March 31, 2020 : ₹ 0.26 Lakhs) for Investor Service Fund.
Includes ₹ 66 Lakhs (March 31, 2020 ₹ 62 Lakhs) represents earmarked for Base Minimum Capital.

Note-2 Includes ₹ 339 Lakhs (March 31, 2020 ₹ 50 Lakhs) represents deposit earmarked for Base Minimum Capital.
Includes ₹ 115 Lakhs (March 31, 2020 ₹ 56 Lakhs) represents deposit earmarked for SAT order .

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2021	As at March 31, 2020
Deposits with maturity for more than 3 months but less than 12 months (Refer Note -1)	5,908	6,964
Total	**5,908**	**6,964**

Note-1 Includes Fixed Deposits of ₹ 195 Lakhs (March 31, 2020 : ₹ 400 Lakhs) pledged with Banks for Overdraft facilities
Includes ₹ 1239 Lakhs (March 31, 2020 ₹ 1287 Lakhs) represents deposit earmarked for Base Minimum Capital.
Includes ₹ 2 Lakhs (March 31, 2020 ₹ 22 Lakhs) represents deposit earmarked for SAT order .

12 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
70,000,000 Equity shares of ₹ 10/- each (Previous Years : 70,000,000 Equity shares of ₹ 10/- each)	7,000	7,000
Issued, subscribed and fully paid up shares		
50,676,000 Equity shares of ₹ 10/- each fully paid up (Previous Years: 50,676,000 equity shares of ₹ 10/- each fully paid up	5,068	5,068
Total	**5,068**	**5,068**

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Equity Shares of ₹ 10 each fully paid	March 31, 2021		March 31, 2020	
	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
At the beginning of the year	5,06,76,000	5,068	5,06,76,000	5,068
Issued during the year	-	-		
Outstanding at the end of the year	5,06,76,000	5,068	5,06,76,000	5,068

b. Reconciliation of the authorized equity shares outstanding at the beginning and at the end of the reporting year.

	March 31, 2021		March 31, 2020	
Equity Shares of ₹ 10 each fully paid	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
At the beginning of the year	7,00,00,000	7,000	6,00,00,000	6,000
Conversion of Preference share into equity share capital	-	-	1,00,00,000	1,000.00
Outstanding at the end of the year	7,00,00,000	7,000	7,00,00,000	7,000

c. Terms / Rights attached to equity share

The Exchange has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Exchange declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Exchange, the holder of the equity shares will be entitled to receive remaining assets of the Exchange, after distribution of all the preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholder.

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

d. Details of shareholders holding more than 5% share in the Exchange

	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
Equity Shares of ₹ 10 each fully paid				
National Stock Exchange of India Limited	76,01,377	15.00%	76,01,377	15.00%
Life Insurance Corporation of India	56,25,000	11.10%	56,25,000	11.10%
National Bank for Agriculture and Rural Development	56,25,000	11.10%	56,25,000	11.10%
"Indian Farmers Fertilizer Cooperative Limited (IFFCO) *"	50,68,000	10.00%	50,68,000	10.00%
Oman India Joint Investment Fund (OIJIF) *	50,67,600	10.00%	50,67,600	10.00%
Punjab National Bank	36,94,446	7.29%	36,94,446	7.29%
Build India Capital Advisors LLP	25,33,799	5.00%	25,33,799	5.00%
Canara Bank	30,55,519	6.03%	30,55,519	6.03%
"Investcorp Private Equity Fund - I (previously known as IDFC Private Equity Fund III)"	25,33,800	5.00%	25,33,800	5.00%
Shree Renuka Sugars Limited	25,33,700	5.00%	25,33,700	5.00%

As per records of the Exchange, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

*SEBI vide its letters dated May 23, 2019 and February 05, 2020 and thereafter vide its e-mail dated June 09, 2020, had directed the Exchange to freeze voting rights and restrict entitlement to any corporate benefits, including dividend over and above 5% of the paid up capital of the Exchange, of two shareholders (IFFCO & OIJIF), till Initial Public Offering of the Exchange takes place or in case the two shareholders are not able to offload their shareholding through Offer for Sale in IPO, an additional time of three months' had been accorded by SEBI to the two shareholders for complying with the SECC Regulations, 2018, with the condition that the other directions issued shall remain in force till compliance of SECC Regulations, 2018.

Further, SEBI vide its letter dated May 14, 2020, deduced two shareholders namely Mrs. Pushpa Devi Saraogi and Mrs. Usha Devi Saraogi that they are covered under the definition of 'Persons acting in concert' (PAC) and are therefore required to offload their entire shareholding in the Exchange. In view of the said SEBI communication, the Exchange had set aside the dividend accrued on the shares held by Mrs. Pushpa Devi Saraogi and Mrs. Usha Devi Saraogi in 'M/s. NCDEX Ltd Unpaid Dividend 2020' account till the pendency of the decision by SEBI in the matter. SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/6623/1 dated March 22, 2021 attaching an Order dated March 19, 2021, approved up to maximum of 5% holding of equity shares in the Exchange by Mrs. Pusha Devi Saraogi and Mrs. Usha Devi Saraogi together as PAC.

13 OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General reserve	Retained Earnings *	FVTOCI Debt instrument	
Balance as at April 01, 2019	**13,956**	**1,110**	**24,788**	**16**	**39,870**
Prior period Tax impact adjustment			6		6
Adjusted Balance as at April 01, 2019	**13,956**	**1,110**	**24,794**	**16**	**39,876**
Addition in current year	-	-	379	-	379
Items of Other Comprehensive Income for the year, net of tax					
Remeasurement benefit of defined benefit plans	-	-	(26)	-	(26)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	36	36
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	(253)	-	(253)
Dividend distribution tax (Transaction with owners in their capacity as owners)	-	-	(52)	-	(52)
Transitional Impact Lease accounting	-	-	(66)	-	(66)
Balance as at March 31, 2020	**13,956**	**1,110**	**24,776**	**52**	**39,894**
Addition in current year	-	-	(2,488)	-	(2,488)
Items of Other Comprehensive Income for the year, net of tax					
Remeasurement benefit of defined benefit plans	-	-	12	-	12
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	63	63
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	(253)	-	(253)
Balance as at March 31, 2021	**13,956**	**1,110**	**22,047**	**115**	**37,228**

* Restated (Refer note - 40)

Description of nature and purpose of reserve

Securities Premium Reserve

Securities premium is used to record the premium on issue of shares i.e. the amount received in excess of the par value of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Retained Earnings

The amount that can be distributed by the Exchange as dividends to its equity shareholders is determined based on the separate financial statements of the Exchange and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

Reserve for debt instruments through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or impairment losses on such instruments.

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

14 PROVISIONS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Employee benefits obligation				
a) Provision for gratuity	56	89	85	86
b) Provision for leave encashment	47	40	17	12
Total	**103**	**129**	**102**	**98**

15 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020*
Deferred tax assets components		
Employee benefits	53	58
Financial assets at fair value through OCI	-	11
Unabsorbed loss including unabsorbed depreciation	2,361	1,503
Deferred tax assets on SEBI Regulatory Fees	14	14
Deferred tax assets on ISF liabilities	19	18
MAT Credit Entitlement	206	206
Cumulative catch-up lease accounting Ind AS 116	24	24
Rent Expenses IND AS 116	(7)	(0)
Gross deferred tax asset	**2,670**	**1,834**
Deferred tax liabilities components		
Depreciation and amortization	465	499
Financial assets at fair value through P&L	36	30
Financial assets at fair value through OCI	34	15
Gross deferred tax liabilities	535	544
Net deferred tax asset/(liability)	**2,135**	**1,290**

* Restated (Refer note - 40)

16 DEPOSITS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020 *	As at March 31, 2021	As at March 31, 2020*
Base Minimum Capital	973	991	849	785
Deposit from members	-	-	2,932	3,478
Total	**973**	**991**	**3,781**	**4,263**

* Restated (Refer note - 40)

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

17 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020*
a) Total outstanding due of micro and small enterprises	8	43
b) Total outstanding dues of creditors other than micro and small enterprises	827	1,071
Total	**835**	**1,114**

* Restated (Refer note - 40)

18 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020*
a) Payable towards purchase of PPE / Intangible Assets	-	-	345	173
b) Dues to members	-	-	534	343
c) Other payable	143	-	274	488
d) Interest payable to MSME	-	-	2	2
	143	**-**	**1,155**	**1,006**
e) Lease Liabilities	95	488	464	559
Total	**238**	**488**	**1,619**	**1,565**

* Restated (Refer note - 40)

19 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Revenue received in advance	335	230
b) SEBI turnover and regulatory fees payable	55	91
c) Investor protection fund*	190	166
d) Statutory dues payable **	394	317
e) Investor Service fund	73	69
f) Others	19	23
Total	**1,066**	**896**

* Includes ₹ 19 Lakhs (March 31, 2020 : ₹ 19 Lakhs) payable to Investor Protection Fund Trust, in view of the freeze order on the security deposit of the member Bhavishya Advisory and Comtrade (India) Pvt. Ltd. However, Forward Market Commission(FMC) has directed that NCDEX shall get the freeze order lifted by the police authorities and reimburse the amount to the Trust towards settlement of award and arbitration cost which the Trust has paid.

** Includes dividend payable ₹ 66 Lakhs (March 31, 2020 : ₹ 25 Lakhs) (Refer Note 12(d))

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

20 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of services		
Transaction charges	3,117	4,639
Annual subscription fees	118	138
Admission fees	16	70
Warehouse charges	10	20
Data, Analytics and Technology Sales	376	405
Other Operating Revenues		
Computer to computer link charges	40	43
Port charges	82	103
Total	**3,759**	**5,418**

21 Other Income

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Other non-operating income		
Interest on Bank deposits	694	1,109
Interest on Bonds	129	130
Interest on Income Tax Refund	324	-
Interest on advance given to subsidiaries	13	13
Interest on financial asset measured at amortized cost	11	15
Dividend Income	178	-
Profit on sale / Fair Value of Mutual funds*	68	119
Profit on sale / Fair Value of Mutual funds (ISF)	4	5
Profit on lease rent concession (Refer Note 45)	20	-
Exchange charges	30	55
Recovery of charges from subsidiaries	747	955
Profit on sale/scrap of PPE (net)	16	-
Provision no longer required	1	-
Leaseline charges income	273	328
Others (miscellaneous income)	57	40
Total	**2,565**	**2,769**

* Includes ₹ 48 Lakhs (March 31, 2020 ₹ 208 Lakhs) of profit on sale of mutual funds.

22 Employee benefits expenses

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, bonus and allowances	2,985	3,007
Contribution to Provident and other funds	233	224
Staff welfare expenses	68	145
Total	**3,286**	**3,376**

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

23 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on lease liability	68	106
Total	**68**	**106**

24 DEPRECIATION & AMORTIZATION EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation	406	463
Amortization	629	628
Amortization of right to use assets	538	613
Total	**1,573**	**1,704**

25 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent	25	8
Electricity Charges	258	361
Security Charges	41	44
Printing and stationery	8	35
Books Periodicals & Subscription	11	15
Repairs and Maintenance	110	133
Communication Expenses	25	44
Travelling and Conveyance Expenses	46	160
Technology Expenses	2,829	3,102
Polling Expenses	196	197
Rates & Taxes	1	-
Insurance Expenses	62	65
Research Expenses	111	98
Legal and Professional Charges	285	302
Advertisement and Publicity	49	56
SEBI Regulatory Fees	55	55
Contribution to Investor Protection Fund	33	47
Contribution to Investor Service Fund	35	52
Committee member sitting fees and expenses	21	19
Directors Sitting Fees	179	127
Corporate social responsibility expenses	26	-
Payment to Auditors		69
- As Auditors	17	19
- For other services	3	3
Bad Debts	1	-
Loss on sale / scrap of fixed assets (net)	-	8
IPO expenses * (also refer note 42)	101	-
Recruitment Expenses	103	16
Other Expenses	90	120
Total	**4,721**	**5,086**

* IPO expenses includes proportionate audit fee of ₹ 17.25 Lakhs paid to statutory auditors.

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

26 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Exceptional Items		
Reversal of impairment loss - PXIL Investment (Refer Note 36)	-	2,000
Provision for dimunition in value of Investment (Refer Note 44)	(34)	-
Total	**(34)**	**2,000**

27 CURRENT AND DEFERRED TAX

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020*
Current tax	-	-
Deferred Tax	(870)	(629)
Total	**(870)**	**(629)**

* Restated (Refer note - 40)

28 EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020*
Net Profit / (Loss) after tax as per Statement of Profit and Loss	(2,496)	379
Less: Preference dividend and tax thereon	-	-
Net Profit for calculation of EPS **(A)**	(2,496)	379
Weighted average no. of equity shares for calculating EPS **(B)**	5,06,76,000	5,06,76,000
Basic / Diluted earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	(4.93)	0.75

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020*
Weighted average number of equity shares for calculating EPS	5,06,76,000	5,06,76,000

* Restated (Refer note - 40)

29 During the year, Exchange has recognised the following amounts in the financial statements as per Ind AS 19 "Employees Benefits" :

a) Defined Contribution Plan

Contribution to Provident Fund and Employee State Insurance Scheme

Contribution to Defined Contribution Plan are recognised and charged off for the year as under :

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's Contribution to Provident Fund	113	117

b) Defined Benefit Plan

The Exchange has a defined benefit gratuity plan. Every employee who has completed five years or more and less than or equal to nine years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Every employee who has completed more than ten years of service gets a gratuity on departure at 26 days salary (last drawn salary) for each completed year of service.

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

Actuarial assumptions	Gratuity (funded)	
	As at March 31, 2021	As at March 31, 2020
Expected Rate of Return on plan assets	5.76%	6.96%
Discount rate (per annum)	5.76%	6.96%
Rate of increase in Compensation levels	8.00% p.a. for the next 5 years, 6.00% p.a. for the next 5 years, starting from the 6th year 5.00% p.a. thereafter, starting from the 11th year	8.00% p.a. for the next 5 years, 6.00% p.a. for the next 5 years, starting from the 6th year 5.00% p.a. thereafter, starting from the 11th year
Rate of Employee turnover	20.00%	20.00%
Mortality Rate during Employment	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Mortality Rate after Employment	N.A.	N.A.

Table showing changes in present value of obligations :

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of obligation as at the beginning of the year	325	241
(Liability Transferred In / Acquisitions)	-	6
(Liability Transferred Out / Divestments)	-	(2)
Interest Cost	19	17
Current Service Cost	48	38
Benefits paid	(23)	(10)
Actuarial (gain) / loss on obligations	(15)	35
Present value of obligation as at the end of the end	**354**	**325**

Table showing changes in the fair value of plan assets :

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at beginning of the year	150	147
(Liability Transferred In / Acquisitions)	-	6
(Assets Transferred Out / Divestments)	-	(2)
Interest income	8	11
Employer contribution	77	-
Benefits paid	(23)	(10)
Return on Plan Assets, Excluding Interest Income	1	(2)
Fair value of plan assets at year end	**213**	**150**

The amounts to be recognized in Balance Sheet :

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of obligation as at the end of the year	(354)	(325)
Fair value of plan assets as at the end of the year	213	150
Funded Status (Surplus / (Deficit))	(141)	(175)
Unrecognised actuarial (gains) / losses	-	-
Net asset / (liability) recognised in Balance Sheet	**(141)**	**(175)**

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

Expenses recognised in Statement of Profit and Loss :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	48	38
Past service cost (Vested Benefit)	-	-
Net Interest Income	11	6
Expected return on plan assets	-	-
Curtailment and settlement cost / (credit)	-	-
Expenses recognised in the Statement of Profit and Loss	**59**	**44**

Expenses recognised in Other Comprehensive Income :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (Gains) / Losses on Obligation for the year	(15)	35
Return on Plan Assets, excluding Interest Income	(1)	2
Change in Asset Ceiling	-	-
Net (Income) / Expense For the year Recognized in Other Comprehensive Income	**(16)**	**37**

Maturity profile of defined benefit obligation :

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Projected benefits payable in future years from the date of reporting		
1st Following year	66	51
2nd Following year	55	51
3rd Following year	51	48
4th Following year	45	41
5th Following year	40	37
Sum of Years 6 to 10	132	123
Sum of Years 11 and above	73	72

Investment Details :

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

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Investments with insurance fund	100%	100%

Sensitivity :

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(₹ in Lakhs)

Gratuity	Change in Assumption	For the year ended March 31, 2021		For the year ended March 31, 2020	
		Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1% / -1%	-13	14	-12	13
Salary Escalation Rate	+1% / -1%	14	-13	13	-12
Employee Turnover	+1% / -1%	-2	2	-2	2

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note-1: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Note-2: The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

30 DISCLOSURE REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (THE ACT) ARE GIVEN AS FOLLOWS :

(₹ in Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
a.	Principal amount remaining unpaid to any supplier as at the year end	8	43
	Interest due thereon :	-	-
b.	Amount of interest paid during the year	-	-
c.	Amount of payments made to the supplier beyond the appointed day during the accounting year.	-	-
d.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the (year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006.	-	-
e.	Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
f.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006.	2	2

Note: The above information and that given in Note No. 17 ‘ Trade Payables’ regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Exchange and has been relied upon by the auditors.

31 COMMITMENTS AND CONTINGENCIES

(a) Contingent Liabilities not provided for :

(₹ in Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	On account of Income taxes (Refer Note 1 below)	1,983	1,918
(ii)	On account of Legal claim (Refer Note 2 below)	185	185
(iii)	On account of payment of Bonus for the F.Y. 2014-15 (Refer Note 3 below)	11	11
(iv)	On account of Service tax (Refer Note 4 below)	753	-

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

Note 1

(₹ in Lakhs)

Particulars	Assessment Year	As at March 31, 2021	As at March 31, 2020	Forum before which case is pending
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 07-08	171	171	High Court
o Investor Protection Fund Trust (IPFT) added in Income	AY 08-09	113	113	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 10-11	162	162	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 11-12	123	123	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 12-13	224	224	CIT
Disallowance u/s 14A	AY 13-14	6	-	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 13-14	162	162	CIT
Disallowance u/s 14A	AY 14-15	9	-	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 14-15	65	65	CIT
Disallowance u/s 14A	AY 16-17	11	580	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 16-17	269		CIT
Other disallowances	AY 16-17	131		CIT
Disallowance u/s 14A	AY 17-18	29	29	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 17-18	287	287	CIT
Other disallowances	AY 17-18	2	2	CIT
Disallowance u/s 14A	AY 18-19	28	-	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 18-19	191	-	CIT
Total		**1,983**	**1,918**	

Note 2

A legal suit was filed jointly against the Exchange and National Collateral Management Services Limited by a party claiming a sum of ₹ 185 Lakhs for loss on sale of goods, loss of profit, interest etc.

The management believes that the outcome of any pending litigations will not have a material adverse effect on the Exchange's financials position and the results of operations.

Note 3

Due to the retrospectively amendment in "The Payment of Bonus Act,1965" which is deemed to have come into force from April 1, 2014. Kerala and Karnataka High Courts have passed stay on it's implementation and the matter is pending in Court of Law for hearing. Considering that books of FY 2014-15 have been closed, return of bonus filed for said period and the matter is under litigation, the same is considered as contingent.

Note 4

The Exchange has received adverse order on the issue of nonpayment of service tax on liquidated damages amounting to Rs 813.52 lakhs along with interest u/s 75 & Penalty u/s 78, as per Finance Act-1994. The Exchange has filed an appeal with CESTAT against the same. The company has also pre deposited 7.5% of the tax amount i.e. Rs 61.01 lakhs at the time of filing appeal with CESTAT."

(b) Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	29	110

(c) Other Commitments

i The Exchange, vide its letter dated September 5, 2018, has given an undertaking to National Commodity Clearing Limited (NCCL) for infusion of capital to the extent required to enable compliance with SEBI directives on net worth of NCCL and for increasing the Core Settlement Guarantee Fund (Core SGF) to ₹ 250 crore by September 2021. The current Core SGF balance as at March 31, 2021 is ₹ 211.90 crore (March 31, 2020 ₹ 192.09 crore). The increase in SGF will be by way of interest earned on the Core SGF balance, penalties collected by NCCL and transferred to Core SGF, NCCL's own contribution, direct contribution by the Exchange to Core SGF and balance amount (if any) as equity investment into NCCL every 6 months over a period of 3 years i.e. by September 2021. Pursuant to this The Exchange has invested ₹ 575 Lakhs (March 31, 2020 ₹ 975 Lakhs) in equity share capital of National Commodity Clearing Limited .

ii The Exchange has invested ₹ 207 Lakhs (₹ 5 Lakhs March 31, 2020) in NCDEX Institute of Commodity Markets and Research(NICR), incorporated under section 25 of the Companies Act, 1956 (now section 8 of Companies Act, 2013) on September 18, 2007. The main object of the Institute is to operate as a charitable statistical research institute to promote knowledge and research relating to commodity markets, associated derivatives and disseminate information for the benefit of the participants in markets for products, goods, commodities, currency bonds, fixed income, intangibles, indices etc.

NICR has incurred a loss ₹ 19 Lakhs for the year ended March 31, 2021 and accumulated losses as on March 31, 2021 is ₹ 219 Lakhs. Though, the net worth of NICR is fully eroded, the financial statements of NICR have been prepared on the assumption of a going concern in view of the ability to continue its operations for the foreseeable future with the continued support by the Exchange.

32 Based on complaints of presence of 'Mineral Oil' in some of the stocks, the warehouses having pepper stock were sealed by Food Safety and Standard Authority of India (FSSAI) and deliveries were stopped from these warehouses till further notice. The presence of mineral oil is not a part of the 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, which is approximately 6,400 MT, subject to recovering the costs of improvement and accordingly prayed before the Hon. Kerala High Court to allow the same. Based on this, the Hon. Kerala High Court 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 FSSAI to permit the reference of a second sample to the referral laboratory viz. The Central Food Laboratory, Kolkata. Based on the test results of approximately 6,206 MT sent to the referral laboratory, approximately 4376 MT has been tested as free of mineral oil. Further, Hon. High Court of Kerala, vide its order dated May 12, 2015 has directed release of such quantity of pepper which is found free from impurities and contamination. Based on this, approximately 4,376 MT of pepper out of the quantity found free of mineral oil on testing by Central Food Laboratory, Kolkata, has been released to the holders & another approximately 455 MT was released later after cleaning. As the percentage of stock tested free of mineral oil was substantially high, it was estimated that the total costs required to be incurred would be approximately ₹ 1,558 Lakhs (excluding taxes), as compared to the earlier estimate of ₹ 4,300 Lakhs. Out of the said estimate, ₹ 1,200 Lakhs plus taxes is towards cleaning costs. Till March 31, 2021, the Exchange has paid total amount including taxes towards cleaning and other related costs of ₹ 1,700 Lakhs. These payments are included in advances recoverable in cash or kind. In order to recover the costs for cleaning and other related expenses, the Exchange is in discussions with the local trade association, concerned members and other counterparties. The Management is of the opinion that there is no further exposure to the Exchange and therefore, there is no requirement to make any further provision with respect to these costs in the Exchange's accounts in addition to the provision made in earlier year of ₹ 260 Lakhs. As at March 31, 2021 the balance stock of Pepper pending at various stages of release under the custody of FSSAI is approximately 1166 MT.

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

33 AS REQUIRED BY IND AS - 24 “RELATED PARTY DISCLOSURES

(i) Name and description of related parties

Relationship	Name of related party
(a) Subsidiaries	NCDEX e Markets Limited (NeML)
	National E-Repository Limited (NERL)
	National Commodity Clearing Limited (NCCL)
	NCDEX Institute of Commodity Markets and Research (NICR)
(b) Associates	Power Exchange India Limited (PXIL)
(c) Joint Venture	Rashtriya e Market Services Private Limited (Joint venture with subsidiary NeML)
(d) List of Key Management Personnel	Mr. Vijay Kumar V. Managing Director & Chief Executive Officer (W.e.f. January 18, 2018)
	Mr. Ashish Bahuguna (Public Interest Director) (W.e.f. June 15, 2020)
	Dr. Purvi Mehta (Public Interest Director) (W.e.f. January 11, 2018)
	Dr. Ashok Gulati (Public Interest Director) (W.e.f. January 3, 2019)
	Mr. Ravindra Kumar Roye (Public Interest Director and chairman) (Upto June 14, 2020 and upto May 03, 2020 respectively)
	Mr. J. Ravichandran (Shareholder Director) (Upto February 04, 2020)
	Mr. Bhaskaran Nayar Venugopal (Shareholder Director) (W.e.f. January 11 2018)
	Mr. Rakesh Kapur (Shareholder Director)
	Mr. Srinath Srinivasan (Shareholder Director)
	Mr. Sunil Kumar (Shareholder Director) (Upto December 21, 2020)
	Mr. Manikumar S. (W.e.f December 21, 2020)
	Mr. Nirmalendu Jajodia (Public Interest Director) (W.e.f. April 13, 2018)
	Mr. Prem Kumar Malhotra (Public Interest Director) (W.e.f. August 9, 2018)
	Mr. Chaman Kumar ((Public Interest Director and chairman) (W.e.f. April 10, 2018 and May 04, 2020 respectively)

(ii). Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at March 31, 2021 are as under:

(₹ in lakhs)

Particulars	Subsidiaries								Associates		Key Managerial Personnel			
	NeML		NICR		NERL		NCCL		PXIL		Vijay Kumar V.		Directors	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Remuneration	-	-	-	-	-	-	-	-	-	-	170	180	-	-
Fees paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of expenses	41	75	99	98	79	110	524	673	-	-	-	-	-	-
Expenses paid on behalf of subsidiaries/associates		-	8	11	0	1	-	1	-	-	-	-	-	-
Expenses paid by subsidiaries / associates on NCDEX behalf	-	1	-	-	-	0	0	4	-	-	-	-	-	-
Rent paid	14	2	-	-	-	-	-	-	-	-	-	-	-	-
Research expenses paid to subsidiaries	-	-	108	97	-	-	-	-	-	-	-	-	-	-
Transfer of asset between subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in equity shares	-	-	-	-	-	-	575	975	-	-	-	-	-	-
Income collected on behalf subsidiaries / associates	-	-	-	-	-	0	-	-	-	-	-	-	-	-
Income collected by subsidiaries on NCDEX behalf	-	-	-	-	-	2	60	98	-	-	-	-	-	-
Interest income	-	-	13	13	-	-	-	-	-	-	-	-	-	-
Loans given	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan repayment received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sitting fees paid to directors	-	-	-	-	-	-	-	-	-	-	-	-	179	127
Dues recovered from deposits lying with NCCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SGF contribution	-	-	-	-	-	-	-	165	-	-	-	-	-	-
Loan conversion to Equity	-	-	203	-	-	-	-	-	-	-	-	-	-	-
Provision for dimunition in value of investment	-	-	34	-	-	-	-	-	-	-	-	-	-	-
Dividend Income	178	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit of Members Transfer	-	-	-	-	-	-	30	-	-	-	-	-	-	-
Amount paid towards FPO subsidy	-	-	-	-	-	-	83	-	-	-	-	-	-	-
Paid for loss,incurred during the liquidation of member open position	-	-	-	-	-	-	11	-	-	-	-	-	-	-

(₹ in lakhs)

Balance outstanding at the year end	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Investments in equity shares	3,550	3,550	207	5	5,445	5,445	12,460	11,885	2,000	2,000	-	-	-	-
Investments in preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for diminution in the value of investment	-	-	207	-	-	-	-	-	-	-	-	-	-	-
Short term loans receivable	-	-	-	173	-	-	-	-	-	-	-	-	-	-
Provision for advances	-	-	-	173	-	-	-	-	-	-	-	-	-	-
Other receivables	24	5	43	54	28	52	360	200	-	-	-	-	-	-
Trade payables / Other payable	11	-	-	-	-	-	16	4	-	-	78	91	-	-

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

34 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Exchange. The Exchange operates only in one Business Segment i.e. facilitating trading in commodities and the activities incidental thereto within India, hence the Exchange is not required to report Segments separately i.e. full financial statement considered as single segment as per Indian Accounting Standard 108 "Operating Segments".

35 CORPORATE SOCIAL RESPONSIBILITY EXPENSES

Gross amount required to be spent by the Exchange as per section 135 of the Companies Act 2013 on Corporate Social Responsibility activities is ₹ NIL and Company spend voluntary ₹ 26 Lakhs during the year ended March 31, 2021 (March 31, 2020 : ₹ NIL)

Details of amount spent during the year are as follows:

(₹ in Lakhs)

CSR project or activity identified	Projects or programs	Sector in which the project is covered	Amount spent	
			For the year ended March 31, 2021	For the year ended March 31, 2020
Seed graders and grain assaying kits	Support RIs/POPIs and their FPCs in MP through Seed graders and grain assaying kits	Produce quality	26	-

36 DETAILS OF CONTRIBUTION TO SGF & EXCEPTIONAL ITEMS ARE AS FOLLOWS:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provision for dimunition in value of Investment (Refer Note 44)	(34)	-
Exchange Contribution to core SGF (Footnote-1)	-	(165)
Reversal of impairment loss - PXIL Investment (Footnote Note-2)	-	2,000
Total	**(34)**	**1,835**

Note- 1 The Exchange has contributed ₹ NIL (₹ 165 Lakhs March 31, 2020) toward its share of core SGF as per SEBI guidelines based on stress test results. This amount of ₹ NIL (₹ 165 Lakhs March 31, 2020) is shown on face of the profit and loss account as "Contribution to Core SGF ". After such conversion, the Exchange has an investment in the equity shares of PXIL to the extent of ₹ 2,000 lakh.

Further, as at September 30, 2020, after considering profits in PXIL for last two and a half year, sustainability of such profits and based on a valuation report by a registered valuer, the Exchange has reversed the impairment loss and reinstated its investment of ₹ 2,000 lakh through a credit in its profit and loss account.

Note -2 In the year 2015-16, after considering continuous losses in PXIL and erosion of its entire net worth, Exchange had estimated that the recoverable amount of its investment in PXIL which consisted of ₹ 1,500 Lakhs in equity shares and ₹ 500 Lakhs in optionally convertible preference shares, should be impaired to Nil value. Consequently, the Exchange impaired its entire investment of ₹ 2,000 Lakhs by way of a charge to its profit and loss account. During the previous financial year, NCDEX converted its investment of ₹ 500 Lakhs in optionally convertible preference shares into equity shares. After such conversion, the Exchange has an investment in the equity shares of PXIL to the extent of ₹ 2,000 Lakhs. Further, as at September 30, 2019, after considering profits in PXIL for last two and a half year, sustainability of such profits and based on a valuation report by a registered valuer, the Exchange has reversed the impairment loss and reinstated its investment of ₹ 2,000 Lakhs through a credit in its profit and loss account.

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Exchange's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Exchange's senior management has the overall responsibility for the establishment and oversight of the Exchange's risk management framework. The Exchange has constituted a Risk Management Committee, which is responsible for developing and monitoring the Exchange's risk management policies.

Management of Liquidity Risk

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

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

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

(₹ in Lakhs)

Particulars	Note Nos.	Carrying amount	Payable on demand	Less than 12 months	More than 12 months	Total
As at March 31, 2021						
Deposits	16	4,754	3,781	-	973	4,754
Trade payables	17	835	-	835	-	835
Lease Liabilities	39	559	-	464	95	559
Other financial liabilities	18	1,298	-	1,298	-	1,298
		7,446	**3,781**	**2,597**	**1,068**	**7,446**
As at March 31, 2020						
Deposits	16	5,254	4,263	-	991	5,254
Trade payables *	17	1,114	-	1,114	-	1,114
Lease Liabilities	39	1,047	-	559	488	1,047
Other financial liabilities *	18	1,006	-	1,006	-	1,006
		8,421	**4,263**	**2,679**	**1,479**	**8,421**

* Restated (Refer note - 40)

Management of Credit Risk

Credit risk is the risk of financial loss to the Exchange if a customer or counter-party fails to meet its contractual obligations.

Trade Receivables :

Concentrations of credit risk with respect to trade receivables are limited, due to the Exchange's customer base being large and diverse and also on account of member's deposits kept by the Exchange as collaterals which can be utilized in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

Out of the total trade receivable of ₹ 789 Lakhs (March 31, 2020 ₹ 596 Lakhs), the receivable amounting to ₹ 85 Lakhs (March 31, 2020 ₹ 68 Lakhs) are outstanding for more than 180 days.

None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2021 and for the year ended March 31,2020.

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

Other financial assets :

The Exchange maintains exposure in cash and cash equivalents, term deposits with banks, investments in debt mutual funds and bonds. The Exchange limits its exposure to credit risk by making investment as per the investment policy. The Exchange addresses credit risk in its investments by mandating a minimum rating of the security / institution where the amounts are invested and is further strengthened by mandating additional requirements like Net Worth Criteria and Capital Adequacy Ratio (CAR) for term deposits with banks and Minimum Average Assets Under Management (AAUM) of the Asset Management Companies (AMCs) and Assets Under Management (AUM) of the schemes for investments in debt mutual funds. Further the Investment Committee of the Exchange reviews the investment portfolio on a periodic basis and recommends or provides suggestions to the management. The Exchange does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Management of Market Risk

The Exchange's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of commodities traded, the number of contracts and liquidity and similar factors.

In addition to the above risk, Market risk also includes the risk of loss of future earnings, fair values of future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Exchange's control. Changes in the general level of interest rates can affect the profitability by affecting the spread between, amongst other things, income the Exchange receives on investments in debt securities, the value of interest-earning investments, it's ability to realise gains from the sale of investments.

Foreign currency risk

The Exchange periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the Exchange has not entered in foreign exchange forward exchange contracts.

Capital management

The Exchange's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Exchange monitors the return on capital as well as the level of dividends on its equity shares. The Exchange objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Exchange is predominantly equity financed which is evident from the capital structure. Further, the Exchange has always been a net cash company with cash and bank balances along with investment which is predominantly invested in liquid mutual funds and fixed deposits with scheduled banks, being far in excess of financial liabilities.

38 FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

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

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

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

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

The Exchange uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

• Level 1

This hierarchy includes financial instruments measured using quoted prices.

• Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 2 inputs include the following:

a) quoted prices for similar assets or liabilities in active markets.

b) quoted prices for identical or similar assets or liabilities in markets that are not active.

c) inputs other than quoted prices that are observable for the asset or liability.

d) Market – corroborated inputs.

• Level 3

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

(₹ in Lakhs)

Particulars	Levels	As at March 31, 2021	As at March 31, 2020*
1) Financial Assets			
Financial assets measured at fair value through profit or loss			
A) Investment in Mutual Funds	Level 1	1,585	1,720
Financial assets measured at fair value through other comprehensive income			
A) Investment in Bonds	Level 1	2,065	1,983
Financial assets measured at Amortized Cost			
A) Bank deposits		6,602	9,628
B) Trade receivables		797	596
C) Cash and Cash equivalents		3,558	2,783
D) Other Financial Asset		1,451	1,204
Total financial assets		**16,058**	**17,914**
2) Financial liabilities			
Financial liabilities measured at Amortized Cost			
A) Deposits from members		4,754	5,254
B) Trade payables		835	1,114
C) Lease Liabilities		559	1,047
d) Other Financial liabilities		1,298	1,006
Total Financial liabilities		**7,446**	**8,421**

* Restated (Refer note - 40)

The carrying amounts of trade receivables, bank deposit, other financial assets, trade payables, Deposit from member, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

39 LEASES

1 **Transition**

On transition, the adoption of the new standard resulted in recognition of 'Right to use' asset of ₹ 1,529 Lakhs and a lease liability of ₹ 1,623 Lakhs . The cumulative effect of applying the standard of ₹ 66 Lakhs is debited to retained earnings, net of taxes. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

2 **The following is the summary of practical expedients elected on initial application:**

i. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

ii. Applied the exemption not to recognize right to use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

iii. Excluded the initial direct costs from the measurement of the right to use asset at the date of initial application.

iv. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

3 The effect of depreciation and interest related to Right to Use Asset and Lease Liability are reflected in the Profit & Loss Account under the heading "Depreciation and Amortization Expense" and "Finance costs" respectively under Note no. 23 and 24.

4 The weighted average incremental borrowing rate applied to lease liabilities is 8.38%.

5 Following are the changes in the carrying value of right to use assets for the year ended March 31, 2021.

(₹ in Lakhs)

Particulars	Category of Right to use Assets		Total
	Office Space	Guest House	
Balance as of April 01, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	48	-	48
Additions	1,515	35	1,550
Depreciation	602	11	613
Balance as of March 31, 2020	**961**	**24**	**985**
Balance as of April 1, 2020	961	24	985
Additions	115	-	115
Deletions	28	16	44
Depreciation	530	8	538
Balance as of March 31, 2021	**518**	**-**	**518**

6 The following is the break-up of current and non-current lease liabilities as of March 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Lease liabilities	464	559
Non-current lease liabilities	95	488
Total	**559**	**1,047**

7 The following is the movement in lease liabilities during the year ended March 31, 2021 :

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the year	1,047	-
Additions	115	1,644
Deletions	45	-
Finance cost accrued during the year	68	106
Payment of lease liabilities	626	703
Balance as at end of the year	**559**	**1,047**

8 The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2021 on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	488	559
One to five years	108	488
More than 5 years	-	
Total	**596**	**1,047**

9 The Exchange does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

10 Rental expense recorded for short-term leases was ₹ 25 Lakhs (₹ 8 Lakhs March 31, 2020) .

40 DURING THE YEAR, THE EXCHANGE HAS MADE CHANGES IN PRIOR PERIOD . AS A RESULT, THE EXCHANGE HAS RESTATED PRIOR PERIOD FINANCIALS AS FOLLOWS :

Balance Sheets

(₹ in Lakhs)

S. no	Particulars	Previously Reported Amount	Prior period impact	Restated amount	Remarks
1	Deferred tax assets (net)	1,594	(304)	1,290	Restated due to prior years tax expense adjustments for a) Reconciliation of MAT credit and deferred tax on unabsorbed depreciation & business loss with income tax return filed by the Exchange b) Change in tax rate for calculation of deferred tax asset/liability.
2	Non current Income tax assets (net)	3,867	204	4,071	Restated due to prior years tax expense adjustments for reconciliation of Income tax assets(TDS receivable) and provision for income tax with income tax return filed by Exchange.
3	Other current financial assets	626	199	825	Regrouping of IPO expenses related to recovery from selling shareholders from Other current assets under sub heading prepaid expenses to other current financial assets under sub heading "Recovery from selling shareholders"
4	Other current assets	2,464	(199)	2,265	Regrouping of IPO expenses related to recovery from selling shareholders from Other current assets under sub heading prepaid expenses to other current financial assets under sub heading "Recovery from selling shareholders"

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

S. no	Particulars	Previously Reported Amount	Prior period impact	Restated amount	Remarks
5	Other equity	39,994	(100)	39,894	Restated due to prior years tax expense adjustments as mentioned above in S.no 1 & 2
6	Total Outstanding dues of other than micro enterprises and small enterprises	1,378	(307)	1,071	Regrouping of PBI & bonus payable to employees from Trade payable other than micro enterprises and small enterprises to other current financial liabilities under sub heading other payable.
7	Other Current Financial liabilities	699	307	1,006	Regrouping of PBI & bonus payable to employees from Trade payable other than micro enterprises and small enterprises to other current financial liabilities under sub heading other payable.
8	Current Deposits	1,776	(991)	785	Regrouping of Deposit received from member for Base Minimum Capital from Current Deposit liabilities to Non Current Deposit liabilities
9	Non Current Deposits	-	991	991	Regrouping of Deposit received from member for Base Minimum Capital from Current Deposit liabilities to Non Current Deposit liabilities

Statement of Profit & Loss

(₹ in Lakhs)

S. no	Particulars	Previously Reported Amount	Prior period impact	Restated amount	Remarks
1	Deferred tax expense/ (credit)	(735)	106	(629)	Restated due to prior years tax expense adjustments for reconciliation of income tax rate with income tax return filed by Exchange.

41 TAX RECONCILIATION

a A reconciliation of Income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020*
Profit before income taxes	-3,358	-250
Enacted tax rates in India (%)	26	26
Computed expected tax expense	-873	-65
Tax impact on depreciation	32	154
Tax impact due to non-deductible expenses for tax purposes	0	-126
Tax impact on exempt income	-34	-34
Capital gain taxed at different rate (Net of business losses)	-12	3
Deferred tax expense	42	-44
Reversal of impairment loss - PXIL Investment (Refer Note 36)	0	-520
Income tax expense	**-846**	**-632**

* Restated (Refer note - 40)

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

b The following table provides the details of income tax assets and income tax liabilities as of March 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020 *
Income tax assets	9,312	11,725
Income tax liabilities	7,654	7,654
Net Non current income tax assets / (liability) at the end	**1,658**	**4,071**

* Restated (Refer note - 40)

c The gross movement in the current income tax asset / (liability) for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020 *
Net current income tax asset/ (liability) at the beginning	4,071	2,958
Add:-Income tax paid	308	1,113
Less:-Additional Refund Received	-2,721	0
Less:-Provision for income tax	-	-
Net current income tax asset/ (liability) at the end	**1,658**	**4,071**

* Restated (Refer note - 40)

d **Deferred tax (liabilities) / assets (net)**

Movements in deferred tax assets

(₹ in Lakhs)

Particulars	Employee benefit	Financial Assets at Fair Value through OCI	MAT Credit Entitlement	Lease	Unabsorbed loss including unabsorbed depreciation	ISF liabilities & SEBI Regulatory fee	Total
As at March 31, 2019	**36**	**-**	**206**	**-**	**938**	**12**	**1,192**
Charged/(credited)							
- to profit or loss	22	-	-	(0)	565	20	607
- to other comprehensive income	-	11	-	-	-	-	11
- Retained Earning	-	-	-	24	-	-	24
As at March 31, 2020 *	**58**	**11**	**206**	**24**	**1,503**	**32**	**1,834**
Charged/(credited)							
- to profit or loss	(9)		-	(7)	859	1	843
- to other comprehensive income	4	(11)	-	-	-	-	(7)
- Retained Earning	-	-	-		-	-	-
As at March 31, 2021	**53**	**-**	**206**	**17**	**2,361**	**33**	**2,671**

* Restated (Refer note - 40)

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

Movements in deferred tax liabilities

(₹ in Lakhs)

Particulars	Depreciation	Financial Assets at Fair Value through profit or loss	Financial Assets at Fair Value through OCI	Total
As at March 31, 2019	**499**	**54**	**5**	**558**
Charged/(credited)				
- to profit or loss	0	-24		(24)
- to other comprehensive income	-	-	10	10
As at March 31, 2020 *	**499**	**30**	**15**	**544**
Charged/(credited)				
- to profit or loss	(34)	6	-	(28)
- to other comprehensive income	-	-	19	19
As at March 31, 2021	**465**	**36**	**34**	**535**

* Restated (Refer note - 40)

42 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 of up to ₹ 100 Crores and Offer for Sale of up to 14,453,774 Equity Shares by the Selling Shareholders. On April 9, 2020 SEBI issued its final observations on the DRHP. Basis these observations, the Exchange could launch its proposed IPO by April 8, 2021 i.e. open for subscription within 12 months from April 9, 2020. The Exchange has not launched its IPO prior to this date, hence 25% of the IPO related expenses which were earlier disclosed as prepaid expense, are now debited to statement of profit and loss account amounting to ₹ 101 Lakhs and remaining amount is disclosed as other financial assets under the sub head recoverable from selling shareholders.

43 The COVID - 19 outbreak is an unprecedented global situation. The World Health Organisation has declared the same as a pandemic. During the financial year 2020-21, the COVID - 19 has partially impacted the business of the Company.

Based on the current indicators of future economic conditions and the impact of COVID – 19 on business, the Exchange has made an assessment of its liquidity position, recoverability and carrying values of its assets and ability to pay the liabilities as they become due and is of the view that, there is no adjustment required to be made in the financial statements. The Exchange will continue to evaluate any significant changes having impact on its financial performance and financial position.

44 During the financial year 2020-21, Board of the Exchange, at its adjourned meeting held on June 29, 2020 approved the proposal of conversion of outstanding loan and accrued interest of ₹ 202 Lakhs (excluding ₹ 13 Lakhs approximately being paid on taxes) as at March 31, 2020, into equity share capital at par value. Pursuant to conversion , investment in NICR has increased from ₹ 5 Lakhs as on March 31, 2020 to ₹ 207 Lakhs as on March 31, 2021. As on March 31, 2020, the Exchange had made provision of ₹ 173 Lakhs for doubtful debts of loan and advances given to NICR . Post conversion of outstanding loan into equity share during the year , the Exchange has reclassified Provision for doubtful debt of ₹ 173 Lakhs to provision for diminution in value of investment. Further after considering continuous losses in NICR and erosion of its entire net worth, the Exchange has made addtional provision of diminution in value of investment in NICR ₹ 34 Lakhs during the year.

45 The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Exchange has applied the practical expedient with effect from April 01, 2020. The Exchange has accounted the unconditional rent concessions of ₹ 20 Lakhs as other income during the year ended March 31, 2021.

Notes to Financial Statements
for the year ended March 31, 2021 (Contd.)

46 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 Exchange 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.

47 Previous year figures have been regrouped / reclassified wherever necessary to conform to current year presentation.

48 During the year ended March 31, 2020, The Board of Directors at its meeting held on June 09, 2021 has recommended a payment of dividend of ₹ 0.50 per equity shares of ₹ 10/- each.

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No : 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Place : Mumbai
Date : June 09, 2021

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Public Interest Director
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of National Commodity & Derivatives Exchange Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of **National Commodity & Derivatives Exchange Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the NCDEX Group'), its associate companies and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Statement of consolidated cash flows for the year then ended, and notes to consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2021, and its loss (including other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to:

Note 33 to the consolidated financial statements. In respect of the matters relating to the future contracts of pepper, 'other receivable' as on March 31, 2019, includes various costs amounting to ₹ 1700 Lakhs towards cleaning of the pepper stock in warehouses. The order of Hon'ble High Court of Kerala dated August 28, 2014 has allowed the 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.

In terms of the legal opinion obtained by the Company, it therefore has a fair chance of recovery of the costs incurred by them since the Company is backed by orders of the Court which provides a constructive lien on the goods lying under the physical control of the Company through its approved warehouses. The Management has considered the receivable as good and recoverable, apart from a provision of ₹ 260 Lakhs which was made in earlier years towards such pepper-cleaning costs.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the following matter as Key Audit Matter/s for the year.

Key Audit Matter - Litigation, Claims and Contingent Liabilities:

(Refer Notes 32(a) and 33, to be read along with Emphasis of Matter in Independent Auditor's Report of the consolidated financial statements)

The Group is exposed to a variety of different laws and regulations thereof which encompasses legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations and commercial claims.

Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses.

Given the different views possible, basis the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.

Auditor's Responses - Principal audit procedures performed:

- We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Group's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities.
- We held discussions with senior management including the person responsible for legal and compliance to obtain an understanding of the factors considered by management in classification of the matter as 'probable', 'possible' and 'remote'.
- Examined the Group's legal expenses on sample basis and read the minutes of the board meetings and the regulatory oversight committee in order to ensure completeness.
- We considered legal opinion obtained by the management from external law firms to challenge the basis used for provisions recognized or the disclosures made in the standalone financial statements.

For those matters where management concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group's disclosures made in relation to contingent liabilities.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including annexures thereto and Management Discussion Analysis but does not include the consolidated financial statements and our auditor's report thereon. Directors' Report including annexures thereto and Management Discussion Analysis is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, compare with the financial statements of the subsidiaries and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint venture, is traced from their financial statements audited by the other auditors.

When we read the Directors' Report including annexures thereto and Management Discussion Analysis, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of the Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act read with the rules made thereunder. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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 the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associates and jointly controlled entities are responsible for assessing the ability of the Group and its associates and its jointly controlled 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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Exchange has internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates 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 statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and its jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company 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.

Other Matters

1) The Independent Auditors of Rashtriya e Market Services Private Limited ('ReMSPL') – a step-down jointly controlled entity, in their audit report for the year ended March 31, 2021, have drawn attention to a matter wherein in respect of ReMSPL, in the opinion of the joint venture's management, goods and services tax ('GST') is not applicable on the transaction charges billed by ReMSPL. Hence the provision for GST has not been made in the books of accounts for the same. The financial impact, if any, due to applicability of GST on profit for the year of ReMSPL is ₹ 205 Lakhs. Therefore, the financial impact on the consolidated financial statements for the year is ₹ 103 Lakhs exclusive of interest and other imposition, if any. The cumulative financial impact, if any, due to applicability of GST on the consolidated financial statements is ₹ 898 (50% of ₹ 1796) Lakhs exclusive of interest and other impositions, if any.

2) We did not audit the financial statements of three subsidiary companies whose financial statements reflect total assets of ₹ 59001 Lakhs as at March 31, 2021, total revenues of ₹ 3125 Lakhs and net cash inflows amounting to ₹ 8308 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 49 Lakhs for the year ended March 31, 2021, in respect of one jointly controlled entity of a subsidiary, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Independent Auditor's Report (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries and jointly controlled entities, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate Exchange and jointly controlled entity, none of the directors of the Group companies, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiaries to its respective directors during the year is in accordance with the provisions of Section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) The Company has disclosed the impact of the pending litigations its financial position in its financial statements – refer note 32(a) and 33 to the financial statements;

      (ii) The Company does not have any long-term contracts for which there were any material foreseeable losses. The Company does not have any derivative contracts.

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No: 112888
UDIN: 21112888AAAAEK5966

Place: Mumbai
Date: June 09, 2021

ANNEXURE - B to the Independent Auditor's Report of even date on the Consolidated Financial Statements of National Commodity & Derivatives Exchange Limited

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of **National Commodity & Derivatives Exchange Limited** (hereinafter referred to as 'the Holding Company') and its subsidiaries, its associate Company and jointly controlled Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate and jointly controlled entity as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate Company and jointly controlled Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Exchange's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure - B to the Independent Auditor's Report of even date on the Consolidated Financial Statements of National Commodity & Derivatives Exchange Limited (Contd.)

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, associate and jointly controlled entity, has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to three subsidiary companies and one jointly controlled Exchange, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No. 100186W

Sachin A. Negandhi
Partner
Membership No: 112888
UDIN: 21112888AAAAEK5966

Place: Mumbai
Date: June 09, 2021

NCDEX
Pragati ka Solid Exchange

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	1,267	1,500
Capital work-in-progress	2	-	117
Right to use assets	53	853	1,457
Intangible assets	3	4,908	5,278
Intangible assets under development	3	753	380
Financial assets			
- Investments	4	3,654	3,400
- Bank balances	5(a)	2,981	5,757
- Others	5(b)	528	557
Deferred tax assets (net) *	16	2,366	1,376
Income tax assets (net) *	6	2,108	4,705
Other non-current assets	7	43	55
Total non-current assets		**19,461**	**24,582**
Current Assets			
Financial assets			
- Investments	8	7,918	3,703
- Trade receivables	9	3,142	3,226
- Cash and cash equivalents	10	25,294	12,073
- Bank balances other than cash and cash equivalents	11	46,571	48,020
- Others *	5(b)	2,842	4,480
Other current assets *	7	2,505	2,436
Total current assets		**88,272**	**73,938**
TOTAL ASSETS		**1,07,733**	**98,520**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	5,068	5,068
Other equity *	13	45,607	45,653
Equity attributable to Owners		**50,675**	**50,721**
Non Controlling Interest *	13	2,092	2,270
Total Equity		**52,767**	**52,991**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Deposits *	14	986	1,004
- Lease Liabilities	14	327	845
- Other Financial liabilities	14	211	41
Provisions	15	478	294
Total non-current liabilities		**2,002**	**2,184**
Current Liabilities			
Financial liabilities			
- Deposits *	17	45,014	36,399
- Trade payable			
Total Outstanding dues of micro enterprises and small enterprises	18	33	88
Total Outstanding dues of other than micro enterprises and small enterprises*	18	1,146	1,374
- Lease Liabilities	19	610	713
- Other Financial liabilities *	19	3,486	3,405
Other current liabilities	20	2,190	1,139
Provisions	15	171	227
Current Tax Liabilities (Net)		313	-
Total current liabilities		**52,963**	**43,345**
TOTAL LIABILITIES		**54,966**	**45,529**
TOTAL EQUITY AND LIABILITIES		**1,07,733**	**98,520**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the consolidated financial statements.
* Restated (Refer note - 48)

As per our report of even date

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No : 100186W

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

Sachin A. Negandhi
Partner
Membership No. 112888

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Public Interest Director
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

Place : Mumbai
Date : June 09, 2021

CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME			
Revenue from operations	21	11,279	13,184
Other Income	22	3,611	4,275
Total Income		**14,890**	**17,459**
EXPENSE			
Employee benefits expense *	23	7,226	6,903
Finance cost	24	102	150
Depreciation & amortization expense	25	2,478	2,572
Other expenses	26	7,460	8,181
Total expenses		**17,266**	**17,806**
Profit / (loss) before share of Net profit of Joint venture, exceptional items and income tax		**(2,376)**	**(347)**
Add : Exceptional items	27	(104)	(377)
Profit / (Loss) before share of Net profit of Joint venture and income tax		**(2,480)**	**(724)**
Share of net profit from Joint venture and associate accounted for using equity method	43	369	955
Profit / (Loss) before tax		**(2,111)**	**231**
Tax expense			
Current tax	28	366	434
Deferred tax (credit) *	28	(1,014)	(935)
Profit / (Loss) for the year (A)		**(1,463)**	**732**
Other comprehensive Income (OCI) :			
Items that will not be reclassified to the Statement of profit and loss;			
Remeasurement of post-employment benefit obligations		(2)	(114)
Income tax impact on above		1	33
Share of OCI from Joint venture accounted for using equity method		(2)	(2)
Item that will be reclassified to the Statement of profit and loss;			
Debt instruments through Other Comprehensive Income		83	46
Income tax impact on above		(20)	(10)
Other comprehensive income for the year net of tax (B)		**60**	**(47)**
Total comprehensive income for the year (A+B)		**(1,403)**	**685**
Profit attributable to:			
Owners of the Parent Company		(1,285)	998
Non-controlling interests		(178)	(266)
Other comprehensive income attributable to:			
Owners of the Parent Company		59	(46)
Non-controlling interests		1	(1)
Total comprehensive income for the year attributable to:			
Owners of the Parent Company		(1,226)	952
Non-controlling interests		(177)	(267)
Earnings per share attributable to the equity holders of the Parent Company			
Earnings per share (Face value of ₹ 10 each)			
(1) Basic (₹)		(2.54)	1.97
(2) Diluted (₹)		(2.54)	1.97
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the consolidated financial statements.

* Restated (Refer note - 48)

As per our report of even date

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No : 100186W

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

Sachin A. Negandhi
Partner
Membership No. 112888

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Public Interest Director
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

Place : Mumbai
Date : June 09, 2021

NCDEX
Pragati ka Solid Exchange

CONSOLIDATED CASH FLOW

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash flow from operating activities			
Profit before tax *		(2,111)	231
Adjustments for:			-
Depreciation & amortisation		2,478	2,572
Provision for leave encashment		59	70
Provision for gratuity		65	35
Provision no longer required		(6)	(51)
Provision for doubtful debts		9	8
(Profit) / Loss on sale / scrap of fixed assets (net)		(16)	(1)
(Profit) / Loss on sale of investments		(206)	(420)
(Profit) / Loss on sale of fixed asset		1	8
Interest income		(2,619)	(3,294)
Sundry balances written off		-	32
Interest expense micro enterprises and small enterprises		-	(1)
Share of profit from Joint venture and associate		(367)	(953)
Utilisation from Investor Service fund		(31)	(30)
Utilisation from Risk Management Fund		-	-
Contribution to Core SGF by Settlement Penalties		285	4,188
Funding from SGF		-	(1,335)
Interest on lease liabilities		102	150
Reversal of Impairment loss		-	(291)
Margin elimination associates		13	57
Employee stock option cost		-	8
Profit on lease rent concession		(20)	-
Provision for Impairment on Fixed Asset (Software)		5	-
Operating profit before working capital changes		**(2,359)**	**983**
Movements in working capital:			
Decrease / (Increase) in trade receivables		74	(1,473)
Decrease / (Increase) in other current assets *		(78)	(470)
Decrease / (Increase) in other non current assets		10	59
Decrease / (Increase) other non current financial assets		1	(82)
Decrease / (Increase) other financial assets *		(242)	(180)
Increase / (Decrease) in non - current financial liabilities *		153	317
Increase / (Decrease) in trade payables *		(280)	146
Increase / (Decrease) in current financial liabilities *		8,458	9,023
Increase / (Decrease) in other current liabilities		716	(489)
Cash generated / (used) from operations		6,453	7,834
Direct taxes (paid) / refund (net)		2,915	(1,055)
Net cash generated / (used) in operating activities	**(A)**	**9,368**	**6,779**

CONSOLIDATED CASH FLOW

for the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
B. Cash flows from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,260)	(1,095)
Proceeds from sale / disposal of fixed assets	17	1
Purchase of current investments	(2,65,487)	(6,81,569)
Proceeds from sale of current investments	2,63,407	6,83,655
Dividend Received from joint venture entity	100	70
Interest received	3,833	4,242
Investment in fixed deposits (original maturity of more than three months)	(2,55,036)	(1,01,725)
Redemption/Maturity of fixed deposits (original maturity of more than three months)	2,59,261	95,054
Net cash generated / (used) in investing activities	**4,835**	**(1,367)**
C. Cash Flows from financing activities		
Proceeds from issuance of equity share capital to non controlling interest	6	5
Share issue expenses	-	(20)
Dividend paid	(188)	(228)
Dividend tax paid	-	(52)
Repayment of lease Liabilities	(800)	(892)
Net cash generated / (used) from financing activities (C)	**(982)**	**(1,187)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)	**13,221**	**4,225**
Cash and cash equivalents at the beginning of the year	**12,073**	**7,848**
Cash and cash equivalents at the end of the year	**25,294**	**12,073**
Components of cash and cash equivalents (Refer note - 10)		
Cash and cheques on hand	0	2
With Banks		
- on current accounts (Note-1)	3,949	2,923
- on fixed deposits (Original maturity being three months or less) (Note-2)	17,335	9,148
Investments in mutual funds (Highly Liquid Funds)	4,010	-
Total	**25,294**	**12,073**

Note-1 i) Includes ₹ NIL (March 31, 2020 : ₹ 3 lakh) in Escrow account " NCDEX Joint Price Dissemination Account".
ii) Includes ₹ 0.06 lakh (March 31, 2020 : ₹ 0.26 lakh) for Investor Service Fund.
iii) Includes 66 lakh (March 31, 2020 ₹ 62 lakh) represents earmarked for Base Minimum Capital.
iv) Includes ₹ 0.02 lakh (March 31, 2020 ₹ 0.02 lakh) for Core Settlement Guarantee Fund in in subsidiary company National Commodity Clearing Limited (NCCL)

Note-2 i) Includes ₹ 339 lakh (March 31, 2020 ₹ 50 lakh) represents deposit earmarked for Base Minimum Capital.
ii) Includes ₹ 115 lakh (March 31, 2020 ₹ 56 lakh) represents deposit earmarked for SAT order.
iii) Includes ₹ NIL (March 31, 2020 ₹ NIL) Fixed Deposit for Core Settlement Guarantee Fund in subsidiary company National Commodity Clearing Limited (NCCL)

Summary of significant accounting policies - Note 1

The accompanying notes are an integral part of the consolidated financial statements.

* Restated (Refer note - 48)

As per our report of even date

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No : 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Place : Mumbai
Date : June 09, 2021

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Public Interest Director
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

NCDEX
Pragati ka Solid Exchange

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021 (Contd.)

(A) Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at April 01, 2019	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2020	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2021	5,068

(B) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus							Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share option Reserve	Risk Management Fund	General reserve	Core Settlement Guarantee Fund (Refer note - 39)	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the Parent Company	Attributable to Non-Controlling interest	Total
Balance at the April 01, 2019	**13,965**	**0**	**20**	**1,110**	**14,032**	**1**	**11,891**	**18**	**41,037**	**2,555**	**43,592**
Restatement Adjustment *	2	67					(19)		50	(20)	30
Restated Balance at the beginning of the period April 01, 2019	13,967	67	20	1,110	14,032	1	11,872	18	41,087	2,535	43,622
Non controlling interest on account of reduction of of share in subsidiary									-	3	3
Addition in current year *	5	8	-	-	6,512	-	998	-	7,522	(268)	7,254
Utilised / Converted during the year *	1	(1)	(0)	-	(1,335)	-	-	-	(1,335)	-	(1,335)
Items of Other Comprehensive Income for the year, net of tax											
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	**(82)**	-	**(82)**		**(82)**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	34	34	-	34
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	(253)	-	(253)		(253)
Dividend distribution tax (Transaction with owners in their capacity as owners) "	-	-	-	-	-	-	(52)	-	(52)		(52)
Transfer to Core Settlement Guarantee Fund - NCCL	-	-	-	-	-	-	(975)	-	(975)		(975)
Transfer to Core Settlement Guarantee Fund - NCDEX	-	-	-	-	-	-	(165)	-	(165)		(165)
Transitional Impact Lease accounting	-	-	-	-	-	-	(109)	-	(109)	-	(109)
Share issue expenses	-	-	-	-	-	-	(20)	-	(20)	-	(20)
Balance as at March 31, 2020	**13,973**	**74**	**20**	**1,110**	**19,209**	**1**	**11,214**	**52**	**45,653**	**2,270**	**47,923**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	Reserves and Surplus							Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share option Reserve	Risk Management Fund	General reserve	Core Settlement Guarantee Fund (Refer note - 39)	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the Parent Company	Attributable to Non-Controlling interest	Total
Non controlling interest on account of reduction of of share in subsidiary									-		-
Addition in current year	7	-	-	-	2,004	-	(1,285)	-	726	(178)	548
Utilised / Converted during the year	-	(1)	-	-		-	-	-	(1)	-	(1)
Items of Other Comprehensive Income for the year, net of tax											
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	(4)	-	(4)	-	(4)
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	62	62	-	62
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	(254)	-	(254)	-	(254)
Transfer to Core Settlement Guarantee Fund - NCCL	-	-	-	-	-	-	(575)	-	(575)	-	(575)
Balance as at March 31, 2021	**13,980**	**72**	**20**	**1,110**	**21,213**	**1**	**9,096**	**114**	**45,607**	**2,092**	**47,699**

Summary of significant accounting policies 1

The accompanying notes are an integral part of the consolidated financial statements.

* Restated (Refer note - 48)

As per our report of even date

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No : 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Place : Mumbai
Date : June 09, 2021

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Public Interest Director
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Background

National Commodity & Derivatives Exchange Limited ("the Parent Company" or "NCDEX" or "the Exchange") is a national-level, technology driven de-mutualised on-line commodity exchange. The Parent Company is a public limited company, which is domiciled and incorporated in the Republic of India with its registered office situated at First Floor, Ackruti Corporate Park, Near G. E. Garden, L.B.S. Road, Kanjurmarg West, Mumbai 400 078. The Parent Company was incorporated on April 23, 2003, under the provisions of the Companies Act, 1956. NCDEX is regulated by Securities and Exchange Board of India.

The consolidated financial statements relates to the Parent Company, its subsidiary companies, jointly controlled entities and associates (collectively referred to as "the Group").

1 Significant Accounting Policies

This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements ("financial statements"). These policies have been consistently applied to all the years / periods presented, unless otherwise stated.

a Statement of Compliance

The financial statements as at and for the year ended March 31, 2021 and year ended March 31, 2020 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provision of the act to the extent applicable.

The financial statements are approved for issue by the Exchange's Board of Directors on June 09, 2021.

Basis of preparation

b Historical Cost Convention

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

i. certain financial assets and liabilities and contingent consideration that is measured at fair value;

ii. assets held for sale measured at lower of cost or fair value less cost to sell

iii. defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation.

iv. equity settled share-based payments measured at fair value

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

c Principle of consolidation and equity accounting

i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

iii) Joint Arrangements

Under IND AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only joint ventures. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post - acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

d Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

e Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in consolidated statement of profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Group determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated statement of profit or loss where such treatment would be appropriate if that interest were disposed off.

Common control

Business combinations involving entities that are ultimately controlled by the same parties before and after the business combination are considered as Common control entities. Common control transactions are accounted using pooling of interest method. The financial statements in respect of prior periods have been restated from the period that the Transferor Company became a subsidiary of the Transferee company where the assets and liabilities of the transferee are recorded at their existing carrying values, the identity of reserves of the transferee company is preserved.

f Foreign currency translation and transactions

1 Functional and presentation currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian currency (INR), which is the Group's functional and presentation currency.

2 Transactions and balances

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

Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the statement of profit and loss account as income or expense.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of profit and loss are also recognised in OCI or Statement of profit and loss, respectively).

g Use of estimates and judgment

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the accounting policies. Changes in the estimates are accounted for in the year when actual figures are known and not as a restatement to the comparable figures. Application of accounting policy that require critical accounting estimates and assumptions having the most significant effect on the amounts recognised in the financial statements are:

- **Estimated useful lives of property, plant and equipment and intangible assets**

  Useful lives of property, plant and equipment, intangible assets and investment property are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

  The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

- **Recognition of deferred tax assets**

  Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

- **Contingent liabilities**

  In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

- **Share Based Payments**

  The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

- **Leases**

  Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

h Current and Non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle i.e. twelve months

ii. Held primarily for the purpose of trading, or

iii. Expected to be realised within twelve months after the reporting period other than for (i) above, or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

v. Current assets also includes current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle i.e. twelve months

ii. It is held primarily for the purpose of trading

iii. It is due to be settled within twelve months after the reporting period other than for (i) above, or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

i Non-current assets held for sale

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

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

j Fair Value Measurement

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

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

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

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

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

- **Level 1 — Quoted (unadjusted)**
  This hierarchy includes financial instruments measured using quoted prices.

- **Level 2**
  Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

Level 2 inputs include the following:

a) Quoted prices for similar assets or liabilities in active markets.

b) Quoted prices for identical or similar assets or liabilities in markets that are not active.

c) Inputs other than quoted prices that are observable for the asset or liability.

d) Market – corroborated inputs.

- **Level 3**
  They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

k Revenue Recognition

Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

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

Transaction charges

Transaction charges are recognised as income on trade date basis.

Annual subscription charges

Annual subscription charges are recognised as income on a time proportion basis beginning from the month in which member is enabled.

Admission fees

Admission fees are recognized as income at the time an applicant is converted as member or provisional member.

Delivery Charges

Delivery charges are recognized as income at the point when the service is rendered i.e. Delivery of commodities.

Interest Income

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

Dividends

Dividend income is recognized when the Company's right to receive payment is established by the reporting date.

Risk Management Fees

Risk Management Fees is recognized at the point when open interest is increased as compared to previous day.

Comtrack / Repository charges

Comtrack charges are recognized when a transaction for Fresh deposit, Ownership transfer, Client negotiated Trade (Off market transaction), Pledge creation / closure / invocation is entered by client.

Warehouse Charges

Warehouse charges are recognized when a new location is accredited by a warehouse service provider (WSP) and when WSP information is processed.

Software service charges

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

Registration Fees

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

Reactivation Fees

Reactivation fees is charged when client agrees to reactivate the account and pays the same and It is recognised on receipt basis.

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

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

Business Support Services

Income from business support services are recognized on the basis of agreement with parties.

l Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of profit and loss over the period in which depreciation of the related assets will be charged to the Statement of profit and loss.

m Income taxes

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

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

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amount will be available to utilise those temporary differences and losses. At each reporting date the Group reassesses unrecognized deferred tax assets and recognizes the same to the extent it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as “MAT Credit Entitlement”. The Group reviews the “ MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is not probable that the Group will pay normal tax during the specified period.

n Property, Plant and Equipment (PPE)

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of CENVAT/GST) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and borrowing costs for qualifying assets.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance cost are charged to statement of profit and loss during the reporting period in which they are incurred.

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

Depreciation is provided on straight line method over the useful life of the assets.

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

Leasehold improvement is amortized over the lease term i.e. the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain

The residual value of all assets is taken to be “NIL”.

The useful life of property, plant and equipment are as follows :

Asset Class	Useful Life
Improvement to Lease hold Property	Over the period of lease
Furniture & Fixtures	10 years
Electrical Installations	10 years
Computer Hardware	3-6 years
Office Equipment	5 years
Motor Car	8 years
Tele Communication Equipment's	6 years

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

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

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

o Intangible Asset

Recognition of intangible assets

a. Computer software

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

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

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

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

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use. The estimated useful life (4-10 years) of subsequent development of already capitalised intangible assets is evaluated independent of the estimated life of the original assets.

The carrying value of computer software costs is reviewed for impairment annually when the asset is not in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of profit and loss when the asset is derecognized.

Intangible assets under development

All costs incurred in development, are initially capitalized as Intangible assets under development - till the time these are either transferred to Intangible Assets on completion or expensed as Software Development cost (including allocated depreciation) as and when determined of no further use.

p Lease

As a lessee

Leases of property, plant and equipment that substantially transfers all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

(a) Finance leases

Finance leases when acquired, are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(b) Operating Leases

Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Effective April 01, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

(1) the contact involves the use of an identified asset

(2) the group has substantially all of the economic benefits from use of the asset through the period of the lease and

(3) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

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

q Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of a qualifying asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

r Provisions, Contingent liabilities and Contingent assets

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

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

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

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

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

s Employee Benefit

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are the measured at the amounts expected to be paid when the liabilities are settled. Short term employee benefits are recognised in Statement of profit and loss in the period in which the related service is rendered. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet since the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

a. defined benefit plans such as gratuity, and

b. defined contribution plans such as provident fund.

Defined benefit Plan

- **Gratuity obligations**

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

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

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

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

Defined Contribution Plan

- **Provident fund**

  Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.

Leave Encashment

Leave encashment is measured on the basis of actuarial report.

t Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

u Impairment of non-financial assets

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

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

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the Statement of profit and loss.

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

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

v Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories based on the Company's business model :

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

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Equity investments

All equity investments are measured at fair value. For equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to the Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Trade receivables

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

Cash and Cash equivalents

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

De-recognition

A financial asset is de-recognized only when :

- The Group has transferred the rights to receive cash flows from the financial asset or

- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

Impairment of financial assets

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

i. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

ii. Financial assets that are debt instruments and are measured as at FVTOCI.

iii. Lease receivables under Ind AS 17.

iv. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

v. Loan commitments which are not measured as at FVTPL.

vi. Financial guarantee contracts which are not measured as at FVTPL.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of profit and loss.

Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit or loss.

Subsequent measurement

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

Trade and other payables

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized. Interest expenses on these Financial liabilities are included in Finance cost using EIR method.

Financial guarantee contracts

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

x Core Settlement Guarantee Fund (Core SGF)

From September 27, 2018, Clearing & Settlement function is carried out by National Commodity Clearing Limited (NCCL). Accordingly, as per SEBI requirement Core SGF is set up and maintained by NCCL.

Contribution to Core SGF by the Exchange is debited to statement of Profit and Loss and contribution by NCCL to Core SGF is by way of appropriation from retained earnings in the respective standalone financial statements.

As the Core SGF is maintained within the group, in consolidated financial statements, contribution by the Exchange and NCCL is appropriated out of retained earnings.

y Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

z Cash flow statement

The 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.

aa Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

ab Application of new and revised Ind -AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 to the extent applicable have been considered in preparing these financial statements.

Recent accounting pronouncements:-

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

2 PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Computer Hardware	Improvement to Lease hold Property	Telecommunication Equipment's	Office Equipment's	Electrical Installations	Furniture and Fixtures	Motor Car	Total	Capital work-in-progress
Cost or Deemed cost									
Opening as at April 01, 2019	2,272	361	1,200	143	191	136	57	4,360	
Additions	75	7	-	32	38	12	10	174	117
Disposals / Adjustments	18	46	-	1	2	2	-	69	
Closing gross carrying amount	**2,329**	**322**	**1,200**	**174**	**227**	**146**	**67**	**4,465**	**117**
Accumulated depreciation and impairment									
Accumulated depreciation as at April 01, 2019	1,443	167	554	62	123	36	22	2,407	-
Depreciation for the year	295	71	193	30	10	13	8	620	-
Disposals / Adjustments	19	39	-	1	2	1	-	62	-
Transfer to retained earning	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Closing accumulated depreciation	**1,720**	**199**	**747**	**91**	**131**	**48**	**30**	**2,965**	**-**
Net carrying amount as at March 31, 2020	**609**	**123**	**452**	**83**	**96**	**99**	**37**	**1,500**	**117**
Cost or Deemed cost									
Opening as at April 01, 2020	2,329	322	1,200	174	227	146	67	4,465	117
Additions	272	-	21	13	7	0	-	313	-
Disposals / Adjustments	132	-	89	38	97	14	-	370	117
Closing gross carrying amount	**2,469**	**322**	**1,132**	**149**	**137**	**132**	**67**	**4,408**	**-**
Accumulated depreciation and impairment									
Opening as at April 01, 2020	**1,720**	**199**	**747**	**91**	**131**	**48**	**30**	**2,966**	**-**
Depreciation for the year	246	59	170	26	18	14	9	542	-
Disposals / Adjustments	132	-	89	38	97	11	-	367	-
Closing accumulated depreciation	**1,834**	**258**	**828**	**79**	**52**	**51**	**39**	**3,141**	**-**
Net carrying amount as at March 31, 2021	**635**	**64**	**304**	**69**	**84**	**82**	**28**	**1,267**	**-**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

3 INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software	Total	Intangible assets under development	Total
Cost or Deemed cost				
Opening as at April 01, 2019	8,578	8,578	158	158
Additions	783	783	539	539
Disposals/ Capitalised during the year	-	-	-	-
Impairment	-	-	317	317
Closing gross carrying amount	**9,361**	**9,361**	**380**	**380**
Accumulated amortization and impairment losses				
Accumulated amortization as at April 01, 2019	2,905	2,905	-	-
Amortization for the year	1,178	1,178	-	-
Disposals / Adjustments	-	-	-	-
Closing accumulated amortization	**4,083**	**4,083**	**-**	**-**
Net carrying amount as at March 31, 2020	**5,278**	**5,278**	**380**	**380**
Cost or Deemed cost				
Opening as at April 01, 2020	9,361	9,361	380	380
Additions	868	868	1,469	1,469
Disposals/ Capitalised during the year	28	28	1,096	1,096
Impairment	5	5	-	-
Closing gross carrying amount	**10,196**	**10,196**	**753**	**753**
Accumulated amortization and impairment losses				
Opening as at April 01, 2020	4,083	4,083	-	-
Amortization for the year	1,233	1,233	-	-
Disposals / Adjustments	28	28	-	-
Closing accumulated amortization	**5,288**	**5,288**	**-**	**-**
Net carrying amount as at March 31, 2021	**4,908**	**4,908**	**753**	**753**

4 NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Quantity	Amount	Quantity	Amount
a) Investment in associates / joint ventures accounted for using the equity method				
Investments in Unquoted equity Shares				
(i) In Associates				
Equity Shares of ₹ 10/- each fully paid up in Power Exchange India Limited (Refer Note -47)	2,00,00,000	2,000	2,00,00,000	2,000
Add/(less): Share of Profit		(941)		(1,246)
		1,059		**754**
(ii) In Joint Venture				
Ashtray e Market Services Private Limited		500		500
Add: Share of Profit		2,095		2,146
		2,595		2,646
Total		**3,654**		**3,400**
Aggregate amount of unquoted investments		**3,654**		**3,400**
b) Other non current investments				
Investments in Unquoted equity Shares				
Equity share of Rs. 10/- each fully paid up in National Warehousing Corporation Pvt. Ltd	9,89,000	-	9,89,000	-
Aggregate amount of unquoted investments		**-**		**-**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

5 OTHER FINANCIAL ASSET

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(a) Non-current bank balances				
Deposits with bank - original maturity more than 12 months (Note-1)	2,981	5,757	-	-
Total (a)	**2,981**	**5,757**	**-**	**-**
(b) Others				
Secured, Considered Good	**-**	**-**	**-**	**-**
Recoverable from Selling Shareholder * (Also refer Note - 55)	-	-	314	199
Interest accrued on fixed deposits (Note-2)	158	187	1,445	1,487
Security Deposits	370	370	66	57
Accrued Income for Provisional Billing	-	-	591	418
Receivable against sale of Mutual Funds	-	-	410	2,257
Trade Money receivable from members	-	-	2	29
Other assets	-	-	14	33
Others receivables considered doubtful	32	32	-	-
Less: Allowance for expected credit loss	(32)	(32)	-	-
Total (b)	**528**	**557**	**2,842**	**4,480**

* Restated (Refer note - 48)

Note-1 i) Includes ₹ 155 Lakhs (March 31, 2020 ₹ 339 Lakhs) represents deposit earmarked for Base Minimum Capital.

ii) Includes ₹ 9 Lakhs (March 31, 2020 ₹ NIL) represents deposit earmarked for SAT order.

Iii) Includes ₹ 497 Lakhs (March 31, 2020 ₹ 1208 Lakhs) represents deposit earmarked for Core Settlement Guarantee Fund (Core SGF) in subsidiary company National Commodity Clearing Limited (NCCL)

iv) Includes ₹ 500 Lakhs (March 31, 2020 ₹ 500 Lakhs) represents deposit earmarked against performance guarantee given to Warehousing Development and Regulatory Authority (WDRA) as per their guidelines in subsidiary company National E-Repository Limited (NERL)

Note-2 i) Includes ₹ 0.53 Lakhs Non current and ₹ 423 Lakhs Current (March 31, 2020 ₹ 7 Lakhs Non current and ₹ 481 Lakhs Current) represents interest on deposit earmarked for for Core Settlement Guarantee Fund (Core SGF) in subsidiary company National Commodity Clearing Limited (NCCL).

ii) Includes ₹ 113 Lakhs (March 31, 2020 ₹ 78 Lakhs) represents interest on deposit earmarked against performance guarantee given to Warehousing Development and Regulatory Authority (WDRA) as per their guidelines in subsidiary company National E-Repository Limited (NERL).

6 INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020*	As at March 31, 2021	As at March 31, 2020
Advance income tax paid including tax deducted at source receivable (net of provision) **	2,108	4,705	-	-
Total	**2,108**	**4,705**	**-**	**-**

* Restated (Refer note - 48)

** Includes TDS on Core SGF ₹ 186 Lakhs (March 31, 2020 : ₹ 161 Lakhs) in subsidiary company National Commodity Clearing Limited (NCCL)

7 OTHER ASSETS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Capital Advances	-	1	-	-
Prepaid Expenses * (Also refer Note 55)	43	54	373	483
Deferred Rent	-	-	-	-
Balances with government authorities	-	-	381	192
Other receivables (Refer Note - 33)	-	-	1,747	1,760
Advance to employee **	-	-	4	1
Total	**43**	**55**	**2,505**	**2,436**

* Current prepaid expenses includes IPO expenses of ₹ NIL (₹ 66 Lakhs March 31, 2020)
* Restated (Refer note - 48)
** Includes advance against employees salary ₹ 2.22 Lakhs (March 31, 2020 ₹ NIL) in subsidiary company National Commodity Clearing Limited (NCCL)

8 CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
	Units	Amount	Units	Amount
A) Investment in bonds				
Bonds (Quoted)				
NHAI Bonds 2015 Tax Free Bonds Tranche I Series II A for 15 years @ 7.35% p.a.	57,140	686	57,140	646
7.35% NABARD Tax free bonds Maturity date 23-March-2031,@annualised YTM 6.01%	67,475	817	67,475	777
8.48% NTPC Tax free bonds Maturity date 16-Dec-2028, at 6.005% p.a.	44,799	562	44,799	560
Total Bonds (a)		**2,065**		**1,983**
B) Investment in mutual funds				
Mutual Funds (Unquoted)				
Aditya Birla Sunlife Cash Plus Growth Direct Plan	-	-	57,942	185
Aditya Birla Sunlife Overnight Fund - Direct Plan - Growth	35,942	400	-	-
Aditya Birla Sunlife Cash Plus Growth Direct Plan *	8,476	28	16,580	53
Axis Liquid Fund Direct Growth	536	12	7,743	171
Axis Liquid Fund Direct Growth **	127	3	4,310	95
HDFC- Overnight Fund -Direct Plan -Growth	6,540	200	-	-
HDFC- Liquid Fund -Direct Plan -Growth	2,603	105	5,139	201
HDFC- Liquid Fund -Direct Plan -Growth *	659	27	198	8
ICICI Prudential Overnight Fund - Direct Plan Growth Option	2,97,185	330	-	-
ICICI Prudential Liquid Plan - Direct Plan Growth Option FY 2016-17	-	-	29,019	85
ICICI Prudential Liquid Plan - Direct Plan Growth Option	-	-	43,728	128
Kotak Liquid Scheme- Direct Plan-Growth Option ***	1,094	46	-	-
Kotak Liquid Scheme - Direct Plan-Growth Option	32,485	1,351	2,073	83
Kotak Liquid Scheme - Direct Plan-Growth Option	-	-	-	-
Nippon India Liquid Fund - Direct Plan - Growth	40,772	2,052	-	-

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2021 Units	As at March 31, 2021 Amount	As at March 31, 2020 Units	As at March 31, 2020 Amount
Reliance Fix Horizon Fund - Xxx-Series 4- Direct Plan Growth Option	-	-	-	-
Reliance Fixed Horizon Fund - XXXV - Series 14	50,00,000	634	50,00,000	596
Reliance Fixed Horizon Fund Direct Plan Growth Option	-	-	-	-
SBI Liquid Fund - Direct Growth	6,208	200	3,700	115
Tata Overnight Fund - Direct Plan - Growth	42,822	465	-	-
Total - Current Investments (b)		**5,853**		**1,720**
Aggregate amount of investments (a+b)		**7,918**		**3,703**

* Represents investment earmarked for Investor Service Fund
** Represents Investment earmarked for Regulatory fee forgone by SEBI
*** Represents investment earmarked for Base Minimum Capital (BMC)

9 TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Current As at March 31, 2021	Current As at March 31, 2020
a) Trade receivables considered good - Secured	840	567
b) Trade receivables considered good - Unsecured	524	748
c) Trade Receivables which have significant increase in Credit Risk (Refer Note 41)	1,778	1,911
d) Trade Receivables - credit impaired (Refer Note 41)	808	697
	3,950	**3,923**
Less : Expected credit loss allowance	(808)	(697)
Total	**3,142**	**3,226**

* Secured by Cash margins / Bank guarantees / Fixed deposit receipts and hypothecation of movables such as commodities, securities etc. from members.

10 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current As at March 31, 2021	Current As at March 31, 2020
Cash and cash equivalents		
Cash in hand	-	2
Balances with bank		
On current accounts (Note-1)	3,949	2,923
Deposits with original maturity of three months or less (Note -2)	17,335	9,148
Investments in mutual funds (Highly Liquid Funds)	4,010	-
Total	**25,294**	**12,073**

Note-1 i) Includes ₹ NIL (March 31, 2020 : ₹ 3 Lakhs) in Escrow account “ NCDEX Joint Price Dissemination Account”.
ii) Includes ₹ 0.06 Lakhs (March 31, 2020 : ₹ 0.26 Lakhs) for Investor Service Fund.
iii) Includes 66 Lakhs (March 31, 2020 ₹ 62 Lakhs) represents earmarked for Base Minimum Capital.
iv) Includes ₹ 0.02 Lakhs (March 31, 2020 ₹ 0.02 Lakhs) current accounts for Core Settlement Guarantee Fund in in subsidiary company National Commodity ClearingLimited (NCCL)

Note-2 i) Includes ₹ 339 Lakhs (March 31, 2020 ₹ 50 Lakhs) represents deposit earmarked for Base Minimum Capital.
ii) Includes ₹ 115 Lakhs (March 31, 2020 ₹ 56 Lakhs) represents deposit earmarked for SAT order.
iii) Includes ₹ NIL (March 31, 2020 ₹ NIL) Fixed Deposit for Core Settlement Guarantee Fund in subsidiary company National Commodity Clearing Limited (NCCL)

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2021	As at March 31, 2020
Deposits with original maturity for more than 3 months but less than 12 months (Note-1)	46,571	48,020
Total	**46,571**	**48,020**

Note-1 i) Includes Fixed Deposits of ₹ 195 Lakhs (March 31, 2020 : ₹ 400 Lakhs) pledged with Banks for Overdraft facilities
ii) Includes ₹ 1239 Lakhs (March 31, 2020 ₹ 1287 Lakhs) represents deposit earmarked for Base Minimum Capital.
iii) Includes ₹ 2 Lakhs (March 31, 2020 ₹ 22 Lakhs) represents deposit earmarked for SAT order.
iv) Includes ₹20,084 Lakhs (March 31, 2020 ₹ 17,286 Lakhs) represents deposit earmarked for Core Settlement Guarantee Fund (Core SGF) in subsidiary company National Commodity Clearing Limited (NCCL).
v) Includes ₹ 225 Lakhs (March 31, 2020 ₹ 308 Lakhs) Held as Margin Money for Bank Gurantee in subsidiary company NCDEX e Markets Limited.
vi) Includes ₹ 215 Lakhs (March 31, 2020 ₹ 515 Lakhs) Held as Security for Borowings in subsidiary company NCDEX e Markets Limited.

12 EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
70,000,000 Equity shares of ₹ 10/- each (Previous Years : 70,000,000 Equity shares of ₹ 10/- each)	7,000	7,000
Issued, subscribed and fully paid up shares		
50,676,000 Equity shares of ₹ 10/- each fully paid up (Previous Years: 50,676,000 equity shares of ₹ 10/- each fully paid up)	5,068	5,068
Total	**5,068**	**5,068**

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period.

Equity Shares of ₹ 10 each fully paid	March 31, 2021		March 31, 2020	
	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
At the beginning of the year	5,06,76,000	5,068	5,06,76,000	5,068
Issued during the period/year	-	-	-	-
Outstanding at the end of the year	5,06,76,000	5,068	5,06,76,000	5,068

b. Reconciliation of the authorised equity shares outstanding at the beginning and at the end of the reporting year.

	March 31, 2021		March 31, 2020	
Equity Shares of ₹ 10 each fully paid	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
At the beginning of the year	7,00,00,000	7,000	6,00,00,000	6,000
Conversion of Preference share into equity share capital	-	-	1,00,00,000	1,000
Outstanding at the end of the year	7,00,00,000	7,000	7,00,00,000	7,000

c. Terms/Rights attached to equity share

The Exchange has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Exchange declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Exchange, the holder of the equity shares will be entitled to receive remaining assets of the Exchange, after distribution of all the preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholder.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

d. Details of shareholders holding more than 5% share in the Parent Company

Equity Shares of ₹ 10 each fully paid	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% holding	No. of Shares	% holding
National Stock Exchange of India Limited	76,01,377	15%	76,01,377	15%
Life Insurance Corporation of India	56,25,000	11%	56,25,000	11%
National Bank for Agriculture and Rural Development	56,25,000	11%	56,25,000	11%
Indian Farmers Fertiliser Cooperative Limited (IFFCO) *	50,68,000	10%	50,68,000	10%
Oman India Joint Investment Fund (OIJIF) *	50,67,600	10%	50,67,600	10%
Punjab National Bank	36,94,446	7%	36,94,446	7%
Build India Capital Advisors LLP	25,33,799	5%	30,91,236	6%
Canara Bank	30,55,519	6%	30,55,519	6%
"Investcorp Private Equity Fund - I (previously known as IDFC Private Equity Fund III)"	25,33,800	5%	25,33,800	5%
Shree Renuka Sugars Limited	25,33,700	5%	25,33,700	5%

As per records of the Exchange, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

*SEBI vide its letters dated May 23, 2019 and February 05, 2020 and thereafter vide its e-mail dated June 09, 2020, had directed the Exchange to freeze voting rights and restrict entitlement to any corporate benefits, including dividend over and above 5% of the paid up capital of the Exchange, of two shareholders (IFFCO & OIJIF), till Initial Public Offering of the Exchange takes place or in case the two shareholders are not able to offload their shareholding through Offer for Sale in IPO, an additional time of three months' had been accorded by SEBI to the two shareholders for complying with the SECC Regulations, 2018, with the condition that the other directions issued shall remain in force till compliance of SECC Regulations, 2018.

Further, SEBI vide its letter dated May 14, 2020, deduced two shareholders namely Mrs. Pushpa Devi Saraogi and Mrs. Usha Devi Saraogi that they are covered under the definition of 'Persons acting in concert' (PAC) and are therefore required to offload their entire shareholding in the Exchange. In view of the said SEBI communication, the Exchange had set aside the dividend accrued on the shares held by Mrs. Pushpa Devi Saraogi and Mrs. Usha Devi Saraogi in 'M/s. NCDEX Ltd Unpaid Dividend 2020' account till the pendency of the decision by SEBI in the matter. SEBI vide its letter no. SEBI/HO/CDMRD/DEA/OW/P/2021/6623/1 dated March 22, 2021 attaching an Order dated March 19, 2021, approved up to maximum of 5% holding of equity shares in the Exchange by Mrs. Pusha Devi Saraogi and Mrs. Usha Devi Saraogi together as PAC.

13 OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus							Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share option Reserve	Risk Management Fund	General reserve	Core Settlement Guarantee Fund (Refer note - 38)	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the Parent Company	Attributable to Non-Controlling interest	Total
Balance at the April 01, 2019	**13,965**	**0**	**20**	**1,110**	**14,032**	**1**	**11,891**	**18**	**41,037**	**2,555**	**43,592**
Restatement Adjustment *	2	67					(19)		50	(20)	**30**
Restated Balance at the beginning of the period April 01, 2019	**13,967**	**67**	**20**	**1,110**	**14,032**	**1**	**11,872**	**18**	**41,087**	**2,535**	**43,622**
Non controlling interest on account of reduction of of share in subsidiary									-	3	**3**
Addition in current year *	5	8	-	-	6,512	-	998	-	7,522	(268)	**7,254**
Utilised / Converted during the year *	1	(1)	(0)	-	(1,335)	-	-	-	(1,335)	-	**(1,335)**
Items of Other Comprehensive Income for the year, net of tax											
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	(82)	-	(82)		**(82)**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	34	34	-	**34**
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	(253)	-	(253)		**(253)**
Dividend distribution tax ((Transaction with owners in their capacity as owners)	-	-	-	-	-	-	(52)	-	(52)		**(52)**
Transfer to Core Settlement Guarantee Fund - NCCL	-	-	-	-	-	-	(975)	-	(975)		**(975)**
Transfer to Core Settlement Guarantee Fund - NCDEX	-	-	-	-	-	-	(165)	-	(165)		**(165)**
Transitional Impact Lease accounting	-	-	-	-	-	-	(109)	-	(109)	-	**(109)**
Share issue expenses	-	-	-	-	-	-	(20)	-	(20)	-	**(20)**
Balance as at March 31, 2020	**13,973**	**74**	**20**	**1,110**	**19,209**	**1**	**11,214**	**52**	**45,653**	**2,270**	**47,923**
Non controlling interest on account of reduction of of share in subsidiary									-		**-**
Addition in current year	7	-	-	-	2,004	-	(1,285)	-	726	(178)	**548**
Utilised / Converted during the year	-	(1)	-	-		-	-	-	(1)	-	**(1)**

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	Reserves and Surplus							Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share option Reserve	Risk Management Fund	General reserve	Core Settlement Guarantee Fund (Refer note - 38)	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument	Total Attributable to owners of the Parent Company	Attributable to Non-Controlling interest	Total
Items of Other Comprehensive Income for the year, net of tax											
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	(4)	-	(4)	-	**(4)**
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	62	62	-	**62**
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	(254)	-	(254)	-	**(254)**
Transfer to Core Settlement Guarantee Fund - NCCL	-	-	-	-	-	-	(575)	-	(575)	-	**(575)**
Balance as at March 31, 2021	**13,980**	**72**	**20**	**1,110**	**21,213**	**1**	**9,096**	**114**	**45,607**	**2,092**	**47,699**

* Restated (Refer note - 48)

Description of nature and purpose of reserve

i **Securities Premium Reserve**
Securities premium is used to record the premium on issue of shares i.e. the amount received in excess of the par value of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013..

ii **Risk Management Fund**
Risk Management Fund (RMF) as constituted by the Subsidiary Company NeML is the amount earmarked for completion of the settlement, in case of a default by a member.

iii **General Reserve**
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

iv **Core Settlement Guarantee Fund**
Core SGF is constituted by the clearing corporation as per the regulatory requirement. The amount is earmarked for completion of the settlement, in case of a default by a member.

v **Special Guarantee Fund**
Subsidiary Company NeML holds Spot exchange Licenses under State Agricultural Produce Market Committee (APMC) Regulations. Under the Regulatory framework a spot exchange is required to maintain Settlement Guarantee Fund to mitigate the risks attached with defaults in a trade.

vi **Retained Earnings**
The amount that can be distributed by the Group as dividends to its equity shareholders is determined based on the separate financial statements of the Group and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

vii **Reserve for debt instruments through other comprehensive income**
This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or impairment losses on such instruments.

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

14 NON-CURRENT DEPOSITS AND OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current deposits		
Deposit from members *	986	1,004
	986	**1,004**
Other Financial Liabilities		
Provision for Performance based incentives	211	41
	211	**41**
Lease Liabilities	327	845
Total	**1,524**	**1,890**

15 PROVISIONS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Employee benefits obligation				
a) Provision for gratuity	262	139	129	184
b) Provision for leave encashment	216	155	42	43
Total	**478**	**294**	**171**	**227**

16 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets components		
Financial assets at fair value through OCI	-	11
Employee benefits	214	176
Financial Assets at Fair Value through P&L	3	5
Provision For Doubtful Debt	211	180
Unabsorbed losses / depreciation	2,197	1,221
MAT Credit Entitlement	206	398
Deferred tax assets on ISF liabilities and SEBI Regulatory Fees	33	36
Cumulative catch-up lease accounting Ind AS 116	24	39
Ind AS 116- ROU and Lease Liability	6	(0)
Other items	3	7
Gross deferred tax asset	**2,897**	**2,073**
Deferred tax liabilities components		
Depreciation and amortisation	460	648
Financial Assets at Fair Value through P&L	37	34
Financial Assets at Fair Value through OCI	34	15
Gross deferred tax liabilities	**531**	**697**
Net deferred tax asset / (liability)	**2,366**	**1,376**
Deferred tax assets	**2,366**	**1,376**
Deferred tax liabilities	**-**	**-**

* Restated (Refer note - 48)

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

17 DEPOSITS

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Base Minimum Capital *	849	785
	849	**785**
Deposit / Margin money from members	38,334	18,737
Deposits from clearing banks	4,700	15,618
Deposits from comtrack participants	757	763
Deposits from warehouse service providers	374	496
Total	**45,014**	**36,399**

* Restated (Refer note - 48)

18 TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Total outstanding due of Micro and Small Enterprises (Refer Note 31)	33	88
b) Total outstanding dues of creditors other than Micro and Small Enterprises *	1,146	1,374
Total	**1,179**	**1,462**

* Restated (Refer note - 48)

19 OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	Non Current	
	As at March 31, 2021	As at March 31, 2020
a) Creditors for Capital Expenditure	418	246
b) Creditors for Capital Expenditure Micro and Small Enterprises (Refer Note 31)	18	17
c) Interest Payable	2	2
d) Dues to members	534	343
e) Payable to Core SGF	1,778	1,911
f) Other payable	736	886
	3,486	**3,405**
Lease Liabilities	**610**	**713**
Total	**4,096**	**4,118**

20 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Revenue received in advance	337	237
b) Investor protection fund *	190	166
c) Investor Service fund	73	69
d) SEBI turnover and regulatory fees payable	55	93
e) Statutory dues payable **	1,511	550
f) Others	24	24
Total	**2,190**	**1,139**

* Includes ₹ 19 Lakhs (March 31, 2020 : ₹ 19 Lakhs) payable to Investor Protection Fund Trust, in view of the freeze order on the security deposit of the member Bhavishya Advisory and Comtrade (India) Pvt. Ltd. However, Forward Market Commission(FMC) has directed that NCDEX shall get the freeze order lifted by the police authorities and reimburse the amount to the Trust towards settlement of award and arbitration cost which the Trust has paid.
** Includes dividend payable ₹ 66 Lakhs (March 31, 2019 : ₹ 25 Lakhs) (Refer Note 12(d)).

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

21 REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products		
Sale of services		
Transaction charges	7,978	8,619
Annual subscription fees	268	249
Admission fees	121	274
Risk Management Fees	516	769
Delivery Charges	521	800
Comtrack / Repository charges	512	630
Warehouse charges	131	179
Data, Analytics and Technology Sales	376	405
Pledge Finance Charges	-	9
Other Operating Revenues		
Computer to computer link charges	40	43
Others	734	1,104
Port charges	82	103
Total	**11,279**	**13,184**

22 OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Other non-operating income		
Finance Income		
Interest on Bank deposits	2,490	3,164
Interest on Income Tax Refund	349	35
Interest on Bonds	129	130
Interest on financial asset measured at amortised cost	17	20
Profit on sale / Fair Value of MF Units*	202	415
Profit on sale / Fair Value of MF Units (ISF)	4	5
Profit on lease rent concession	20	-
Exchange charges	30	55
Profit on sale/scrap of fixed assets (net)	16	1
Provision no longer required	6	51
Lease Line charges	273	328
Others (miscellenous income)	75	71
Total	**3,611**	**4,275**

* Includes ₹ 168 lakh (March 31, 2020 : ₹ 526 lakh) of profit on sale of mutual fund.

23 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, bonus and allowances	6,557	6,109
Contribution to Provident and other funds	479	439
Staff welfare expenses	190	347
Share based payments to Employees *	-	8
Total	**7,226**	**6,903**

* Restated (Refer note - 48)

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

24 FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Finance Costs:		
Interest on lease liability (Refer Note- 53)	102	150
Total	**102**	**150**

25 Depreciation & Amortization

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation	542	620
Amortization	1,234	1,178
Amortization of right to use assets (Refer Note- 53)	702	774
Total	**2,478**	**2,572**

26 OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rent	18	29
Rates and Taxes	5	7
Payment to Auditors		
- As Auditors	33	41
- For other services	22	13
- For reimbursement of expenses	0	1
Legal and Professional Charges	1,048	1,034
Communication Expenses	52	76
Travelling and Conveyance Expenses	117	401
Electricity Charges	281	407
Repairs and Maintenance	122	147
Insurance Expenses	85	103
Technology Expenses	4,364	4,665
Advertisement and Publicity	62	102
Bad Debts	1	-
Provision for doubtful debts	9	8
Testing expenses	-	8
Research expenses	13	1
Regulatory Fees*	65	65
Contribution to Investor Protection Fund	33	47
Contribution to Investor Service Fund	35	52
Polling Expenses	196	197
Committee member sitting fees and expenses	30	25
Directors Sitting Fees	261	192
Books Periodicals & Subscription	13	15
License Fees	60	79
Security Charges	68	68
Loss on sale/scrap of fixed assets (net)	1	8
Printing and stationery	19	53
Corporate Social Responsibility Expenses (Refer Note- 37)	51	18
IPO Expenses ** (Also refer Note-55)	101	-
Sundry balances written off	-	32
Recruitment Expenses	103	16
Provision for Impairment on Fixed Asset (Software)	5	-
Other Expenses	187	271
Total	**7,460**	**8,181**

* Regulatory Fees includes ₹ 10 lakh (March 31, 2020 ₹ 10 lakh) paid to WDRA

** IPO expenses includes ₹ 17.25 lakh payment to statutory auditors.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

27 EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Exceptional Items		
Reversal of impairment loss - PXIL Investment (Refer Note - 47)	-	291
Shortfall in payout to counter parties (Refer Note - 47)	-104	-668
Total	**(104)**	**(377)**

* Refer Note No - 37

28 CURRENT AND DEFERRED TAX

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax	366	434
MAT Credit Entitlement	186	145
Deferred Tax *	-1,200	-1,080
Total	**-648**	**-501**

* Restated (Refer note - 48)

29 EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit / (Loss) after tax as per Statement of Profit and Loss *	(1,285)	998
Less: Preference dividend and tax thereon	-	-
Net Profit for calculation of EPS **(A)**	(1,285)	998
Weighted average no. of equity shares for calculating EPS **(B)**	5,06,76,000	5,06,76,000
Basic / Diluted earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	(2.54)	1.97

* Restated (Refer note - 48)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Weighted average number of equity shares for calculating EPS	5,06,76,000	5,06,76,000
Weighted average number of equity shares in calculation diluted EPS	5,06,76,000	5,06,76,000

30 DURING THE PERIOD, GROUP HAS RECOGNISED THE FOLLOWING AMOUNTS IN THE FINANCIAL STATEMENTS AS PER IND AS 19 “EMPLOYEES BENEFITS” :

a) Defined Contribution Plan

Contribution to Provident Fund, Superannuation Fund, and Employee State Insurance Scheme

Contribution to Defined Contribution Plan, recognised are charged off for the period as under :
The Group makes contribution, determined as percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Group has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer’s Contribution to Provident Fund	272	270

b) Defined Benefit Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more and less than or equal to nine years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Every employee who has completed more than ten years of service gets a gratuity on departure at 26 days salary (last drawn salary) for each completed year of service.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

Actuarial assumptions	**Gratuity (funded)**	
	As at March 31, 2021	**As at March 31, 2020**
Expected Rate of Return on plan assets	5.58% to 7.09%	6.96% to 7.76%
Discount rate (per annum)	5.58% to 7.09%	6.96% to 7.76%
Rate of increase in Compensation levels	5% to 10%	5% to 10%
Rate of Employee turnover	5% to 20%	5% to 20%
Mortality Rate during Employment	Indian Assured lives mortality (2006-08) ultimate	Indian Assured lives mortality (2006-08) ultimate
Mortality Rate after Employment	N.A.	N.A.

Table showing changes in present value of obligations :

(₹ in Lakhs)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Present value of obligation as at the beginning of the year	718	523
Liability Transferred In / Acquisitions	-	9
(Liability Transferred Out / Divestments)	-	(9)
Interest Cost	44	38
Past service cost (Vested Benefit)	-	-
Current Service Cost	130	94
Benefits paid	(77)	(42)
Actuarial (gain) / loss on obligations	(0)	105
Present value of obligation as at the end of the period	**815**	**718**

Table showing changes in the fair value of plan assets :

(₹ in Lakhs)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Fair value of plan assets at beginning of the year	395	350
Assets Transferred In / Acquisitions	-	9
(Assets Transferred Out / Divestments)	-	(9)
Expected return of plan assets	23	23
Employer contribution	84	70
Benefits paid	(77)	(47)
Actuarial gain / (loss) on plan assets	(3)	(1)
Fair value of plan assets at year end	**422**	**395**

The amounts to be recognized in Balance Sheet :

(₹ in Lakhs)

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Present value of obligation as at the end of the period	(815)	(718)
Fair value of plan assets as at the end of the period	422	395
Funded Status (Surplus / (Deficit))	**(393)**	**(323)**
Unrecognised actuarial (gains) / losses	-	-
Net asset / (liability) recognised in Balance Sheet	**(393)**	**(323)**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

Expenses recognised in Statement of Profit and Loss :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	130	94
Past service cost (Vested Benefit)	-	-
Interest Cost	21	12
Expected return on plan assets	-	-
Expenses recognised in the Statement of Profit and Loss	**151**	**106**

Expenses recognised in Other Comprehensive Income :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (Gains) / Losses on Obligation For the Period	(0)	111
Return on Plan Assets, Excluding Interest Income	3	3
Change in Asset Ceiling	-	-
Net (Income) / Expense For the Period Recognized in OCI	**2**	**114**

Maturity profile of defined benefit obligation :

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Projected benefits payable in future years from the date of reporting		
1st Following year	108	87
2nd Following year	95	88
3rd Following year	92	83
4th Following year	86	77
5th Following year	85	71
Sum of Years 6 to 10	302	271
Sum of Years 11 & above	746	489

Investment Details :

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

Particulars	Gratuity	
	As at March 31, 2021	As at March 31, 2020
Investments with insurance fund	100%	100%

Sensitivity :

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(₹ in Lakhs)

Gratuity	Change in Assumption	For the year ended March 31, 2021		For the period ended March 31, 2020	
		Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1% / -1%	(12)	13	-12	13
Salary Escalation Rate	+1% / -1%	13	(12)	13	-12
Employee Turnover	+1% / -1%	(2)	2	-2	2

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

Note-1: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Note-2: The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

31 DISCLOSURE REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (THE ACT) ARE GIVEN AS FOLLOWS :

(₹ in Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
a.	Principal amount remaining unpaid to any supplier as at the year end	51	105
	Interest due thereon :	-	-
b.	Amount of interest paid during the year	-	-
c.	Amount of payments made to the supplier beyond the appointed day during the accounting year."	-	-
d.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the (year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006."	-	-
e.	Amount of interest accrued and remaining unpaid at the end of the accounting year."	0	0
f.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act 2006."	2	2

Note: The above information and that given in Note No. 18 and 19 regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Group and has been relied upon by the auditors.

32 COMMITMENTS AND CONTINGENCIES

(a) Contingent Liabilities not provided for in respect of :

(₹ in Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	On account of Income taxes (Refer Note - 1 below)	1,983	1,918
(ii)	On account of Legal claim (Refer Note - 2 below)	185	185
(iii)	On account of payment of Bonus for the F.Y. 2014-15 (Refer Note - 3 below)	11	11
(iv)	On account of Service tax (Refer Note 4 below)	753	-
(v)	National E-Repository Limited (NERL) - On account of Bank Guarantee (Refer Note - 5 below)	500	500
(vi)	NCDEX Institute of Commodity Markets & Research - On account of Income taxes (Refer Note - 6 below)"	-	-
(vi)	NCDEX e Markets Ltd (NeML) - On account of Service tax (Refer Note - 7 below)"	657	657
(viii)	NCDEX e Markets Ltd (NeML) - On account of Bank Guarantee	316	185

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

Note 1

(₹ in Lakhs)

Particulars	Assessment Year	As at March 31, 2021	As at March 31, 2020	Forum before which case is pending
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 07-08	171	171	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 08-09	113	113	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 10-11	162	162	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 11-12	123	123	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 12-13	224	224	CIT
Disallowance u/s 14A	AY 13-14	6	-	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 13-14	162	162	CIT
Disallowance u/s 14A	AY 14-15	9	-	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 14-15	65	65	CIT
Disallowance u/s 14A	AY 16-17	11		
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 16-17	269	580	CIT
Other disallowances	AY 16-17	131		
Disallowance u/s 14A	AY 17-18	29	29	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 17-18	287	287	CIT
Other disallowances	AY 17-18	2	2	CIT
Disallowance u/s 14A	AY 18-19	28	-	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 18-19	191	-	CIT
Total		**1,983**	**1,918**	

Note 2

A legal suit was been filed jointly against the Exchange and National Collateral Management Services Limited by a party claiming a sum of ₹ 185 Lakhs for loss on sale of goods, loss of profit, interest etc.

The management believes that the outcome of any pending litigations will not have a material adverse effect on the Exchange's financials position and the results of operations.

Note 3

Due to the retrospectively amendment in "The Payment of Bonus Act,1965" which is deemed to have come into force from April 1, 2014. Kerala and Karnataka High Courts have passed stay on it's implementation and the matter is pending in Court of Law for hearing. Considering that books of FY 2014-15 have been closed, return of bonus filed for said period and the matter is under litigation, the same is considered as contingent.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

Note 4

The Exchange has received adverse order on the issue of nonpayment of service tax on liquidated damages amounting to ₹ 813.52 Lakhs along with interest u/s 75 & Penalty u/s 78, as per Finance Act-1994. The Exchange has filed an appeal with CESTAT against the same. The Exchange has also pre deposited 7.5% of the tax amount i.e. ₹ 61.01 Lakhs at the time of filing appeal with CESTAT.

Note 5

In case of subsidiary National E-Repository Limited (NERL) , NERL had given bank guarantee to the Warehousing Development and Regulatory Authority (WDRA) for ₹ 500 Lakhs (March 31, 2019 ₹ 500 Lakhs).

Note 6

In case of subsidiary NCDEX Institute of Commodity Markets & Research (NICR), NICR was granted registration under section 12AA of the Income Tax Act , 1961 (Act) with effect from 1.4.2008 for income tax exemption. The Director of Income Tax (Exemption) vide its Order dated 16.12.2011 cancelled the said registration on the ground that the activities of the NICR were in relation to trade or business and not for charitable purpose since the gross receipts had exceeded the prescribed limit of ₹ 10 Lakhss during the financial year 2008-09. Accordingly, the assessment for the financial year 2008-09 was completed disallowing NICR's claim of exemption under Sections 11 and 12 of the Act. ITAT vide its Order dated 28-02-2017, set aside the Order of DIT (Exemption) by restoring the registration granted to NICR.

As per directions given in the Order, NICR represented before Assessing Officer for passing an Order giving effect, which we have received as per order dated March 15, 2021, that the activities carried out by NICR are charitable in nature and not in the nature of business and accordingly, NICR for all the subsequent years filed its Return of Income regularly in compliance with the provisions applicable to a Charitable Trust claiming exemption under Sections 11 and 12 of the Act.

For the assessment year 2014-15, the income tax assessment was once again completed denying exemption under Section 11 and 12 of the Act applicable for charitable trust. NICR has disputed the contention of the assessing officer and filed an appeal before appellate authorities and a favorable decision is expected in view of aforesaid ITAT decision. The assessment resulted in a demand of Rs 8080 (March 31, 2019 Rs 8080) which is disputed in appeal.

Other than stated above, NICR has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statement. NICR does not expect the outcome of these proceedings to have a material impact on its financial statements.

Note 7

In case of Jointly Controlled company (ReMS) of our subsidiary NCDEX e Markets Ltd (NeML), during the year claims not acknowledged as debts in respect of Service Tax Matters amounted to ₹ 1314 Lakhs (March 31, 2020 : ₹ 1314 Lakhs). These matters are pending before the appellate authorities and the ReMS management including its tax advisors expect that its position will likely be upheld on ultimate resolution and will not have a material adverse effect on the ReMS's financial position and results of operations. NEML Share will be 50% in case of liability is crystallised.

(b) Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	29	111

(c) Other Commitments

The Exchange, vide its letter dated September 5, 2018, has given an undertaking to subsidiary company National Commodity Clearing Limited (NCCL) for infusion of capital to the extent required to enable compliance with SEBI directives on net worth of NCCL and for increasing the Core Settlement Guarantee Fund (Core SGF) to ₹ 250 crore by September 2021. The current Core SGF balance as at March 31, 2021 is ₹ 211.90 crore (March 31, 2020 ₹ 192.09 crore). The increase in SGF will be by way of interest earned on the Core SGF balance, penalties collected by NCCL and transferred to Core SGF, NCCL's own contribution, direct contribution by the Exchange to Core SGF and balance amount (if any) as equity investment into NCCL every 6 months over a period of 3 years i.e. by September 2021. Pursuant to this The Exchange has invested ₹ 575 Lakhs(March 31, 2020 ₹ 975 Lakhs) in equity share capital of National Commodity Clearing Limited.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

33 Based on complaints of presence of 'Mineral Oil' in some of the stocks, the warehouses having pepper stock were sealed by Food Safety and Standard Authority of India (FSSAI) and deliveries were stopped from these warehouses till further notice. The presence of mineral oil is not a part of the 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, which is approximately 6,400 MT, subject to recovering the costs of improvement and accordingly prayed before the Hon. Kerala High Court to allow the same. Based on this, the Hon. Kerala High Court 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 FSSAI to permit the reference of a second sample to the referral laboratory viz. The Central Food Laboratory, Kolkata. Based on the test results of approximately 6,206 MT sent to the referral laboratory, approximately 4376 MT has been tested as free of mineral oil. Further, Hon. High Court of Kerala, vide its order dated May 12, 2015 has directed release of such quantity of pepper which is found free from impurities and contamination. Based on this, approximately 4,376 MT of pepper out of the quantity found free of mineral oil on testing by Central Food Laboratory, Kolkata, has been released to the holders & another approximately 455 MT was released later after cleaning. As the percentage of stock tested free of mineral oil was substantially high, it was estimated that the total costs required to be incurred would be approximately ₹ 1,558 Lakhss (excluding taxes), as compared to the earlier estimate of ₹ 4,300 Lakhss. Out of the said estimate, ₹ 1,200 Lakhss plus taxes is towards cleaning costs. Till March 31, 2021, the Exchange has paid total amount including taxes towards cleaning and other related costs of ₹ 1,700 Lakhss. These payments are included in advances recoverable in cash or kind. In order to recover the costs for cleaning and other related expenses, the Exchange is in discussions with the local trade association, concerned members and other counterparties. The Management is of the opinion that there is no further exposure to the Exchange and therefore, there is no requirement to make any further provision with respect to these costs in the Exchange's accounts in addition to the provision made in earlier year of ₹ 260 Lakhss. As at March 31, 2021 the balance stock of Pepper pending at various stages of release under the custody of FSSAI is approximately 1166 MT.

34 In case of subsidiary NCDEX e Markets Ltd (NeML), NeML is required to maintain an amount of ₹ 1 Lakhs in Settlement Guarantee Fund (SGF) as the NeML holds Spot Exchange registration under State Agricultural Produce Market Committee (APMC) Regulations to mitigate market risks. Under the Regulatory framework (APMC regulations) a spot exchange is required to maintain Settlement Guarantee Fund (SGF) to mitigate the risks attached with defaults in a trade. The NeML holds APMC registrations in the states of Karnataka, Maharashtra, Gujarat, Rajasthan, Odisha, Telangana and Andhra Pradesh

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

35 AS REQUIRED BY IND AS - 24 "RELATED PARTY DISCLOSURES"

(i) Name and description of related parties

Relationship	Name of related party
(a) Associates	Power Exchange India Limited (PXIL)
(b) Joint venture	Rashtriya e Market Services Private Limited (ReMS)
(c) List of Key Management Personnel	Mr. Vijay Kumar V. Managing Director & Chief Executive Officer (W.e.f. January 18, 2018)
	Mr. Ashish Bahuguna (Public Interest Director) (W.e.f. June 15, 2020)
	Dr. Purvi Mehta (Public Interest Director) (W.e.f. January 11, 2018)
	Dr. Ashok Gulati (Public Interest Director) (W.e.f. January 03, 2019)
	Mr. Ravindra Kumar Roye (Public Interest Director and chairman) (Upto June 14, 2020 and upto May 03, 2020 respectively)
	Mr. J. Ravichandran (Shareholder Director) (Upto February 04, 2020)
	Mr. Bhaskaran Nayar Venugopal (Shareholder Director) (W.e.f. January 11, 2018)
	Mr. Rakesh Kapur (Shareholder Director)
	Mr. Srinath Srinivasan (Shareholder Director)
	Mr. Sunil Kumar (Shareholder Director) (Upto December 21, 2020)
	Mr. Manikumar S. (W.e.f December 21, 2020)
	Mr. Nirmalendu Jajodia (Public Interest Director) (W.e.f. April 13, 2018)
	Mr. Prem Kumar Malhotra ((Public Interest Director) (W.e.f. August 9, 2018)
	Mr. Chaman Kumar ((Public Interest Director and chairman) (W.e.f. April 10, 2018 and May 04, 2020 respectively)

(ii) Nature of transactions - The transactions entered into with the related parties during the period along with related balances as at March 31, 2021 are as under:

(₹ in lakhs)

Particulars	Associates		Joint venture		Key Managerial Personnel			
	PXIL		ReMS		Vijay Kumar V.		Directors	
	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Remuneration	-	-	-	-	170	180	-	-
UMP Software Maintaence charges	405	538	237	352	-	-	-	-
Dividend Received	-	-	100	70	-	-	-	-
Sitting Fees Paid to Directors	-	-	-	-	-	-	179	127
Conversation of Preference Shares into equity shares	-	500	-	-	-	-		-

(₹ in lakhs)

	Associates		Joint venture		Key Managerial Personnel			
	PXIL		ReMS		Vijay Kumar V.		Directors	
Balance outstanding at the year end	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20	Mar-21	Mar-20
Investments in Joint Venture	-	-	500	500	-	-	-	-
Investments in Associate (Equity shares)	2,000	2,000	-	-	-	-	-	-
Trade Payables / Other Payable	-	-	-	-	78	91	-	-

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

36 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 period ended March 31, 2021 is given as follows:

(₹ in lakhs)

Particulars	Commodity Exchange Services		Commodity Clearing Services		e-Market Platform Services		Repository Services		Research and Education Services		Total	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
REVENUE :												
Total Income	6,326	8,187	2,209	3,305	6,590	6,173	800	948	116	120	**16,041**	**18,732**
Inter-segment Income	(938)	(970)	-		(69)	(172)	(35)	(35)	(109)	(97)	**(1,151)**	**(1,274)**
External Income	**5,388**	**7,217**	**2,209**	**3,305**	**6,521**	**6,000**	**765**	**913**	**7**	**23**	**14,890**	**17,458**
RESULT												
Segment Result *	(4,054)	(2,565)	485	905	1,511	1,207	(304)	(137)	(16)	16	**(2,378)**	**(574)**
Less: Finance Charge											**102**	**150**
Profit before tax *											**(2,480)**	**(724)**
Add / (Less) : Provision for current tax											**(366)**	**(434)**
Add / (Less) : Deferred tax *											**1,200**	**1,080**
Less: MAT Credit Entitlement											**(186)**	**(145)**
Profit after tax and before minority interest and share of loss of associate *											**(1,831)**	**(223)**
Add / (Less): Non-controlling interests											**178**	**266**
Add / (Less): Share of profit (net) of associate(s)											**369**	**955**
Profit after tax *											**(1,285)**	**998**
Segment Assets *	27,203	31,123	51,505	43,544	23,649	18,345	5,334	5,472	42	36	**1,07,733**	**98,520**
Unallocable Assets											**-**	**-**
Total Assets											**1,07,733**	**98,520**
Segment Liabilities	8,667	9,539	28,481	22,602	16,775	12,346	1,033	1,038	10	4	**54,966**	**45,529**
Unallocable Liabilities											**-**	**-**
Total Liabilities											**54,966**	**45,529**

* Restated (Refer note - 48)

37 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

Gross amount required to be spent by the Group as per section 135 of the Companies Act 2013 on Corporate Social Responsibility activities is ₹ 24 Lakhs (March 31, 2020 ₹ 19 Lakhs) and actual spend during the year ended March 31, 2020 is ₹ 50 Lakhs (March 31, 2020 ₹ 19 Lakhs). The actual spend included ₹ 26 Lakhs voluntary spend by the Exchange.

Details of amount spent during the year are as follows:

(₹ in Lakhs)

CSR project or activity identified	For the year ended March 31, 2021	For the year ended March 31, 2020
Awareness about menstrual health and distribution of dignity kits through 'Dignity Project'	-	6
Contribution to Ashima Foundation for promoted rural development interventions in India's poorest communities.	-	4
Contribution to S M Sehgal Foundation for Jagruk Yuva Project.	-	9
Seed graders and grain assaying kits	26	-
Prime Minister National Relief Fund	24	-

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

38 CORE SETTLEMENT GUARANTEE FUND

The details of Core Settlement Guarantee Fund as on March 31, 2021 is as given below:

(₹ in lakhs)

Particulars	Settlement penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
As on March 31, 2019					
Initial contribution to Core SGF	345	10,742	2,945	-	14,032
Additional Contribution #	4,188*	975	165	-	5,329
Less : Funding from SGF (Refer note 43)	(1,335)**	-	-	-	-1,335
Income on investment	127	827	229		1,183
As on March 31, 2020	**3326**	**12,544**	**3,339**	**-**	**19,209**
As on April 01, 2020	**3326**	**12,544**	**3,339**	**-**	**19,209**
Additional Contribution $	285*	575	-	-	860
Less : Funding from SGF (Refer note 43)					
Income on investment	207	744	193	-	1,143
As on March 31, 2021	**3818**	**13,863**	**3,532**	**-**	**21,212**

As per SEBI Circular no. SEBI/HO/CDMRD/DRMP/CIR/P/2019/73 dated June 20, 2019, penalty levied, on account of Short-collection/non-collection of Margins for Commodity derivatives by NCDEX and transferred to NCDEX IPF Trust, shall be transferred to Core SGF, effective from the day on which Clearing corporation commenced clearing function for commodity derivatives segment. Based on this circular, on July 09, 2019, an amount of ₹ 168 Lakhs was transferred from NCDEX IPF Trust to Core SGF towards the above mentioned penalty for the period September 27, 2018 to January 31, 2019.

$ Includes ₹ 104 Lakhs with respect to GST on penalties recoverable from two defaulting members, which was paid out of Core SGF in financial year 2019-20 and has been transferred back to Core SGF in July 2020 along with interest, in compliance with SEBI letter dated July 10, 2020.

*Includes penalty levied for the month of March 2021 of ₹ 21 Lakhs (March 2020 ₹ 43 Lakhs) and interest ₹ NIL (March 2020 ₹ 1 Lakhs) due in the month of March 2021 and March 20 transferred in subsequent month respectively.

**Excludes loss during liquidation of member open position ₹ 22 Lakhs funded from Core SGF transferred back in subsequent month.

Details of earmarking of funds towards Core SGF as on March 31, 2020 are as under:

(₹ in lakhs)

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	2,928	11,390	2,968	-	17,286
Fixed deposits included under 'Non-current bank balances'	219	738	251	-	1,208
Accrued Interest on Fixed Deposits	100	300	88	-	488
TDS on Interest Income	13	116	32	-	161
Total	**3,260**	**12,544**	**3,339**	**-**	**19,143**

Details of earmarking of funds towards Core SGF as on March 31, 2021 are as under:

(₹ in lakhs)

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'	3,669	12,999	3,416	-	20,084
Fixed deposits included under 'Non-current bank balances'	-	497	-	-	497
Funds in transit (for fixed deposit)	-	-	-	-	-
Accrued Interest on Fixed Deposits	106	239	78	-	424
TDS on Interest Income	22	127	37	-	186
Total	**3,797**	**13,863**	**3,532**	**-**	**21,191**

39 In case of subsidiary NCCL SEBI vide its circular dated April 10, 2019, has prescribed Risk based method to determine the net worth required for Clearing Corporation. In terms of this circular, NCCL shall quarterly review their net worth requirement and ensure that the net worth does not fall below the prescribed threshold, applicable from first quarter of financial year 2019-20. NCCL is in compliance with said SEBI directives.

40 In case of subsidiary NCCL, NCCL company recognizes MAT credit available as an asset only to the extent there is reasonable certainty that the company will pay normal income tax during the specified period. Accordingly, MAT credit entitlement not recognized in books of accounts till March 31, 2021 is ₹ 266 Lakhs (March 31, 2020 is ₹ 257 Lakhs), which will be carried forward. Further, as and when the MAT credit will be recognised the same will be directly credited to retained earnings and not the statement to profit & loss account as the same is arising out of contribution to Core SGF, forming part of other equity. Deferred tax asset on account of contribution to Core SGF till March 31, 2021 amounting to ₹ 3319 Lakhs (March 31, 2020 : ₹ 3,159 Lakhs) will be recognized and credited directly to retained earnings when there is reasonable certainty.

41 In case of subsidiary NCCL, the amounts recoverable from members as on March 31, 2021 include amounts recoverable from two members who have failed to honor their pay-in obligations in September 2019 and the amounts continue to be due from them as on date. NCCL has declared these two members as defaulters. The amount recoverable from them as on the date of signing the financials, after adjustment of their collaterals and margin money is ₹ 2,504 Lakhs (Previous Year ₹ 2,533 Lakhs) (including ₹ 681 Lakhss towards penalties and GST thereon). As the penalties will be transferred to Core SGF only on collection from members, the Company has funded net amount of ₹ 1,823 Lakhss (Previous Year ₹ 1,853 Lakhss) for pay-out to counter parties, as follows.

(₹ in Lakhs)

Particulars	March 31, 2021	March 31, 2020	Remarks
Clearing Corporation's own resources	622	622	5% of MRC of SGF ₹ 12,437 Lakhs (maximum as per SEBI provisions)
Core SGF	1,201	1,231	Net amount funded from Core SGF
Total	**1,823**	**1,853**	

NCCL is in the process of following due processes (including legal course of action) for recovery from members as well as from insurance. Considering the recovery of the amount funded and SEBI guidelines for utilisation of Core SGF, during previous year a provision had been made for ₹ 622 Lakhs funded from NCCL's own resources as per conservative accounting principle and a provision of ₹ 25 Lakhss was also made towards NCCL dues from these members. In addition to the above, during the current year a provision of ₹ 103.85 Lakhss was made with respect to GST on penalties recoverable from two defaulting members earlier it was funded by Core SGF.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

42 In case of subsidiary NCDEX e Markets Ltd (NeML), Risk Management Fund (RMF) as constituted by the NeML is the amount earmarked for completion of the settlement, in case of a default by a member. NeML has not utilised any amount in FY 2020-2021 and in previous year ₹ 0.25 Lakhs was utilised from the fund. As considered by the Management of the NeML the Contribution made is appropriate and sufficient to cover member defaults, if any

43 **(a) Investment in Joint Venture of subsidiary NCDEX e Markets Limited**

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

Summarised Balance Sheet as at March 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets	5,661	5,996
Non-current Assets	56	79
Current Liabilities	-483	-739
Non-current liabilities	-44	-44
Equity	**5,190**	**5,292**
Proportion of groups ownership	50%	50%
Carrying Amount of investment	**2,595**	**2,646**

Summarised Statement of profit and loss for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations	1,139	3,229
Other Income	249	288
Employee benefit expenses	-169	-127
Operating Expenses	-353	-1,740
Depreciation and amortization expenses	-23	-109
Other Expenses	-608	-339
Profit Before Tax	**235**	**1,201**
Tax Expense	137	308
Profit for the period	**98**	**893**
Other Comprehensive Income	-	1
Dividend Distribution Tax	0	-29
Total comprehensive income for the period	**98**	**865**
Groups Share of profit for the year	**49**	**432**

(b) Investment in associate Power Exchange India Limited (PXIL)

The Exchange, jointly with National Stock Exchange of India Limited (NSE), promoted Power Exchange India Limited (PXIL) in 2008, in order to provide an electronic platform for facilitation of trading of electricity at national level. Summarised financial information of the joint venture are set out below:

Summarised Balance Sheet as at :

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets	7,630	6,542
Non-current Assets	3,968	5,481
Current Liabilities	-7,944	-9,421
Non-current liabilities	-404	-236
Equity	3,249	2,365
Proportion of groups ownership	34%	34%
Carrying Amount of investment before intercompany elimination	**1,112**	**809**
Intercompany elimination	53	55
Carrying Amount of investment	**1,059**	**754**

Summarised Statement of profit and loss for the year ended March 31, 2021

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Operations	2,548	2,391
Other Income	517	614
Employee benefit expenses	-771	-675
Finance Cost	-16	-32
Depreciation and amortization expenses	-236	-106
Other Expenses	-1,179	-818
Exceptional item - Dividend distribution tax written back	0	145
Profit Before Tax	**863**	**1,520**
Tax Expense	-28	-3
Profit for the period	**891**	**1,523**
Other Comprehensive Income	(7)	0
Dividend Distribution Tax	-	-
Total comprehensive income for the period	**884**	**1,523**
Groups Share of profit for the year before intercompany elimination	**302**	**521**
Intercompany elimination	15	-1
Groups Share of profit for the year	**318**	**520**

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

44 EMPLOYEE STOCK OPTION PLAN / EMPLOYEE STOCK OPTION SCHEME OF SUBSIDIARY NCDEX E MARKETS LIMITED

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

The table given below summarises the ESOP vested :

Granted	Vesting %	ESOP Vested
March-18	40%	2,77,978
March-19	30%	2,08,483
March-20	30%	2,08,483
		6,94,944

Vesting Dates	Vesting %	ESOP Vested (less Lapsed)
28-Mar-18	40%	2,50,356
28-Mar-19	30%	1,62,924
28-Mar-20	30%	1,35,689
		5,48,969

The exercise price of ESOP vested ₹ 59.72 as per FMV report by an independent valuer.

The Vested Options can be exercised by the Option grantees only in connection with or upon happening of a Liquidity Event within such period as prescribed by the Board in this regard or within 5 years from date of grant of options. (Special Resolution dt 12th Nov 2021).

Employee Stock Option Activity under Scheme 2017

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding at the Beginning of the period	5,21,340	4,02,880
Vested during the year	-	2,08,483
Lapsed during the year	-	72,794
Exercised During the period	12,000	17,229
Outstanding at the end of the period	5,09,340	5,21,340
Exercisable at the end of the period	5,09,340	5,21,340

45 In subsidiary company NERL, in terms of clause 4 (9) of the Guidelines on Repositories and Creation and Management of Electronic Negotiable Warehouse Receipts dated October 20, 2016 issued by Warehousing Development and Regulatory Authority, the sponsor exchange shall not hold more than fifty one percent of the paid up equity share capital of the NERL and shall reduce the same to twenty four percent within a period of ten years from the date of grant of Certificate of Registration. Further, in exceptional circumstances, such an exchange may, with the prior permission of WDRA, increase the shareholding upto seventy four percent of the paid up capital of the NERL for such time as may be permitted by WDRA.

The Exchange has been permitted to hold up to seventy four percent of the paid up share capital of the NERL till December 2018 as per WDRA letter no. WDRA/2016/5-15/A&F-1959 dated December 8, 2016. Since the shareholding of the Exchange (67.22%) was not in line with the above guidelines, the Exchange has sought extension from WDRA to comply with the shareholding norms which was informed to the NERL. WDRA vide its letter no. D-24015/2/2018-O/o US (A&F)/2763 dated December 17, 2018 approved to allow the Exchange additional time of 12 months from December 23, 2018 till December 22, 2019 to reduce the shareholding to 51% or below. Further, WDRA vide its letter no. D-24015/2/2018-0/0 US (A and F)/1774 dated November 19, 2019 approved to allow the Exchange additional time of 12 months from 22.12.2019 till 21.12.2020 to reduce the shareholding to 51% or below. Further, WDRA vide its letter no. D-24015/2/2018-O/o US (A and F)/1490 dated November 18, 2020 approved to allow the Exchange additional time of 12 months from 22.12.2020 till 21.12.2021 to reduce the shareholding to 51% or below.

46 In subsidiary company NERL ,in terms of clause 12 (1) of the Guidelines on Repositories and Creation and Management of Electronic Negotiable Warehouse Receipts dated October 20, 2016 issued by Warehousing Development and Regulatory Authority, the Company is required to maintain a net worth of not less than Rupees twenty five crore, at all times. At present the Company complies with this guidelines.

47 i) In case of subsidiary NCCL, the exceptional Item for the year ended March 31, 2021 comprises of 'provision for doubtful debt' of ₹ 104 Lakhs made with respect to GST on penalties recoverable from two defaulting members and The exceptional item for the year ended March 31, 2020 of ₹ 668 Lakhs includes provision of ₹ 646 Lakhs made by the company with respect to amounts recoverable from some members and an amount of ₹ 22 Lakhs representing loss incurred during liquidation of member open position which could not be attributed to the member.

ii) As at March 31, 2015 the Exchange had an investment in PXIL of ₹ 1,500 Lakhs in equity shares and ₹ 500 Lakhs in optionally convertible preference shares. The Exchange had accounted for its share of losses in PXIL to the extent of its equity investment of ₹ 1,500 Lakhs in its consolidated financial statements.

In the year 2015-16, after considering continuous losses in PXIL and erosion of its entire net worth, the Exchange had estimated that the recoverable amount of its investment in PXIL of ₹ 2,000 Lakhs in PXIL, should be impaired to Nil value. Consequently, the Exchange impaired its balance investment of ₹ 500 Lakhs by way of a charge to its consolidated profit and loss account.

During the current financial year, the Exchange converted its investment of ₹ 500 Lakhs in optionally convertible preference shares into equity shares. After such conversion, the Exchange has an investment in the equity shares of PXIL to the extent of ₹ 2,000 Lakhs.

Further, as at September 30, 2019, after considering profits in PXIL for last two and a half years, sustainability of such profits and based on a valuation report, the Exchange has reversed the impairment of its investment to the extent of ₹ 291 Lakhs in the consolidated Profit and loss account (i.e. reversal of impairment of ₹ 2,000 Lakhs and recognizing its share of losses till March 31, 2019 amounting to ₹ 1,709 Lakhs).

48 During the year, the Group has made changes in prior period. As a result, the Exchange has restated / Regrouped prior period financials as follows :

Balance Sheets

(₹ in Lakhs)

S. no	Particulars	Previously Reported Amount	Prior period impact	Restated amount	Remarks
1	Investments in associates / joint venture	3,393	7	3,400	Restated due to rectification of prior period error by Jointly Controlled company (ReMS) of our subsidiary NCDEX e Markets Ltd (NeML)
2	Deferred tax assets (net)	1,661	(285)	1,376	1. Restated due to prior years tax expense adjustments by Exchange for a) Reconciliation of MAT credit and deferred tax on unabsorbed depreciation & business loss with income tax return filed by the Exchange b) Change in tax rate for calculation of deferred tax asset/liability. 2. Restated due to changes in accounting policy for Employee stock option by our Subsidiary NCDEX e Markets Ltd (NeML)
3	Non current Income tax assets (net)	4,501	204	4,705	Restated due to prior years tax expense adjustments for reconciliation of Income tax assets(TDS receivable) and provision for income tax with income tax return filed by Exchange.

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

S. no	Particulars	Previously Reported Amount	Prior period impact	Restated amount	Remarks
4	Other current financial assets	4,281	199	4,480	Regrouping of IPO expenses related to recovery from selling shareholders from Other current assets under sub heading prepaid expenses to other current financial assets under sub heading "Recovery from selling shareholders"
5	Other current assets	2,635	(200)	2,436	Regrouping of IPO expenses related to recovery from selling shareholders from Other current assets under sub heading prepaid expenses to other current financial assets under sub heading "Recovery from selling shareholders"
6	Non Controlling Interest	2,290	(20)	2,270	Restated for allocation of share issue expenses to Non controlling interest related to prior period.
7	Other equity	45,709	(55)	45,653	Restated due to prior years adjustments as mentioned above in S.no 1 , 2, 3 & 6
8	Non Current Deposits	13	991	1,004	Regrouping of Deposit received from member for Base Minimum Capital from Current Deposit liabilities to Non Current Deposit liabilities
9	Current Deposits	37,390	(991)	36,399	Regrouping of Deposit received from member for Base Minimum Capital from Current Deposit liabilities to Non Current Deposit liabilities
10	Total Outstanding dues of other than micro enterprises and small enterprises	1,671	(297)	1,374	Regrouping of PBI & bonus payable to employees from Trade payable other than micro enterprises and small enterprises to other current financial liabilities under sub heading other payable.
11	Other Current Financial liabilities	3,108	297	3,405	Regrouping of PBI & bonus payable to employees from Trade payable other than micro enterprises and small enterprises to other current financial liabilities under sub heading other payable.

Statement of Profit & Loss

S. no	Particulars	Previously Reported Amount	Prior period impact	Restated amount	Remarks
1	Employee benefits expense	6,895	8	6,903	Restated due to changes in accounting policy for Employee stock option by our Subsidiary NCDEX e Markets Ltd (NeML)
2	Deferred tax expense/ (credit)	-1,040	105	-935	Restated due to prior years tax expense adjustments for reconciliation of income tax rate with income tax return filed by Exchange and changes in accounting policy for Employee stock option by our Subsidiary NCDEX e Markets Ltd (NeML)

49 LEGAL CASES WITH TAX AND GOVERNMENT AUTHORITIES:

The Group's pending litigations comprise claims against the Group and proceedings pending with Tax / Statutory/ Government Authorities. After review of all its pending litigations and proceedings, the Group has made / updated adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

Other legal proceedings:

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. After review of all its pending litigations and proceedings, the Group has made / updated adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. Based on legal opinion, the Group is of the view that these legal actions do not have financial implications other than those already provided for or disclosed as contingent liabilities

In respect of subsidiary NCCL:

The subsidiary company has filed a case against two defaulting members seeking an order from the Hon'ble Court, directing the defendant to pay the amount against default.

50 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Management of Liquidity Risk

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

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

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

(₹ in Lakhs)

Particulars	Note Nos.	Carrying amount	Less than 12 months	Payable on demand	More than 12 months	Total
As at March 31, 2021						
Deposits	17	46,000	41,233	3,781	986	46,000
Trade payables	18	1,179	1,179	-	-	1,179
Lease Liabilities	19	938	610		327	938
Other financial liabilities	19	3,699	3,486	-	211	3,699
As at March 31, 2020						
Deposits *	17	37,403	32,136	4,263	1,004	37,403
Trade payables *	18	1,462	1,462	-	-	1,462
Lease Liabilities	19	1,558	713	-	845	1,558
Other financial liabilities *	19	3,445	3,405	-	41	3,445

* Restated (Refer note - 48)

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

Management of Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations.

Trade Receivables :

Concentrations of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse and also on account of member's deposits kept by the Group as collaterals which can be utilised in case of member default. All trade receivables are reviewed and assessed for default on a quarterly basis.

Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

None of the customers accounted for more than 10% of the receivables and revenue for the year ended March 31, 2020 (March 31, 2020 : ₹ NIL).

Other financial assets :

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in debt mutual funds and Bonds. The Group limits its exposure to credit risk by making investment as per the investment policy. The Group addresses credit risk in its investments by mandating a minimum rating against the security / institution where the amounts are invested and is further strengthened by mandating additional requirement like Capital Adequacy Ratio (CAR), for term deposits with banks and Minimum Average Assets Under Management (AAUM) of the Asset Management Companies (AMCs) and Assets Under Management (AUM) of the schemes for investments in debt mutual funds.Further the respective Investment Committee of the parent company and the subsidiaries reviews the investment portfolio on a periodic basis and recommend or provide suggestion to its management. The Group does not expect any losses from non- performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

Management of Market Risk

The Group's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of commodities traded, the number of contracts and liquidity and similar factors.

In addition to the above risk, Market risk also includes the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Group's control. Changes in the general level of interest rates can affect the profitability by affecting the spread between, amongst other things, income the Group receives on investments in debt securities, the value of interest-earning investments, it's ability to realise gains from the sale of investments.

Foreign currency risk

The Group periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the Group has not entered in foreign exchange forward exchange contracts.

Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Group. The clearing and settlement operations are conducted through a wholly owned subsidiary National Commodity Clearing Limited (NCCL). NCCL guarantees the settlement of trade executed on Group's platform and maintains a core settlement guarantee fund to support its guarantee obligations.

Regulatory Risk

The Group requires a number of regulatory approvals, licenses, registrations and permissions to operate our business. For example, the group have licenses from SEBI in relation to, among others, introducing contracts on various commodities The group operations are subject to continued review and the governing derivatives regulations changes. The group regulatory team constantly monitors the compliance with these rules and regulations. There have been several changes to the form and manner in which deemed recognised stock exchanges must make contributions to a Core Settlement Guarantee Fund.

Notes to Consolidated Financial Statements for the year ended March 31, 2021 (Contd.)

Should SEBI in the future vary the required contribution amounts to the Core Settlement Guarantee Fund, the group may have to contribute more of funds to the Core Settlement Guarantee Fund which could materially and adversely affect the group financial ability. The group regulatory team keeps a track regarding the amendments in SEBI circulars / regulations pertaining to such core settlement guarantee fund.

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Group is predominantly equity financed which is evident from the capital structure. Further, the Group has always been a net cash Group with cash and bank balances along with investment which is predominantly investment in liquid and short term mutual funds being far in excess of financial liabilities.

51 FAIR VALUE MEASUREMENT

Financial Instrument by category and hierarchy

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

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

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

(₹ in Lakhs)

Particulars	Levels	As at March 31, 2021	As at March 31, 2020
1) Financial Assets			
Financial assets measured at fair value through profit & loss			
A) Investment in Mutual Funds	Level 1	5,853	1,720
B) Investments in Unquoted equity Shares **	Level 3	-	-
Financial assets measured at fair value through other comprehensive income			
A) Investment in Bonds	Level 1	2,065	1,983
Financial assets measured at Amortized Cost			
A) Bank deposits		49,553	53,777
B) Trade receivables		3,142	3,226
C) Cash and Cash equivalents		25,294	12,073
D) Investment in Bonds		-	-
E) Other Financial Asset*		3,370	5,037
Financial assets measured as per equity method			
A) Investment in associates / joint ventures accounted for using the equity method		3,654	3,400
Total financial assets		**92,931**	**81,217**
2) Financial liabilities			
Financial liabilities measured at Amortized Cost			
A) Deposits *		46,000	37,403
B) Trade payables *		1,179	1,462
C) Lease Liabilities		938	1,558
D) Other Financial liabilities *		3,699	3,444
Total Financial liabilities		**51,816**	**43,867**

* Restated (Refer note - 48).

** Fair value of these instruments is determined using market approaches

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

52 TAX RECONCILIATION

a. A reconciliation of Income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarized below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before income taxes *	-2,486	-724
Enacted tax rates in India	26%	26%
Computed expected tax expense	(646)	(188)
Tax impact on depreciation	32	175
Adjustments in respect of current income tax of previous years	24	6
Tax impact due to Non-deductible expenses for tax purposes	283	130
Tax impact on Exempt Income	(260)	(336)
Long term capital gain taxed at different rate	(12)	3
Deferred tax expense *	(22)	(50)
Tax losses for which no deferred tax assets is recongnised	5	1
Changes in Tax rates	-	2
Difference in Tax rate of components	50	61
Deferred tax liabilities reversed on unrealized profit eliminated in consolidaton	(62)	47
Tax on Elimination of unrealised profit / Dividend	(20)	206
Tax on Impairment loss of PXIL investment	-	(582)
Income tax expense	**(628)**	**(525)**

* Restated (Refer note - 48)

b. The following table provides the details of income tax assets and income tax liabilities as of March 31, 2020

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income tax assets *	10,179	13,029
Income tax liabilities *	8,384	8,324
Net Non current income tax assets/ (liability) at the end of financial year	**1,795**	**4,705**

* Restated (Refer note - 48)

c. The gross movement in the current income tax asset/ (liability) for the period ended March 31 2020

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net current income tax asset / (liability) at the beginning	4,705	3,635
Add : Income tax paid	380	1,767
Provision for tax of earlier years	-18	37
Refund Received	-2,930	-321
Less : Provision for income tax	-342	-413
Net current income tax asset/ (liability) at the end	**1,795**	**4,705**

* Restated (Refer note - 48)

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

d. Deferred tax assetst

Movements in deferred tax assets

(₹ in Lakhs)

Particulars	Employee benefit	Provision For Doubtful Debt	Financial Assets at Fair Value through OCI	Unabsorbed losses / depreciation	MAT Credit Entitlement	Lease Ind As 116	Other Items	Total
As at March 31, 2019 *	94	-	-	544	542	-	40	1,221
Charged / (credited)								
- to profit or loss	82	180	-	676	(145)		8	828
- to other comprehensive income			11					11
- to Retained earning	-	-	-	-	-	38	-	12
As at March 31, 2020 *	**176**	**180**	**11**	**1,221**	**398**	**38**	**48**	**2,071**
Charged / (credited)								
- to profit or loss	38	31	-	977	(191)	(7)	(9)	839
- to other comprehensive income	-	-	(11)	-	-		-	(11)
- to Retained earning	-	-	-	-	-		-	-
As at March 31, 2021	**214**	**211**	**-**	**2,197**	**206**	**31**	**39**	**2,898**

* Restated (Refer note - 48)

Movements in deferred tax liabilities

(₹ in Lakhs)

Particulars	Depreciation and amortisation *	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	Total
As at March 31, 2019	**747**	**61**	**7**	**815**
Charged / (credited)				
- to profit or loss	(98)	(27)		(126)
- to other comprehensive income			8	8
As at March 31, 2020	**648**	**34**	**15**	**697**
Charged / (credited)				
- to profit or loss	(188)	3	-	(185)
- to other comprehensive income	-	-	19	19
As at March 31, 2021	**460**	**37**	**34**	**531**

* Restated (Refer note - 48)

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

53 LEASES

a Transition

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 2,001 Lakhs and a lease liability of ₹ 2,138 Lakhs. The cumulative effect of applying the standard of ₹ 109 Lakhs was debited to retained earnings, net of taxes. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

b The following is the summary of practical expedients elected on initial application:

i Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

ii Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

iii Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

iv Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

c The effect of depreciation and interest related to Right Of Use Asset and Lease Liability are reflected in the Profit & Loss Account under the heading "Depreciation and Amortisation Expense" and "Finance costs" respectively under Note No 24 and 25

d The weighted average incremental borrowing rate applied to lease liabilities is 8% to 8.38%.

e Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021.

(₹ in Lakhs)

Particulars	Category of ROU		Total
	Office Space	Guest House	
Balance as of April 1, 2019	-	-	-
Reclassified on account of adoption of Ind AS 116	68	-	68
Additions	2,129	38	2,167
Deletions	3	-	3
Depreciation	762	13	775
Balance as of March 31, 2020	**1,433**	**26**	**1,457**
Balance as of April 1, 2020	1,433	26	1,457
Additions	140	-	140
Depreciation	692	16	708
Deletions	28	10	38
Balance as of March 31, 2020	**853**	**-**	**853**

f The following is the break-up of current and non-current lease liabilities as of March 31, 2021

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Lease liabilities	610	713
Non-current lease liabilities	327	845
Total	**937**	**1,558**

g The following is the movement in lease liabilities during the year ended March 31, 2021:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance as at April 1, 2019	1,558	-
Additions	139	2,304
Additions through business combinations		-
Deletions	45	3
Finance cost accrued during the period	102	150
Payment of lease liabilities	817	893
Balance as of March 31, 2020	**937**	**1,558**

h The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	657	746
One to five years	356	883
More than 5 years	-	-
Total	**1,013**	**1,629**

i The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

j Rental expense recorded for short-term leases is ₹ 28 Lakhs (March 31 2020 ₹ 27 Lakhs).

54 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total net assets	As at March 31, 2021	As % of Total net assets	As at March 31, 2020
Net assets (total assets minus total liabilities)					
National Commodity & Derivatives Exchange Ltd (NCDEX) *	Parent Company	52%	42,296	56%	44,962
NCDEX e Markets Ltd. (NeML) *	Subsidiary	8%	6,846	7%	5,999
National E-Repository Limited (NERL)	Subsidiary	8%	6,369	9%	6,913
National Commodity Clearing Limited (NCCL)	Subsidiary	28%	22,698	26%	20,750
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	(12)	0%	(195)
Power Exchange India Limited	Associates	4%	3,249	3%	2,366
Total		**100%**	**81,446**	**100%**	**80,794**

* Restated (Refer note - 48)

Notes to Consolidated Financial Statements
for the year ended March 31, 2021 (Contd.)

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total Profit or loss	For the year ended March 31, 2021	As % of Total Profit or loss	For the year ended March 31, 2020
Share in profit or (loss)					
National Commodity & Derivatives Exchange Ltd (NCDEX) *	Parent Company	210%	(2,488)	-15%	379
NCDEX e Markets Ltd. (NeML) *	Subsidiary	-87%	1,032	-52%	1,289
National E-Repository Limited (NERL)	Subsidiary	46%	(546)	33%	(814)
National Commodity Clearing Limited (NCCL)	Subsidiary	5%	(55)	-5%	123
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	2%	(19)	0%	(5)
Power Exchange India Limited	Associates	-75%	891	-61%	1,523
Total		**100%**	**(1,187)**	**-100%**	**2,494**

* Restated (Refer note - 48)

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total OCI	For the year ended March 31, 2021	As % of Total OCI	For the year ended March 31, 2020
Share in other comprehensive income					
National Commodity & Derivatives Exchange Ltd (NCDEX) *	Parent Company	135%	75	22%	11
NCDEX e Markets Ltd. (NeML) *	Subsidiary	-25%	(14)	-69%	(36)
National E-Repository Limited (NERL)	Subsidiary	3%	2	-9%	(4)
National Commodity Clearing Limited (NCCL)	Subsidiary	-1%	(1)	-28%	(14)
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	-	0%	-
Power Exchange India Limited	Associates	-12%	(7)	-16%	(8)
Total		**100%**	**56**	**-100%**	**(51)**

* Restated (Refer note - 48)

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total comprehensive income	For the year ended March 31, 2021	As % of consolidated net assets	For the year ended March 31, 2020
Share in total comprehensive income					
National Commodity & Derivatives Exchange Ltd (NCDEX) *	Parent Company	213%	(2,413)	-16%	390
NCDEX e Markets Ltd. (NeML) *	Subsidiary	-90%	1,017	-51%	1,254
National E-Repository Limited (NERL)	Subsidiary	48%	(545)	33%	(819)
National Commodity Clearing Limited (NCCL)	Subsidiary	5%	(55)	-4%	108
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	2%	(19)	0%	(5)
Power Exchange India Limited	Associates	-78%	884	-62%	1,515
Total		**100%**	**(1,131)**	**-100%**	**2,445**

* Restated (Refer note - 48)

NCDEX
Pragati ka Solid Exchange

55 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 of up to ₹ 100 Crores and Offer for Sale of up to 14,453,774 Equity Shares by the Selling Shareholders. On April 9, 2020 SEBI issued its final observations on the DRHP. Basis these observations, the Exchange could launch its proposed IPO by April 8, 2021 i.e. open for subscription within 12 months from April 9, 2020. The Exchange has not launched its IPO prior to this date, hence 25% of the IPO related expenses which were earlier disclosed as prepaid expense, are now debited to statement of profit and loss account amounting to ₹ 101 Lakhs and remaining amount is disclosed as other financial assets under the sub head recoverable from selling shareholders.

56 The COVID - 19 outbreak is an unprecedented global situation. The World Health Organisation has declared the same as a pandemic. During the financial year 2020-21, the COVID - 19 has partially impacted the business of the Group

Based on the current indicators of future economic conditions and the impact of COVID – 19 on business, the Group has made an assessment of its liquidity position, recoverability and carrying values of its assets and ability to pay the liabilities as they become due and is of the view that, there is no adjustment required to be made in the financial statements. The Group will continue to evaluate any significant changes having impact on its financial performance and financial position.

57 The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. “Covid-19-Related Rent Concessions” effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Group has applied the practical expedient with effect from April 01, 2020. The Group has accounted the unconditional rent concessions of ₹ 20 Lakhs as other income during the year ended March 31, 2021.

58 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 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.

59 Previous year figures have been regrouped / reclassified wherever necessary to correspond to current year presentation.

As per our report of even date

For **K. S. Aiyar & Co.**
Chartered Accountants
ICAI Firm Registration No : 100186W

Sachin A. Negandhi
Partner
Membership No. 112888

Place : Mumbai
Date : June 09, 2021

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

Arun Raste
Managing Director & Chief Executive Officer
DIN - 08561128

Ashish Bahuguna
Public Interest Director
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

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NCDEX

Pragati ka Solid Exchange

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