NCDEX

Pragati ka Solid Exchange

ANNUAL REPORT FY2021-22

Connecting The
Dots-Making
Markets **Inclusive.**

NCDEX – TABLE OF CONTENT

YEAR AT A GLANCE

Commodity offered for trading:

16	1	1	3
Agricultural commodities	Non-Agri	Indices	Options in agricultural commodities

339 Members

44,66,021 Client base

6,771 Terminals

1,723 WRDA approved warehouses

42 Pledgees Banks

150 FPO's traded

5.33 *Lakhs MT* Storage capacity (MT)

405 FPO registered

OTHER SALIENT HIGHLIGHTS FOR FY 2021-22

₹ 3,729.85 Crores — Highest Turnover Achieved in a Day (6th April, 2021)

₹ 1,850.93 Crores — Average Daily Trade Value (ADTV)

₹ 3,570.33 Crores — Crores Average Daily Open Interest (ADOI)

5,12,368 Tonnes — Commodities Deposited

4.72 Lakhs Tonnes — Commodities Delivered

MD & CEO's MESSAGE

NCDEX and its subsidiaries cater to all facets of the Agri ecosystem, rooting its development from the growing relevance of market driven tools in the backdrop of the current fundamentals. The post-pandemic demand shocks, supply bottlenecks, logistical hurdles and surging energy costs have infused unprecedented volatility in the commodity markets.

DEAR SHAREHOLDERS,

Commodities occupy the center stage in any economy, and when it comes to agricultural commodities in a developing economy, their relevance stems from the need for food security. Indian agricultural sector has been the harbinger for the economy in becoming Atma Nirbhar and FY 2021-22 witnessed a record-high production in foodgrains and pulses. At 316 million MT, the production of wheat, rice, and all pulses was higher than average production in last five years. The role of commodity derivatives segment has been enhanced as agriculture is not only the backbone of the Indian economy, but also a defining factor of social strength. Role of the derivatives market in protecting income for the farmers and margins for the other value chain participants cannot be challenged.

NCDEX and its subsidiaries cater to all facets of the Agri ecosystem rooting its development from the growing relevance of market-driven tools in the backdrop of the current fundamentals. The post-Covid-19 pandemic demand shocks, supply bottlenecks, logistical hurdles and surging energy costs have infused unprecedented volatility in the commodity markets.

The increasing volumes of global commodity exchanges have been validating the fact that volatile prices can only be managed by using commodity derivative tools. However, commodity markets in India are yet to mature, which means that there is huge potential yet unexplored. The Exchange has temporarily lost few of its top-traded contracts including Chana, Mustard Seed, Soybean, Refined Soybean Oil and Wheat during the year on account of suspensions. While we continue to advocate the necessity of these markets in an agrarian economy like India, the suspension did act as a dampener to the efforts of the Exchange.

Despite the suspension during the year, the average daily turnover value (ADTV) was ₹ 1,857 Crores an increase of 47 % compared to the previous year. The number was higher than the ADTV of ₹ 1,794 Crores posted in the pre-pandemic year i.e., FY 2019-20. The Exchange has maintained its leadership position in the agricultural derivatives segment with a 6% gain in market share to 80% during the year. The rise in ADTV is backed by a strong increase in the monthly open interest, valued at ₹ 3,554 Crores, which is 32% higher than the previous year. The open interest is seen as a barometer to gauge the quality and seriousness of market participants. More importantly, the growth in the turnover was achieved despite the suspension of some top-traded derivatives contracts such as Soybean, Refined Soybean

Oil, Soymeal, Rapeseed Mustard and Chana, in the latter part of the year.

Empowering farmers and the rural economy has been at the heart of NCDEX's core initiatives to complimenting the Government efforts in doubling farmers' income. The Exchange's efforts have led to establishing new milestones of linking over 400 Farmer Producer Organizations (FPOs.) with a combined membership strength of over One million farmers during the year. The total volume of these FPOs in the derivatives segment has posted almost a 100% rise as compared to last year, to cross the 100,000-tonne mark during the year. Collectively, these FPOs have so far traded in 18 commodities, with a total delivery volume touching the 12,000 tonne mark by the end of the year.

The subsidiaries of NCDEX have complemented the efforts and initiatives of the Exchange. National E-Repository Limited (NERL) has completed three years of operations in non-exchange or emerging business. NERL closed the year with more than 6,100 customers (Over 1,500 customers added in FY 2021-22), 42 pledgee Banks, 2 CM Pledgees, 682 unique Warehouses issuing electronic Negotiable Warehouse Receipts (NWR)/electronic non-negotiable warehouse receipts and 92 Repository Participants (RPs) across 14 states in India. NERL issued more than 83,000 eNWRs (Exchange + Emerging Business) for commodities in excess of 780,000 tonnes, and Banks crossed ₹ 2,000 Crores finance against eNWR since inception, indicating rising confidence among the banks about eNWR ecosystem. With the Government pushing banks to finance against only eNWR, the instrument gets further preference in the banking fraternity.

NCDEX e-Markets Ltd (NeML) too continues to deliver strong growth in its core areas of e-Markets for the agricultural sector with an increase of 52% in turnover in the National Cooperative Dairy Federation of India (NCDFI) platform and 16% growth in the turnover from the State Government agencies. NeML has earned a reputation of being the platform of choice for both Central and State Government agencies for dealing in agricultural commodities. NeML has completed two years of operations in the intangibles sector that is an integral part of global focus on Sustainable Development Goals. NeML is on the path to become the leading e-Market place in this space as well.

Technology has been a coherent partner in building linkages and systems that enable market participants to connect to the Exchange platform. As a significant development in this area, NCDEX migrated its live trade data centre to Yotta Infrastructure Solutions, Navi Mumbai, making the Exchange country's first and only exchange to operate from an Uptime-certified Tier-IV data centre. The facility is the world's second-largest Tier-IV certified data centre. Tier-IV is the highest globally recognized certification for data centres and signifies the highest levels of reliability and resilience for completely fault-tolerant critical infrastructure to support operations.

"We are hopeful that our efforts at advocacy and enhancing the understanding of the policy makers along with the strong support from all our stakeholders will help not only revoke the suspension of commodities early but will also induce government participation in this segment for price risk management.

We are hopeful that our efforts at advocacy and enhancing the understanding of the policy makers along with the strong support from all our stakeholders will help not only revoke the suspension of commodities early but will also induce Government participation in this segment for price risk management. We are also refocusing our efforts to introduce a set of commodities that are not as sensitive to price volatility, to further insulate the Exchange's performance from such shocks. Along with our stakeholders, we are committed to grow this ecosystem by building strong synergies, product innovations and robust processes to ensure that our country boasts of a full developed ecosystem which helps the nation move towards Atma Nirbhar Bharat.

Arun Raste
MD & CEO, NCDEX

FPO HIGHLIGHTS FY 2021-22

89
Total number of promoting / resource institutions engaged

10,09,472
Total number of farmers who are members of FPOs supported by above institution

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

150
Farmer Producer Organizations participated on NCDEX platform

4,20,995
Number of farmers represented

255
FPOs who have opened accounts but are yet to trade

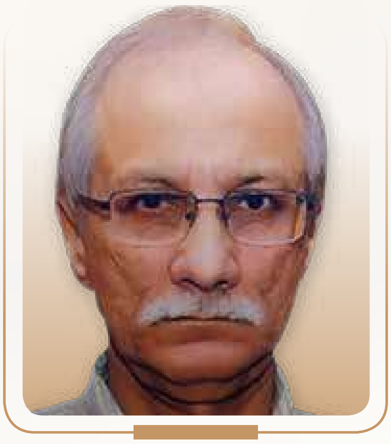
1,06,576 MT
Commodities traded by the farmer collectives on the exchange platform - 1,06,576 MT traded across 18 Commodities

12,282
Delivery based trade

COMPANY INFORMATION

Board of Directors	Mr. Ashish Bahuguna (appointed as Chairman with effect from August 13, 2021)	Chairman and Public Interest Director
	Mr. Hemant Adarkar (with effect from April 13, 2021)	Public Interest Director
	Mr. Prem Kumar Malhotra (re-appointed with effect from August 09, 2021)	Public Interest Director
	Dr. Purvi Mehta	Public Interest Director
	Mr. R. Amalorpavanathan (with effect from January 03, 2022)	Public Interest Director
	Mr. Venkat Nageswar Chalasani (with effect from May 01, 2021)	Public Interest Director
	Mr. B. Venugopal	Shareholder Director
	Mr. Manikumar S.	Shareholder Director
	Mr. Rakesh Kapur	Shareholder Director
	Mr. Srinath Srinivasan	Shareholder Director
	Mr. Arun Raste (with effect from June 07, 2021)	Managing Director & Chief Executive Officer
	Mr. Chaman Kumar (upto April 09, 2021)	Chairman and Public Interest Director
	Dr. Ashok Gulati upto January 02, 2022)	Public Interest Director
	Mr. Nirmalendu Jajodia (upto April 12, 2021)	Public Interest Director
	Mr. Vijay Kumar V. (upto April 17, 2021)	Managing Director & Chief Executive Officer
Chief Financial Officer	Mr. Atul Roongta	
Company Secretary	Mr. Hoshi D. Bhagwagar	
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 380006. Indore: 4th Floor, 401, Gold Arcade, Opposite Curewell Hospital, New Palasiya Road #1, Pent House, Indore 452001. Jaipur: Vinayak Heights, 5th Floor, Plot No 105 / 106, Gom Defence Colony, Gautam Marg, Vaishali Nagar, Jaipur - 302021. Kolkata: 5th Floor, 516, Krishna Building, 224 – A.J.C. Bose Road, Landmark Near Beck Bagan Crossing, Kolkata – 700017. New Delhi: Avanta Business Centre Mumbai Private Limited, 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)

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

Mr. Prem Kumar Malhotra
Public Interest Director
(Re-appointed w.e.f. August 09, 2021)

Dr. Purvi Mehta
Public Interest Director

Mr. R. Amalorpavanathan
Public Interest Director
(w.e.f. January 03, 2022)

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

Mr. B. Venugopal
Shareholder Director

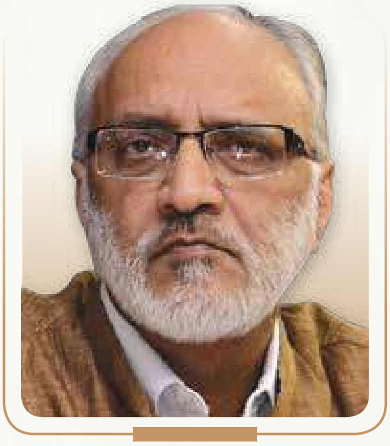
Mr. Manikumar S.
Shareholder Director

Mr. Rakesh Kapur
Shareholder Director

Mr. Srinath Srinivasan
Shareholder Director

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

Mr. Chaman Kumar
Chairman & Public Interest Director *(upto April 09, 2021)*



Dr. Ashok Gulati
Public Interest Director *(upto January 02, 2022)*

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

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

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Nineteenth Annual Report and Audited Financial Statements of the National Commodity & Derivatives Exchange Limited (hereinafter called NCDEX/ the Exchange) for the financial year ended March 31, 2022 (FY 2021-22).

PERFORMANCE

The following table shows the summary of financial performance of the Exchange on standalone as well as consolidated basis for the FY 2021-22:

(₹ in Lakhs)

Particulars	Standalone (the Exchange)		Consolidated (NCDEX Group)	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Total income	8,060	6,324	15,437	14,890
Total expenses	9,916	9,648	17,688	17,266
Profit before exceptional items and tax	(1,856)	(3,324)	(2,251)	(2,376)
Share of net profit from joint venture and associate	-	-	564	369
Exceptional item including contribution to core SGF	-	(34)	-	(104)
Profit before tax	(1,856)	(3,358)	(1,687)	(2,111)
Tax expenses	(480)	(870)	(461)	(648)
Profit after tax	(1,376)	(2,488)	(1,225)	(1,463)
Other comprehensive income	(41)	75	(40)	60
Total comprehensive income for the year	(1,417)	(2,413)	(1,265)	(1,403)

Summary of financial performance of the Exchange on standalone and consolidated basis for the FY 2021-22

i. Standalone Results

The total income of the Exchange for FY 2021-22 was ₹ 8,060 Lakhs, reflecting an increase of 27% over FY 2020-21. This is primarily on account of higher average daily traded value (ADTV) of ₹ 1,851 Crores in FY 2021-22, as compared to ₹ 1,270 Crores in FY 2020-21.

The total expenses of the Exchange for FY 2021-22 were ₹ 9,916 Lakhs, 3% higher than ₹ 9,648 Lakhs for FY 2020-21.

Profit/(loss) before exceptional item and tax during FY 2021-22 was ₹ (1,856) Lakhs for FY 2021-22 as compared to ₹ (3,324) Lakhs for FY 2020-21.

Profit/(loss) after tax was of ₹ (1,376) Lakhs for FY 2021-22 as compared to ₹ (2,488) Lakhs for FY 2020-21.

ii. Consolidated Results

The total income of the NCDEX Group for FY 2021- 22 was ₹ 15,437 Lakhs, reflecting an increase of 4% over that of FY 2020-21.

The total expenses of the NCDEX Group stood at ₹ 17,688 Lakhs, which was 2% higher than that in FY 2020-21.

The share in net profit from the Rashtriya e Market Services Private Limited (ReMS), a 50:50 joint venture between the State Government of Karnataka and NCDEX e-Markets Limited (NeML) for FY 2021–22, was ₹ 18 Lakhs as compared to ₹ 49 Lakhs in FY 2020-21. The share in net profit from Power Exchange India Limited (PXIL) for FY 2021-22, was ₹ 546 Lakhs as compared to ₹ 320 Lakhs in FY 2020-21.

Profit/(loss) after tax was ₹ (1,225) Lakhs during FY 2021-22, as compared to ₹ (1,463) Lakhs during FY 2020-21.

REVIEW OF OPERATIONS

Highlights

- The highest turnover achieved in a day during FY 2021-22 was ₹ 3,730 Crore.
- The top five traded commodities on the Exchange were Soy Oil, Guar Seed, Guar Gum, Soybean and RM Seed.
- The Average Daily Traded Volume ('ADTV') in FY 2021-22 stood at ₹ 1,851 Crore vis-a-vis ₹ 1,270 Crore in FY 2020-21.

FY 2021-22, was a year of recovery, exhibiting a revival of global demand for commodities that marked a new normal for several economic metrics. The agriculture sector has been the most consistent in performance, showing a positive growth despite the resurgence of the pandemic in the first quarter of the year. The physical commodity markets remained largely unaffected as they were better equipped this time to withstand the disruption caused by the pandemic. The derivative commodity markets reflected the optimism in the underlying physical markets with robust performance on various parameters: an ADTV of ₹ 1851 Crores, a three year high, an increase in deposits in the first two quarters by 50% as compared with same period last year and an increase in physical delivery by 18%.

The Exchange surged ahead with a focused approach of augmenting our product bouquet with the launch of sectoral indices and addition of Castor oil to the oil and oil seeds basket. Supporting our recent product launches through a strategic decision of introducing Liquidity Enhancement Scheme ('LES') in three products validates our commitment to develop the right environment that enables the growth of new instruments. The LES scheme was further supported with the introduction of implied spread engine that improved the efficiency in spread trading.

Additionally, consistent efforts of the Exchange towards promoting financial inclusion by facilitating greater farmer participation through Farmer Producer Organizations ('FPOs') resulted in a new milestone of connecting one million farmers to the Exchange. The Exchange continued its endeavor to educate market participants about commodities futures market through knowledge-sharing programs and Investor Education Programs ('IEPs'). In FY 2021-22, the Exchange conducted 336 IEPs, 249 investor awareness programs, and 160 programs focused on farmer participants. Engagements with product and industry associations were focused at fostering deeper connects with value chain participants.

During the second half of the year, the flow of activities at the Exchange were adversely impacted due to sudden suspension of futures trading in 7 commodities by the regulator. As this regulatory action impacted key contracts in the edible oil, pulses and grains segment, that contributed about 50% of the Exchange volume and revenue, the Exchange was forced to make efforts for building the confidence of the market participants in the ecosystem. These efforts resulted in enhanced volumes from remaining product offerings and despite the suspension of the top contributing derivative contracts such as Soybean, Soy Oil, Chana and RM Seed, the Exchange maintained its leadership position in the agri derivatives space.

The highlights of the FY 2021-22 are given here under:

Business:

The Exchange recorded an ADTV of ₹ 1,851 Crores in FY 2021-22, which is an increase of over 45% over the ADTV of ₹ 1,270 Crores in the previous financial year. This is a noteworthy achievement considering the severe setback caused by the suspension of some of the most liquid commodities. Along with the rise in volumes, the Exchange has also maintained its leadership in agri futures trading in the country, with an enhanced market share of ~79% in traded volumes and ~75% in open interest.

Physical deliveries and deposits continue to be an integral part of trading on the Exchange platform. In FY 2021-22, Exchange witnessed a gradual increase in deposits across commodities especially during the first half of the year. The Exchange witnessed an increase of 18% in delivery volumes from 4 Lakhs MT in FY 2020-21 to 4.72 Lakhs MT in FY 2021-22.

The suspension of contracts temporarily impacted overall business during the second half of the FY 2021-22 with key volume contributing contracts being suspended. As an Exchange, the business strategy focused on growing the contribution of existing commodities and this is evident from the increase in volumes and market share. The Exchange initiated several strategic steps to restore market confidence, which coupled with new product offerings and innovative technological solutions, helped to achieve the growth in ADTV even surpassing pre-pandemic levels. The Exchange launched sectoral indices covering Guar complex and Soy complex and augmented the oil and oil seeds basket with the launch of Refined Castor Oil.

Key Developments:

- **FPO Connect**

  About 60% of India's population is dependent on Agriculture and allied activities for their livelihoods, making it one of the most important sector of economy of our country. Despite smaller land holdings with farmers, the country is not only self-sufficient in food production but also an important global exporter of many agricultural products.

  To address the impact of marginal and small holdings in Indian agriculture and bringing in professional approach as also economies of scale to farming community, Farmer Producer Organizations (FPOs) are being promoted by the Central Government through a scheme of Formation and Promotion of 10,000 FPOs. Many Corporates and Self Promoted FPOs have become a part of this journey as well.

This initiative mainly in the field of aggregation and sales, requires a transparent marketplace that offers market information, remunerative prices and low-risk trading opportunities for farmers. NCDEX has played an important role in this by bringing in necessary awareness for increasing the participation of primary producers in agriculture derivatives market. Since 2016, Exchange invested a considerable amount of time and resources to raise awareness, handhold FPOs to participate in the Exchange and access a transparent price discovery and price risk management platform.

For FY 2021-22, NCDEX's FPO program on-boarded 83 such Farmer Producer Organizations representing more than 35,000 farmers and bringing total association figure to 405 FPOs representing over 10 lakh farmers from 16 states. Since 2016, 150 FPOs have traded in 18 commodities and hedged about 1 lakh ton of their produce. This is the largest association between any Exchange and FPOs. During the COVID period and lockdowns, the NCDEX online platform has proven its usefulness for the Agri ecosystem.

In FY 2021-22, 53 FPOs and 1 federation of FPOs from 8 states representing around 2.9 lakh farmers, traded 14 commodities with a cumulative volume of 50,123 MT with a value of ₹ 27,993 lakh. Delivery was made by 25 FPOs in 8 commodities for a volume of 2,324 MT worth almost ₹ 1,200 Lakh. Being aware about prevailing and future's price is the key requirement of farming community to make informed decision. The Exchange addresses this need by disseminating discovered prices through free SMS to farmers. In FY 2021-22, it registered 21,567 farmers for this service.

SEBI has waived the regulatory fee levied on the Exchange and allowed its use for FPOs benefit. As in the previous year, Exchange continued to subsidize the cost incurred by FPOs for delivering commodities on Exchange Platform during the year. In FY 2021-22, a total of ₹ 46.97 lakhs was reimbursed to 31 FPOs from 6 states that delivered 8 commodities.

FPOs have been granted additional benefits to encourage delivery based trade in terms of Early Pay In (EPI). FPOs those opt for EPI are exempted of all types of margins and MTM transactions. In FY 2021-22, 7 FPOs, which have deposited 154 MT of commodities, benefited from EPI facility.

NCDEX values the role of each stake holder in this ecosystem and thus actively works with National Bank for Agriculture and Rural Development ('NABARD'), Small Farmers Agribusiness Consortium ('SFAC'), National Rural Livelihood Mission ('NRLM'), Resource Institutes ('RI'), Primary Agricultural Credit Societies (PACS), Not-for-profit foundations of Corporates, Financial institutions ['Nationalized and private banks, Regional Rural Banks and Non-Banking Finance Companies ('NBFCs')], training Institutions like Bankers Institute for Rural Development ('BIRD') and Educational institutes [Agri Universities, Krishi Vigyan Kendras ('KVKs')] who have become regular participants during the training and awareness sessions. NABARD, which is one of the Implementing agency for 10,000 FPO program has been supporting through its network of District Development Managers ('DDMs') and was instrumental in getting FPOs on-boarded for Price risk management through Exchange platform.

The management of price risks through the concept of futures contracts and options is new for the Farmers/ FPOs and ecosystem, therefore, NCDEX with the guidance of SEBI seeks to raise awareness about it through the IEPs, Trainings, Webinars and meetings. In FY 2021-22, NCDEX carried out 291 such programs in 16 states reaching out to 13,000 farmers associated with FPOs. In addition, 79 training and education programs were carried out with the ecosystem partners, viz., KVKs', Agriculture Universities, Financial institutes, NABARD and other government officials. The Exchange endeavours to continue a proactive engagement role with farming community through FPOs and their ecosystem to make them aware of price risk management through derivatives platform.

➢ **Technology upgrade**

NCDEX became the first domestic Exchange to successfully migrate its live trade data centre operations to Uptime-certified Tier-IV data centre, Yotta Infrastructure Solutions. Tier-IV is the highest globally recognized certification for data centres and signifies highest levels of reliability and resiliency with respect to completely fault tolerant critical infrastructure that supports the facility's operations.

NCDEX introduced an upgraded spread contract functionality, called Implied functionality. Implied functionality plays an important role in increasing liquidity by increasing the efficiency of spread contracts. Liquidity plays a critical role in the discovery of fair prices of any asset class. Introduction of implied engine added a new layer of opportunity to trade by boosting liquidity and probability of executing orders while maintaining price efficiency across contracts.

- **Awards & Recognition**

  The Exchange takes pride to inform that various Digital Transformation initiatives implemented by the Exchange has been very well recognized by the Tech Industry and the Exchange has received four Technology awards in FY 2021-22. The Exchange's Chief Technology Officer, Mr. Viral Davda was conferred with a prestigious award 'CTO of the year - NBFC category' by Quantic Group, for spearheading the project of migration of the data center to Yotta. With this, NCDEX became country's first and only exchange to operate from an Uptime-certified Tier-IV data centre. The other 3 awards received are Innovative CIO Award 2022 issued by CIOAXIS, APAC CIO 1000 Award issued by Enterprise IT World and CIO 100 Award issued by IDG.

  The Exchange was also bestowed with the prestigious Golden Peacock award that is regarded as a benchmark for Corporate Excellence worldwide. The award was granted for running a successful pilot project called the "Options familiarization program" launched with the objective of enabling the primary producer to hedge price risk. This successful exercise has enabled FPOs to undertake price risk management though options.

  The way ahead:

  A three year high ADTV and a resilient open interest is a testimony to economic relevance of these markets to assist the physical markets and manage their price risk better. However loss of our key commodity contracts forced us to focus on enhancing the penetration of existing products alongside building the confidence of the participants, enhancing our product offerings and expanding our footprint in the non agri segment. As the Exchange closes FY 2021-22 on a satisfactory note, it looks forward to getting the suspended contracts back to make FY 2022-23 a highly successful year on account of new product launches and an enhanced products and participant base.

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.

MEMBERSHIP

As on the March 31, 2022, there were 339 members on the Exchange platform across the country.

CUSTOMER SERVICE GROUP

During the FY 2021-22, 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 for providing better service to market participants. Throughout the pandemic, the CSG ensured that 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 key initiatives undertaken during the year were:

Enabling linking of multiple CTCL IDs to single PANCARD: Exchange now permits members to report multiple 12 digit CTCL Terminal IDs on a single PAN for Algo Trading considering that trading through ATS is system driven. Accordingly, CTCL reporting module in WEB NCFE portal was modified to avail this facility for upload of CTCL Terminal details.

Digitization of documentation for Aps (Authorized person): For the smooth and efficient process of AP, Exchange has permitted the Authorized Person to use the option of E-Signature or Digital Signature for signing the documents of Authorized Person related to Authorized Person applications.

Setting up of the NCDEX Kisan Call Center: The Exchange has also set-up a Kisan call center through which FPOs / Farmers can connect and discuss on various topics. This will also enable farmers to connect and get their queries resolved, and receive ample support on their concerns.

Improving process efficiency: The Exchange has procured a bulk emailing facility which has significantly reduced efforts in sending bulk emails to the market participants. The Exchange has migrated to a new and secure full-feature online form builder enterprise edition that makes it easy to create robust forms and collect important data which is trusted by over 15M users worldwide. This has reduced the dependency on the CSG as the Exchange has now empowered other departments on its usage as well as trained them to manage and maintain their own data with regard to Exchange compliances.

CSG had also initiated several programs to optimize processes and to enhance customer experience by optimizing use of internal resources.

DIVIDEND AND APPROPRIATIONS

For the FY ended March 31, 2022, your Directors have pleasure in recommending a dividend of 5 per cent

DIRECTORS' REPORT (Contd.)

(₹ 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, 2022.

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Exchange during the FY 2021-22.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Mr. B. Venugopal retired by rotation at the Eighteenth Annual General Meeting held on September 27, 2021 and was re-appointed subject to approval of SEBI. SEBI vide its letter dated October 13, 2021, approved the appointment of Mr. B. Venugopal as a Shareholder Director. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rakesh Kapur (DIN: 00007230) 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. Rakesh Kapur 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. Hemant Adarkar	Public Interest Director	April 13, 2021
2.	Mr. Venkat Nageswar Chalasani	Public Interest Director	May 01, 2021
3.	Mr. Arun Raste	Managing Director & Chief Executive Officer	June 07, 2021
4.	Mr. R. Amalorpavanathan	Public Interest Director	January 03, 2022

The Directors who retired during the FY 2021-22 are as under:

Sr. No.	Name of the Director	Designation	Date of Cessation of Term
1.	Mr. Chaman Kumar	Chairman & Public Interest Director	April 10, 2021
2.	Mr. Nirmalendu Jajodia	Public Interest Director	April 13, 2021
3.	Mr. Vijay Kumar V.	Managing Director & Chief Executive Officer	April 18, 2021
4.	Dr. Ashok Gulati	Public Interest Director	January 03, 2022

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

There was no change in the KMP appointed under the Companies Act, 2013 except the change in Managing Director & Chief Executive Officer as informed above.

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 ('Listing Regulations'). 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 collectively 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 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 unless exempted under the said Rules.

ANNUAL EVALUATION

The formal annual evaluation of the performance of the Board, its Committees and Individual Directors including the Chairman and the Managing Director & Chief Executive Officer of the Exchange, 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 2021-22

During the FY 2021-22, eight 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 2021-22 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 and SECC Regulations, 2018. 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 Eighteenth Annual General Meeting of the Exchange was held on September 27, 2021. The Nineteenth Annual General Meeting of the Exchange will be held on Monday, September 26, 2022 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 Listing Regulations, a report on Corporate Governance for the FY 2021-22 is forming part of the Annual Report. Further, a Compliance Certificate from Makarand M. Joshi & Co., Practicing Company Secretaries, 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-

DIRECTORS' REPORT (Contd.)

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, they need proactive support and handholding to actually tread the path. And thus started the 'Parakh' initiative in 2017-18 with 2 greenfield curcumin testing labs for turmeric in Erode district in Tamil Nadu with encouraging results. This led Exchange to strive to help farmers, through FPOs with tools that will improve their post-harvest marketing activities nearer to the farm gate. FPOs in Rajasthan, Maharashtra and Madhya Pradesh were assisted with Cleaning and Grading machines; and Assaying Kits (with around a dozen equipment including weighing machine, moisture meter). 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 improve their produce quality before selling.

The quarterly reports filed by the FPOs during FY 2021-22 show that the machines distributed among 8 FPOs in Madhya Pradesh under CSR program FY 2020-21 have been used for cleaning and grading wheat and lentils primarily. FPOs have successfully increased the percentage of grade A crop in wheat and lentils. The graded crop has been well received by the local markets as the grade A crop has good 5-15% more realization as compared to the ungraded crop.

This fortified Exchange's focus on activities that will contribute to improving the post-harvest quality of the produce and assist in improving the economic return to the producer organizations.

During FY 2021-22, though it was not statutorily required, the Exchange decided to voluntarily continue supporting farmers through their FPOs and resource institutions with equipment empowering them to receive a higher price at the market. The Exchange assisted 4 resource institutions with seed cleaning and grading machines in the state of Gujarat. A state where NCDEX has a strong portfolio of active FPCs that work under the guidance of organizations like SFAC and NABARD. Moreover, Gujarat is a state which produces around 80% of castor and 70% cumin in the country. The targeted organizations constitute around 38% marginal farmers with landholding below one hectare while 30% of the farmers are small farmers with an average size of 1.5 ha. The 4 FPOs together cover around 27,000 acres and representing nearly 6,800 farmer members including women farmers. These organizations are supported by either NABARD or SFAC.

The Exchange earnestly believes, the CSR activities implemented during FY 2021-22 will make a sustainable impact in the lives of the connected farmers by empowering them towards better revenue earning opportunities.

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. Accordingly, K. S. Aiyar & Co., will complete their tenure as the Statutory Auditors of the Exchange at the ensuing Nineteenth Annual General Meeting of the Exchange.

In view of the above, the Board at its meeting held on February 12, 2022, has approved the appointment of Khandelwal Jain & Co., Chartered Accountants, bearing firm registration number 105049W, as Statutory Auditors of the Exchange for a period of five (5) years from the conclusion of the ensuing Nineteenth Annual General Meeting subject to approval of Shareholders.

As required under the provisions of section 139 (1) of the Companies Act, 2013, the Exchange has received a Certificate from Khandelwal Jain & Co. to the effect that their appointment would be within the prescribed limit under Section 141 of the Companies Act, 2013 and that they are not disqualified for such appointment. The matter relating to appointment of Khandelwal Jain & Co. forms part of the Notice of Nineteenth Annual General Meeting.

There is no qualification, reservation or adverse remarks or disclaimer in the report given by K. S. Aiyar & Co. on the Financial Statements of the Exchange for the year ended March 31, 2022.

K. S. Aiyar & Co. 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 FY 2021-22. 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

The Board upon the recommendation of the Audit Committee has appointed "KPMG Assurance and Consulting Services LLP" as Internal Auditors of the Exchange for a period of one year up to March 31, 2022 under Section 138 of the Companies Act, 2013, as per the scope approved by the Audit Committee.

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, 2022 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 arm's 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 has an independent risk governance structure for integrated risk management covering various categories of enterprise risk including Strategic, 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 SECC Regulations, 2018 and SEBI Circular dated January 10, 2019 on 'Committees at Market Infrastructure Institutions ('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 Persons. The RMC functions as per the terms of reference prescribed by SEBI guidelines and oversees the risk management function of the Exchange. The Exchange also has an Enterprise Risk Management department, which looks after enterprise risk and information security including cyber security. The head of the Enterprise Risk Management department reports to the Managing Director & Chief Executive Officer 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 Enterprise Risk Management department. 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 AND ASSOCIATE 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')

FY 2021-22, was unprecedented in terms of the impact of the ongoing pandemic which continued in its second year. The second wave, in the first quarter of the FY, disrupted the end-to-end supply chain and logistics in the commodities markets leading to significant drop in business volumes. This, coupled with the depletion of financial resources with government agencies, led to a sharp drop in the overall central agencies business.

Necessity, as they say, is the mother of all changes. With the need to reduce dependence on central government agencies, NeML, guided by its Board of Directors and Shareholders, anticipating some of these challenges, had already embarked upon a journey of expanding and diversifying its overall product portfolio.

The circular economy is an integral part of global focus on Sustainable Development Goals and NeML has been on the forefront in seizing the initiative to become the leading e-Market player in this space as well. Continuing on its success in creating a plastic recycling market, NeML completed 2 years of its Emission Trading System in the Surat circle and bagged the mandate to expand the same in the state of Gujarat. NeML is also at the forefront in integrating its platform with the VAHAN eRegistry of the Ministry of Road Transport & Highways to explore the opportunities arising from the newly announced rules for End of Life Vehicles.

Availability of credit is one of the biggest constraints for the Micro, Small and Medium Enterprises, many of whom are integral part of the NeML value chain. Recognising this, NeML has now integrated its platform to enable seamless lending to its participants through 6 partner firms and in addition undertaken funding of low risk trades on its platform as well.

While diversifying its businesses, NeML continued to deliver very strong growth in its core areas of e-Markets for the Agricultural sector with an increase of 52% turnover in the National Cooperative Dairy Federation of India ('NCDFI') platform and 16% in the turnover from state government agencies.

NeML's joint venture with the Government of Karnataka - Rashtriya e Market Services Private Limited ('ReMS') continues on its mission to modernize mandis and bring better realization to the farmers. However, with the reduction of mandi cess in the state, ReMS revenues have been under pressure and ReMS continues to explore other avenues for its growth.

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.

NCCL successfully continued its track record of completing all settlements in a timely manner.

The summary statistics of trading, settlement and collaterals processed during the FY 2021-22 is given below:

Trades

Particulars	2021-22	2020-21
Number of trades	7,369,902	6,141,089
Traded quantity	6,80,62,279 (MTs)	6,19,38,502 (MTs)
	9,832,463 (Lots)	11,071,310 (Lots)
Traded value (₹ in crores)	4,56,703	3,18,782

Settlement

Particulars	2021-22	2020-21
MTM Settlement (₹ in crores)	5148.73	2,821.43
Physical Settlement (₹ in crores)	2020.17	1,445.00

Management of collateral instruments

Instrument Processed	2021-22		2020-21	
	Count	Amount (₹ In crores)	Count	Amount (₹ In crores)
Bank Guarantees	394	706.21	408	617.64
Fixed Deposit Receipts	2242	2555.58	1582	1,446.13

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 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 proposition 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 2021-22 was the third full year of operation for NERL after receiving the Permanent Certificate of Registration from WDRA. NERL also completed three years of operation in Emerging Business (non-exchange business). NERL closed the year with more than 6,100 customers (Over 1,500 customers added in FY 2021-22), 42 pledgee Banks, 2 CM Pledgees, 682 unique Warehouses issuing eNWR/eNNWR and 92 Repository Participants ('RPs') across 14 states in India. NERL issued more than 83,000 eNWRs (Exchange + Emerging Business) for commodities in excess of 7.8 Lakh MT (Exchange + Emerging Business) deposited in registered warehouses of WDRA.

A new milestone was achieved in FY 2021-22 as Banks crossed ₹ 2,000 Crores finance against eNWR since inception, a clear indication of confidence amongst the banks about eNWR.

The business saw COVID-19 lockdown for the second time. However, clients, banks and warehouses kept showing interest in the eNWR ecosystem, thus helping in achieving 39% in deposit growth in emerging business and 103% growth in Pledge finance. With the government pushing banks to finance against only eNWR, the instrument gets further preference in the banking fraternity.

The result for FY 2021-22 is as below:

	Quantity of eNWR (MT)			Value (₹ in Crores)		
	FY2020-21	FY2021-22	Growth %	FY2020-21	FY2021-22	Growth %
Exchange	5,11,217	5,09,192	-0.40	2051.64	2,781	35.55
Emerging Business*	2,14,780	2,75,330	28.19	992.6	1,543	55.45
Total	7,25,998	7,84,522	8.06	3,044.24	4,324	42.04
	Quantity of eNNWR (MT)					
Emerging Business*	4,970.91	31,122	526.08			

Loan against eNWR (₹ in Crores) for FY 2021-22

	FY2020-21	FY2021-22	Growth %
Exchange	109.11	492.23	351.13
Emerging Business	604.15	952.30	57.63
Total	713.26	1,444.53	102.53

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

Since inception (as on March 31, 2022)

	FY 2020-21	FY 2021-22
RPs (account maintenance)	90	92
RPs (pledgee)	39	42
CM Pledgee	0	2
Number of active depositors/ client accounts	4,600	6,172

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 customized educational and training programmes, data analytics, research and consultancy projects under thematic areas of Education; Research & data analytics and Consultancy.

In FY 2021-22 under the education programme, NICR continued to offer online self-learning mode certification courses in different formats and two languages, viz., English and Hindi. All courses are available in digital form with an online test assessment partner.

NICR hosted several awareness programmes with educational institutes 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 continue to partner with NICR to host commodity certification courses developed by NICR.

In FY 2021-22, NICR successfully engaged with institutions of NABARD such as National Bank Staff College, Bankers Institute of Rural Development (BIRD) and management institute such as Vaikunth Mehta National Institute of Cooperative Management ('VAMNICOM'), (Pune), National Institute of Agricultural Extension Management ('MANAGE'), The National Academy of Agricultural Research Management ('NAARM'), Indian Institute of Foreign Trade and IIM Bangalore. Besides, NICR also provided awareness programs to the field staff of global consultancy firms such as Grant Thornton and EY.

In addition to this, NICR entered into Memorandum of Understanding with few institutions of repute and they are MANAGE, NAARM, IIMB and VAMNICOM and also with National Association of Farmer Producer Organizations ('NAFPO') and Nudge Foundation to jointly work in the areas of awareness, education and training for all stakeholders under their jurisdiction.

In FY 2021-22, NICR conducted 20 webinars on spreading awareness about commodity derivatives market and its importance in risk management. A total of 734 participants attended these webinars. NICR also arranged interactive training sessions and faculty support to institutes such as National Bank Staff College, Lucknow and VAMNICOM.

NICR has also completed a research paper titled "Study of Current Regulations for Allowing Eligible Foreign Entities ('EFEs') on Indian Commodity Exchanges for Price Risk Management," for Australian Trade and Investment Commission, New Delhi.

NICR also had an opportunity to present a research paper for the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation ('BIMSTEC') exploring potential trade synergy among seven member countries i.e. Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand. The event was organized by Research and Information System for Developing Countries ('RIS'), a New Delhi–based autonomous policy research institute that specializes in issues related to international economic development, trade, investment and technology.

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

In order to promote financial literacy and awareness about commodity derivatives and fundamentals affecting demand and supply of commodities, NICR has published 25 articles on its social media accounts. NICR continued to produce research reports covering various commodities. The reports are generated on different frequencies viz., monthly commodity report covering fundamentals of various exchange-traded commodities; fortnightly reports for 10 commodities covering fundamentals 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.

After a successful completion of a consultancy project during the year on e-Negotiable Warehouse Receipt and its adaptation for FPOs in India from Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, NICR has bagged another project from Indian Council for Research on

International Economic Relations ('ICRIER') on Farmers & FPOs' participation in Derivatives market to be completed in the middle of 2022. The study will focus on Deepening Farmers' Engagement in Commodity Derivatives Market through FPOs.

To further expand the outreach, NICR has increased its social media presence during the year by reaching over 3,000 followers on LinkedIn and Twitter via nearly 25 articles with market updates and underlining the importance of risk management in an increasingly volatile market.

During FY 2021-22, NICR has received 80G certification from the Income Tax Department, by which donations received by NICR against 80G certificate will be eligible for deduction of 50% of the qualifying amount from taxable value of the donor.

NICR has also completed revamping of its website for better visibility and increased outreach of its operations.

Continuing the focus on education, NICR has designed a new course on Fundamental Analysis in Agri Commodities that will expand the digital educational profile and outreach of NICR. The course would be launched in the next financial year. NICR will continue to build on the reputation of the Exchange as the parent organization for providing 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 bringing in awareness through education and research on agri market ecosystem.

Rashtriya e Market Services Private Limited ('ReMS')

In order to restructure the agricultural marketing system in the state, Government of Karnataka stepped forward and constituted 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. Government of Karnataka accepted the recommendations of the AMRC and framed the Karnataka Agricultural Marketing Policy, 2013 for implementation.

The Policy envisaged initiatives such as, setting up of a comprehensive electronic auction system for transparent price determination, establishing a state wide virtual market by linking various regulated markets and warehouses with assaying and grading facilities, increasing competition by simplifying licensing procedures and enabling participation of traders in auction in all markets of the state with a single license obtained from one market, encouraging establishing private markets on level playing field for providing alternate facility of marketing to farmers and traders, laying down quality standards for various agricultural commodities and undertaking capacity building programmes to create awareness on quality standards, empowering farmers with regard to value addition, providing safe alternate safe storage options, dissemination of information on the prevailing prices to facilitate farmer to take informed decision as to when to sell and what price.

To institutionalize the Reforms agenda enunciated in the Karnataka Agricultural Marketing Policy, 2013, to bring transparency, efficiency in the agricultural markets, to facilitate competitive price discovery to the farmers produce by integrating all markets in the state electronically and thus enable farmers produce fetch higher prices; a Joint venture Company namely, ReMS was registered in January 2014 under Public Private Partnership arrangement with 50% share capital between Government of Karnataka and NeML.

ReMS's trading platform - Unified Market Platform ('UMP') is presently being operated at 162 of 164 regulated agricultural markets in the state and 31 sub-markets of Karnataka for conducting online trade. After introduction of UMP in agricultural markets in the state, transparency and efficiency of markets has increased manifold, farmers and traders get market information such as prevailing prices, availability of commodities at various markets, etc. Farmers are benefitted with competitive price discovery for their produce through UMP.

ReMS has been contemplating to expand and promote its business operations into new areas of opportunities to reduce exclusive dependence on APMCs to generate its revenue. ReMS has taken efforts to collaborate with NABARD for carrying out online trading of the produce of FPOs sponsored by them. At the behest of NABARD and also financing, the UMP has been customized to suit to the needs of FPO trading. Training has been imparted to FPO staff & FPO members on UMP operations. Further, Government of Karnataka in principle, agreed to adopt ReMS platform for marketing of Organics and Millets and allocated budget provision in the FY 2021-22 budget. Efforts are being made to introduce UMP for agricultural department for trading the produce of FPOs coming under their purview and also online trading of horticultural produce. By this way, ReMS is hopeful of garnering new businesses in the near future, for its growth.

The Board of ReMS comprises of three nominated Directors from the Government of Karnataka. Chief Secretary to the Government of Karnataka is the Chairman of the Board.

DIRECTORS' REPORT (Contd.)

Principal Secretary Cooperation Department, Director of Agricultural Marketing are the other nominated Directors from Government of Karnataka. Three Directors are nominated by NeML as members on the Board. Managing Director & Chief Executive Officer of ReMS is appointed by the Government of Karnataka.

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 power 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 2021-22, Green Term Ahead Market ('GTAM') Products received good response from market participants when it was introduced from March 24, 2021 after receipt of Central Electricity Regulatory Commission ('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, Day Ahead Contingency and Any Day Products in GTAM segment for transacting in Solar and Non-Solar type of Renewable energy.

In FY 2021-22, the market size of 101.03 Billion Units ('BUs') of the volumes traded on Power Exchanges increased by nearly 27% when compared to 79.6 BUs in FY 2020-21. PXIL had trading volumes of 5.91 BUs an increase by nearly 4% when compared to FY 2020-21 transaction volume of 5.7 BUs, representing a market share of nearly 5.8%. In the REC segment, transactions resumed after receipt of Judgement from Hon'ble Appellate Tribunal for Electricity ('APTEL') dated November 18, 2021, thus five (5) monthly sessions were conducted from November 2021 till March 2022 during the FY 2021-22. During these five sessions, the total number of RECs traded at PXIL was 23.83 Lakhs against market size of 84.6 Lakhs leading to market share of 28%. In FY 2020-21, the RECs transacted at PXIL was nearly 2.24 Lakhs in market size of 9.21 Lakhs leading to market share of 24%.

Hon'ble CERC notified implementation of CERC (Power Market) Regulation, 2021 from August 18, 2021 ('PMR, 2021'). Regulation 14 of PMR, 2021 prescribes minimum net worth of ₹ 50 Crore to be maintained by power exchanges and has provided period of six (6) months from the date of notification to comply with the prescribed net worth requirement. Similarly, Regulation 15 of PMR, 2021 prescribes ownership structure of power exchange. PXIL has submitted Petition at CERC as: (i) Grant additional time till March 31, 2024 to meet the prescribed Net worth criteria as per Ind AS norms and (ii) Provide additional time till August 14, 2025 to meet prescribed shareholding pattern as provided in PMR, 2021. The CERC Order is awaited.

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 disclosures required to be given under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 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 and improper practices being followed in the organization.

The Whistle Blower Policy is available on the 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 FY ended March 31, 2022 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 2021-22, no significant and mateiral order was passed by the regulators or courts or tribunals impacting the going concern status and the Exchange operations in future.

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 (Ind ASs),

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, 2022.

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 compliances 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 FY 2021-22, 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 & Chief Executive Officer, who reports to Board of Directors. The total salary cost paid to employees of the Regulatory department, during the FY 2021-22 was ₹ 9,39,79,821/-

The employee count in Regulatory departments as on March 31, 2022 was as under-

Department	Employee Count
Membership	7
Member Inspection	15
Compliance, PML & Investor Services Cell	10
Enforcement	3
Sub-Total 1	**35**
Market Watch	13
Sub-Total 2	**13**
Surveillance & Investigation	
Market Intelligence	5
Surveillance & Warehouse Audit	10
Investigation & Spot polling	10
Sub-Total 3	**25**
Grand Total	**73**

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

Neither an application was made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the FY 2021-22.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Not Applicable

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. Out of these measures, migration of Data Centre and installing digital Uninterrupted Power Supply ('UPS') were successfully completed during the FY 2021-22. 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 FY 2021-22.

The Exchange, despite adding new and complex functionalities and implementing critical projects such as launch of Index Futures, Implieds Engine as well as Data Center migration, has still managed to maintain the uptime of 100%.

Further Strengthening of Business Continuity Plan ('BCP') / Disaster Recovery ('DR') capabilities

The Exchange has further optimized its process and failover mechanism and successfully demonstrated the capabilities to restore operations ('RTO') from the DR Site within 45 minutes of the declaration of 'Disaster' in the event of disruption of any one or more critical systems. This is a significant improvement over the earlier RTO of 2 hours and 45 minutes.

Upgradation of Datacenter Infrastructure

During the FY 2021-22, the Exchange has achieved a significant milestone of successfully shifting its primary data center to the world's second largest, uptime certified Tier 4 Data Center. The Exchange is very proud to inform that we are the first and the only Exchange in India to operate from an uptime certified Tier 4 Data Center.

Tier IV is the highest globally recognized certification for data centers. It certifies the facility as being designed and build to the highest levels of reliability and resilience, supported by completely fault tolerant critical infrastructure for every critical system, distribution pathway or component that supports the facility's IT operations thereby providing 100% uptime.

Overall experience was very smooth due to extensive planning and flawless execution. The Exchange was able to transition to the new Data Center over a weekend. Members were able to connect and trade on the transition day from the new Data Center as any normal trading day without any issues.

Our shift to the new Data Center has also enabled the Exchange to significantly reduce its carbon footprint due to adaption of latest power efficient technologies and energy efficient Data Center design. This has helped the Exchange to reduce its power bills by a staggering 80%.

Launch of Implied Spread Engine

One of the key challenge that the Exchange was facing was low liquidity (open orders) specifically on the far month contracts. This further resulted into wider spread between buy and sell order price points and lower trading volumes for the Exchange.

To counter this, the Exchange collaborated with London Stock Exchange Group Technology ('LSEG Tech') to roll out Implied Spread Engine at top price point with an objective to improve liquidity, trading volume and overall price discovery process.

Implied orders are artificial system orders generated by a spread engine in the trading system. Implied orders are generated using outright real orders and calendar spread orders. The Exchange has enabled two types of implied orders: Implied-In and Implied-Out.

Implied-In is generated in the spread contract and its price is derived from the orders standing in the outright futures contracts. Implied outs are generated in the outright leg book from orders: one in the spread book and one in the other future leg of the calendar spread.

In November 2021, Exchange introduced this new Implied orders functionality in its trading system for each of its Futures contracts and Spread Contracts. The Exchange is positive that introduction of Implied functionality will help enhance overall liquidity and enable better price discovery in illiquid outright books.

Adaption of Server less Technologies

As a part of polling insourcing project, the Exchange has built a highly resilient, secured and optimized Spot Price Polling Application ('SPPA') on cloud based server less technologies. SPPA is a containerized application running on Fargate compute engine on AWS which is an auto - scalable and serverless infrastructure. The Application Programming Interface ('API') gateway, Front end as well as database is also based open source technologies. All of these has helped the Exchange to optimize Infra costs with charges of pay as per use and also, enable faster release cycle.

Launch of Sectoral Indices – GUAREX

SEBI approved the launch of sectoral index and NCDEX launched GUAREX. These instruments were single tools that the market participant could utilize to participate in the whole sector. In the background, exchange system readiness for the same was ensured well before the regulatory approvals despite concurrent critical projects like Datacenter migration. The Exchange successfully launched the index on July 05, 2021. This was immediately followed by launch of Futures on these indices on August 16, 2021.

Foreign Exchange Earnings and Outgo

During the FY 2021-22, there has been a foreign exchange inflow to the extent of ₹ 182 Lakhs. There has been foreign exchange outgo to the extent of ₹ 792 Lakhs on account of technology expenses, professional and consultation fees, and other expenses.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed:

a. that in the preparation of accounts for the FY ended March 31, 2022, 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 FY 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 FY ended March 31, 2022 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	Chairman
DIN: 08561128	DIN: 02224776

Place: Mumbai
Date: August 12, 2022

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 2021-22. Due to which the Exchange was not required to undertake any CSR activity in the FY 2021-22. However, the CSR Committee and the Board voluntarily recommended an amount of ₹ 25 Lakhs for betterment of farmers and Farmer Producer Organizations for their post-harvest activities in the FY 2021-22, 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 27, 2021.

   During FY 2021-22, though it was not required statutorily, the Exchange decided to voluntarily continue supporting farmers through their FPOs and resource institutions with equipment empowering them to receive a higher price at the market. The Exchange assisted 4 resource institutions with seed cleaning and grading machines in the state of Gujarat. A state where NCDEX has a strong portfolio of active FPCs that work under the guidance of organizations like SFAC and NABARD. Moreover, Gujarat is a state which produces around 80% of castor and 70% cumin in the country. The targeted organizations constitute around 38% marginal farmers with landholding below one hectare while 30% of the farmers are small farmers with an average size of 1.5 ha. The 4 FPOs together cover around 27,000 acres and representing near 6,800 farmer members including women farmers. These institutions are supported by either NABARD or SFAC.

   The Exchange earnestly believes, the CSR activities implemented during FY 2021-22 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, 2022:

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 CSR Committee)	1	0
2.	Mr. Hemant Adarkar	Public Interest Director	1	1
3.	Mr. Manikumar S.	Shareholder Director	1	1
4.	Mr. Arun Raste	Managing Director & Chief Executive Officer	1	1

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, since the FY 2021-22 was a voluntary spend, a formal Impact survey was not applicable. However, to ensure that equipment deployed is used and provides a positive impact, periodic discussion are held and data collected. As per report submitted and discussions held, more than 300 farmers used the machines to grade around 300 MT of their crops. The farmers have got a premium of around 12-15%

ANNEXURE 1 (Contd.)

in the case of Krushi Dhan and Banas FPCs whereas the other two FPCs, namely, Hathmati Kisan Agro and Anjar Taluka Kissan are yet to sell their crop after using the seed grader and gravity separator provided to them. Apart from the premium in pricing, many farmers across FPCs have successfully used the machine to get their grains graded for seed quality for next season's planting. As per the discussion held with FPCs farmers, they are also using these equipment to clean produce for their own consumption which otherwise would be done at a private unit at a higher cost.

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): ₹ (2,529) 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 for betterment of farmers and Farmer Producer Organizations for their post-harvest activities in the FY 2021-22, 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).

    Not Applicable, as no asset has been capitalized in the books of the Exchange.

    (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 12, 2022

Annexure 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2022

[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 **'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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion:

Based on our verification of the Company's books, papers, minute books, forms and 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, 2022 (hereinafter called 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 and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(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 (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**

   e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**

ANNEXURE 2 (Contd.)

f. 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;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the Audit Period);**

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

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) The Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015 ('Listing Regulation') to the extent as referred in Regulation 33 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter "SECC Regulations, 2018")

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the 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 and 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously 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:

- Two shareholders of the Company namely, Indian Farmers Fertilizer Cooperative Limited ('IFFCO') and Oman India Joint Investment Fund ('OIJIF') have not complied with the mandated shareholding limits as specified in Regulation 17(2) SECC Regulations, 2018 read with SEBI Circular dated November 26, 2015 within mandated time that is May 5, 2019. Hence as per the directions of SEBI vide its letter dated May 23, 2019 and February 5, 2020, the Company has freezed and restricted the voting rights and corporate benefits of the above-mentioned noncompliant shareholders till compliance with aforesaid SECC Regulations, 2018. Further SEBI has also given extension vide its letter/e-mail dated August 3, 2020, June 09, 2020, April 19, 2021, December 14, 2021 and February 10, 2022 to comply with shareholding requirement as per SECC Regulations, 2018, till December 31, 2022 for both IFFCO and OIJIF, with the condition that other directions issued with respect to the excess shareholding will remain in force till compliance with the SECC Regulations, 2018.

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Makarand M. Joshi
Partner
FCS No.: 5533
C P : 3662
PR: 640/2019
UDIN: F005533D000784905

Date: 12-08-2022
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.*

'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 event 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.
Practicing Company Secretaries

Makarand M. Joshi
Partner
FCS No.: 5533
C P : 3662
PR: 640/2019
UDIN: F005533D000784905

Date: 12-08-2022
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 2021-22 (in ₹)	Nature of employment	Qualifications	Total Experience as on March 31, 2022	Date of commencement of employment	Age (Years)	Name of the previous employer
1	Mr. Vijay Kumar V.[1,2,3,4]	Managing Director & Chief Executive Officer	37,91,373	Full Time	MBA, B.Tech	34 years	January 18, 2018	60	Sharp Mint Limited
2	Mr. Arun Raste[1,4]	Managing Director & Chief Executive Officer	1,18,74,642	Full Time	MA (Economics), PDCJ (Comm.& Journalism), PGDM (Marketing)	37 Years	June 7, 2021	60	National Dairy Development Board
3	Mr. Atul Roongta[1,2,3]	Chief Financial Officer	1,63,95,704	Full Time	B.Com, CA	28 Years	July 3, 2017	51	BOI AXA Investment Managers Private Limited
4	Ms. Seema Nayak[1,2]	Chief Compliance Officer	88,51,713	Full Time	MBA (Marketing)	22 years	October 10, 2016	48	National Stock Exchange of India Limited
5	Mr. Kapil Dev[1,2]	Chief Business Officer	66,54,956	Full Time	MBA (Agri Business)	15 years	May 19, 2018	37	Glencore Limited
6	Mr. Hitesh Savla[1,2]	Chief - Trading Operation and Process Excellence	64,79,626	Full Time	B.Com, CA	24 years	April 25, 2005	44	BSE Limited
7	Mr. Avinash Mohan[1,2]	Chief - Enterprise Risk, Surveillance & Investigation	64,13,785	Full Time	B.Com, MMS	22 years	May 17, 2005	44	National Stock Exchange of India Limited
8	Mr. Viral Davda[1,2]	Chief Technology Officer	64,47,332	Full Time	B.Com, PGDIT	19 years	December 29, 2008	42	Datamatics Limited
9	Ms. Aditi Mukherjee[1,2]	Executive Vice President & Head -Human Resources	62,30,232	Full Time	B.Sc, EPHRM, PGPM	22 years	September 18, 2019	47	Tata Steel Limited
10	Mr. Aleen Mukherjee	Chief Operating Officer - NICR	63,26,671	Full Time	MSc (Agri)	27 years	December 18,2009	53	IGNA Farms Ghana Limited
11	Ms. Ramadevi Srinivasan[1,4]	Executive Vice President & Head- Enterprise Risk & Governance	10,47,039	Full Time	IIB, CA	36 years	June 3, 2019	59	National Commodity & Derivatives Exchange Limited
12	Mr. Hoshi Bhagwagar[1]	Senior Vice President & Company Secretary	38,28,360	Full Time	B.Com, CS, LLB	34 Years	February 17, 2021	57	Bombay Burmah Trading Corporation Limited

Notes:

A. The above mentioned remuneration is inclusive of Salary as per Provisions contained in Section 17(1), Employer's contribution towards Provident Fund, Contribution towards National Pension Scheme ('NPS'), Reimbursements paid under Motor Car Expense policy of the Exchange + Taxable value of Perquisites, as applicable.

B. The above mentioned remuneration is exclusive of provision or payment made towards Gratuity.

C. The ratio of remuneration of the current Managing Director & Chief Executive Officer to the median remuneration of the employees of the Company for the FY is 18.88x.

D. Employees, whose names are marked with '1' are Key Management Personnel under SECC Regulations, 2018 of SEBI. The remuneration of employees marked with '2' excludes 50% of their Variable Pay to be paid on a deferred basis after 3 years. For employees marked with '3', remuneration received includes 50% variable pay pertaining to FY 2017-18 along with accrued interest on withheld Performance Based Incentive/Variable Pay.

E. Employees whose names are marked with '4' were employed with the Company for part of the year.

F. There has been a change in the Managing Director & Chief Executive Officer on account of End of Term and new Managing Director & Chief Executive Officer has been appointed with effect from June 07, 2021.

G. As on March 31, 2022, there were 208 employees on the rolls of the Company.

H. None of the employees mentioned above are related to any of the Directors of the Exchange.

I. 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.

Annexure 3 (Contd.)

INFORMATION REQUIRED UNDER REGULATION 27 (5) & (6) OF SECC REGULATIONS, 2018, FOR THE PERIOD FROM APRIL 01, 2021 TO MARCH 31, 2022

Sr. No.	Name of Key Management Personnel	Designation	Compensation (₹)	Ratio of the Compensation of Key Management Personnel to median Compensation (x)
1	Mr. Vijay Kumar V.*	Managing Director & Chief Executive Officer	37,91,373	6.03
2	Mr. Arun Raste*	Managing Director & Chief Executive Officer	1,18,74,642	18.88
3	Mr. Atul Roongta	Chief Financial Officer	1,63,95,704	26.06
4	Ms. Seema Nayak	Chief Compliance Officer	88,51,713	14.07
5	Mr. Kapil Dev	Chief Business Officer	66,54,956	10.58
6	Mr. Hitesh Savla	Chief –Trading Operations & Process Excellence	64,79,626	10.30
7	Mr. Viral Davda	Chief Technology Officer	64,47,332	10.25
8	Mr. Avinash Mohan	Chief - Enterprise Risk, Surveillance & Investigation	64,13,785	10.20
9	Ms. Ramadevi Srinivasan*	Executive Vice President & Head - Enterprise Risk & Governance	10,47,039	1.66
10	Ms. Aditi Mukherjee	Executive Vice President & Head - Human Resources	62,30,232	9.90
11	Mr. Hoshi Bhagwagar	Senior Vice President & Company Secretary	38,28,360	6.09

** 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

The Exchange has proposed amendments to its Bye Laws pursuant to various SEBI Circulars and the same are approved by the Exchange Board accordingly. The Notification for the approved proposed amendments to Bye Laws shall be published in the Central and State Gazette in Part IV Weekly Gazette and Part Two (Sankirna) Weekly Gazette respectively, inviting public comments within a period of 15 days from the date of publication.

Post the above publication, a circular shall be issued, notifying of such pre-publication, thereby inviting public comments within a period of 15 days from the date of issuance of the said circular. The said amendments shall be finally published in the Central and State Gazette, after due Regulatory approval.

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

1. Mr. Chaman Kumar ceased to be the Chairman and Public Interest Director of the Exchange with effect from April 10, 2021.
2. Mr. Nirmalendu Jajodia ceased to be the Public Interest Director of the Exchange with effect from April 13, 2021.
3. Mr. Hemant Adarkar was appointed as the Public Interest Director of the Exchange with effect from April 13, 2021.
4. Mr. Vijay Kumar V. ceased to be the Managing Director and Chief Executive Officer of the Exchange with effect from April 18, 2021.
5. Mr. Venkat Nageswar Chalasani was appointed as the Public Interest Director of the Exchange with effect from May 01, 2021.
6. Mr. Arun Raste was appointed as the Managing Director and Chief Executive Officer of the Exchange with effect from June 07, 2021.
7. Dr. Ashok Gulati ceased to be the Public Interest Director of the Exchange with effect from January 03, 2022.
8. Mr. R. Amalorpavanathan was appointed as the Public Interest Director of the Exchange with effect from January 03, 2022.

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, 2022:

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

ANNEXURE 4 (Contd.)

Changes in the composition of the Committee

1. Audit Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Mr. Chaman Kumar	Mr. Venkat Nageswar Chalasani
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. Rakesh Kapur	Mr. Rakesh Kapur

*re-constituted w.e.f. May 07, 2021

2. Nomination and Remuneration Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Mr. Ashish Bahuguna	Mr. R. Amalorpavanathan
2	Dr. Purvi Mehta	Mr. Ashish Bahuguna
3	Mr. Chaman Kumar	Mr. Prem Kumar Malhotra
4	Mr. Prem Kumar Malhotra	Dr. Purvi Mehta

*re-constituted w.e.f. January 17, 2022

3. Risk Management Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Dr. Purvi Mehta	Dr. Purvi Mehta
2	Mr. Nirmalendu Jajodia	Mr. Hemant Adarkar
3	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
4	Ms. Susan Thomas	Mr. Venkat Nageswar Chalasani
5	Mr. Sanjeev Shukla	Mr. Sanjeev Shukla

*re-constituted w.e.f. February 13, 2022

4. Technology Standing Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Mr. Nirmalendu Jajodia	Mr. Hemant Adarkar
2	Mr. Chaman Kumar	Mr. Ashish Bahuguna
3	Mr. Ashish Bahuguna	Mr. Venkat Nageswar Chalasani
4	Mr. Pravir Vohra	Mr. Anand Iyer
5	Mr. Hemant Adarkar	Mr. Dhananjaya Tambe

*re-constituted w.e.f. January 17, 2022

5. Public Interest Directors' Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Mr. Chaman Kumar	Mr. Ashish Bahuguna
2	Dr. Purvi Mehta	Mr. Hemant Adarkar
3	Mr. Nirmalendu Jajodia	Mr. Prem Kumar Malhotra
4	Mr. Prem Kumar Malhotra	Dr. Purvi Mehta
5	Dr. Ashok Gulati	Mr. R. Amalorpavanathan
6	Mr. Ashish Bahuguna	Mr. Venkat Nageswar Chalasani

*re-constituted w.e.f. January 17, 2022

ANNEXURE 4 (Contd.)

6. Corporate Social Responsibility Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Mr. Srinath Srinivasan	Mr. Srinath Srinivasan
2	Mr. Chaman Kumar	Mr. Hemant Adarkar
3	Mr. Manikumar S.	Mr. Manikumar S.
4	Mr. Vijay Kumar V.	Mr. Arun Raste

*re-constituted w.e.f. June 09, 2021

7. Regulatory Oversight Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
2	Dr. Purvi Mehta	Mr. Hemant Adarkar
3	Mr. Chaman Kumar	Dr. Purvi Mehta
4	Mr. Nirmalendu Jajodia	Mr. Jayant Nalawade
5	Mr. Ravinder Sachdev	-

*re-constituted w.e.f. March 07, 2022

8. Stakeholders Relationship Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Mr. Prem Kumar Malhotra	Mr. Prem Kumar Malhotra
2	Mr. Nirmalendu Jajodia	Mr. Hemant Adarkar
3	Mr. Manikumar S.	Mr. Manikumar S.

*re-constituted w.e.f. May 07, 2021

9. Member and Core Settlement Guarantee Fund Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Mr. Chaman Kumar	Mr. Prem Kumar Malhotra
2	Mr. Prem Kumar Malhotra	Mr. Ashish Bahuguna
3	Mr. Ashish Bahuguna	Mr. Venkat Nageswar Chalasani
4	Mr. Sampath Jagannathan	Mr. Arun Raste
5	Mr. Vijay Kumar V.	-

*re-constituted w.e.f. February 13, 2022

10. Advisory Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Mr. Chaman Kumar	Mr. Ashish Bahuguna
2	Dr. Purvi Mehta	Dr. Purvi Mehta
3	Mr. Nirmalendu Jajodia	Mr. B. Venugopal
4	Mr. Ashish Bahuguna	Mr. Kapil Mittal – Raghunandan Industries Private Limited
5	Mr. D. K. Aggarwal – SMC Comtrade Limited	Mr. Nitin Shahi - Findoc Investmart Private Limited
6	Ms. Rajini Panicker – Philip Capital (India) Private Limited	Mr. Pritam Kumar Patnaik - Axis Securities Limited
7	Mr. Ravikant Kanoongo – Hindustan Technosol Private Limited	Mr. Suresh Arora - Share India Securities Limited
8	Mr. Sunil Katke – Axis Securities Limited	Mr. Viren Mayani - Kotak Securities Limited
9	Mr. Kapil Mittal – Raghunandan Industries Private Limited	-

*re-constituted w.e.f. February 13, 2022

ANNEXURE 4 (Contd.)

11. Business Strategy Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Mr. Rakesh Kapur	Mr. Rakesh Kapur
2	Mr. Chaman Kumar	Mr. Ashish Bahuguna
3	Dr. Ashok Gulati	Mr. R. Amalorpavanathan
4	Mr. Srinath Srinivasan	Mr. B. Venugopal
5	Mr. Manikumar S.	Mr. Manikumar S.
6	Mr. Vijay Kumar V.	Mr. Srinath Srinivasan
7	-	Mr. Arun Raste

*re-constituted w.e.f. January 17, 2022

12. Capital Raising Committee*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Mr. Srinath Srinivasan	Mr. Srinath Srinivasan
2	Mr. Chaman Kumar	Mr. Ashish Bahuguna
3	Mr. Ashish Bahuguna	Mr. Venkat Nageswar Chalasani
4	Mr. Rakesh Kapur	Mr. B. Venugopal
5	Mr. B. Venugopal	Mr. Manikumar S.
6	Mr. Manikumar S.	Mr. Rakesh Kapur
7	Mr. Vijay Kumar V.	Mr. Arun Raste

*re-constituted w.e.f. June 09, 2021

13. Farmer Engagement Group*

Sr. No.	MEMBERS AS ON MARCH 31, 2021	MEMBERS AS ON MARCH 31, 2022
1	Mr. Manikumar S.	Mr. Manikumar S.
2	Dr. Purvi Mehta	Mr. R. Amalorpavanathan
3	Mr. Chaman Kumar	Dr. Purvi Mehta
4	Dr. Ashok Gulati	Mr. Rakesh Kapur
5	Mr. Rakesh Kapur	Mr. Rohtash Mal
6	Mr. Rohtash Mal	Mr. Srinivas Rao
7	Mr. Srinivas Rao	Mr. Arun Raste
8	Mr. Vijay Kumar V.	-
9	-	-

*re-constituted w.e.f January 17, 2022

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

Details for FY 2021-22 are given below:

	Total	Trading cum Clearing Member (TCM)	Trading Member (TM)	Strategic Trading cum Clearing Member (STCM)
Members as on March 31, 2021	357	137	214	6
Surrendered/ Expelled/ Defaulter/ Ceased during the year	20	7	13	0
New members added	2	0	2	0
Members as on March 31, 2022	339	130*	203*	6

*4 members converted from TCM to TM and 4 members converted from TM to TCM

ANNEXURE 4 (Contd.)

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 2021-22:

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	24*
3	Number of Cases of non-payment of dues by clients	22
4	Number of Cases of non-refund of money by Member	2
5	Number of Cases in which Award is passed in Arbitration	21
6	Number of Cases in which case is withdrawn before Award	1
7	Number of Cases in progress on March 31, 2022 in Arbitration	2

* 3 Arbitration cases of 2020-21

II) Status of Appellate Arbitration of cases for the year 2021-22:

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	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	20
6	Number of Cases in which case is withdrawn before Award	0
7	Number of Cases in progress on March 31, 2022 in Appellate Arbitration	0

* 3 Appellate Arbitration cases of 2020-21

ANNEXURE 4 (Contd.)

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

Physical Delivery Default:

Following are the instances of default in physical delivery obligation during the FY 2021-22:

Expiry Month	Symbol	Shortages	Unit
Apr-21	BARLEYJPR	50	MT
Apr-21	SYBEANIDR	745	MT
Apr-21	TMCFGRNZM	430	MT
May-21	TMCFGRNZM	5	MT
Jun-21	RMSEED	10	MT
Jul-21	GUARGUM5	5	MT
Sep-21	DHANIYA	5	MT
Sep-21	GUARSEED10	110	MT
Sep-21	SYBEANIDR	50	MT
Oct-21	RMSEED	10	MT
Oct-21	TMCFGRNZM	130	MT
Nov-21	RMSEED	10	MT
Dec-21	BAJRA	10	MT
Dec-21	CASTOR	130	MT
Dec-21	GUR	10	MT
Mar-22	CASTOR	10	MT
Mar-22	GUARSEED10	40	MT
Mar-22	STEEL	20	MT

MTM Settlement Default:

None of the members had defaulted in meeting their MTM settlements during the period 2021-22.

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

There was no incident of any emergency in trade during the FY 2021-22.

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	3,554	12,125	8,100	207
Other Equity	2,417	12,330	(2,006)	(208)
Total Liabilities	12,737	18,531	1,137	45
Total Assets	18,708	42,986	7,230	45
Investments (including Fixed deposits)	13,476	38,239	3,723	-
Turnover (Revenue from operations)	3,562	1,835	973	160
Profit before taxation	(520)	638	(361)	11
Provision for taxation	(110)	178	(91)	-
Profit after taxation	(410)	460	(270)	11
Other Comprehensive Income	24	(16)	(5)	-
Total Comprehensive Income	(387)	444	(275)	11
Proposed Dividend	-	-	-	-
% of shareholding	99.88%	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, 2022
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)	₹ 1,651 Lakhs (Audited figure as on March 31, 2022)
6. Profit / Loss for the year	Audited figure as on March 31, 2022 Profit/Loss for the year after Tax is ₹ 1,574 Lakhs (Exchange's share of profit after tax is ₹ 538 Lakhs)
i. Considered in Consolidation	₹ 538 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
Chairman
DIN: 02224776

Place: Mumbai
Date: August 12, 2022

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Agricultural sector remained resilient to the COVID-19 pandemic led economic crisis

The financial year started on an extremely bad note as resurgence in the Novel Coronavirus (COVID-19) pandemic brought the economy to a grinding halt for almost the entire first quarter. Despite limited resources, government continued to bailout the economy as well as support the ailing health sector by undertaking a massive vaccination drive. Agricultural markets, however, outperformed once again, despite frequent disruptions in the supply chain, consumption, investment and trade activity. Government support to 800 million people by way of free staple food under Pradhan Mantri Garib Kalyan Anna Yojana ('PMGKAY') was extended twice during the year ensuring food security for the poor.

As infections started slowing down, many state governments initiated the gradual opening of the economy and public movement. Later, the country went under the clouds of the third wave of the pandemic emanating from the new variant Omicron. Fortunately, the third wave remained much more mild and less damaging and the overall demand in the economy remained resilient through the second and third wave.

While the near COVID-free status towards the end of the year spurred an optimism over a sharp rebound in economic activity, as indicated in the buoyancy in retail sales of prominent e-commerce companies, it was eclipsed by the break-out of a devastating war between Ukraine and Russia in the Black Sea region, the grain-bowl of Europe. This again led to significant disruption in the supply chain, especially for energy and a few agricultural commodities resulting in significant price inflation in many commodities.

Gross domestic product ('GDP') Performance during the FY 2021-22

Despite all odds, agriculture and the allied sector registered a growth of 3.9% in FY 2021-22, higher from 3.6% in FY 2020-21. According to the Economic Survey 2021-22, the share of agriculture and allied sector in total gross value added of the economy decreased marginally to around 18.8% from 20.2% in FY 2020-21. Allied sectors (Livestock, Forestry & Logging, Fishing and Aquaculture) witnessed a higher growth as compared to the crop sector.

Record agricultural production

The positive impact of the good monsoon was reflected in all-round growth in production of pulses, cereals and oilseeds during the year. According to the second advance estimates of agricultural production, food grains output for the FY 2021-22 (Jul-Jun) was estimated at an all-time high of 316.06 million tonnes as against the revised estimate of 310.74 million tonnes in FY 2020-21. Production of rice, wheat, maize and pulses achieved new records during the year. Rice production is estimated at 127.93 million tonnes in FY 2021-22 as against 124.37 million tonnes in the previous year, wheat output pegged at 111.32 million tonnes from 109.59 million tonnes in the previous year, and pulses output is projected at 26.96 million tonnes compared with 25.46 million tonnes a year ago.

Further, production of oilseeds is estimated at 37.15 million tonnes this year compared to 35.95 million tonnes last year. Sugarcane output for FY 2021-22 was estimated at 414 million tonnes, compared with 405 million tonnes in the previous year. Cotton output is predicted to increase to 34.06 million bales (of 170 kg each) from 35.25 million bales last year.

Farm Laws 2020 repealed

In a major political development, the three new farm laws, namely the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Act, 2020, Farmers (Empowerment and Protection) Agreement on Price Assurance, Farm Services Act, 2020, and the Essential Commodities (Amendment) Act, 2020 that were passed by the Parliament in the previous year were repealed and both the houses of Parliament have passed the Farm Laws Repeal Bill, on November 29, 2021.

The idea behind the introduction of the three laws under the Atma Nirbhar Bharat Abhiyan was to incentivize private investment in the agricultural ecosystem and value chains, to raise farmers' incomes through better access to modern technology.

Industries including logistics, cold chain, and farm equipment would be impacted the most as they were also supposed to be the direct beneficiaries of these farm laws.

Union Budget for FY 2022-23

The Union Budget for FY 2022-23 further broadened the government's ambitious Aatma Nirbhar Bharat plan to boost manufacturing activity and create huge employment in the country. The budget is aimed at laying a blueprint to steer the economy over the next 25 years from 'India at 75' to 'India at 100.' The country's growth is estimated at 9.2%, the highest among all large economies, as India's outperformance in handling the Omicron virus followed by speedier vaccination drive instilled further confidence about the resilience of the economy.

The budget provisions are focused on complementing the macro-growth with micro-all-inclusive welfare, digital economy and fintech, tech-enabled development, energy transition and climate action. The Gati Shakti - national master plan for multimodal connectivity focuses on seven engines viz., roads, railways, airports, ports, mass transport, waterways, and logistics infra for economic transformation, seamless multimodal connectivity and logistics efficiency.

The agriculture sector, which has attracted the global attention during the pandemic, has also been considered one of the growth engine for Indian economy. The direct bank transfers under the minimum support price-led procurements has been pegged at a record ₹ 7 Lakh Crore while the total value of the procurement is estimated at ₹ 2.37 Lakh Crore for FY 2021-22. This is expected to provide financial support to over 163 million farmers in the country.

The other focused areas of agriculture are encouraging the use of Kisan drones for assessment, digitization of land records and spraying of insecticides and pesticides, promoting chemical-free natural farming in 5-km wide corridors along the river Ganga in the first stage, promoting natural, zero-budget and organic modern-day agriculture through inclusion of the same in the syllabi of agricultural universities.

Opportunities and threats for the FY 2021–22

The FY 2021-22 began on a positive note with a record Rabi crop harvest and the total food grain produce crossing 300 million MT mark. Physical trade remained unaffected inspite of the resurgence of the pandemic in the first quarter as trade was better equipped to withstand the disruption.

Global commodity markets remained extremely volatile throughout FY 2021-22, on grounds of demand resuscitation, supply disruption and by the end of FY 2021-22 the brewing uncertainty caused by the Russia–Ukraine war. In the backdrop of an extremely disruptive geopolitical scenario, the suspension of commodity derivatives was untimely. It is in times of such volatility, the industry requires risk mitigation tools. The agri value chain from farmers to large corporates were left with no market driven tool to manage their price risk.

Despite these challenges, the Exchange has maintained its leadership position in agri derivatives trading in the country, with an increased market share of ~79% on a year on year basis in traded volumes and ~75% in open interest. NCDEX clocked a three year high ADTV of ₹ 1851 Crores which also represents a 45% increase on a year on year basis. This is a noteworthy achievement, considering the sudden suspensions in some of the most liquid derivative contracts last year.

The Exchange undertook several strategic steps to restore market confidence, which coupled with new product offerings and innovative technological solutions, helped to achieve the growth in ADTV, surpassing pre-pandemic levels. The Exchange launched sectoral Indices in Guar complex and Soy complex, respectively. The Oil and Oil seeds basket was also augmented with the launch of Refined Castor Oil.

In a dynamic market scenario, it is crucial to align our product offerings to suit the requirements of the market participants. Hence, modifications were made in Dhaniya contract with a change in basis centre and quality related alterations in Turmeric were made to enable more market participants to connect with the exchange ecosystem.

Reaching out to market participants and creating awareness about commodities derivatives market through various knowledge-sharing programs and IEPs is a core activity for the Exchange. The Exchange moved almost 60% of the events to physical mode enabling an engaging connection with the audience. In FY 2021-22, the Exchange conducted 336 IEPs, 249 investor awareness programs, and 160 programs focused on farmer participants. The Exchange has engaged with product and industry associations to conduct purported events catering to the needs of all stakeholder groups. All these connect programs with the value chain has been able to address the information asymmetry in the ecosystem.

Our engagement with the farmers and FPOs on account of the options familiarization program last season has yielded positive results in the new season. The Exchange has enhanced its overall farmer outreach by 13% connecting 1 million farmers through 400 plus FPOs. Enabling and equipping them to manage their price risk has been a key initiative at the Exchange. A confluence of FPOs, corporates, input industry, warehouse service providers, financial institutions and policy makers was organized last year under the flagship of the FPO Summit. This engagement was aimed at validating the FPO structure and drawing the industry focus on the FPOs. Going forward, the Exchange's FPO initiative aims to create new milestones to ensure deep-rooted linkages with the primary producer.

On the trading side, the Exchange reduced the event based margin to 2.5% which was a reduction of 50% from its original base. This was a sign of confidence from the regulator in the governance of the Exchange and reduction in the cost of trading for the market participants. Thereby, creating a balance between risk measures and business.

On the technology front, NCDEX introduced an upgraded spread contract functionality, called Implied spread engine. Implied functionality plays an important role in increasing liquidity by increasing the efficiency of spread contracts. Liquidity plays a critical role in the discovery of fair prices of any asset class. Introduction of implied engine added a new layer of opportunity to trade by boosting liquidity and increasing the probability of getting orders executed while maintaining price efficiency across contracts.

Despite the challenges of a truncated product portfolio on account of suspensions, the Exchange steps into the next financial year with greater strength by retaining market confidence and achieving an enhanced market share and a three-year high volume. In the year ahead, the Exchange would bring out strategic initiatives like liquidity enhancement schemes in select commodities, introduction of new products in the agri, non-agri and indices segment along with concentrated stakeholder engagements. Facility of cross margin benefit will also be enabled to benefit market participants trading in multiple derivatives of the same sector. With all these initiatives, the Exchange strives to make this journey more growth oriented and mutually rewarding for its stakeholders.

SEGMENT-WISE, PRODUCT-WISE PERFORMANCE

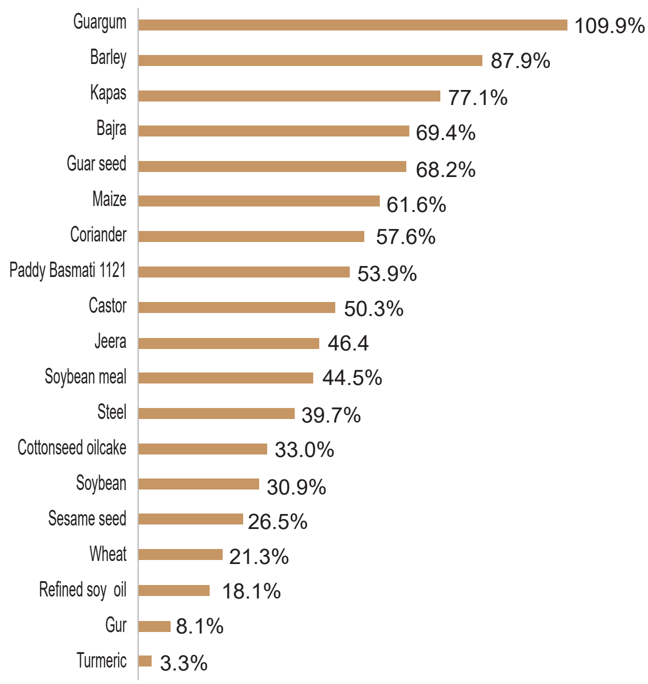
In FY 2021-22, commodity markets were affected by COVID-19's second wave in the starting of the financial year and the war in Ukraine towards the end. The commodity supply chains were buffeted by uncertainties and risks. As the global economy recovered from COVID-19 led shocks, demand for commodities rebounded at a faster pace than the commodity production.

Commodity prices surged during the year reflecting the effects of the pandemic and war in Ukraine. Russia being one of the major exporter of energy to the world, the war led energy prices to increase sharply in March 2022 with the price of a few commodities reaching all-time highs.

Higher prices of agricultural commodities were also driven by robust growth in demand, high input costs, and various constraints on supply resulting from COVID-19 recovery as well as the war and now the outlook is heavily dependent on how soon the war ends and the situation gets normalized.

On the domestic front, almost all Exchange traded agri-commodities gained significantly led by Guar complex, Cereals, Kapas, Spices and Edible oil complex. A commodity wise performance (based on the Futures prices) of major commodities during FY 2021-22 is given in the chart below:

Commodity Price Performance (FY 2021-22)



Source: NCDEX

Turnover of top five commodities during FY 2021-22

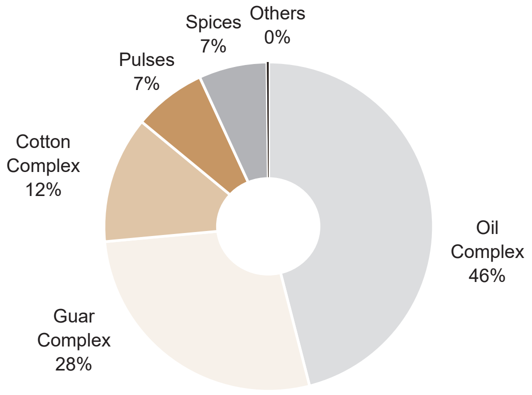
COVID-19 pandemic continued to cause disruption in most of the economic activities. Further, as a precautionary measure to contain inflation, the government imposed physical stock limits on the edible oil segment and also temporarily suspended derivative contracts in nine commodities. A few of these commodities were among the most traded commodities on the Exchange.

Despite all the risks and uncertainties during the year, the Exchange recorded its highest average daily traded volume of last three financial years. The Exchange witnessed an average daily turnover of around ₹ 1,851 Crore in FY 2021-22, up by around 46% from around ₹ 1,270 Crore during FY 2020-21.

With 46% share, the edible oil complex held the largest share in total turnover during the fiscal. Guar complex contributed 28% to the total turnover followed by Cotton complex, Pulses and Spices. Among Individual commodities, Refined soy oil held the highest share of 18%, followed by Guarseed (15%), Guar gum (13%), Soybean (12%), and RM seed (11%). Other major contributors to the turnover were Cotton seed oilcake, Chana, Castor and Jeera. The segment-wise performance of commodities traded at the Exchange was as follows:

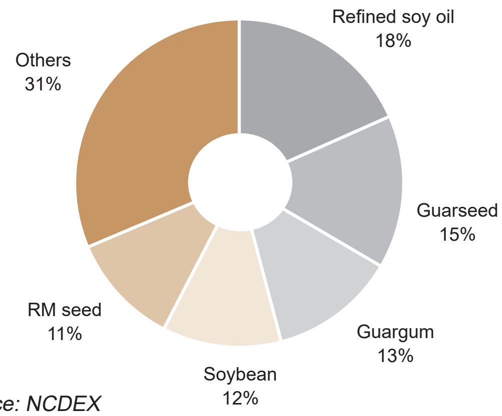
MANAGEMENT DISCUSSION AND ANALYSIS REPORT (Contd.)

Percent share of commodity groups in turnover during FY 2021-22



Source: NCDEX

Turnover of top 5 commodities during FY 2021-22



Source: NCDEX

Oil & Oilseeds Complex

During a time when the world was trying to cope with the economic aftermath of the COVID-19 pandemic, a war in Europe started threatening global food inflation which has not spared India either. Several factors have combined to send edible oils prices to record highs, including the war in Ukraine, the top sunflower seed oil exporter; slow planting of the US soybean crop; and strong global demand in part led by growing demand for a new generation of renewable fuel. Further, the drought in South America tightened global soybean exportable supplies and fueled higher prices. This year Argentine and U.S. soybean export prices reached a two-decade high and Brazilian prices reached 10-year highs. Although elevated feed prices might have triggered a slight shift to lower cost feed ingredients, soybean meal remains an important part of feed rations.

On NCDEX, the edible oil complex witnessed a major setback in 2021 when mustard seed, soybean, and soy oil contracts were discontinued by the regulator amid inflation concerns. Despite the fact that these contracts were not available for trading for around two quarters of the year, the oil complex still displayed a robust performance contributing 46% of the turnover with refined soy oil being the largest contributor (18% share) and soybean (12% share), the fourth largest contributor to the overall turnover in value terms during FY 2021-22.

This year, the Exchange diversified the edible oil complex basket with the launch of Refined Castor Oil futures and a sectoral index SOYDEX. India contributes to around 90% of the world Castor oil supply. Still castor processors, growers as well as exporters are often exposed to volatility in prices due to various internal and external risks. Refined castor oil contract will augment the existing castor seed futures to fulfil the needs of the entire castor value chain. SOYDEX, being the derivative of soybean, was also temporarily discontinued by the regulator along with soybean.

Cereals, Pulses and Cotton Complex

Global grain markets were significantly affected by the Russia-Ukraine war and the near-complete cessation of Ukraine grain exports. As Ukraine is a major wheat and corn exporter, the current war has resulted in a sudden shift of demand to other suppliers and a remarkable increase in prices.

Domestically, India's wheat production is estimated at a record of over 111.3 million tonnes in FY 2021-22, up from 109.59 million tonnes in the previous year. Maize production is also pegged at all-time high of 32.4 million tonnes. India's record wheat production was simultaneously supported by government's social benefit program through which the government purchased 43.34 MT of wheat from the farmers at minimum support price.

Pulses production in the country is also targeted at a record high of over 26.9 million tonnes during the year. Similar to Soybean, Chana and Moong contracts were also suspended temporarily by the regulator. Chana has always been one of the major contributor and the suspension of the same adversely affected the Exchange turnover. This year, cereals and pulses witnessed a downfall in turnover value by 46% and 19%, respectively as compared to turnover during the previous year.

India is one of the largest producer of cotton globally and is expected to produce 340 lakh bales (170 kg each) of cotton in FY 2021-22 as against 352 lakh bales during the previous year. Also, in FY 2021-22, India exported cotton to over 159 countries throughout the world with Bangladesh, China, and Vietnam cumulatively accounting for 60% of India's total cotton exports. The cotton complex turnover witnessed a 106% jump from the previous year mainly contributed by the increased turnover of cotton seed oilcake.

Guar and Spices

With around 28% share, guar complex remained the second largest contributor to the total turnover of the Exchange during FY 2021-22. During the current fiscal, the Exchange launched GUAREX, a sectoral index, offering a lot of opportunities to the guar value chain. The turnover in guar complex witnessed a steep jump with total guar complex turnover increasing by 167% from the previous fiscal.

Spices contributed around 7% to the Exchange turnover during the year. The turnover of jeera, coriander and turmeric increased sharply by 371%, 237%, and 83%, respectively as compared to the turnovers of these commodities during the previous year.

OUTLOOK

While the world economy is attempting a recovery from COVID-19, the war between Russia and Ukraine has threatened the normalization of the global supply chains. The situation has complicated the global trade in energy and major agricultural commodities thereby putting pressure on global food and energy security, in turn threatening the global economy with record inflation.

Nevertheless, India has exhibited a reasonable resilience to the crisis but its heavy import dependence for energy and fertilizer may pose challenges for the agricultural sector and the overall economy. Fortunately, domestic food availability is at a comfortable level due to record grain harvests in the past and as forecast for the current year as well.

While inflationary pressure on Indian economy may lead to some monetary actions from the Reserve Bank of India in line with global central banks, the commodity sector is expected to outperform other asset classes. The Sharp uptick in agricultural and merchandise exports has raised the optimism over the Indian economy despite challenges of high crude oil and commodity prices. The Government's ambitious spending plans on infrastructure and rural development will further boost the agricultural sector and spur the overall inclusive economic development.

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. This year the Exchange has witnessed multiple interventions from the Regulatory side resulting in suspension of key contracts which contribute a substantial portion to the Exchanges business. 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 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

The Exchange is an organization with strong values aligned to its mission and strategy. The human resources strategy of the Exchange is deployed through its various policies and processes. These processes and procedures are periodically reviewed based on overall business goals, employee feedback and other inputs.

Leadership Communications

The leadership team communicates with employees to keep them abreast of progress on various matters through Town-Halls and informal connect sessions.

Employees were appreciated vide PRAGATI Awards (Team and Individual) for contribution to projects over and above regular responsibilities. These awards were announced during leadership Townhalls.

Workforce Demographics

The Exchange is an equal opportunity employer and hires talent with strong domain and industry knowledge through diverse sourcing channels. As of March 31, 2022, the Exchange workforce of 208 comprises Generation X majorly, with a healthy female gender ratio. Employees of the Exchange include mostly skilled workforce.

Gender Diversity

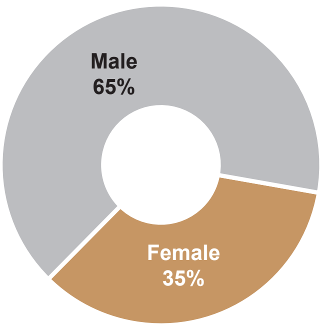


Fig. 3a: Gender Diversity

Generational Diversity

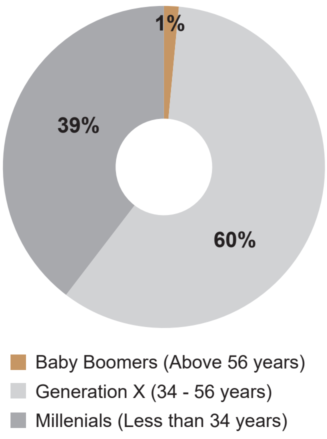


Fig. 3b: Generational Diversity

Educational Diversity

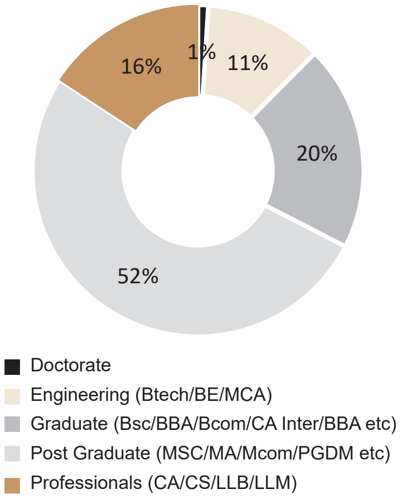


Fig. 3c: Educational Diversity

There is an increase in female employees by 4% compared to previous FY 2020-21. The Post Graduates and Engineers count has increased by 3% and 6%, respectively compared to FY 2020-21 while the count of employees having professional and graduate degrees has decreased by 4% and 2%, respectively.

Talent Acquisition

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 financial sector segments, with requisite or analogous work background.

The Exchange has a well-documented framework and process driven approach towards recruitment and onboarding. We encourage referral programmes and internal job postings to fulfil our junior to middle-level talent needs. Campus hiring is a key focus area which enables the Exchange to build an academic partnership with agri business education institutions in India. During the FY 2021-22, about 19 Management Trainees (FTE) joined the Exchange in various functions from reputed institutes. Online assessments are conducted as part of recruitment process for certain levels/job roles as a supplement to personal interviews 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 to better assimilate the organization's culture and understanding of the business.

The Exchange has certain routine jobs outsourced while retaining strategic and critical activities in-house. To the extent feasible routine tasks are automated. Primarily in the technology department, there is a mix of insourcing and outsourcing. The Exchange reviews this mix, in adherence to the Outsourcing Policy of the Exchange, to improve organizational efficiency.

The number of employees, as on March 31, 2022 was 208. The breakup of employees in the Exchange is, as under.

Group/Department	Number of Employees	
	As on March 31, 2021	As on March 31, 2022
Business Group	44	43
Quant and Market structure	4	5
Farmer Producer Organization	5	9
Corporate Office	2	2
Corporate Services	26	25
Enterprise Risk & Information Security	6	3
Human Resources	5	5
Internal Audit	1	1
Regulatory Group	71	73
Technology	35	35
Polling Operations	0	2
NICR	3	5
Total	**202**	**208**

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 Program, Succession Plan policy, Prevention of Sexual Harassment at Workplace and such others. These policies are made available to employees through online access to HRIS and are included in Induction Program for new joiners. Time to time awareness sessions and refresher trainings are held through the year.

Health, Safety & Well-Being

The internal HR policies of the Exchange cover a wide range of benefits associated with health, wellness, death and disability.

During the FY 2021-22, Exchange took a holistic approach on health and safety and combined existing benefits such as Group Mediclaim Policy, Group Personnel Accident Insurance Policy, Group Term Protect Policy, Covid-19 Group Mediclaim Insurance Policy, Preventive Health Checks with additional round the year Wellness Initiatives. This was done under one single comprehensive framework termed as **'Health+' – NCDEX Total Health & Life Solutions**, with a complete digital adoption through 24*7 mobile application availability for smooth implementation and access.

Approach of Health+

Annual Heath Risk Assessment : Through the personalized health check plan

Holistic Wellness & Well-being programs : Round the year opportunities to improve health scores

Financial security : Financial coverage of medical and other life protection through insurances

Rewards & Recognition : To motivate employees to focus on Health & Well-being

Special Initiatives for COVID-19 Pandemic

To safeguard employee health during the pandemic, the Exchange took several measures as stated below:

- Declaring 'Work from Home' arrangements for staff where possible
- Regular review of the COVID-19 pandemic situation and adapted the working guidelines based on the situation, etc.
- Continuation of the stand-alone COVID-19 medical insurance policy for coverage of COVID-19 in addition to the regular Group Mediclaim Policy
- Introduction of Home Treatment cost coverage in COVID-19 Insurance Policy

- Introduction of Special Leave to provide additional days for COVID-19 positive patients, thereby enabling adequate health recuperation time for such employees of the Exchange. This Special Leave is another leave category introduced to the existing leave options of the Exchange
- Employees and Family Vaccination Drives
- Constitution of a cross functional team, NCDEX Taskforce, to provide support to those employees affected by the pandemic and in need of hospitalization/ oxygen/ vaccine availabilities
- Dedicated health campaign through lockdown II and subsequent engagement events around fitness where held to uplift employee spirits and to generate positivity
- Periodic health awareness webinars / doc on call etc. was done

Talent Management

A. Performance Management

The Exchange has a structured process of performance evaluation which is driven through 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.

B. Career Management

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 of career development interviews of eligible nominees.

Talent Development

This year the Exchange adopted a new digital learning approach **'NCDEX Group Academy'** to strengthen the capabilities and competencies of NCDEX group employees and also to enhance their learning experience.

In total 2,565 training man-hours (321 Man-days) at various levels were achieved which is a 153% improvement over last financial year. Across grades and levels, 83% of the employees were covered in some form of learning.

A quarterly training calendar covers both functional and behavioural competency based learning programs. This year the Exchange conducted Business Communication and Writing Skills, Virtual Team Management, Unconscious Bias at Workplace, The Art of Inclusive Communication, Women Empowerment - Navigating Difficult Conversations, etc. to address the development needs of our Managerial cadres and the Leaders.

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.

Employees also upskilled themselves through specific technical programs such as Cyber Awareness, Option Trading strategy, Corporate Governance, from reputed training institutes.

To promote inclusive thinking specially designed programs such as Unconscious Bias at workplace, Inclusive communication and Navigating difficult conversation were conducted.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Exchange has recorded an ADTV of ₹ 1,851 crore for FY 2021–22. The top five performing commodities in the Financial Year 2021–22 were Soy Oil, Guar Seed, Guar Gum, Soybean and RM Seed.

The Exchange has ended FY 2021-22 with profit/ (loss) after tax of ₹ (1,376) Lakhs. The total income for FY 2021-22 was ₹ 8,060 Lakhs as compared to ₹ 6,324 Lakhs in FY 2020–21. The total expenditure was ₹ 9,916 Lakhs as compared to ₹ 9,648 Lakhs in FY 2020–21.

Income

The income from transaction charges for FY 2021-22 was ₹ 4,606 Lakhs as compared to ₹ 3,117 Lakhs in FY 2020-21, which is an increase of 47.8% primarily attributable to increase in ADTV of ₹ 1,851 Crore in FY 2021-22 from ₹ 1,270 Crore in FY 2020-21.

The income from investments for FY 2021–22 was ₹ 1,266 Lakhs as compared to ₹ 1,073 Lakhs in FY 2020–21. This increase of 18% is primarily attributable to higher dividend received from subsidiary of ₹ 532 Lakhs in FY 2021-22 as compared to ₹ 178 Lakhs in FY 2020-21.

The other income for FY 2021–22 was ₹ 1,639 Lakhs as compared to ₹ 1,810 Lakhs in FY 2020–21, which is a decrease of 9.4%.

Expenditure

The total personnel expense for FY 2021–22 was ₹ 3,645

Lakhs as compared to ₹ 3,286 Lakhs in FY 2020–21, an increase of 10.9%.

Other operating expenses for FY 2021–22 were ₹ 4,716 Lakhs as compared to ₹ 4,721 Lakhs in FY 2020–21.

Disclosure on Accounting Treatment

The Exchange has followed Ind ASs 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 2021-22. There is no deviation from Ind ASs.

Details of significant changes in Key Financial Ratios

Key Financial Ratios	Consolidated	
	FY 2021-22	FY 2020-21
Debtors Turnover	3.46	3.54
Current ratio	1.81	1.68
Net Profit Margin ratio	(11%)	(13%)
Return on Net worth	(2%)	(3%)

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 Company 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 FY 2021-22.

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 FY 2021-22 and attendance record

During the FY 2021-22, Eight meetings of the Board were held on May 07, 2021, June 09, 2021, August 12, 2021, September 28, 2021, November 12, 2021, January 17, 2022, February 11, 2022 and March 07, 2022. 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 the FY	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, 2022	Number of shares held in the Exchange as on March 31, 2022	Number of Committee positions held in other Public Companies**	
							Chairman	Member
Non-executive, Public Interest Directors								
Mr. Ashish Bahuguna	8	8	Yes	9	Nil	Nil	Nil	Nil
Mr. Hemant Adarkar[1]	8	8	Yes	6	Nil	Nil	Nil	Nil
Mr. Prem Kumar Malhotra[2]	8	8	Yes	7	1	Nil	Nil	Nil
Dr. Purvi Mehta	8	8	Yes	6	Nil	Nil	Nil	Nil
Mr. R. Amalorpavanathan[3]	3	3	N.A.	4	Nil	Nil	Nil	Nil
Mr. Venkat Nageswar Chalasani[4]	8	8	Yes	6	2	Nil	Nil	1
Mr. Chaman Kumar[5]	--	--	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Nirmalendu Jajodia[6]	--	--	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Dr. Ashok Gulati[7]	5	5	Yes	N.A.	N.A.	N.A.	N.A.	N.A.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name of Director	Number of Board Meetings held during the FY	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, 2022	Number of shares held in the Exchange as on March 31, 2022	Number of Committee positions held in other Public Companies**	
							Chairman	Member
Non-executive, Shareholder Directors								
Mr. B. Venugopal[8]	8	8	No	3	3[11]	Nil	1	1[11]
Mr. Manikumar S.	8	8	No	5	Nil	Nil	Nil	Nil
Mr. Rakesh Kapur	8	8	No	4	8[12]	Nil	Nil	2
Mr. Srinath Srinivasan	8	8	No	3	1	Nil	Nil	Nil
Executive Director, Managing Director & CEO								
Mr. Arun Raste[9]	7	7	Yes	6	4	Nil	Nil	2
Mr. Vijay Kumar V.[10]	--	--	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

Note 1:

1. *Mr. Hemant Adarkar was appointed as the Public Interest Director with effect from April 13, 2021.*
2. *Mr. Prem Kumar Malhotra was re-appointed as the Public Interest Director with effect from August 09, 2021.*
3. *Mr. R. Amalorpavanathan was appointed as the Public Interest Director with effect from January 03, 2022.*
4. *Mr. Venkat Nageswar Chalasani was appointed as the Public Interest Director with effect from May 01, 2021.*
5. *Mr. Chaman Kumar ceased to be the Public Interest Director with effect from April 10, 2021.*
6. *Mr. Nirmalendu Jajodia ceased to be the Public Interest Director with effect from April 13, 2021.*
7. *Dr. Ashok Gulati ceased to be the Public Interest Director with effect from January 03, 2022.*
8. *Mr. B. Venugopal was re-appointed as the Shareholder Director with effect from September 27, 2021.*
9. *Mr. Arun Raste was appointed as the Managing Director & CEO with effect from June 07, 2021.*
10. *Mr. Vijay Kumar V. ceased to be the Managing Director & CEO with effect from April 18, 2021.*
11. *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.*
12. *Includes directorship in Indian Farmers Fertilizer Cooperative Limited (not considered as a public Company pursuant to provisions of the Companies Act, 2013).*

Directorship of Directors in Listed Entities other than the Exchange as on March 31, 2022

Name of Director	Directors in Listed Entities other than the Exchange	Category of Directorship held in listed entities other than the Exchange
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

REPORT ON CORPORATE GOVERNANCE (Contd.)

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. Ashish Bahuguna	Management and Administration, Agriculture Markets, Economics, Market Infrastructure, Risk Management, Co-operatives and Legal
Mr. Hemant Adarkar	System development, Architecture, Technology Consulting, Outsourcing & Off-shoring primarily in banking and financial services and Digital Transformation
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. R. Amalorpavanathan	Finance & accounting, Management, Economics, Agriculture Marketing, Risk Management, Banking, Treasury Management, Project finance & Management, Cooperatives and Agri & Rural Infrastructure designing
Mr. Venkat Nageswar Chalasani	Banking, Finance & Accounts, Treasury Operations, Financial Markets, Retail Operations, Credit Operations, Risk Management, Economics, Management & Administration
Mr. B. Venugopal	Economics, Finance & Accounting, Management & Administration, Risk Management, Financial Market and Information Technology
Mr. Manikumar S.	Finance & Accounting, Management and Administration, Co-operatives, HR & Organizational Development and Agriculture Markets
Mr. Rakesh Kapur	Economics, Finance & Accounting, Management & Administration, Risk Management, Financial Markets, Agriculture Markets and Cooperatives
Mr. Srinath Srinivasan	Economics, Finance & Accounting, Management & Administration, Risk Management, Financial Market and Market Infra
Mr. Arun Raste	Agriculture, Economics, Management, CSR, Corporate Communication and Marketing
Mr. Chaman Kumar	Management & Administration, Cooperatives and Finance & Accounting
Mr. Nirmalendu Jajodia	Management & Administration, Risk Management, Financial Market, Technology, Market Infrastructure, Operations and Process Management
Dr. Ashok Gulati	Agricultural Economist and Macro Economics
Mr. Vijay Kumar V.	Economics, Finance and Accounting, Management and Administration, Risk Management, Financial Market and Market Infra

Please refer to Note 1 above for date of joining and cessation of Directors.

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 2021-22. However, Mr. Chaman Kumar, Mr. Nirmalendu Jajodia and Dr. Ashok Gulati ceased to be the Public Interest Directors of the Exchange with effect from April 10, 2021, April 13, 2021 and January 03, 2022, respectively, due to completion of their 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 terms of reference, 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;
  - ➢ management letters / letters of internal control weaknesses issued by the statutory auditors;
  - ➢ internal audit reports relating to internal control weaknesses; and

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- ➢ the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
- 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 rupees 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.
- To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- Such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority.

During the FY 2021-22, four meetings of the Committee were held on June 09, 2021, August 11, 2021, November 11, 2021 and February 10, 2022. 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. Venkat Nageswar Chalasani, Chairman of the Committee[1]	4	4
Mr. Ashish Bahuguna	4	4
Mr. Rakesh Kapur	4	4
Mr. Chaman Kumar[2]	--	--

1. Mr. Venkat Nageswar Chalasani was inducted as the Chairman and Member of the Committee with effect from May 07, 2021
2. Mr. Chaman Kumar ceased to be the Chairman and Member of the Committee with effect from April 10, 2021

II. NOMINATION AND REMUNERATION COMMITTEE

The Committee consists of four Public Interest Directors. During the FY 2021-22, four meetings of the Committee were held on April 16, 2021, May 20, 2021, November 10, 2021 and February 10, 2022. 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.
- For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  a. use the services of an external agencies, if required;
  b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  c. consider the time commitments of the candidates.
- 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. R. Amalorpavanathan - Chairman of the Committee[1]	1	1
Mr. Ashish Bahuguna[2]	4	4
Mr. Prem Kumar Malhotra	4	4
Dr. Purvi Mehta	4	4
Mr. Chaman Kumar[3]	-	-
Dr. Ashok Gulati[4]	2	2

1. Mr. R. Amalorpavanathan was inducted as Chairman and Member of the Committee with effect from January 17, 2022
2. Mr. Ashish Bahuguna ceased to be the Chairman of the Committee with effect from May 07, 2021
3. Mr. Chaman Kumar ceased to be the Member of the Committee with effect from April 10, 2021
4. Dr. Ashok Gulati ceased to be Chairman and Member of the Committee with effect from January 03, 2022

III. RISK MANAGEMENT COMMITTEE

The Committee consists of Dr. Purvi Mehta, Chairperson of the Committee, Mr. Prem Kumar Malhotra, Mr. Hemant Adarkar, Mr. Venkat Nageswar Chalasani and Mr. Sanjeev Shukla. During the FY 2021-22, four meetings of the Committee were held on May 21, 2021, August 10, 2021, November 10, 2021 and February 09, 2022. 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. Hemant Adarkar, Mr. Manikumar S. and Mr. Arun Raste. During the Financial Year 2021-22, one meeting of the Committee was held on August 10, 2021. The terms of reference of the CSR Committee, inter-alia, are as under:

The CSR Committee, inter alia, formulates and recommends to the Board, a Corporate Social Responsibility Policy (CSR Policy), the amount of expenditure to be incurred on CSR activities and monitors the implementation of CSR 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. Hemant Adarkar and Mr. Manikumar S. During the

FY 2021-22, one meeting of the Committee was held on November 10, 2021. 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 of 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. Prem Kumar Malhotra, Chairman of the Committee, Mr. Ashish Bahuguna, Mr. Venkat Nageswar Chalasani and Mr. Arun Raste. 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 realize 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. Ashish Bahuguna, Chairman of the Committee, Dr. Purvi Mehta, Mr. B. Venugopal, Mr. Kapil Mittal, Mr. Pritam Kumar Patnaik, Mr. Nitin Shahi, Mr. Viren Mayani and Mr. Suresh Arora. 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. Hemant Adarkar, Chairman of the Committee, Mr. Ashish Bahuguna, Mr. Venkat Nageswar Chalasani, Mr. Anand Iyer & Mr. Dhananjaya Tambe. 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. Ashish Bahuguna, Chairman of the Committee, Mr. Hemant Adarkar, Mr. Prem Kumar Malhotra, Dr. Purvi Mehta, Mr. R. Amalorpavanathan and Mr. Venkat Nageswar Chalasani. 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. Hemant Adarkar, Dr. Purvi Mehta and Mr. Jayant Nalawade. 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. Ashish Bahuguna, Mr. Venkat Nageswar Chalasani, Mr. B. Venugopal, Mr. Manikumar S., Mr. Rakesh Kapur and Mr. Arun Raste. 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 finalize 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;

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, finalize, 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 finalized 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

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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 authorize one or more officers of the Exchange to sign all or any of the aforestated documents;

17. authorize 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. finalize 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 dematerialize 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 authorize 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, finalize, 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 advizable 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. R. Amalorpavanathan, Mr. Ashish Bahuguna, Mr. Srinath Srinivasan, Mr. Manikumar S., Mr. B. Venugopal and Mr. Arun Raste. 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. Manikumar S., Dr. Purvi Mehta, Mr. R. Amalorpavanathan, Mr. Rakesh Kapur, Mr. Rohtash Mal, Mr. Srinivas Rao and Mr. Arun Raste. 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 & Chief Executive Officer)

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, monitors 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 MD & CEO and the Company, the Board evaluates and monitors management, especially the MD & 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.

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(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 & Chief Executive 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 & Chief Executive Officer

The performance evaluation criteria for Managing Director & Chief Executive Officer 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 FY 2021-22 is as follows:

Name of the Director	Sitting Fees (Amount in ₹)		
	Board Meetings	Committee Meetings	Total
Mr. Ashish Bahuguna	4,80,000	10,40,000	15,20,000
Mr. Hemant Adarkar	4,80,000	6,40,000	11,20,000
Mr. Prem Kumar Malhotra	4,80,000	7,20,000	12,00,000
Dr. Purvi Mehta	4,80,000	7,20,000	12,00,000
Mr. R. Amalorpavanathan	1,80,000	40,000	2,20,000
Mr. Venkat Nageswar Chalasani	4,80,000	8,00,000	12,80,000
Mr. B. Venugopal	4,80,000	2,40,000	7,20,000
Mr. Manikumar S.	4,80,000	2,80,000	7,60,000
Mr. Rakesh Kapur	4,80,000	4,40,000	9,20,000
Mr. Srinath Srinivasan	4,80,000	1,60,000	6,40,000
Dr. Ashok Gulati	3,00,000	2,40,000	5,40,000

Please refer to Note 1 above for date of joining and cessation of Directors.

The details of remuneration paid to Managing Director & CEO during the FY 2021-22 is given below:

Sr.No.	Particulars of Remuneration	Name of Managing Director & Chief Executive Officer	Name of Managing Director & Chief Executive Officer
		Mr. Vijay Kumar V. (April 01, 2021 to April 17, 2021)	Mr. Arun Raste (June 07, 2021 to March 31, 2022)
1.	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(a) ₹ 29,26,094/-	(a) ₹ 1,02,14,821/-
(b)	NPS contribution, Motor Car Expense Reimbursement and Value of perquisites u/s 17(2) Income-tax Act, 1961	(b) ₹ 8,32,639/-	(b) ₹ 10,22,821/-
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	(c) Nil	(c) Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- as % of profit	Nil	Nil
	- others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
Total (A)		₹ 37,58,733/-	₹ 1,12,37,642/-
Ceiling as per the Act		The Exchange has obtained approval from the shareholders for the payment of above remuneration.	The Exchange has obtained approval from the shareholders for the payment of above remuneration.

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'.

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. Hoshi D. Bhagwagar

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

REPORT ON CORPORATE GOVERNANCE (Contd.)

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
FY 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
FY 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
FY 2020-21	September 27, 2021	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 and Extract of Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2022 were published in the newspapers. Other disclosures and announcements are also displayed on the website of the Exchange.

GENERAL INFORMATION FOR SHAREHOLDERS

(i) **Annual General Meeting**

The Nineteenth Annual General Meeting will be held on Monday, September 26, 2022 at 11:00 a.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

(ii) **Financial Year:** April 01, 2021 to March 31, 2022.

(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 of Face Value of ₹ 10 each. 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 26, 2022.

(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

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. The transfer requests are placed for the consideration of the Stakeholders Relationship Committee.

(vi) Distribution of shareholding:

Categories	Shareholding	Percentage
Individuals	3,632,459	7.17
Corporates	1,63,74,176	32.31
Financial Institutions	1,12,50,000	22.20
Banks	67,49,965	13.32
Venture Capital	76,01,400	15.00
Any Other (specify) - (Co-Operative Society)	50,68,000	10.00
Total	50,676,000	100.00

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

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

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

(x) Plant locations: Nil

(xi) Address for correspondence: First Floor, Akruti Corporate Park, Near G. E. Garden, L.B.S. Road, Kanjurmarg (West), Mumbai 400 078

(xii) 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	43
For other services	12
For reimbursement of expenses	2
Total	**57**

(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, 2022, 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. Ashish Bahuguna	Chairman & Public Interest Director	02224776	15-06-2020
2.	Mr. Hemant Adarkar	Public Interest Director	03127893	13-04-2021
3.	Mr. Prem Kumar Malhotra	Public Interest Director	07731762	09-08-2018
4.	Dr. Purvi Mehta	Public Interest Director	01596457	11-01-2018
5.	Mr. R. Amalorpavanathan	Public Interest Director	06941432	03-01-2022
6.	Mr. Venkat Nageswar Chalasani	Public Interest Director	07234179	01-05-2021
7.	Mr. Rakesh Kapur	Shareholder Director	00007230	26-04-2008
8.	Mr. Srinath Srinivasan	Shareholder Director	00107184	24-02-2014
9.	Mr. Sivaramakrishnan Manikumar	Shareholder Director	08956660	21-12-2020
10.	Mr. Venugopal Nayar Bhaskaran	Shareholder Director	02638597	11-01-2018
11.	Mr. Arun Raste	Managing Director & CEO	08561128	07-06-2021

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: A022133D000522622

Place: Mumbai
Date: 23/06/2022

Annexure 2

Compliance with the Code of Conduct by the Directors & Members of the Senior Management of the Exchange for the Financial Year 2021-22

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, 2022

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, 2022. 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 recognized 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) and (t) 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.
Practicing Company Secretaries

Makarand Joshi
Partner
FCS Partner
No. F5533
CP No. 3662
UDIN: F005533D00078486
Peer Review No: 640/2019

Date: 12-08-2022
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of
National Commodity and Derivative Exchange Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **National Commodity and Derivative Exchange Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive loss), 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 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss (including other comprehensive loss), 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, 2022, 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.

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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

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 Board's report but does not include the financial statements and our auditor's report thereon. The Board's Report 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 Board's Report including annexures thereto and, 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. However, the same is not applicable to the Company vide notification issued by Ministry of Corporate Affairs dated June 13, 2017 read with General Circular No. 08/2017 dated July 25, 2017.
- 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.

Materiality is the magnitude of the misstatements in the standalone financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid 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, 2022,

INDEPENDENT AUDITOR'S REPORT (Contd.)

taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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 pending litigations on its financial position – 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.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) In our opinion and based on the audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) (i) The final dividend proposed in the earlier years, declared and paid by the Company during the year is in accordance with Section 123 of the Act.

(ii) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

Sachin A. Negandhi
Partner
Membership No: 112888
UDIN: 22112888AJIGKT6859

Place: Mumbai
Date: May 20, 2022

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, 2022, of **National Commodity and Derivative Exchange Limited)**

(i) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) The Company has a programme of physical verification of Property, Plant and Equipment and right-of-use assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, no physical verification was conducted during the year. In our opinion frequency of such verification is reasonable having regards to size and nature of the business.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property. Accordingly, the provisions of clause 3(ii)(c) of the Order are not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets. Accordingly, provisions of clause 3(i)(d) are not applicable.

(e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder

(ii) (a) The Company is a commodity exchange and does not hold any inventory. Accordingly, clause 3 (ii)(a) of the Order regarding inventory is not applicable for the year.

(b) The Company has not been sanctioned working capital limits in excess of five crore rupees at any time during the year. Accordingly, provisions of clause 3(ii)(b) of the Order is not applicable

(iii) As informed, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, provisions of clauses 3(iii), 3(iii)(b), 3(iii)(c), 3(iii)(d) 3(iii)(e) and 3(iii)(f) of the Order are not applicable.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

(iv) As informed, the Company has not advanced any loans, made any investments or given any guarantees and securities. Accordingly, provisions of section 185 and 186 of the Companies Act, 2013 and clause 3 (iv) of the Order is not applicable.

(v) The Company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules 2014 apply. 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) According to the information and explanations given to us, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act, 2013. Accordingly, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) (a) According to the records of the Company, it is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of above which were outstanding, as at March 31, 2022, for a period of more than six months from the date on which they became payable.

(b) According to the information and explanations

ANNEXURE TO THE AUDITOR'S REPORT (Contd.)

given to us, dues of income tax, goods and services tax, duty of customs, cess and other material statutory dues applicable to the Company which have not been deposited on account of any dispute are as follows:

Name of Statue (Nature of dues)	Financial year to which amount relates to	Forum where dispute is pending	Amount (₹ in Lakhs)
Income Tax Act, 1961 (Tax / Interest)	FY 2006-07	High Court	171
Income Tax Act, 1961 (Tax / Interest)	FY 2007-08		113
Income Tax Act, 1961 (Tax / Interest)	FY 2010-11		123
Income Tax Act, 1961 (Tax / Interest)	FY 2011-12	Commissioner of Income Tax (Appeals) - Mumbai	224
Income Tax Act, 1961 (Tax / Interest)	FY 2012-13		168
Income Tax Act, 1961 (Tax / Interest)	FY 2013-14		74
Income Tax Act, 1961 (Tax / Interest)	FY 2015-16		412
Income Tax Act, 1961 (Tax / Interest)	FY 2016-17		318
Income Tax Act, 1961 (Tax / Interest)	FY 2017-18		219
Finance Act, 1994 (Service tax)	Nov 2013 – July 2016	Customs, Excise & Service Tax Appellate Tribunal	814
Finance Act, 1994 (Service tax)	Oct 2014 – June 2017		1,464

(viii) According to the information and explanations given to us there are no unrecorded transactions in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company has not taken any loan or other borrowings from banks or debenture holder or any other lenders. Accordingly, reporting under clause (ix)(a) to (ix)(c) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term purposes.

(c) According to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(d) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and accordingly, reporting under clause 3(x)(a) of the Order is not applicable.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and accordingly reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) 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 noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations furnished by the management, which have been relied upon by us, there were no whistle blower complaints received during the year by the Company.

(xii) (a) 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 the transactions with the related parties are incompliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system

ANNEXURE TO THE AUDITOR'S REPORT (Contd.)

commensurate with the size and nature of its business

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xvi) (a) 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.

(b) The Company is not a Non-Banking Finance Company or a Housing Company. Accordingly, provision of clause 3(xvi)(b) of the Order is not applicable.

(c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) According to the information and explanations given to us, the Company is not part of any group and therefore reporting on number of CICs in the group under clause 3(xvi)(d) of the Order is not applicable.

(xvii) In our opinion, the Company has incurred cash losses of ₹ 389 Lakhs in the current financial year and of ₹ 1,647 Lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly clause 3(xviii) of the Order is not applicable

(xix) On the basis information and explanations given to us and based on audit of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, review of Board of Directors and management plans, in our opinion no material uncertainty exists as on the date of the audit report regarding Company's capability to meet its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) There are no unspent amounts towards Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(a) and (b) of the Order is not applicable for the year.

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

Sachin A. Negandhi
Partner
Membership No: 112888
UDIN: 22112888AJIGKT6859

Place: Mumbai
Date: May 20, 2022

ANNEXURE - B to the Independent Auditor's Report of even date on the Standalone Financial Statements of National Commodity and Derivative 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 and Derivative Exchange Limited ("the Company") as of March 31, 2022 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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 adequate 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 company'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 company'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 company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 2022, 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: 22112888AJIGKT6859

Place: Mumbai
Date: May 20, 2022

STANDALONE BALANCE SHEET
AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	704	939
Right to use assets	40	1,201	518
Intangible assets	3	3,121	3,503
Intangible assets under development	3	24	337
Investment in subsidiaries, associates and joint ventures	4	23,455	23,455
Financial assets			
- Other financial assets			
- Bank balances	5(a)	757	694
- Others	5(b)	209	321
Deferred tax assets (net)	15	2,652	2,135
Other non-current assets	7	27	36
Total non-current assets		**32,150**	**31,938**
Current Assets			
Financial assets			
- Investment	8	2,440	3,650
- Trade receivables	9	559	797
- Cash and cash equivalents	10	4,471	3,558
- Bank balances other than cash and cash equivalents	11	4,586	5,908
Income tax assets (net)	6	1,922	1,658
- Others	5(b)	1,017	1,130
Other current assets	7	2,166	2,374
Total current assets		**17,161**	**19,075**
TOTAL ASSETS		**49,311**	**51,013**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	5,068	5,068
Other equity	13	35,558	37,228
Total Equity		**40,626**	**42,296**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Deposits	16	924	973
- Lease Liabilities	18	965	95
- Other Financial liabilities	18	94	143
Provisions	14	154	103
Total non-current liabilities		**2,137**	**1,314**
Current liabilities			
Financial liabilities			
- Deposits	16	3,535	3,781
- Trade payables			
Total Outstanding dues of micro enterprises and small enterprises	17	15	8
Total Outstanding dues of other than micro enterprises and small enterprises	17	843	827
- Lease Liabilities	18	257	464
- Other Financial liabilities	18	849	1,155
Other current liabilities	19	931	1,066
Provisions	14	118	102
Total current liabilities		**6,548**	**7,403**
TOTAL LIABILITIES		**8,685**	**8,717**
TOTAL EQUITY AND LIABILITIES		**49,311**	**51,013**

Summary of significant accounting policies **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 : May 20, 2022

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
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	20	5,205	3,759
Other Income	21	2,855	2,565
Total income		**8,060**	**6,324**
EXPENSE			
Employee benefits expense	22	3,645	3,286
Finance cost	23	107	68
Depreciation & amortization expense	24	1,448	1,573
Other expenses	25	4,716	4,721
Total expenses		**9,916**	**9,648**
Profit / (loss) before exceptional items and income tax		**(1,856)**	**(3,324)**
Exceptional item	26	-	(34)
Profit / (Loss) before tax		**(1,856)**	**(3,358)**
TAX EXPENSE			
Current tax	27	-	-
Deferred tax expense/ (credit)	27	(480)	(870)
Profit / (Loss) for the period (A)		**(1,376)**	**(2,488)**
Other Comprehensive Income:			
Items that will not be reclassified to the Statement of profit and loss;			
Remeasurement of post-employment benefit obligations		(59)	16
Income tax impact on above		15	(4)
Item that will be reclassified to the Statement of profit and loss;			
Debt instruments through Other Comprehensive Income		(18)	83
Income tax impact on above		2	-
Previous year Income Tax impact		19	(20)
Other comprehensive income for the Period, net of taxes (B)		**(41)**	**75**
Total comprehensive income for the Period (A+B)		**(1,417)**	**(2,413)**
Earnings per share (Face Value of ₹ 10 each)			
(1) Basic (₹)		(2.72)	(4.91)
(2) Diluted (₹)		(2.72)	(4.91)

Summary of significant accounting policies 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

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
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

Place : Mumbai
Date : May 20, 2022

STANDALONE STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities			
Profit before tax		(1,856)	(3,358)
Adjustments for:			
Depreciation & amortization		1,448	1,573
(Profit) / Loss on sale of fixed asset		(3)	(16)
(Profit) / Loss on sale of investments		(41)	(72)
Ind AS Fair value impact of mutual fund		(9)	-
Interest income		(693)	(823)
Dividend Income		(532)	(178)
Provision for diminution in value of Investment		-	34
Profit on lease rent concession/ termination		(48)	(20)
Provision no longer required		-	(1)
Balances Written Back		(35)	-
Interest expenses on lease liability		107	68
Operating profit before working capital changes		**(1,662)**	**(2,793)**
Movements in working capital:			
Decrease / (Increase) in trade receivables		238	(201)
Decrease / (Increase) in other current assets		208	(109)
Decrease / (Increase) in other non current assets		9	13
Decrease / (Increase) in other financial assets		175	(291)
Increase / (Decrease) in trade payables		23	(280)
Increase / (Decrease) in financial liabilities		(14)	(443)
Increase / (Decrease) in deposits		(295)	-
Increase / (Decrease) in provisions		(67)	(6)
Increase / (Decrease) in other current liabilities		(147)	171
Cash generated / (used) from operations		**(1,532)**	**(3,939)**
Direct taxes (paid) / refund (net)		(264)	2,412
Net cash generated / (used) in operating activities	**(A)**	**(1,796)**	**(1,527)**
B. Cash flows from investing activities			
Purchase of fixed assets, including intangible assets, CWIP and capital advances		(562)	(596)
Proceeds from sale / disposal of fixed assets		95	17
Investment in shares of NCCL Limited		-	(576)
Investment in shares of NeRL Limited		-	
Purchase of current investments		(9,900)	(14,121)
Proceeds from sale of current investments		11,132	14,329
Dividend received from subsidiary		532	178
Interest received		743	838
Investment in fixed deposits (original maturity of more than three months)		(9,390)	(9,787)
Redemption / Maturity of fixed deposits (original maturity of more than three months)		10,649	12,813
Net cash generated / (used) in investing activities	**(B)**	**3,299**	**3,095**

STANDALONE STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash Flows from financing activities			
Dividend paid		(241)	(187)
Payment of lease Liabilities (Net off lease rent concession)		(348)	(606)
Net cash generated / (used) from financing activities	**(C)**	**(589)**	**(793)**
Net increase / (decrease) in cash and cash equivalents	**(A + B + C)**	**913**	**775**
Cash and cash equivalents at the beginning of the year		**3,558**	**2,783**
Cash and cash equivalents at the end of the year		**4,471**	**3,558**
Components of cash and cash equivalents (Refer note - 10)			
Cash and cheques on hand			
With Banks			
- on current accounts Refer Note 1		180	1,016
- on fixed deposits (Original maturity being three months or less) Refer Note 2		4,291	2,542
Total		**4,471**	**3,558**

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

Note-1 Includes ₹ 78 Lakhs (March 31, 2021 ₹ 66 Lakhs) towards unpaid dividend
Includes ₹ 0.18 Lakhs (March 31, 2021 : ₹ 0.06 Lakhs) for Investor Service Fund.
Includes ₹ 65 Lakhs (March 31, 2021 ₹ 66 Lakhs) represents earmarked for Base Minimum Capital.

Note-2 Includes Fixed Deposits of ₹ 398 Lakhs (March 31, 2021 : ₹ NIL) pledged with Banks for Overdraft facilities
Includes ₹ 470 Lakhs (March 31, 2021 ₹ 339 Lakhs) represents deposit earmarked for Base Minimum Capital.
Includes ₹10 Lakhs (March 31, 2021 ₹ 31 Lakhs) 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 : May 20, 2022

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
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

(A) Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at April 01, 2020	5,068
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	5,068
Changes in equity share capital during the year	-
Balance as at April 01, 2021	5,068
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2022	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, 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)
Transitional Impact Lease accounting	-	-	-	-	-
Balance as at March 31, 2021	**13,956**	**1,110**	**22,047**	**115**	**37,228**
Addition in current period	-	-	(1,376)	-	(1,376)
Items of Other Comprehensive Income for the period, net of tax					
Remeasurement benefit of defined benefit plans	-	-	(44)	-	(44)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	3	3
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	(253)	-	(253)
Balance as at March 31, 2022	**13,956**	**1,110**	**20,374**	**118**	**35,558**

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

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
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

Place : Mumbai
Date : May 20, 2022

NOTES TO STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

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-mutualized 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 otherwize stated.

a Statement of Compliance

The financial statements as at and for the year ended March 31, 2022 and March 31, 2021 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 May 20, 2022.

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.

The Standalone Financial Statements are presented in Indian Rupees in Lakhs and all values are rounded to the nearest Lakhs except where otherwise stated.

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 recognized in OCI or Statement of profit and loss are also recognized 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 exercize 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 recognized 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 recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized 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 utilized.

Contingent liabilities

In the normal course of business, contingent liabilities may arize 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 exercized. 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 realized 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 realized 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.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

i **Revenue Recognition**

Revenue is recognized when a customer obtains control of a promized 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 recognized as income on trade date basis.

Annual subscription charges

Annual subscription charges are recognized 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.

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.

j **Government Grants**

Grants from the government are recognized 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.

Government grants relating to income are deferred and recognized 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amount will be available to utilize 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 realize the asset and settle the liability simultaneously.

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

I 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.

Assets held under finance leases are depreciated over their expected useful life 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 Company 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 arize 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

m Intangible Asset

i. Intangible assets

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 capitalized 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.

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 capitalized 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 otherwize 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 capitalized 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 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 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 exercized.

The right to use assets are initially recognized at cost, which comprizes 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 exercize 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 recognized 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 01, 2019, the Exchange adopted Ind AS 116 “Leases” and applied to all lease contracts existing on April 01, 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

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 capitalized 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 recognized as an expense in the period in which they are incurred.

p Provisions, Contingent liabilities and Contingent assets

Provisions for legal claims are recognized 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 recognized 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 arizes 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 recognized but disclosed in the Financial Statements, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are not recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

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 recognized 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-recognized 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 recognized 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

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 recognized when the Exchange becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit or loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortized 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 recognized 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 amortized 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 recognized 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 recognized 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 Settlement Guarantee Fund (SGF)

Annual Contribution by the Exchange to SGF is an appropriation from retained earnings.

Income on SGF Investment and settlement penalties is transferred to SGF as per the regulatory directives.

Contribution from members by way of refundable deposit is classified as current or non current liability as per provisions of Schedule III of Companies Act, 2013.

From September 27, 2018, Clearing & Settlement function is carried out by National Commodity Clearing Limited (NCCL). Further, as per SEBI requirement Core SGF is set up by NCCL. Contribution by the Exchange i.e.. September 27, 2018 to Core SGF maintained by NCCL is debited to statement of Profit & Loss.

w 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.

x 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.

y 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.

z Recent accounting pronouncements:-

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

1. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and Liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

2. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

3. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprizes the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

4. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

5. Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arize because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

2. PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Computer Hardware	Improvement to Lease hold Property	Telecommunication Equipments	Office Equipments	Electrical Installations	Furniture and Fixtures	Motor Car	Total	Capital work-in-progress
Cost or Deemed Cost									
Opening as at April 01, 2020	1,720	215	1,176	85	206	97	33	3,531	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**	**3,387**	**-**
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**	**-**
Cost or Deemed Cost									
Opening as at April 01, 2021	1,817	181	1,108	48	116	85	33	3,388	-
Additions	190	-	12	1	1	2	-	206	-
Disposals / Adjustments	3	38	-	1	-	-	33	75	-
Closing gross carrying amount	**2,004**	**143**	**1,120**	**48**	**117**	**87**	**-**	**3,520**	**-**
Accumulated depreciation and impairment									
Opening as at April 01, 2021	1,331	160	817	33	48	38	22	2,449	-
Depreciation for the year	247	9	146	6	6	8	2	423	-
Disposals / Adjustments	3	30	-	1	-	-	24	59	-
Closing accumulated depreciation	**1,575**	**139**	**963**	**38**	**54**	**46**	**-**	**2,815**	**-**
Net carrying amount as at March 31, 2022	**429**	**4**	**157**	**10**	**63**	**41**	**-**	**704**	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

3. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software	Total	Intangible assets under development	Total
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**
Cost or Deemed Cost				
Opening as at April 01, 2021	6,693	6,693	337	337
Additions	363	363	170	170
Disposals / Adjustments	23	23	120	120
Capitalized during the year	-	-	363	363
Closing gross carrying amount	**7,033**	**7,033**	**24**	**24**
Accumulated amortization and impairment losses				
Opening as at April 01, 2021	3,190	3,190	-	-
Amortization for the year	722	722	-	-
Disposals / Adjustments	-	-	-	-
Closing accumulated amortization	**3,912**	**3,912**	**-**	**-**
Net carrying amount as at March 31, 2022	**3,121**	**3,121**	**24**	**24**

3. INTANGIBLE ASSETS UNDER DEVELOPMENT

a Intangible Assets under development ageing

Ageing for Intangible Assets under development as on 31st Mar 2022 is as follows:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	18	5	1	-	24
Projects temporarily suspended	-	-	-	-	-
Total	**18**	**5**	**1**	**-**	**24**

Ageing for Intangible Assets under development as on 31st Mar 2021 is as follows:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	225	109	3	-	337
Projects temporarily suspended	-	-	-	-	-
Total	**225**	**109**	**3**	**-**	**337**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

4. NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	20,75,000	-	20,75,000	-
Equity shares of ₹10/- each fully paid up in National Commodity Clearing Limited	12,46,00,000	12,460	12,46,00,000	12,460
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
(ii) In Associates				
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited	2,00,00,000	2,000	2,00,00,000	2,000
Total		**23,455**		**23,455**
Aggregate amount of investments		**23,662**		**23,662**
Aggregate provision for diminution in value of unquoted investments		**(207)**		**(207)**

5. OTHER FINANCIAL ASSET

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(a) Non-current bank balances				
Deposits with bank - original maturity more than 12 months*	757	694	-	-
Total (a)	**757**	**694**	**-**	**-**
(b) Others				
Considered Good- Unsecured				
Recoverable from subsidiaries	-	-	346	489
Recoverable from Selling Shareholders (Refer Note no.42)	-	-	407	314
Interest accrued on fixed deposits	27	16	264	325
Security Deposit	182	305	-	-
Other assets	-	-	-	2
Receivables - credit impaired				
Others receivables - credit impaired	-	32	-	-
Less: Allowance for expected credit loss	-	(32)	-	-
	-	-	-	-
Loans and advances to subsidiaries				
Unsecured, considered good	-	-	-	-
Unsecured, credit impaired	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-
	-	-	-	-
Total (b)	**209**	**321**	**1,017**	**1,130**

* Includes ₹ NIL (March 31, 2021 ₹ 155 Lakhs) represents deposit earmarked for Base Minimum Capital.
Includes ₹ NIL Lakhs (March 31, 2021 ₹ 9 Lakhs) represents deposit earmarked for SAT order.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

6. INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax paid including tax deducted at source receivable (net of provision)	1,922	1,658
Total	**1,922**	**1,658**

7. OTHER ASSETS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good				
Capital Advances	-	-	-	-
Prepaid Expenses	27	36	248	255
Balances with Government authorities	-	-	207	373
Other Receivables	-	-	1,711	1,746
Total	**27**	**36**	**2,166**	**2,374**

8. CURRENT INVESTMENTS

(₹ in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
		Units	Amount	Units	Amount
A)	**Investment in bonds**				
	Bonds (Quoted) - Refer Note 1				
	NHAI Bonds 2015 Tax Free Bonds Tranche I Series II A for 15 years @ 7.35% p.a."	57,140	681	57,140	686
	7.35% NABARD Tax free bonds Maturity dated March 23 2031@annualized YTM 6.01%"	67,475	813	67,475	817
	8.48% NTPC Tax free bonds Maturity dated December 16, 2028 at 6.005% p.a.	44,799	553	44,799	562
	Total Bonds (a)	**-**	**2,047**	**-**	**2,065**
B)	**Investment in mutual funds**				
	Mutual Funds (Unquoted)				
	Aditya Birla Sunlife Cash Plus Growth Direct Plan *	8,359	29	8,476	28
	Axis Liquid Fund Direct Growth	-	-	536	12
	Axis Liquid Fund Direct Growth **	-	-	127	3
	HDFC- Overnight Fund -Direct Plan -Growth	-	-	6,540	200
	HDFC- Liquid Fund -Direct Plan -Growth	-	-	2,603	105
	HDFC- Liquid Fund -Direct Plan -Growth *	1,093	46	659	27
	ICICI Prudential Overnight Fund - Direct Plan Growth Option	-	-	2,97,185	330
	ICICI Prudential Money Market Fund-Direct Plan-Growth Option	19,455	60	-	-
	Kotak Liquid Scheme- Direct Plan-Growth Option ***	483	21	1,094	46
	Reliance Fixed Horizon Fund - XXXV - Series 14	-	-	50,00,000	634
	SBI Liquid Fund - Direct Growth	-	-	6,208	200
	SBI Overnight Fund - Direct Growth	290	10	-	-
	SBI Saving Fund - Direct Plan Growth Option	6,38,723	228	-	-
	Total - Current Investments (b)	**-**	**393**	**-**	**1,585**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	Units	Amount	Units	Amount
Aggregate amount of total investments(a+b)		2,440		3,650
Aggregate provision for diminution in value of unquoted investments		-		-

* Represents investment earmarked for Investor Service Fund

** Represents Investment earmarked for Regulatory fee forgone by SEBI

*** Represents investment earmarked for Base Minimum Capital (BMC)

Note1- Cost of quoted investments in Bonds is ₹. 1,861 Lakhs

9. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
a) Trade Receivables considered good - Secured*	363	548
b) Trade Receivables considered good - Unsecured	196	249
c) Trade Receivables which have significant increase in Credit Risk	-	-
d) Trade Receivables - credit impaired	-	-
	559	**797**
Less: Expected credit loss allowance	-	-
Total	**559**	**797**

* Secured by deposits received from members

Trade Receivables Ageing as at March 31, 2022

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	416	18	9	92	25	559
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Sub Total	416	18	9	92	25	559
Less : Allowance for bad and doubtful debts	-	-	-	-	-	-
Total	**416**	**18**	**9**	**92**	**25**	**559**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Trade Receivables Ageing as at March 31, 2021

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	659	15	98	3	22	797
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables –credit impaired	-	-	-	-	-	-
Sub Total	659	15	98	3	22	797
Less : Allowance for bad and doubtful debts	-	-	-	-	-	-
Total	**659**	**15**	**98**	**3**	**22**	**797**

10. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash in hand	-	-
Balances with bank		
In current accounts - Refer Note 1	180	1,016
Deposits with original maturity of three months or less- Refer Note 2	4,291	2,542
Total	**4,471**	**3,558**

Note-1 Includes ₹ 78 Lakhs (March 31, 2021 ₹ 66 Lakhs) towards unpaid dividend - Refer note 12 (d)
Includes ₹ 0.18 Lakhs (March 31, 2021 : ₹ 0.06 Lakhs) for Investor Service Fund.
Includes ₹ 65 Lakhs (March 31, 2021 ₹ 66 Lakhs) represents earmarked for Base Minimum Capital.

Note-2 Includes Fixed Deposits of ₹ 398 Lakhs (March 31, 2021 : ₹ NIL) pledged with Banks for Overdraft facilities
Includes ₹ 470 Lakhs (March 31, 2021 ₹ 339 Lakhs) represents deposit earmarked for Base Minimum Capital.
Includes ₹10 Lakhs (March 31, 2021 ₹ 31 Lakhs) represents deposit earmarked for SAT order

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Deposits with maturity for more than 3 months but less than 12 months	4,586	5,908
Total	**4,586**	**5,908**

Note-1 Includes Fixed Deposits of ₹ NIL Lakhs (March 31, 2021 : ₹ 195 Lakhs) pledged with Banks for Overdraft facilities
Includes ₹ 1262 Lakhs (March 31, 2021 ₹ 1239 Lakhs) represents deposit earmarked for Base Minimum Capital.
Includes ₹ 22 Lakhs (March 31, 2021 ₹ 2 Lakhs) represents deposit earmarked for SAT order.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

12. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized		
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, 2022		March 31, 2021	
	No. of Shares	(` in Lakhs)	No. of Shares	(` in Lakhs)
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.

Equity Shares of ₹ 10 each fully paid	March 31, 2022		March 31, 2021	
	No. of Shares	(` in Lakhs)	No. of Shares	(` in Lakhs)
At the beginning of the year	7,00,00,000	7,000	7,00,00,000	7,000
Conversion of Preference share into equity share capital	-	-	-	-
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.

d. Details of shareholders holding more than 5% share in the Exchange

	As at March 31, 2022		As at March 31, 2021	
	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 letters dated May 23, 2019 and February 05, 2020 and thereafter vide 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, namely, Indian Farmers Fertilizer Cooperative Limited (IFFCO) and Oman India Joint Investment Fund (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. (Thereafter, SEBI vide e-mails dated April 19, 2021, December 14, 2021 and February 10, 2022, further extended the timelines to comply with shareholding requirement as per SECC Regulations, 2018, by the said shareholders till December 31, 2022.)

e. Shareholding of promoter

Shares held by promoters at March 31, 2022

Particulars	No. of Shares	% of total shares	% change during the year
Promoter			
NA			
Promoter Group	-	-	-
NA			

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, 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**
Addition in current period	-	-	(1,376)	-	(1,376)
Items of Other Comprehensive Income for the period, net of tax					
Remeasurement benefit of defined benefit plans	-	-	(44)	-	(44)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	3	3
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	(253)	-	(253)
Balance as at March 31, 2022	**13,956**	**1,110**	**20,374**	**118**	**35,558**

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 utilized in accordance with the provisions of section 52 of the Companies Act, 2013.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 recognized 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.

14. PROVISIONS

(₹ in Lakhs)

Particulars	Non Current	Non Current	Current	Current
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Employee benefits obligation				
a) Provision for gratuity	108	56	100	85
b) Provision for leave encashment	46	47	18	17
Total	**154**	**103**	**118**	**102**

15. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets components		
Employee benefits	71	53
Financial assets at fair value through OCI	-	-
Unabsorbed loss including unabsorbed depreciation	2,764	2,361
Deferred tax assets on SEBI Regulatory Fees	15	14
Deferred tax assets on ISF liabilities	20	19
MAT Credit Entitlement	206	206
Cumulative catch-up lease accounting Ind AS 116	2	24
Gross deferred tax asset	**3,077**	**2,677**
Deferred tax liabilities components		
Depreciation and amortization	395	465
Financial assets at fair value through P&L	2	36
Financial assets at fair value through OCI	14	34
Rent Expenses IND AS 116	15	7
Gross deferred tax liabilities	**426**	**542**
Net deferred tax asset/(liability)	**2,652**	**2,135**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

16. DEPOSITS

(₹ in Lakhs)

Particulars	Non Current	Non Current	Current	Current
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Base Minimum Capital	924	973	865	849
Deposit from members	-	-	2,670	2,932
Total	**924**	**973**	**3,535**	**3,781**

17. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Total outstanding due of micro and small enterprises	15	8
b) Total outstanding dues of creditors other than micro and small enterprises	843	827
Total	**858**	**835**

Trade Payable Ageing as at March 31, 2022

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	15	-	-	-	-	15
Others	809	31	3	-	-	843
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - others		-	-	-	-	-
	824	**31**	**3**	**-**	**-**	**858**

Trade Payable Ageing as at March 31, 2021

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	8	-	-	-	-	8
Others	810	2	15	-	-	827
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - others	-	-	-	-	-	-
	818	**2**	**15**	**-**	**-**	**835**

18. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	Non Current	Non Current	Current	Current
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a) Payable towards purchase of PPE / Intangible Assets	-	-	39	345
b) Dues to members	-	-	421	534
c) Other payable	94	143	387	274
d) Interest payable to MSME	-	-	2	2
	94	**143**	**849**	**1,155**
e) Lease Liabilities	965	95	257	464
Total	**1,059**	**238**	**1,106**	**1,619**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

19. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Revenue received in advance	313	335
b) SEBI turnover and regulatory fees payable	57	55
c) Investor protection fund*	131	190
d) Investor Service fund	76	73
e) Statutory dues payable	260	328
f) Unpaid dividend (Refer Note 12(d))	78	66
g) Others	16	19
Total	**931**	**1,066**

* Includes ₹ 19 Lakhs (March 31, 2021 : ₹ 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) Private Limited 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.

20. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of services		
Transaction charges	4,606	3,117
Annual subscription fees	103	118
Admission fees	5	16
Warehouse charges	16	10
Data, Analytics and Technology Sales	375	376
Other Operating Revenues		
Computer to computer link charges	33	40
Port charges	67	82
Total	**5,205**	**3,759**

21. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Other non-operating income		
Interest on Bank deposits	563	694
Interest on Bonds	130	129
Interest on Income Tax Refund	549	324
Interest on advance given to subsidiaries	-	13
Interest on financial asset measured at amortized cost	9	11
Dividend Income	532	178
Profit on sale / Fair Value of Mutual funds	41	72
Profit on lease rent concession	-	20
Profit on Lease termination	48	-
Exchange charges	29	30
Recovery of charges from subsidiaries	640	747
Profit on sale/scrap of PPE (net)	3	16
Leaseline charges income	260	273
Others (miscellaneous income)	51	57
Total	**2,855**	**2,565**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

22. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, bonus and allowances	3,256	2,985
Contribution to Provident and other funds	290	233
Staff welfare expenses	99	68
Total	**3,645**	**3,286**

23. FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liability	107	68
Total	**107**	**68**

24. DEPRECIATION & AMORTIZATION EXPENSE

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation	425	406
Amortization	718	629
Amortization of right to use assets	305	538
Total	**1,448**	**1,573**

25. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Technology Expenses	2,950	2,829
Legal and Professional Charges	319	285
Electricity Charges	201	258
Polling Expenses	196	196
Research Expenses	143	111
Repairs and Maintenance	101	110
Directors Sitting Fees	90	179
Committee Sitting Fees	22	21
Travelling and Conveyance Expenses	76	46
Liquidity Enhancement Scheme expenses	74	-
Insurance Expenses	62	62
SEBI Regulatory Fees	51	55
Rent	48	25
Contribution to Investor Protection Fund	46	33
Contribution to Investor Service Fund	47	35
Security Charges	36	41
Advertisement and Publicity	31	49
Corporate social responsibility expenses	25	26
Printing and stationery	23	8
Communication Expenses	22	25
Recruitment Expenses	16	103
Books Periodicals & Subscription	12	11

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Payment to Auditors		
- As Auditors	16	17
- For other services	4	3
- For reimbursement of expenses	1	-
Bad Debts	1	1
IPO expenses* (also refer note 42)	5	101
Rates & Taxes	3	1
Other Expenses	95	90
Total	**4,716**	**4,721**

* IPO expenses includes 25% of ₹ 17.25 Lakhs paid to statutory auditors in FY 2020-21.

26. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Exceptional Items		
Provision for diminution in value of Investment (Refer Note 44)	-	(34)
Total	**-**	**(34)**

27. CURRENT AND DEFERRED TAX

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	-	-
Deferred Tax	(480)	(870)
Total	**(480)**	**(870)**

28. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit / (Loss) after tax as per Statement of Profit and Loss	(1,376)	(2,488)
Less: Preference dividend and tax thereon	-	-
Net Profit for calculation of EPS **(A)**	(1,376)	(2,488)
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)	(2.72)	(4.91)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of equity shares for calculating EPS	5,06,76,000	5,06,76,000

29. During the year, Exchange has recognized 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 recognized 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, 2022	For the year ended March 31, 2021
Employer’s Contribution to Provident Fund	137	113

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:

(₹ in Lakhs)

Actuarial assumptions	Gratuity (funded)	
	As at March 31, 2022	As at March 31, 2021
Expected Rate of Return on plan assets	5.66%	5.58%
Discount rate (per annum)	5.66%	5.58%
Rate of increase in Compensation levels	8.00% p.a. for the next 3 years, 6.00% p.a. for the next 5 years, starting from the 4th year 5.00% p.a. thereafter, starting from the 9th year	8.00% p.a. for the next 4 years, 6.00% p.a. for the next 5 years, starting from the 5th year 5.00% p.a. thereafter, starting from the 10th year
Rate of Employee turnover	25.00%	20.00%
Mortality Rate during Employment	Indian Assured Lives Mortality (FY 2012-14) Ult	Indian Assured Lives Mortality (FY 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, 2022	As at March 31, 2021
Present value of obligation as at the beginning of the year	354	325
(Liability Transferred In / Acquisitions)	-	-
(Liability Transferred Out / Divestments)	-	-
Interest Cost	20	19
Current Service Cost	48	48
Benefits paid	(29)	(23)
Actuarial (gain) / loss on obligations	61	(15)
Present value of obligation as at the end of the year	**454**	**354**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Table showing changes in the fair value of plan assets :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at beginning of the year	213	150
(Liability Transferred In / Acquisitions)	-	-
(Assets Transferred Out / Divestments)	-	-
Interest income	12	8
Employer contribution	48	77
Benefits paid	(29)	(23)
Return on Plan Assets, Excluding Interest Income	2	1
Fair value of plan assets at year end	**246**	**213**

The amounts to be recognized in Balance Sheet :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation as at the end of the year	(454)	(354)
Fair value of plan assets as at the end of the year	246	213
Funded Status (Surplus / (Deficit))	(208)	(141)
Unrecognized actuarial (gains) / losses	-	-
Net asset / (liability) recognized in Balance Sheet	**(208)**	**(141)**

Expenses recognized in Statement of Profit and Loss :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	48	48
Past service cost (Vested Benefit)	-	-
Net Interest Income	8	11
Expected return on plan assets	-	-
Curtailment and settlement cost / (credit)	-	-
Expenses recognized in the Statement of Profit and Loss	**56**	**59**

Expenses recognized in Other Comprehensive Income :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (Gains) / Losses on Obligation for the year	61	(15)
Return on Plan Assets, excluding Interest Income	(2)	(1)
Change in Asset Ceiling	-	-
Net (Income) / Expense For the year Recognized in Other Comprehensive Income	**59**	**(16)**

Maturity profile of defined benefit obligation :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Projected benefits payable in future years from the date of reporting		
1st Following year	102	66
2nd Following year	85	55
3rd Following year	72	51
4th Following year	61	45
5th Following year	52	40
Sum of Years 6 to 10	135	132
Sum of Years 11 and above	43	73

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Investment Details :

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ in Lakhs)

Particulars	Gratuity	
	As at March 31, 2022	As at March 31, 2021
Investments with insurance fund	100%	100%

Sensitivity :

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Gratuity	Change in Assumption	For the year ended March 31, 2022		For the year ended March 31, 2021	
		Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1% / -1%	(13)	14	(13)	14
Salary Escalation Rate	+1% / -1%	13	(13)	14	(13)
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 defined 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 defined 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 defined benefit obligation as recognized 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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, 2022	As at March 31, 2021
a.	Principal amount remaining unpaid to any supplier as at the year end	15	8
	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 dizallowance 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, 2022	As at March 31, 2021
(i)	On account of Income taxes (Refer Note 1 below)	1,821	1,983
(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)	2,278	814

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note 1

(₹ in Lakhs)

Particulars	Assessment Year	As at March 31, 2022	As at March 31, 2021	Forum before which case is pending
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	FY 2007-08	171	171	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	FY20 08-09	113	113	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	FY 2010-11	-	162	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	FY20 11-12	123	123	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	FY 2012-13	224	224	CIT
Disallowance u/s 14A	FY 2013-14	6	6	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	FY 2013-14	162	162	CIT
Disallowance u/s 14A	FY 2014-15	9	9	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	FY 2014-15	65	65	CIT
Disallowance u/s 14A	FY 2016-17	11	11	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	FY 2016-17	269	269	CIT
Other disallowances	FY 2016-17	131	131	CIT
Disallowance u/s 14A	FY 2017-18	29	29	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	FY 2017-18	287	287	CIT
Other disallowances	FY 2017-18	2	2	CIT
Disallowance u/s 14A	FY 2018-19	28	28	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	FY 2018-19	191	191	CIT
Total		**1,821**	**1,983**	

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 01, 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 non-payment 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.

The Exchange has received adverse order on the issue of Inadmissible Cenvat credit as per rule 6(3)(i) of the Cenvat Credit Rule ,2004 amounting to ₹ 1464.33 Lakhs along with interest u/s 75 & Penalty u/s 78, as per Finance Act-1994. The Exchange is in the process of filing an appeal with CESTAT against the same & the Company will deposit the amount @7.5% of the of the tax liability at the time of filing an appeal with CESTAT.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(b) Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	74	29

(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 Crores by September 2021. The current Core SGF balance as at March 31, 2022 is ₹ 225.25 Crores (March 31, 2021 ₹ 211.90 Crores) . Accordingly, NCCL was required to have the Core SGF of ₹ 250.00 Crores as on September 30, 2021, for which NCCL, vide its letter dated September 2, 2021 to SEBI, sought an extension of time till March 31, 2022. SEBI has vide it's letter dated September 13, 2021 granted an extension of time to increase the Core SGF till March 31, 2022. Further, NCCL vide its letter dated February 2, 2022 to SEBI, sought an extension of time till March 31, 2023. SEBI has vide it's letter dated March 08, 2022 granted an extension of time to increase the Core SGF till December 31, 2022.

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 made a profit of ₹ 11 Lakhs for the year ended March 31, 2022 and accumulated losses as on March 31, 2022 is ₹ 207 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, 2022, 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, 2022 the balance stock of Pepper pending at various stages of release under the custody of FSSAI is approximately 1166 MT.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (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 (upto April 18, 2021)
	Mr. Ashish Bahuguna (Public Interest Director and Chairman) (W.e.f. June 15, 2020 and W.e.f August 13, 2021)
	Dr. Purvi Mehta (Public Interest Director) (W.e.f. January 11, 2018)
	Dr. Ashok Gulati (Public Interest Director) (upto January 03, 2022)
	Mr. Ravindra Kumar Roye (Public Interest Director and chairman) (Upto June 14, 2020 and upto May 03, 2020 respectively)
	Mr. Bhaskaran Nayar Venugopal (Shareholder Director) (re-appointed with effect from September 27, 2021)
	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) (upto April 13, 2021)
	Mr. Prem Kumar Malhotra (Public Interest Director) (re-appointed with effect from August 09, 2021)
	Mr. Venkat Nageswar Chalasani (Public Interest Director) (with effect from May 1, 2021)
	Mr. Chaman Kumar ((Public Interest Director and chairman) (W.e.f. April 10, 2018 and May 04, 2020 respectively up to April 10, 2021)
	Mr. Hemant Adarkar (Public Interest Director) (W.e.f. April 13, 2021)
	Mr. R. Amalorpavanathan (Public Interest Director) (with effect from January 03, 2022)
	Mr. Arun Raste (Managing Director and Chief Executive Officer) (w.e.f. June 7,2021)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(ii). Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at March 31, 2022 are as under:

(₹ in lakhs)

Particulars	Subsidiaries								Associates		Key Managerial Personnel					
	NeML		NICR		NERL		NCCL		PXIL		Vijay Kumar V.		Arun Raste		Directors	
	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21
Remuneration*	-	-	-	-	-	-	-	-	-	-	4	157	161	-	-	-
Recovery of expenses	26	41	120	99	48	79	439	524	-	-	-	-	-	-	-	-
Expenses paid on behalf of subsidiaries/ associates			-	8	-	0	-	-	-	-	-	-	-	-	-	-
Expenses paid by subsidiaries / associates on NCDEX behalf	-	-	-	-	-	-	0.04	0	-	-	-	-	-	-	-	-
Rent paid	21	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Research expenses paid to subsidiaries	-	-	143	108	-	-	-	-	-	-	-	-	-	-	-	-
Investment in equity shares	-	-	-	-	-	-	-	575	-	-	-	-	-	-	-	-
Income collected by subsidiaries on NCDEX behalf	-	-	-	-	2	-	3.54	60	-	-	-	-	-	-	-	-
Interest income	-	-	-	13	-	-	-	-	-	-	-	-	-	-	-	-
Transfer of leasehold improvements from Subsidiaries							7.80									
Sitting fees paid to directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90	179
Loan conversion to Equity	-	-	-	203	-	-	-	-	-	-	-	-	-	-	-	-
Provision for dimunition in value of investment	-	-	-	34	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Income	532	178	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of NCDEX dues from Members deposit with subsidiaries	-	-	-	-	-	-	24	30	-	-	-	-	-	-	-	-
Amount paid towards FPO subsidy	-	-	-	-	-	-	-	83	-	-	-	-	-	-	-	-
Paid for loss, incurred during the liquidation of member open position	-	-	-	-	-	-	-	11	-	-	-	-	-	-	-	-

Note

* Remuneration to Mr. Vijaykumar V for FY 2021-22 includes ₹ 8.31 Lakhs paid towards Gratuity directly from NCDEX Employees Gratuity Cum Life Insurance Scheme

(₹ in lakhs)

Balance outstanding at the year end	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-21	Mar-20	Mar-22	Mar-21
Investments in equity shares	3,550	3,550	207	207	5,445	5,445	12,460	12,460	2,000	2,000	-	-	-	-	-	-
Investments in preference shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for diminution in the value of investment	-	-	207	207	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision for advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	38	24	38	43	10	28	261	360	-	-	-	-	-	-	-	-
Trade payables / Other payable	1	11	-	-	-	-	(0)	16	-	-	43	78	46	-	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (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 has voluntarily spent ₹ 25 Lakhs during the year ended March 31, 2022 (March 31, 2021 : ₹ 26 Lakhs)

(₹ 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, 2022	For the year ended March 31, 2021
Seed Grader, Gravity Separator, Bucket Elevator, Extra Screen Set, Conveyor and Cumin Munch Cutter Machine	Support RIs/POPIs and their FPCs through Seed graders and grain assaying kits	Produce quality	25	-
Seed graders and grain assaying kits	Support RIs/POPIs and their FPCs through Seed graders and grain assaying kits	Produce quality	-	26

36. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

i **Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii **Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iii **Relationship with struck off companies**

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iv **Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

v **Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vi **Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

vii **Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

viii **Valuation of PP&E, intangible asset and investment property**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

ix Utilization of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwize, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

37. DISCLOSURE OF FINANCIAL RATIOS

(₹ in Lakhs)

Sr No.	Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Variance	Explanation for Variance above 25%
1	Current Ratio (In times)	Total current assets	Total current liabilities	2.33	2.35	-1%	
2	Debt-Equity Ratio (In times)	Debts consisting of borrowings and lease liabilities	Total equity	0.03	0.01	128%	Higher lease liability was recognized on account of lease renewal.
3	Debt Service Coverage Ratio (In times)	Earning for Debt service=Net Profit after taxes+Non-cash operating expenses+Interest+other non-cash adjustments	Debt service= Interest and lease payments+Principal payments	0.51	-1.30	-140%	Revenue growth has resulted in improvement in profitability & hence an improvement in the ratio
4	Return on Equity Ratio (in %)	Profit for the year less preference dividend (if any)	Average Total equity	-3%	-6%	-42%	Revenue growth has resulted in improvement in profitability & hence an improvement in the ratio
5	Inventory Turnover ratio	Cost of goods sold or sales	Average Inventory	NA	NA	NA	
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	7.68	5.40	42%	Revenue growth along with efficient debtors realization has resulted in an improvement in the ratio
7	Trade payables turnover ratio (in times)	Other Expenses + Lease Payments +Staff welfare exp	Average trade payables	6.10	5.56	10%	
8	Net Capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e Total current assets less Total current liabilities)	0.60	0.38	60%	Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	-26%	-66%	60%	Revenue growth along with cost management has resulted in an improvement in the ratio
10	Return on capital employed (in %)	Profit before tax and finance costs	Capital Employed = Networth+lease liabilities+Deferred tax liabilities	-4%	-8%	45%	Revenue growth has resulted in improvement in profitability & hence an improvement in the ratio
11(a)	Return of FD Investement			5.5%	6.9%	-21%	
11(b)	Return on Liquid			3.5%	3.6%	-2%	
	Return on FMP Growth Income			4.1%	7.6%	-46%	Due to mark to market
11(c)	Return on Bond Investments			7.0%	6.9%	0.4%	

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

38. 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, 2022						
Deposits	16	4,459	3,535	-	924	4,459
Trade payables	17	858	-	858	-	858
Lease Liabilities	40	1,222	-	257	965	1,222
Other financial liabilities	18	943	-	943	-	943
		7,482	**3,535**	**2,058**	**1,889**	**7,482**
As at March 31, 2021						
Deposits	16	4,754	3,781	-	973	4,754
Trade payables	17	835	-	835	-	835
Lease Liabilities	40	559	-	464	95	559
Other financial liabilities	18	1,298	-	1,298	-	-
		7,446	**3,781**	**2,597**	**1,068**	**7,446**

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 ₹ 560 Lakhs (March 31, 2021 ₹ 797 Lakhs), the receivable amounting to ₹ 138 Lakhs (March 31, 2021 ₹ 85 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, 2022 and for the year ended March 31, 2021.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 realize 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's 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.

39. 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.

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, 2022	As at March 31, 2021
1) Financial Assets			
Financial assets measured at fair value through profit or loss			
A) Investment in Mutual Funds	Level 1	393	1,585
Financial assets measured at fair value through other comprehensive income			
A) Investment in Bonds	Level 1	2,047	2,065
Financial assets measured at Amortized Cost			
A) Bank deposits		5,343	6,602
B) Trade receivables		559	797
C) Cash and Cash equivalents		4,471	3,558
D) Other Financial Asset		1,226	1,451
Total financial assets		**14,039**	**16,058**
2) Financial liabilities			
Financial liabilities measured at Amortized Cost			
A) Deposits from members		4,459	5,254
B) Trade payables		858	1,114
C) Lease Liabilities		1,222	1,047
D) Other Financial liabilities		943	1,006
Total Financial liabilities		**7,482**	**8,421**

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.

40. LEASES

1 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.

2 The weighted average incremental borrowing rate applied to lease liabilities is 8.38%.

3 Following are the changes in the carrying value of right to use assets for the year ended March 31, 2022.

(₹ in Lakhs)

Particulars	Category of Right to use Assets		Total
	Office Space	Guest House	
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**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	Category of Right to use Assets		Total
	Office Space	Guest House	
Balance as of April 1, 2021	**518**	**-**	**518**
Additions	1,395	-	1,395
Deletions	406	-	406
Depreciation	306	-	306
Balance as of March 31, 2022	**1,201**	**-**	**1,201**

4 The following is the break-up of current and non-current lease liabilities as of March 31, 2022

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Lease liabilities	257	464
Non-current lease liabilities	965	95
Total	**1,222**	**559**

5 The following is the movement in lease liabilities during the year ended March 31, 2022 :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	559	1,047
Additions	1,342	115
Deletions	438	45
Finance cost accrued during the year	107	68
Payment of lease liabilities	348	626
Balance as at end of the year	**1,222**	**559**

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, 2022	For the year ended March 31, 2021
Profit before income taxes	(1,856)	(3,358)
Enacted tax rates in India (%)	26.00	26.00
Computed expected tax expense	(483)	(873)
Tax impact on depreciation	48	32
Tax impact due to non-deductible expenses for tax purposes	51	0
Tax impact on exempt income	(34)	(34)
Capital gain taxed at different rate & Other Income (Net of business losses)	34	(12)
Other Income (Net of business losses)	-	-
Deferred tax expense	(131)	42
Income tax expense	**(515)**	**(845)**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

b The following table provides the details of income tax assets and income tax liabilities as of March 31, 2022

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax assets	9,576	9,312
Income tax liabilities	7,654	7,654
Net Non current income tax assets / (liability) at the end	**1,922**	**1,658**

c The gross movement in the current income tax asset / (liability) for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Net current income tax asset/ (liability) at the beginning	1,658	4,071
Add:-Income tax paid	267	308
Less:-Additional Refund Received	(3)	(2,721)
Less:-Provision for income tax	-	-
Net current income tax asset/ (liability) at the end	**1,922**	**1,658**

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, 2020	**58**	**11**	**206**	**24**	**1,503**	**32**	**1,834**
Charged/(credited)							
- to profit or loss	(9)	-	-	-	859	1	851
- to other comprehensive income	4	(11)	-	-	-	-	(7)
- Retained Earning	-	-	-	-	-	-	-
As at March 31, 2021	**53**	**-**	**206**	**24**	**2,362**	**33**	**2,678**
Charged/(credited)							
- to profit or loss	33		-	(22)	402	1	414
- to other comprehensive income	(15)	-	-	-	-	-	(15)
- Retained Earning	-	-	-		-	-	-
As at March 31, 2022	**71**	**-**	**206**	**2**	**2,764**	**34**	**3,077**

NOTES TO STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (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	Lease	Total
As at March 31, 2020	**499**	**30**	**15**	**-**	**544**
Charged/(credited)					
- to profit or loss	(34)	6	-	7	(21)
- to other comprehensive income	-	-	18	-	18
As at March 31, 2021	**465**	**36**	**34**	**7**	**542**
Charged/(credited)					
- to profit or loss	(69)	(34)	-	7	(96)
- to other comprehensive income	-	-	(21)	-	(21)
As at March 31, 2022	**395**	**2**	**14**	**15**	**426**

42. TAX RECONCILIATION

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 debited to statement of profit and loss account amounting to ₹ 4.68 Lakhs (March 31,2021 ₹ 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 Organization has declared the same as a pandemic. During the financial year 2021-22, 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 FY 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 additional provision of diminution in value of investment in NICR ₹ 34 Lakhs during FY 2020-21.

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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

46. The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on September 28, 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. During the year ended March 31, 2022, The Board of Directors at its meeting held on May 20, 2022 has recommended a payment of dividend of ₹ 0.50 per equity shares of ₹ 10/- each.

48. Previous year figures have been regrouped / reclassified wherever necessary to conform 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 : May 20, 2022

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
Chairman
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' or 'the Group'), its associate companies and jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss (including other comprehensive loss), 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 entity as at March 31, 2022, 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 entity 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, 2022, 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 entity 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associates and jointly controlled entity are responsible for assessing the ability of the Group and its associates and jointly controlled entity 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 Company 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.

Materiality is the magnitude of the misstatements in the consolidated financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

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) We did not audit the financial statements of three subsidiary companies whose financial statements reflect total assets of ₹ 50,261 Lakhs as at March 31, 2022, total revenues of ₹_ 4,425 Lakhs and net cash outflows amounting to ₹ 11,100 Lakhs for the year ended on that date, as considered in the consolidated financial statements 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.

2) The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 18 Lakhs for the year ended March 31, 2022, in respect of one jointly controlled entity of a subsidiary. The financial statements / financial information of this step down jointly controlled entity is unaudited and have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entity is based solely on such unaudited financial statements

3) In respect of Rashtriya e Market Services Private Limited ('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 ended March 31, 2022, of ReMSPL is ₹ 34 Lakhs. Therefore, the financial impact on the consolidated financial statements for the year ended March 31, 2022, is ₹ 17 Lakhs (50% of ₹ 34 Lakhs) exclusive of interest and other imposition, if any. The cumulative financial impact as on March 31, 2022, if any, due to applicability of GST on the consolidated financial statements is ₹ 915 Lakhs (50% of ₹ 1830 Lakhs) exclusive of interest and other impositions, if any.

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.

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, its associate and jointly controlled entity, 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, 2022, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate Company, none of the directors of the Group companies, is disqualified as on March 31, 2022 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 Group 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 Group 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 Group.

(iv) (a) The respective managements of the Holding Company, its subsidiaries, associate Company whose financial statements are audited under the Act, has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the Holding Company, its subsidiaries, associate Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective managements of the Holding Company, its subsidiaries, associate Company whose financial statements are audited under the Act, has represented to us that to the best of its knowledge and belief, no funds have been received by the Holding Company, its subsidiaries, associate Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) In our opinion and based on the audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The final dividend proposed in the previous year, declared and paid by the Holding Company and its subsidiaries during the year is in accordance with Section 123 of the Act.

(vi) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by the auditors of the Company's subsidiary, whose reports have been furnished to us by the Management and included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in those CARO reports. Since the financial statement of the jointly controlled entity (Rashtriya E Market Services Private Limited) is unaudited, we are unable to report on the same.

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

Sachin A. Negandhi
Partner
Membership No: 112888
UDIN: 22112888AJIGRQ9465

Place: Mumbai
Date: May 20, 2022

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, 2022, 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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 Company'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 Company'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 Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 2022, 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

(i) 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, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

(ii) Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements does not include the reporting of jointly controlled entity whose financial statements are unaudited.

Our opinion is not modified in respect of these matters

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

Sachin A. Negandhi
Partner
Membership No: 112888
UDIN: 22112888AJIGRQ9465

Place: Mumbai
Date: May 20, 2022

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	1,012	1,267
Right to use assets	51	2,030	853
Intangible assets	3	4,465	4,908
Intangible assets under development	3	624	753
Financial assets			
- Investments	4	4,581	3,654
- Bank balances	5(a)	7,241	2,981
- Others	5(b)	361	528
Deferred tax assets (net)	16	3,048	2,366
Other non-current assets	7	50	43
Total non-current assets		**23,412**	**17,353**
Current Assets			
Financial assets			
- Investments	8	3,630	7,917
- Trade receivables	9	2,891	3,142
- Cash and cash equivalents	10	11,618	25,294
- Bank balances other than cash and cash equivalents	11	43,733	46,571
- Others	5(b)	3,039	2,842
Income tax assets (net)	6	2,422	1,796
Other current assets	7	2,389	2,505
Total current assets		**69,722**	**90,067**
TOTAL ASSETS		**93,134**	**107,420**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	5,068	5,068
Other equity	13	45,535	45,607
Equity attributable to Owners		**50,603**	**50,675**
Non Controlling Interest	13	2,001	2,092
Total Equity		**52,604**	**52,767**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
- Deposits	14	931	986
- Lease Liabilities	14	1,622	327
- Other Financial liabilities	14	169	211
Provisions	15	556	478
Total non-current liabilities		**3,278**	**2,002**
Current Liabilities			
Financial liabilities			
- Deposits	17	22,960	45,014
- Trade payable			
Total Outstanding dues of micro enterprises and small enterprises	18	96	33
Total Outstanding dues of other than micro enterprises and small enterprises	18	1,057	1,146
- Lease Liabilities	19	465	610
- Other Financial liabilities	19	10,367	3,486
Other current liabilities	20	2,119	2,190
Provisions	15	188	171
Total current liabilities		**37,252**	**52,650**
TOTAL LIABILITIES		**40,530**	**54,653**
TOTAL EQUITY AND LIABILITIES		**93,134**	**107,420**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the consolidated 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 : May 20, 2022

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
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME			
Revenue from operations	21	11,533	11,279
Other Income	22	3,904	3,611
Total Income		**15,437**	**14,890**
EXPENSE			
Employee benefits expense	23	8,135	7,226
Finance cost	24	188	102
Depreciation & amortization expense	25	2,424	2,478
Other expenses	26	6,942	7,460
Total expenses		**17,689**	**17,267**
Profit / (loss) before share of Net profit of Joint venture, exceptional items and income tax		**(2,252)**	**(2,376)**
Add : Exceptional items	27	-	(104)
Profit / (Loss) before share of Net profit of Joint venture and income tax		**(2,252)**	**(2,480)**
Share of net profit from Joint venture and associate accounted for using equity method	42	564	369
Profit / (Loss) before tax		**(1,688)**	**(2,111)**
TAX EXPENSE			
Current tax	28	184	366
Deferred tax (credit)	28	(645)	(1,014)
Profit / (Loss) for the year (A)		**(1,226)**	**(1,463)**
Other comprehensive Income (OCI) :			
Items that will not be reclassified to the Statement of profit and loss;			
(i) Changes in revaluation surplus;			
Remeasurement of post-employment benefit obligations		(58)	(2)
Income tax impact on above		15	1
Share of OCI from Joint venture accounted for using equity method		0	(2)
Item that will be reclassified to the Statement of profit and loss;			
(i) Exchange differnces in translating to financial statements of a foreign operation;			
Debt instruments through Other Comprehensive Income		(18)	83
Income tax impact on above		2	(20)
Previous year Income tax impact		19	-
Other comprehensive income for the year net of tax (B)		**(40)**	**60**
Total comprehensive income for the year (A+B)		**(1,266)**	**(1,403)**
Profit attributable to:			
Owners of the Parent Company		(1,137)	(1,285)
Non-controlling interests		(89)	(178)
Other comprehensive income attributable to:			
Owners of the Parent Company		(38)	59
Non-controlling interests		(2)	1
Total comprehensive income for the year attributable to:			
Owners of the Parent Company		(1,175)	(1,226)
Non-controlling interests		(91)	(177)
Earnings per share attributable to the equity holders of the Parent Company			
Earnings per share (Face value of ₹ 10 each)			
(1) Basic (₹)		(2.24)	(2.54)
(2) Diluted (₹)		(2.24)	(2.54)
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the consolidated 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 : May 20, 2022

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
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

CONSOLIDATED CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash flow from operating activities			
Profit before tax		(1,688)	(2,111)
Adjustments for:			
Depreciation & amortization		2,424	2,478
Provision no longer required		(10)	(6)
(Profit) / Loss on sale / scrap of fixed assets (net)		(1)	(16)
(Profit) / Loss on sale of investments		(271)	(206)
(Profit) / Loss on sale of fixed asset		-	1
Interest income		(2,570)	(2,619)
Share of profit from Joint venture and associate		(564)	(367)
Utilization from Investor Service fund		-	(31)
Contribution to Core SGF by Settlement Penalties		231	285
Interest on lease liabilities		186	102
Margin elimination associates		-	13
Employee stock option cost		12	0
Profit on lease rent concession/ termination		(94)	(20)
Expected credit loss		92	9
Sundry balances written off		(35)	-
Provision for Impairment on Fixed Asset (Software)		-	5
Operating profit before working capital changes		**(2,288)**	**(2,483)**
Movements in working capital:			
Decrease / (Increase) in trade receivables		128	74
Decrease / (Increase) in other current assets		165	(78)
Decrease / (Increase) in other current financial assets		(11)	-
Decrease / (Increase) in other non current assets		(6)	10
Decrease / (Increase) other non current financial assets		-	1
Decrease / (Increase) other financial assets		250	(242)
Increase / (Decrease) in non - current financial liabilities		(6)	153
Increase / (Decrease) in long term provision		69	124
Increase / (Decrease) in trade payables		(496)	(280)
Increase / (Decrease) in financial liabilities		(14,841)	8,458
Increase / (Decrease) in other current liabilities		(54)	716
Decrease / (Increase) in Deposits		(166)	-
Cash generated / (used) from operations		(17,256)	6,453
Direct taxes (paid) / refund (net)		(804)	2,915
Net cash generated / (used) in operating activities	**(A)**	**(18,059)**	**9,368**
B. Cash flows from investing activities			
Purchase of fixed assets, including intangible assets, CWIP and capital advances		(1,439)	(1,260)
Proceeds from sale / disposal of fixed assets		103	17
Purchase of current investments		(143,389)	(265,487)
Proceeds from sale of current investments		147,930	263,407
Dividend Received from joint venture entity		-	100
Interest received		3,784	3,833
Investment in fixed deposits (original maturity of more than three months)		(576,814)	(255,036)
Redemption/Maturity of fixed deposits (original maturity of more than three months)		575,402	259,261
Investment in Bonds		(370)	-
\Net cash generated / (used) in investing activities	**(B)**	**5,207**	**4,835**

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
C. Cash Flows from financing activities			
Proceeds from issuance of shares		3	6
Dividend paid		(242)	(188)
Repayment of lease Liabilities		(617)	(800)
Share application money pending allotment		31	-
Net cash generated / (used) from financing activities	**(C)**	**(826)**	**(982)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**(13,678)**	**13,221**
Cash and cash equivalents at the beginning of the year		**25,294**	**12,073**
Cash and cash equivalents at the end of the year		**11,616**	**25,294**
Components of cash and cash equivalents (Refer note - 10)			
Cash and cheques on hand		-	-
With Banks			
- on current accounts (Note-1)		1,847	3,949
- on fixed deposits (Original maturity being three months or less) (Note-2)		8,166	17,335
Investments in mutual funds (Highly Liquid Funds)		1,605	4,010
Total		**11,618**	**25,294**

Note-1 i) Includes ₹ 78 Lakhs (March 31, 2021 ₹ 66 Lakhs) towards unpaid dividend
ii) Includes ₹ 0.18 Lakhs (March 31, 2021 : ₹ 0.06 Lakhs) for Investor Service Fund.
iii) Includes ₹ 65 Lakhs (March 31, 2021 ₹ 66 Lakhs) represents earmarked for Base Minimum Capital.
iv) Includes ₹ 0.50 Lakhs (March 31, 2021 ₹ 0.02 Lakhs) current accounts for Core Settlement Guarantee Fund in in subsidiary company NCCL

Note-2 i) Includes ₹ 470 Lakhs (March 31, 2021 ₹ 339 Lakhs) represents deposit earmarked for Base Minimum Capital.
ii) Includes ₹ 10 Lakhs (March 31, 2021 ₹ 31 Lakhs) represents deposit earmarked for SAT order .
iii) Includes Fixed Deposits of ₹ 798 Lakhs (March 31, 2021 : ₹ 32 Lakhs) pledged with Banks for Overdraft facilities
iv) Includes ₹ 45 Lakhs (March 31, 2021 ₹ NIL) held as margin money for bank guarantees

Summary of significant accounting policies 1

The accompanying notes are an integral part of the consolidated 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 : May 20, 2022

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
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

(A) Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 2020	5,068
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**5,068**
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2022	**5,068**

(B) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share Application Money	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 1, 2020	**13,973**	**-**	**74**	**20**	**1,110**	**19,209**	**1**	**11,214**	**52**	**45,653**	**2,270**	**47,923**
Restatement Adjustment	-		-	-	-	1,110	-	-	-	-	-	-
Restated Balance at the beginning of the period April 1, 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
Utilized / 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**	**9,097**	**114**	**45,607**	**2,092**	**47,699**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share Application Money	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
Non controlling interest on account of reduction of of share in subsidiary					-					-		-
Addition in current year	3	31	12	-	-	1,312	-	(1,137)	-	221	(91)	130
Utilized / Converted during the year	-	-	(64)	-	-		-	64	-	(0)	-	(0)
Items of Other Comprehensive Income for the year, net of tax					-							-
Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-	(40)	-	(40)	-	(40)
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	1	1	-	1
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(254)	-	(254)	-	(254)
Transfer to Core Settlement Guarantee Fund - NCCL	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	**13,983**	**31**	**20**	**20**	**1,110**	**22,525**	**1**	**7,730**	**115**	**45,535**	**2,001**	**47,537**

Summary of significant accounting policies 1

The accompanying notes are an integral part of the consolidated 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 : May 20, 2022

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

Arun Raste
Managing Director & CEO
DIN - 08561128

Ashish Bahuguna
Chairman
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, 2022

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, 2022 and year ended March 31, 2021 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 May 20, 2022.

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 unrealized gains on transactions between group companies are eliminated. Unrealized 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.

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 recognized 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 recognized at cost in the consolidated balance sheet.

iv) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize 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 recognized 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 recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized 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. Unrealized 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 recognized in consolidated statement of profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 recognizes 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 recognized in consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized 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 recognized in OCI or Statement of profit and loss are also recognized 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 recognized 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 recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized 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 utilized.

- Contingent liabilities

In the normal course of business, contingent liabilities may arize 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 recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized 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 recognized 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 exercized. 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 realized 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 realized 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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.

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 recognized 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 recognized as income on trade date basis.

Annual subscription charges

Annual subscription charges are recognized 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 recognized 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 recognized 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 recognized 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 recognized 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 recognized in the Statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized 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 arize 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 recognized 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 recognized as an expense in the period in which they are incurred.

r Provisions, Contingent liabilities and Contingent assets

Provisions for legal claims are recognized 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 recognized 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 recognized 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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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 recognized 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 recognized 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 recognized 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 recognized 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 recognized 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.

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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 amortization.

Derecognition

A financial liability is derecognized 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 recognized amounts and there is an intention to settle on a net basis or realize 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.

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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 Lakhs 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:-

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

1. Ind AS 103 – Reference to Conceptual Framework

   The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and Liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

2. Ind AS 16 – Proceeds before intended use The amendments mainly prohibit an entity from deducting from the cost ofproperty, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

3. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

   The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

4. Ind AS 109 – Annual Improvements to Ind AS (2021)

   The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

5. Ind AS 106 – Annual Improvements to Ind AS (2021)

   The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

2. PROPERTY, PLANT AND EQUIPMENT & CAPITAL WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Computer Hardware	Improvement to Lease hold Property	Tele Communication Equipments	Office Equipments	Electrical Installations	Furniture and Fixtures	Motor Car	Total	Capital work in progress
Cost or Deemed cost									
Opening as at April 01, 2020	2,329	322	1,200	174	227	146	67	4,466	117
Additions	272	-	21	13	7	0	-	314	-
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									
Accumulated depreciation as at April 01, 2020	1,720	199	747	91	131	48	30	2,965	-
Depreciation for the year	246	59	170	26	18	14	9	541	-
Disposals / Adjustments	132	-	89	38	97	11	-	366	-
Transfer to retained earning	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	**1,834**	**258**	**828**	**79**	**52**	**51**	**39**	**3,140**	**-**
Net carrying amount as at March 31, 2021	**635**	**64**	**304**	**69**	**84**	**82**	**28**	**1,267**	**-**
Cost or Deemed cost									
Opening as at April 01, 2021	2,469	322	1,132	149	137	132	67	4,408	-
Additions	276	20	18	11	2	9	-	336	-
Disposals / Adjustments	25	38	-	2	-	1	57	123	-
Closing gross carrying amount	**2,720**	**304**	**1,150**	**158**	**139**	**140**	**10**	**4,621**	**-**
Accumulated depreciation and impairment									
Opening as at April 01, 2021	**1,834**	**258**	**828**	**79**	**52**	**51**	**39**	**3,142**	**-**
Depreciation for the year	**338**	**21**	**150**	**27**	**8**	**14**	**3**	**563**	**-**
Disposals / Adjustments	24	30	-	1	-	1	40	96	-
Closing accumulated depreciation	**2,148**	**249**	**978**	**105**	**60**	**64**	**2**	**3,609**	**-**
Net carrying amount as on March 31, 2022	**572**	**55**	**172**	**53**	**79**	**76**	**8**	**1,012**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

3. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Computer Software	Total	Intangible assets under development	Total
Cost or Deemed cost				
Opening as at April 01, 2020	9,361	9,361	380	380
Additions	868	868	1,469	1,469
Disposals/ Capitalized 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				
Accumulated amortization 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**
Cost or Deemed cost				
Opening as at April 01, 2021	10,196	10,196	753	753
Additions	897	897	606	606
Disposals/ Capitalized during the year	23	23	735	735
Impairment	-	-	-	-
Closing gross carrying amount	**11,070**	**11,070**	**624**	**624**
Accumulated amortization and impairment losses				
Opening as at April 01, 2021	5,288	5,288	-	-
Amortization for the year	1,316	1,316	-	-
Disposals / Adjustments	-	-	-	-
Closing accumulated amortization	**6,604**	**6,604**	**-**	**-**
Net carrying amount as at March 31, 2022	**4,465**	**4,465**	**624**	**624**

Intangible assets under development categories ageing as at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	282	257	84	-	624
Projects temporarily suspended					-
Total	**282**	**257**	**84**	**-**	**624**

Intangible Assets under development categories ageing at March 31, 2021:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	550	176	24	2	753
Projects temporarily suspended					-
Total	**550**	**176**	**24**	**2**	**753**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

4. NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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		(403)		(941)
		1,597		**1,059**
(ii) In Joint Venture				
Rashtraya e Market Services Private Limited		500		500
Add: Share of Profit		2,114		2,095
		2,614		**2,595**
Total		**4,211**		**3,654**
b) Other non current investments				
Investments in Unquoted equity Shares				
Equity share of ₹ 10/- each fully paid up in National Warehousing Corporation Private Limited	9,89,000	-	9,89,000.00	-
Investments in Bond (unquoted)		370		
8.82% Rural Electrification Corporation Limited 2023	11	115	-	-
9.25% Power Finance Corporation Limited 2024	6	64	-	-
9.64% Power Grid Corporation of India Limited 2024	14	191	-	-
Total		**370**		**-**
Aggregate amount of unquoted investments		**4,581**		**3,654**

5. OTHER FINANCIAL ASSET

(₹ in Lakhs)

Particulars	Non Current	Non Current	Current	Current
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
(a) Non-current bank balances				
Deposits with bank - original maturity more than 12 months (Note-1)	7,241	2,981	-	-
Total (a)	**7,241**	**2,981**	**-**	**-**
(b) Others				
Secured, Considered Good				
Recoverable from Selling Shareholder (Also refer Note - 55)		-	407	314
Interest accrued on fixed deposits (Note-2)	102	158	1,345	1,445
Interest accrued on bonds	24			
Security Deposits	235	370	57	66
Accrued Income for Provisional Billing	-	-	627	591
Receivable against sale of Mutual Funds	-	-	400	410
Trade Money receivable from members	-	-	11	2
Trade Financing			140	
Earnest Money deposit			48	
Other assets	-	-	4	14
Others receivables considered doubtful	-	32	-	-
Less: Allowance for expected credit loss	-	(32)	-	-
Total (b)	**361**	**528**	**3,039**	**2,842**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Note-1 i) Includes ₹ NIL Lakhs (March 31, 2021 ₹155 Lakhs) represents deposit earmarked for Base Minimum Capital.

ii) Includes ₹ NIL Lakhs (March 31, 2021 ₹ 9 Lakh) represents deposit earmarked for SAT order.

iii) Includes ₹ 2202 Lakhs (March 31, 2021 ₹ 497 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, 2021 ₹ 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)

v) Includes deposits of ₹. 15 Lakhs (March 31, 2021 ₹ NIL) represents deposits given to ICICI Bank Limited for Corporate Credit Card as per ICICI Bank Limited requirement

Note-2 i) Includes ₹ 1.27 Lakhs Non current and ₹ 373 Lakhs Current (March 31, 2021 ₹ 0.53 Lakhs Non current and ₹ 423 Lakhs Current) represents interest on deposit earmarked for Core Settlement Guarantee Fund (Core SGF) in subsidiary Company National Commodity Clearing Limited (NCCL).

6. INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	Non Current	Non Current	Current	Current
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Advance income tax paid including tax deducted at source receivable (net of provision)**			2,422	1,796
Total	**-**	**-**	**2,422**	**1,796**

** Includes TDS on Core SGF ₹ 218 Lakhs (March 31, 2021 : ₹ 186 Lakhs) in subsidiary Company National Commodity Clearing Limited (NCCL)

7. OTHER ASSETS

(₹ in Lakhs)

Particulars	Non Current	Non Current	Current	Current
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Capital Advances	-	-	-	-
Prepaid Expenses	40	43	397	373
Deferred Rent	10	-	3	-
Balances with government authorities	-	-	209	381
Other receivables (Refer Note - 33)	-	-	1,721	1,747
Advance to employee **	-	-	59	4
Total	**50**	**43**	**2,389**	**2,505**

8. CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	Units	Amount	Units	Amount
A) Investment in bonds				
Bond (Quoted)				
NHAI Bonds 2015 Tax Free Bonds Tranche I Series II A for 15 years @ 7.35% p.a.	57,140	681	57,140	686
7.35% NABARD Tax free bonds Maturity date March 23, 2031,@annualized YTM 6.01%	67,475	813	67,475	817
8.48% NTPC Tax free bonds Maturity date December 16, 2028, at 6.005% p.a.	44,799	553	44,799	562
Total Bonds (a) - Refer note1 below		**2,047**		**2,065**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
	Units	Amount	Units	Amount
B) Investment in mutual funds				
Mutual Funds (Unquoted)				
Aditya Birla Sunlife Overnight Fund - Direct Plan - Growth	-	-	35,942	400
Aditya Birla Sunlife Cash Plus Growth Direct Plan *	8,359	29	8,476	28
Axis Liquid Fund Direct Growth	-	-	536	12
Axis Liquid Fund Direct Growth **	-	-	127	3
Axis Overnight Fund -Direct Plan-Growth	22,248	250	-	-
HDFC- Overnight Fund -Direct Plan -Growth	-	-	6,540	200
HDFC- Liquid Fund -Direct Plan -Growth	-	-	2,603	105
HDFC- Liquid Fund -Direct Plan -Growth *	1,093	45	659	27
ICICI Prudential Overnight Fund - Direct Plan Growth Option	-	-	2,97,185	330
ICICI Prudential Money Market Fund-Direct Plan-Growth Option	19,455	60	-	-
Kotak Liquid Scheme- Direct Plan-Growth Option ***	483	21	1,094	46
Kotak Liquid Scheme - Direct Plan-Growth Option	-	-	32,485	1,351
Nippon India Liquid Fund - Direct Plan - Growth	-	-	40,772	2,052
Nippon Overnight Fund -Direct Plan-Growth	8,23,945	940	-	-
Reliance Fixed Horizon Fund - XXXV - Series 14	-	-	50,00,000	634
Reliance Fixed Horizon Fund Direct Plan Growth Option	-	-	-	-
SBI Liquid Fund - Direct Growth	-	-	6,208	200
SBI Overnight Fund - Direct Growth	290	10	-	-
Tata Overnight Fund - Direct Plan - Growth	-	-	42,822	465
SBI Saving Fund - Direct Plan Growth Option	6,38,723	228	-	-
Total - Current Investments (b)		**1,583**		**5,853**
Aggregate amount of investments (a+b)		**3,630**		**7,917**
* Represents investment earmarked for Investor Service Fund				
** Represents Investment earmarked for Regulatory fee forgone by SEBI				
*** Represents investment earmarked for Base Minimum Capital (BMC)				

Note1- Cost of quoted investments in Bonds is ₹.1861 Lakhs (March 31, 2021₹ 1861 Lakhs)

9. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
a) Trade receivables considered good - Secured*	594	840
b) Trade receivables considered good - Unsecured	519	524
c) Trade Receivables which have significant increase in Credit Risk	1,778	1,778
d) Trade Receivables - credit impaired	833	808
	3,724	**3,950**
Less : Expected credit loss allowance	(833)	(808)
Total	**2,891**	**3,142**

* Secured by Cash margins / Bank guarantees / Fixed deposit receipts and hypothecation of movables such as commodities, securities etc. from members.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Trade Receivables Ageing as at March 31, 2022

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	284	40	642	93	54	1,113
Undisputed Trade Receivables – which have significant increase in credit risk	0	-	-	-	-	0
Undisputed Trade Receivables – credit impaired						-
Disputed Trade Receivables – considered good						-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	1,778	-	1,778
Disputed Trade Receivables –credit impaired	-	-	93	739	1	833
Sub Total	284	40	735	2,610	55	3,724
Less: Allowance for credit loss	-	-	(98)	(734)	(1)	(833)
Total	**284**	**40**	**637**	**1,876**	**54**	**2,891**

Trade Receivables Ageing as at March 31, 2021

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	313	126	115	32	22	608
Undisputed Trade Receivables – which have significant increase in credit risk						-
Undisputed Trade Receivables – credit impaired	0	0	0	-	-	1
Disputed Trade Receivables – considered good	-	-	755	1	-	756
Disputed Trade Receivables – which have significant increase in credit risk	-	-	1,778	-	-	1,778
Disputed Trade Receivables –credit impaired			808			808
Sub Total	313	126	3,456	33	22	3,950
Less: Allowance for credit loss			(808)			(808)
Total	**313**	**126**	**2,648**	**33**	**22**	**3,142**

10. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash in hand	-	-
Balances with bank		
On current accounts (Note-1)	1,847	3,949
Deposits with original maturity of three months or less (Note -2)	8,166	17,335
Others		
Investments in mutual funds (Highly Liquid Funds)		
MF-Birla Liquid Fund - Growth	544	601
MF-HDFC Liquid Fund - Growth	-	501
MF-ICICI Liquid Plan - Growth	-	402
MF-ICICI Overnight Fund - Growth	-	301
MF-Tata Liquid Plan - Growth	504	602
MF-SBI Liquid fund - Growth	-	502
MF-Nippon Liquid Fund - Growth	306	601
MF-L&T Liquid Fund - Growth	-	201
MF-Axis Liquid Fund - Growth	252	300
Total	**11,618**	**25,294**

Note-1 i) Includes ₹ 78 Lakhs (March 31, 2021 ₹ 66 Lakhs) towards unpaid dividend - Refer note 12 (d)

i) Includes ₹ 0.18 Lakhs (March 31, 2021 : ₹ 0.06 Lakhs) for Investor Service Fund.

iii) Includes ₹ 65 Lakhs (March 31, 2021 ₹ 66 Lakhs) represents earmarked for Base Minimum Capital.

iv) Includes ₹ 0.50 Lakhs (March 31, 2021 ₹ 0.02 Lakhs) current accounts for Core Settlement Guarantee Fund in in subsidiary Company National Commodity Clearing Limited (NCCL)

Note-2 i) Includes ₹ 470 Lakhs (March 31, 2021 ₹ 339 Lakhs) represents deposit earmarked for Base Minimum Capital.

ii) Includes ₹ 10 Lakhs (March 31, 2021 ₹ 31 Lakhs) represents deposit earmarked for SAT order.

iii) Includes Fixed Deposits of ₹ 798 Lakhs (March 31, 2021 : ₹ 32 Lakhs) pledged with Banks for Overdraft facilities by NERL and NCDEX

iv) Includes ₹ 45 Lakhs (March 31, 2021 ₹ NIL) held as margin money for bank guarantees by NCDEX e Markets Limited

11. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity for more than 3 months but less than 12 months (Note-1)	43,733	46,571
Total	**43,733**	**46,571**

Note-1 i) Includes Fixed Deposits of ₹ NIL Lakhs (March 31, 2021 : ₹ 195 Lakhs) pledged with Banks for Overdraft facilities

ii) Includes ₹ 1262 Lakhs (March 31, 2021 ₹ 1239 Lakhs) represents deposit earmarked for Base Minimum Capital.

iii) Includes ₹ 22 Lakhs (March 31, 2021 ₹ 2 Lakhs) represents deposit earmarked for SAT order.

iv) Includes ₹ 19,730 Lakhs (March 31, 2021 ₹ 20,084 Lakhs) represents deposit earmarked for Core Settlement Guarantee Fund (Core SGF) in subsidiary Company National Commodity Clearing Limited (NCCL) .

v) Includes ₹ 436 Lakhs (March 31, 2021 ₹ 225 Lakhs) Held as Margin Money for Bank Gurantee in subsidiary Company NCDEX e Markets Limited

vi) Includes ₹ 426 Lakhs (March 31, 2021 ₹ 215 Lakhs) Held as Security for Borowings in subsidiary Company NCDEX e Markets Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

12. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	Current	
	As at March 31, 2022	As at March 31, 2021
Authorized		
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.

(₹ in Lakhs)

Equity Shares of ₹ 10 each fully paid	March 31, 2022		March 31, 2021	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
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 authorized equity shares outstanding at the beginning and at the end of the reporting year.

(₹ in Lakhs)

Equity Shares of ₹ 10 each fully paid	March 31, 2022		March 31, 2021	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At the beginning of the year	7,00,00,000	7,000	7,00,00,000	7,000
Conversion of Preference share into equity share capital	-	-	-	-
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.

d. Details of shareholders holding more than 5% share in the Parent Company

(₹ in Lakhs)

Equity Shares of ₹ 10 each fully paid	As at March 31, 2022		As at March 31, 2021	
	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 Fertilizer 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%	25,33,799	5%
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.Thereafter, SEBI vide e-mails dated April 19, 2021, December 14, 2021 and February 19, 2022, further extended the timelines to comply with shareholding requirement as per SECC Regulations, 2018 by the said shareholders till December 31, 2022.

e. Shareholding of promoter

Shares held by promoters at March 31, 2022

Particulars	No. of Shares	% of total shares	% change during the year
Promoter			
NA			
Promoter Group			
NA			

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

13. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share Application Money	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 1, 2020	**13,973**	**-**	**74**	**20**	**1,110**	**19,209**	**1**	**11,214**	**52**	**45,653**	**2,270**	**47,923**
Restatement Adjustment	-		-	-	-	-	-	-		-	-	-
Restated Balance at the begginning of the period April 1, 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
Utilized / 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)
Dividend distribution tax ((Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Core Settlement Guarantee Fund - NCCL	-	-	-	-	-	-	-	(575)	-	(575)	-	(575)
Transfer to Core Settlement Guarantee Fund - NCDEX	-	-	-	-	-	-	-	-	-	-	-	-
Transitional Impact Lease accounting	-	-	-	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**13,980**	**-**	**72**	**20**	**1,110**	**21,213**	**1**	**9,097**	**114**	**45,607**	**2,092**	**47,699**
Non controlling interest on account of reduction of of share in subsidiary										-		-
Addition in current year	3	31	12	-	-	1,312	-	(1,137)	-	221	(91)	130
Utilized / Converted during the year	-	-	(64)	-	-		-	64	-	(0)	-	(0)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	Reserves and Surplus								Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share Application Money	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	-	-	-	-	-	-	-	(40)	-	(40)	-	(40)
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	1	1	-	1
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-	-	-	(254)	-	(254)	-	(254)
Transfer to Core Settlement Guarantee Fund - NCCL	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	**13,983**	**31**	**20**	**20**	**1,110**	**22,525**	**1**	**7,730**	**115**	**45,535**	**2,001**	**47,537**

13. Other Equity Fund (Contd.)

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 utilized 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 (SGF)

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 Special 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 recognized 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 recongnize 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

14. NON-CURRENT DEPOSITS AND OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current deposits		
Deposit from members	931	986
	931	**986**
Other Financial Liabilities		
Other Payable	169	211
	169	**211**
Lease Liabilities	1,622	327
Total	**2,722**	**1,525**

15. PROVISIONS

(₹ in Lakhs)

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Employee benefits obligation				
a) Provision for gratuity	342	262	147	129
b) Provision for leave encashment	214	216	41	42
Total	**556**	**478**	**188**	**171**

16. DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets components		
Financial assets at fair value through OCI	-	-
Employee benefits	209	214
Financial Assets at Fair Value through P&L	-	3
Provision For Expected Credit Loss	229	211
Unabsorbed losses / depreciation	2,719	2,197
MAT Credit Entitlement	206	206
Deferred tax assets on ISF liabilities and SEBI Regulatory Fees	34	33
Cumulative catch-up lease accounting Ind AS 116	7	24
Ind AS 116- ROU and Lease Liability	9	6
Other items	6	3
Gross deferred tax asset	**3,420**	**2,897**
Deferred tax liabilities components		
Depreciation and amortization	341	460
Financial Assets at Fair Value through P&L	2	37
Financial Assets at Fair Value through OCI	14	34
Ind AS 116- ROU and Lease Liability	15	-
Gross deferred tax liabilities	**372**	**531**
Net deferred tax asset / (liability)	**3,048**	**2,366**
Deferred tax assets	**3,048**	**2,366**
Deferred tax liabilities	**-**	**-**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

17. DEPOSITS

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Base Minimum Capital	865	849
	865	**849**
Deposit / Margin money from members	15,936	38,334
Deposits from clearing banks	4,900	4,700
Deposits from comtrack participants	885	757
Deposits from warehouse service providers	374	374
Total	**22,960**	**45,014**

18. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Total outstanding due of Micro and Small Enterprises (Refer Note 31)	96	33
b) Total outstanding dues of creditors other than Micro and Small Enterprises	1,057	1,146
Total	**1,153**	**1,179**

Trade Payable Ageing as at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	113	-	-	-	113
Others	1,014	3	-	23	1,040
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
	1,127	**3**	**-**	**23**	**1,153**

Trade Payable Ageing as at March 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	40	-	-	-	40
Others	1,101	15	0	23	1,139
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
	1,141	**15**	**0**	**23**	**1,179**

19. OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Creditors for Capital Expenditure	78	418
b) Creditors for Capital Expenditure Micro and Small Enterprises (Refer Note 31)	4	18
c) Interest Payable	2	2
d) Dues to members	7,532	534
e) Payable to Core SGF	1,778	1,778
f) Other payable	972	736
	10,366	**3,486**
Lease Liabilities	465	610
Total	**10,830**	**4,096**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

20. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Revenue received in advance	294	337
b) Investor protection fund *	131	190
c) Investor Service fund	260	73
d) Unpaid dividend (refer note 12 (d)	78	66
d) SEBI turnover and regulatory fees payable	57	55
e) Statutory dues payable	1,298	1,445
f) Others	1	24
Total	**2,119**	**2,190**

* Includes ₹ 19 Lakhs (March 31, 2021 : ₹ 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) Private Limited. 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.

21. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products		
Sale of services		
Transaction charges	7,465	7,978
Annual subscription fees	243	268
Admission fees	94	121
Risk Management Fees	854	516
Delivery Charges	810	521
Comtrack / Repository charges	938	512
Warehouse charges	144	131
Data, Analytics and Technology Sales	375	376
Other Operating Revenues		
Computer to computer link charges	33	40
Others	510	734
Port charges	67	82
Total	**11,533**	**11,279**

22. OTHER INCOME

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Other non-operating income		
Finance Income		
Interest on Bank deposits	2,420	2,490
Interest on Income Tax Refund	562	349
Interest on Bonds	149	129
Interest on financial asset measured at amortized cost	7	17
Profit on sale / Fair Value of MF Units	261	206
Net gain/(loss) on financial assets measured at Fair Value through Profit or Loss	9	-
Profit on lease rent concession	-	20
Profit on lease termination	94	-
Exchange charges	29	30
Profit on sale/scrap of fixed assets (net)	3	16
Provision no longer required	10	6
Lease Line charges	260	273
Others (miscellenous income)	99	75
Total	**3,904**	**3,611**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

23. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, bonus and allowances	7,259	6,557
Contribution to Provident and other funds	585	479
Staff welfare expenses	279	190
Share based payments to Employees	12	-
Total	**8,135**	**7,226**

24. FINANCE COSTS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Finance Costs:		
Interest on lease liability (Refer Note- 51)	186	102
Other Interest	2	-
Total	**188**	**102**

25. DEPRECIATION & AMORTIZATION

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation	563	542
Amortization	1,316	1,234
Amortization of right to use assets (Refer Note- 51)	544	702
Total	**2,424**	**2,478**

26. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Technology Expenses	3,894	4,364
Legal and Professional Charges	940	1,048
Polling Expenses	196	196
Rent	69	18
Electricity Charges	228	281
Travelling and Conveyance Expenses	199	117
Repairs and Maintenance	113	122
Directors Sitting Fees	188	261
Committee member sitting fees and expenses	33	30
LES Incentive	74	-
Security Charges	72	68
Insurance Expenses	62	85
Regulatory Fees*	61	65
Advertisement and Publicity	58	62
Corporate Social Responsibility Expenses (Refer Note- 37)	58	51
Communication Expenses	57	52
Contribution to Investor Service Fund	47	35
Contribution to Investor Protection Fund	46	33
Payment to Auditors		
- As Auditors	43	33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- For other services	12	22
- For reimbursement of expenses	2	0
License Fees	41	60
Printing and stationery	36	19
Books Periodicals & Subscription	18	13
Bad Debts	16	1
Recruitment Expenses	16	103
Rates and Taxes	11	5
Research expenses	10	13
IPO Expenses ** (Also refer Note-54)	5	101
Loss on sale/scrap of fixed assets (net)	2	1
Other Expenses	336	196
Total	6,941	7,460

* Regulatory Fees includes ₹ 10 Lakhs (March 31, 2021 ₹ 10 Lakhs) paid to WDRA

** IPO expenses includes 25% of ₹ 17.25 Lakhs paid to statutory auditors in FY 2020-21

27. EXCEPTIONAL ITEMS

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Exceptional Items		
Shortfall in payout to counter parties (Refer Note - 40)	-	(104)
Total	**-**	**(104)**

28. CURRENT AND DEFERRED TAX

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax	184	366
MAT Credit Entitlement	-	186
Deferred Tax	(645)	(1,200)
Total	**(461)**	**(648)**

29. EARNINGS PER SHARE (EPS)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit / (Loss) after tax as per Statement of Profit and Loss	(1,137)	(1,285)
Less: Preference dividend and tax thereon	-	-
Net Profit for calculation of EPS **(A)**	(1,137)	(1,285)
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)	(2.24)	(2.54)

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
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 YEAR, GROUP HAS RECOGNIZED 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, recognized 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, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund	326	272

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.

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:

(₹ in Lakhs)

Particulars	Gratuity (funded)	
	As at March 31, 2022	As at March 31, 2021
Expected Rate of Return on plan assets	5.66% to 7.51%	5.58% to 7.09%
Discount rate (per annum)	5.66% to 7.51%	5.58% to 7.09%
Rate of increase in Compensation levels	8% to 10%	5% to 10%
Rate of Employee turnover	5% to 25%	5% to 20%
Mortality Rate during Employment	Indian Assured lives mortality (2012-14) 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, 2022	As at March 31, 2021
Present value of obligation as at the beginning of the year	816	718
Liability Transferred In / Acquisitions	-	-
(Liability Transferred Out / Divestments)	-	-
Interest Cost	52	44
Past service cost (Vested Benefit)	-	-
Current Service Cost	141	130
Benefits paid	(112)	(77)
Actuarial (gain) / loss on obligations	57	(0)
Present value of obligation as at the end of the period	**954**	**815**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Table showing changes in the fair value of plan assets :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at beginning of the year	424	395
Assets Transferred In / Acquisitions	-	-
(Assets Transferred Out / Divestments)	-	-
Expected return of plan assets	25	23
Employer contribution	128	84
Benefits paid	(112)	(77)
Actuarial gain / (loss) on plan assets	(1)	(3)
Fair value of plan assets at year end	**464**	**422**

The amounts to be recognized in Balance Sheet :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation as at the end of the period	(954)	(815)
Fair value of plan assets as at the end of the period	464	422
Funded Status (Surplus / (Deficit))	**(490)**	**(393)**
Unrecognized actuarial (gains) / losses	-	-
Net asset / (liability) recognized in Balance Sheet	**(490)**	**(393)**

Expenses recognized in Statement of Profit and Loss :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	141	130
Past service cost (Vested Benefit)	-	-
Interest Cost	26	21
Expected return on plan assets	-	-
Expenses recognized in the Statement of Profit and Loss	167	151

Expenses recognized in Other Comprehensive Income :

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (Gains) / Losses on Obligation For the Period	58	(0)
Return on Plan Assets, Excluding Interest Income	0	3
Change in Asset Ceiling	-	
Net (Income) / Expense For the Period Recognized in OCI	**58**	**2**

Maturity profile of defined benefit obligation :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Projected benefits payable in future years from the date of reporting		
1st Following year	148	108
2nd Following year	132	95
3rd Following year	119	92
4th Following year	116	86
5th Following year	96	85
Sum of Years 6 to 10	323	302
Sum of Years 11 & above	773	746

Investment Details :

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ in Lakhs)

Particulars	Gratuity	
	As at March 31, 2022	As at March 31, 2021
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	Year ended March 31, 2022			Year ended March 31, 2021	
	Change in Assumption	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1% / -1%	(13)	13	(12)	13
Salary Escalation Rate	+1% / -1%	13	(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 recognized 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.

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, 2022	As at March 31, 2021
a.	Principal amount remaining unpaid to any supplier as at the year end	100	51
	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.	0	-
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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

32. COMMITMENTS AND CONTINGENCIES

(a) Contingent Liabilities not provided for in respect of :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) On account of Income taxes (Refer Note - 1 below)	1,821	1,983
(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)	2,278	814
(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)	-	-
(vii) NCDEX e Markets Limited (NeML) - On account of Service tax (Refer Note - 7 below)	390	657

Note 1

(₹ in Lakhs)

Particulars	Assessment Year	As at March 31, 2022	As at March 31, 2021	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	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	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	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	11	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 16-17	269	269	CIT
Other disallowances	AY 16-17	131	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	28	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 18-19	191	191	CIT
Total		**1,821**	**1,983**	

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.

Note 4

The Exchange has received adverse order on the issue of nonpayment of service tax on liquidated damages amounting to ₹ 813.52 (March 31, 2021 ₹ 813.52 Lakhs) 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. Rs 61.01 Lakhs at the time of filing appeal with CESTAT. The Exchange has received adverse order on the issue of Inadmissible Cenvat credit as per rule 6(3)(i) of the Cenvat Credit Rule ,2004 amounting to ₹ 1464.33 Lakhs along with interest u/s 75 & Penalty u/s 78, as per Finance Act-1994. The Exchange is in the process of filing an appeal with CESTAT against the same & the Company will deposit the amount @7.5% of the of the tax liability at the time of filing an 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, 2021 ₹ 500 Lakhs).

Note 6

In case of subsidiary NCDEX Institute of Commodity Markets & Research (NICR), for Financial year 2013-14 relevant to Assessment year 2014-15, the Assessing Officer had disallowed the computation of total income as per Section 11 and 12 of the Income tax Act and raised a demand of ₹ 8080 (March 31, 2021 ₹ 8080). The Company had filed an appeal before Commissioner of Income tax (Appeals) and is hopeful of getting a favourable decision in view of the ITAT decision in Company's own case for Asst Year 2009-10, restoring the registration under Section 12 of the Act and allowing the taxation as applicable to public charitable trusts.

Other than stated above, the 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. The 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 Limited (NeML), during the year claims not acknowledged as debts in respect of Service Tax Matters amounted to ₹ 780 Lakhs (March 31, 2021 : ₹ 1314 Lakhs) .These matters are pending before the appellate authorities. On conclusion of the personal hearing, the Adjudicating authority revised the demand amount from ₹ 1314.47 Lakhs to ₹ 780 Lakhs. The department has contested the revision of the demand before the Appellate Tribunal. On receipt of the orders of the Adjudicating authority, the Jointly Controlled Company (ReMS) filed an appeal before the Customs Excize and Service Tax Appellate Tribunal (CESTAT) against the Orders, by depositing a sum of ₹ 59.16 Lakhs being 7.5% of the tax demanded. 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 crystallized.

(b) Capital Commitments

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	76	29

(c) Other Commitments

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 Crores by September 2021. The current Core SGF balance as at March 31, 2022 is ₹ 225.25 Crores (March 31, 2021 ₹ 211.90 Crores) . Accordingly, NCCL was required to have the Core SGF of ₹ 250.00 Crores as on September 30, 2021, for which NCCL, vide its letter dated September 2, 2021 to SEBI, sought an extension of time till March 31, 2022. SEBI has vide it's letter dated September 13, 2021 granted an extension of time to increase the Core SGF till March 31, 2022. Further, NCCL vide its letter dated February 2, 2022 to SEBI, sought an extension of time till March 31, 2023. SEBI has vide it's letter dated March 08, 2022 granted an extension of time to increase the Core SGF till December 31, 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (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 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, 2022, 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, 2022 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 Limited (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, Odisha, Telangana and Andhra Pradesh

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 (upto April 18, 2021)
	Mr. Ashish Bahuguna (Public Interest Director and Chairman) (W.e.f. June 15, 2020 and W.e.f August 13,2021)
	Dr. Purvi Mehta (Public Interest Director) (W.e.f. January 11, 2018)
	Dr. Ashok Gulati (Public Interest Director) (upto January 3, 2022)
	Mr. Ravindra Kumar Roye (Public Interest Director and chairman) (Upto June 14, 2020 and upto May 03, 2020 respectively)
	Mr. Bhaskaran Nayar Venugopal (Shareholder Director) (re-appointed with effect from September 27, 2021)
	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) (upto April 13, 2021)
	Mr. Prem Kumar Malhotra (Public Interest Director) (re-appointed with effect from August 09, 2021)
	Mr. Venkat Nageswar Chalasani (Public Interest Director) (with effect from May 1, 2021)
	Mr. Chaman Kumar ((Public Interest Director and chairman) (W.e.f. April 10, 2018 and May 04, 2020 respectively up to April 10, 2021)
	Mr. Hemant Adarkar (Public Interest Director) (W.e.f. April 13, 2021)
	Mr. R. Amalorpavanathan (Public Interest Director) (with effect from January 03, 2022)
	Mr. Arun Raste (Managing Director and Chief Executive Officer) (w.e.f. June 7,2021)

(ii). Nature of transactions - The transactions entered into with the related parties during the period along with related balances as at March 31, 2022 are as under:

(₹ in Lakhs)

Particulars	Associates		Joint venture		Key Management Personnel					
	PXIL		ReMS		Vijay Kumar V.		Mr. Arun Raste		Directors	
	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21
Remuneration*	-	-	-	-	4	170	161	-	-	-
UMP Software Maintenance charges	147	405	85	237	-	-	-	-	-	-
Dividend Received	-	-	-	100	-	-	-	-	-	-
Sitting Fees Paid to Directors	-	-	-	-	-	-	-	-	90	179
Conversation of Preference Shares into equity shares	-	-	-	-	-	-	-	-	-	-

Note

* Remuneration to Mr. Vijaykumar V for FY 21-22 includes ₹ 8.31 Lakhs paid towards Gratuity directly from NCDEX Employees Gratuity Cum Life Insurance Scheme

(₹ in Lakhs)

Balance outstanding at the year end	Associates		Joint venture		Key Management Personnel					
	PXIL		ReMS		Vijay Kumar V.		Mr. Arun Raste		Directors	
	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21
Investments in Joint Venture	-	-	500	500	-	-	-	-	-	-
Investments in Associate (Equity shares)	2,000	2,000	-	-	-	-	-	-	-	-
Trade Payables / Other Payable	-	-	-	-	43	78	46	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (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 quarter and year ended March 31, 2022 is given as follows:

(₹ in Lakhs)

Particulars	Year ended							
	March 31, 2022 (Audited)				March 31, 2021 (Audited)			
	Total Income	Inter-segment Income	External Income	Segment Result	Total Income	Inter-segment Income	External Income	Segment Result
Commodity Exchange Services	8,060	(1,172)	6,888	(2,757)	6,326	(938)	5,388	(4,054)
Commodity Clearing Services	3,068	-	3,068	1,150	2,209	-	2,209	485
e-Market Platform Services	4,348	(46)	4,302	(477)	6,590	(69)	6,521	1,511
Repository Services	1,196	(35)	1,161	33	800	(35)	765	(304)
Research and Education Services	161	(143)	18	(12)	116	(109)	7	(16)
Total	**16,834**	**(1,396)**	**15,437**	**(2,063)**	**16,041**	**(1,151)**	**14,890**	**(2,378)**
Less: Finance Charge				188				102
Profit before tax				**(2,251)**				**(2,480)**
Tax Expenses				462				648
Profit after tax and before minority interest and share of profit of associate				**(1,790)**				**(1,832)**
Add / (Less): Non-controlling interests				(89)				178
Add / (Less): Share of profit (net) of associate(s)				564				369
Profit after tax				**(1,136)**				**(1,285)**

(₹ in Lakhs)

Particulars	Year ended			
	March 31, 2022 (Audited)		March 31, 2021 (Audited)	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Commodity Exchange Services	27,109	8,647	27,203	8,667
Commodity Clearing Services	41,795	18,047	51,192	28,168
e-Market Platform Services	18,719	12,700	23,649	16,775
Repository Services	5,467	1,127	5,334	1,033
Research and Education Services	44	7	42	10
Total	**93,134**	**40,528**	**1,07,420**	**54,653**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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 ₹ 33 Lakhs (March 31, 2021 ₹ 24 Lakhs) and actual spend during the year ended March 31, 2022 is ₹ 58 Lakhs (March 31, 2021 ₹ 50 Lakhs) . The actual spend included ₹ 25 Lakhs voluntary spend by the Company.

Details of amount spent during the year are as follows:

(₹ in Lakhs)

CSR project or activity identified	For the year ended March 31, 2022	For the year ended March 31, 2021
Indian Development Foundation	5	-
Seed graders and grain assaying kits	25	26
Covid Care Centre and Imparting education	28	-
Prime Minister National Relief Fund	-	24

38. CORE SETTLEMENT GUARANTEE FUND

The details of Core Settlement Guarantee Fund as on March 31, 2022 is as given below:

(₹ in Lakhs)

Particulars	Settlement penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
Balance as at April 01, 2020	**3326**	**12544**	**3339**	**-**	**19209**
Contribution to Core Settlement Guarantee Fund					
Add : Additional Contribution (a)	285**	575	-	-	860
Add : Interest on income tax refund	-	1	0	-	1
Add : Income on investment of SGF (as on respective dates of contribution) adjusted towards contribution (b)	-	-	-	-	-
Add : Income on investment of SGF (other than stated in (b) above) (c)	**207**	**743**	**193**	**-**	**1,142**
Balance as at March 31, 2021	**3818**	**13,863**	**3,532**	**-**	**21,212**
As on April 01, 2021	**3818**	**13,863**	**3,532**	**-**	**21,212**
Add : Additional Contribution (a)	231	-	-	-	231
Add : Interest on income tax refund	-	3	1	-	4
Add : Income on investment of SGF (as on respective dates of contribution) adjusted towards contribution (b)	-	-	-	-	-
Add : Income on investment of SGF (other than stated in (b) above) (c)	198	703	176	-	1,078
As on March 31, 2022	**4248**	**14,569**	**3,709**	**-**	**22,525**

**Includes penalty levied for the month of March 2021 of ₹ 21 Lakhs transferred in subsequent month.

Interest accrual of ₹ NIL (up to March 31, 2021 : ₹ 17 Lakhs) on NCDEX cash contribution to core SGF (as stated in (b) above) is adjusted towards incremental requirement of Minimum Required Corpus (MRC) before taking additional contribution from NCDEX.

The above Core SGF amounting to ₹ 22,525 Lakhs (March 31, 2021 : ₹ 21,212 Lakhs) has been considered by the group as a part of equity and is included under “”Other Equity””.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Details of earmarking of funds towards Core SGF as on March 31, 2022 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'	3,865	12,258	3,607	-	19,730
Fixed deposits included under 'Non-current bank balances'	174	2,029	-	-	2,203
Accrued Interest on Fixed Deposits	89	227	59	-	374
TDS on Interest/Income	21	152	45	-	218
Current Account	1	-	-	-	1
Total	**4,150**	**14,666**	**3,710**	**-**	**22,525**

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, 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 (including ₹ 681 Lakhs 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 Lakhs for pay-out to counter parties, as follows.

(₹ in Lakhs)

Particulars	March 31, 2022	March 31, 2021	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	1,201	Net amount funded from Core SGF
Total	**1,823**	**1,823**	

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 utilization 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 Lakhs was also made towards NCCL dues from these members. In addition to the above, during the previous year a provision of ₹ 103.85 Lakhs 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, 2022 (Contd.)

41. In case of subsidiary NCDEX e Markets Limited (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 2021-2022 and in previous year from the fund. As considered by the Management of the NeML the Contribution made is appropriate and sufficient to cover member defaults, if any

42. (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, 2022

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Assets	5,432	5,661
Non-current Assets	50	56
Current Liabilities	(224)	(483)
Non-current liabilities	(31)	(44)
Equity	**5,227**	**5,190**
Proportion of groups ownership	50%	50%
Carrying Amount of investment	**2,614**	**2,595**

Summarised Statement of profit and loss for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	190	1,139
Other Income	323	249
Employee benefit expenses	(143)	(169)
Operating Expenses	(103)	(353)
Depreciation and amortization expenses	(90)	(23)
Other Expenses	(121)	(608)
Profit Before Tax	**56**	**235**
Tax Expense	20	137
Profit for the period	**36**	**98**
Other Comprehensive Income	2	-
Dividend Distribution Tax	-	-
Total comprehensive income for the period	**38**	**98**
Groups Share of profit for the year	**18**	**49**

The above figures of ReMS for F.Y 2021-22 are management certified

(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:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Summarised Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current Assets	18,010	7,605
Non-current Assets	2,531	3,968
Current Liabilities	(15,447)	(7,932)
Non-current liabilities	(269)	(392)
Equity	**4,825**	**3,249**
Proportion of groups ownership	34%	34%
Carrying Amount of investment before intercompany elimination	**1,651**	**1,112**
Intercompany elimination	54	53
Carrying Amount of investment	**1,597**	**1,059**

Summarised Statement of profit and loss for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	3,523	2,548
Other Income	492	517
Employee benefit expenses	(787)	(771)
Finance Cost	(44)	(16)
Depreciation and amortization expenses	(286)	(236)
Other Expenses	(1,051)	(1,179)
Exceptional item - Dividend distribution tax written back	-	-
Profit Before Tax	**1,847**	**863**
Tax Expense	(273)	(28)
Profit for the period	**1,574**	**891**
Other Comprehensive Income	1	(7)
Total comprehensive income for the period	1,575	884
Groups Share of profit for the year before intercompany elimination	**539**	**302**
Intercompany elimination	7	15
Groups Share of profit for the year	**546**	**318**

43. 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
28-Mar-17	100%	6,94,944

The table given below summarises the ESOP vested :

Vesting Dates	Vesting %	ESOP Vested (less Lapsed)
28-Mar-18	40%	2,50,355
28-Mar-19	30%	1,62,926
28-Mar-20	30%	1,32,798

The exercise price of ESOP vested ₹ 59.72 as per FMV report by an independent valuer.

The Black Scholes Valuation method is applied for valuation of ESOP 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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Outstanding at the Beginning of the period	5,06,450	5,21,340
Vested during the year	-	-
Lapsed during the year	4,50,975	2,890
Exercised During the period	55,475	12,000
Outstanding at the end of the period	-	5,06,450
Exercizable at the end of the period	-	5,06,450

In FY 2021-22, 55,475 No of Option have been exercised. The remaining No of option 4,50,975 stands lapsed as per terms of Clause 8.2 (a) of the Policy amended in EGM dated November 12, 2020.

Share Application Money received in March 2022 for exercise of Option is ₹ in 31 Lakhs (51,275 shares) which is yet pending allotment.

b NCDEX e Markets Limited, the Company has created an Employee Stock Option - "ESOP 2020" for the benefits of employees

The table given below summarises the ESOP granted and vesting details.

Particulars	As at March 31, 2022
No of ESOPs outstanding at the beginning of the year	93,913
Vested during the year	-
Lapsed during the year	-
Exercised during the year	-
Outstanding at the end of the year	93,913
Exercizable at the end of the year	-

Valuation Date	May 13, 2021
Grant Date	May 13, 2021

Vesting (%)	30% vesting (May 13, 2022)	30% vesting (May 13, 2023)	40% vesting (May 13, 2024)
Number of Options vested	28,174	28,174	37,565
Weighted Average Call Price	**26.19**		

The exercise price of ESOP vested ₹ 106.01 as per FMV report by an independent valuer.

The Black Scholes Valuation method is applied for valuation of ESOP by an independent valuer.

44. 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-O/o US (A and F)/1774 dated November 19, 2019 approved to allow the Exchange additional time of 12 months from December 22, 2019

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till December 21, 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 December 22, 2020 till December 21, 2021 to reduce the shareholding to 51% or below. Further, WDRA vide its letter no. D-24015/2/2018-O/o US (A and F)/4014 dated October 29, 2021 approved to allow NCDEX additional time of 12 months from December 22, 2021 till December 21, 2020 reduce the shareholding to 51% or below.

45. 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 Crores, at all times. At present the Company complies with this guidelines.

46. In case of subsidiary NCCL, the exceptional Item for the year ended March 31, 2021 comprises of 'provision for doubtful debt' of ₹103.85 Lakhs made with respect to GST on penalties recoverable from two defaulting members and ₹10.84 Lakhs recovery of loss, from National Commodity and Derivatives Exchange Limited, incurred during the liquidation of member open position against total loss of ₹ 21.67 Lakhs charged to statement of profit & loss as exceptional item during the year ended March 31, 2020.

47. 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.

48. 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.

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(₹ in Lakhs)

Particulars	Note Nos.	Carrying amount	Less than 12 months	Payable on demand	More than 12 months	Total
As at March 31, 2022						
Deposits	14 &17	23,891	19,179	3,781	931	23,891
Trade payables	18	1,153	1,153	-	-	1,153
Lease Liabilities	14 & 19	2,087	465	-	1,622	2,087
Other financial liabilities	14 & 19	10,536	10,367	-	169	10,536
As at March 31, 2021						
Deposits	14 &17	46,000	41,233	3,781	986	46,000
Trade payables	18	1,179	1,179	-	-	1,179
Lease Liabilities	14 & 19	938	610	-	327	938
Other financial liabilities	14 & 19	3,698	3,486	-	211	3,698

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, 2022 (March 31, 2021 : ₹ 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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. 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

49. 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, 2022	As at March 31, 2021
1) Financial Assets			
Financial assets measured at fair value through profit & loss			
A) Investment in Mutual Funds	Level 1	3,188	4,010
B) Investments in Unquoted equity Shares **	Level 3	-	-
Financial assets measured at fair value through other comprehensive income"			
A) Investment in Bonds	Level 1	2,417	2,065
Financial assets measured at Amortized Cost			
A) Bank deposits		50,974	49,553
B) Trade receivables		2,891	3,142
C) Cash and Cash equivalents		10,013	21,285
D) Investment in Bonds		-	-
E) Other Financial Asset		3,400	3,370

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in Lakhs)

Particulars	Levels	As at March 31, 2022	As at March 31, 2021
Financial assets measured as per equity method			
A) Investment in associates / joint ventures accounted for using the equity method"		4,211	3,654
Total financial assets		**77,094**	**87,077**
2) Financial liabilities			
Financial liabilities measured at Amortized Cost			
A) Deposits		23,891	46,000
B) Trade payables		1,153	1,179
C) Lease Liabilities		2,087	938
D) Other Financial liabilities		10,536	3,699
Total Financial liabilities		**37,667**	**51,816**

**Fair value of these instruments is determined using market approaches

50. 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, 2022	For the year ended March 31, 2021
Profit before income taxes	(2,251)	(2,480)
Enacted tax rates in India	26%	26%
Computed expected tax expense	(532)	(645)
Tax impact on depreciation	48	32
Adjustments in respect of current income tax of previous years	3	24
Tax impact due to Non-deductible expenses for tax purposes	49	283
Tax impact on Exempt Income	(15)	(261)
Long term capital gain taxed at different rate	34	(12)
Tax impact on INDAS adjustments	8	
Deferred tax expense	(133)	(22)
Tax losses for which no deferred tax assets is recongnized	-	5
Changes in Tax rates	-	-
Difference in Tax rate of components	(2)	50
Deferred tax liabilities reversed on unrealized profit eliminated in consolidaton	-	(62)
Tax on Elimination of unrealized profit / Dividend	(42)	(20)
Tax on Impairment loss of PXIL investment	-	-
Income tax expense	**(581)**	**(628)**

b. The following table provides the details of income tax assets and income tax liabilities as of March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax assets	10,619	10,179
Income tax liabilities	8,198	8,384
Net Non current income tax assets/ (liability) at the end of financial year	**2,422**	**1,796**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

c. The gross movement in the current income tax asset/ (liability) for the period ended March 31 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net current income tax asset / (liability) at the beginning	1,796	4,705
Add : Income tax paid	812	380
Provision for tax of earlier years	(3)	(18)
Refund Received	(3)	(2,930)
Less : Provision for income tax	(184)	(342)
Net current income tax asset/ (liability) at the end	2,422	1,796

d. Deferred tax assets

Movements in deferred tax assets

(₹ in Lakhs)

Particulars	Employee benefit	Provision For Expected Credit Loss	Financial Assets at Fair Value through OCI	Unabsorbed losses / depreciation	MAT Credit Entitlement	Lease Ind As 116	Other Items	Total
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)	865
- to other comprehensive income	-	-	(11)	-	-	-	-	(11)
- to Retained earning	-	-	-	-	-	-	-	(26)
As at March 31, 2021	**214**	**211**	**-**	**2,197**	**206**	**31**	**39**	**2,898**
Charged / (credited)								
- to profit or loss	(5)	19	-	522	-	(14)	1	523
- to other comprehensive income	-	-		-	-	-		-
- to Retained earning	-	-	-	-	-	-	-	-
As at March 31, 2022	**209**	**229**	**-**	**2,719**	**206**	**17**	**40**	**3,420**

Movements in deferred tax liabilities

(₹ in Lakhs)

Particulars	Depreciation and amortization*	Financial Assets at Fair Value through profit and Loss	Financial Assets at Fair Value through OCI	IND AS116 - ROU and Lease liability	Total
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**
Charged / (credited)					
- to profit or loss	(119)	(35)	-	-	(154)
- to other comprehensive income	-	-	(21)	15	(6)
As at March 31, 2022	**341**	**2**	**14**	**15**	**372**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

51. LEASE

a 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 Amortization Expense” and “Finance costs” respectively under Note No 24 and 25

b The weighted average incremental borrowing rate applied to lease liabilities is 8% to 8.38%.

c Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022.

(₹ in Lakhs)

Particulars	Category of ROU		Total
	Office Space	Guest House	
Balance as of April 1, 2020	1,433	26	1,457
Reclassified on account of adoption of Ind AS 116	-	-	-
Additions	140	-	140
Deletions	28	10	38
Depreciation	692	16	708
Balance as of March 31, 2021	**853**	**-**	**853**
Balance as of April 1, 2021	853	-	853
Reclassified on account of adoption of Ind AS 116	11	-	11
Additions	2,402	3	2,405
Depreciation	542	3	544
Deletions	693	-	693
Balance as of March 31, 2022	**2,030**	**0**	**2,030**

d 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, 2022	As at March 31, 2021
Current Lease liabilities	465	610
Non-current lease liabilities	1,622	327
Total	**2,087**	**938**

e The following is the movement in lease liabilities during the year ended March 31, 2022:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance as at April 1	938	1,558
Additions	2,352	139
Additions through business combinations	-	-
Deletions	771	45
Finance cost accrued during the period	186	102
Payment of lease liabilities	617	816
Balance as of March 31	**2,087**	**938**

f The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2022 on an undiscounted basis:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	529	657
One to five years	1,582	356
More than 5 years	-	-
Total	**2,111**	**1,013**

g 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

h Rental expense recorded for short-term leases is ₹ 69 Lakhs (March 31, 2021 ₹ 28 Lakhs).

52. BELOW IS THE LIST OF PENDING LITIGATIONS AS ON MARCH 31, 2022 (BY/AGAINST NCCL)

(₹ in Lakhs)

Filled by	Filed against	Date of filing	Court	Case Type / Status
National Commodity Clearing Limited	Kunjal Trade Commodities	November 30, 2019	In the High Court of Judicature at Bombay, Ordinary Original Civil Jurisdiction	Summary Suit Status - Matter is closed for orders on November 26, 2021 and no further update as on March 31, 2022
National Commodity Clearing Limited	Dita Comtrade Limited	November 30, 2019	In the High Court of Judicature at Bombay, Ordinary Original Civil Jurisdiction	Summary Suit Status - Matter is closed for orders on November 26, 2021 and no further update as on March 31, 2022
Jabs International Private Limited	Union of India (through Ministry of Finance) & Ors. NCDEX(R-3) NCCL(R-4)	September 21, 2020	In the High Court of Judicature at Bombay, Ordinary Original Civil Jurisdiction	Writ Petition Status - The next date in the matter is yet to be listed by the Court
Dita Comtrade Limited	National Commodity Clearing Limited (R-1) NCDEX (R-2)	July 23, 2021	In the High Court of Delhi at New Delhi Civil Original Jurisdiction WP (Civil) No 8142 of 2021	Writ Petition Status - Matter came up for hearing on January 20, 2022. Both the parties presented the case. However, due to paucity of time, matter is further listed for hearing on August 22, 2022

The Groups pending litigations as at March 31, 2022, comprize of proceedings pending with various Authorities. The Group 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 statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position (Refer note 32 for details on contingent liabilities).

53. DISCLOSURE OF FINANCIAL RATIOS

(₹ in Lakhs)

Sr No.	Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Explanation for Variance above 25%
1	Current Ratio (In times)	Total current assets	Total current liabilities	1.81	1.68	8%	
2	Debt-Equity Ratio (In times)	Debts consisting of borrowings and lease liabilities	Total equity	0.04	0.02	123%	Higher lease liability was recognized on account of lease renewal.
3	Debt Service Coverage Ratio (In times)	Earning for Debt service=Net Profit after taxes+Non-cash operating expenses+Interest+other non-cash adjustments	Debt service= Interest and lease payments+Principal payments	2.24	1.50	50%	Revenue growth has resulted in improvement in profitabilty & hence an improvement in the ratio
4	Return on Equity Ratio (in %)	Profit for the year less preference dividend (if any)	Average Total equity	-2.33%	-2.77%	-16%	Revenue growth has resulted in improvement in profitabilty & hence an improvement in the ratio
5	Inventory Turnover ratio	Cost of goods sold OR sales	Average Inventory	NA	NA	NA	
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.46	3.54	-2%	Revenue growth along with efficient debtors realization has resulted in an improvement in the ratio
7	Trade payables turnover ratio (in times)	Other Expenses + Lease Payments +Staff welfare exp	Average trade payables	6.72	6.41	5%	
8	Net Capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e Total current assets less Total current liabilities)	0.38	0.32	21%	
9	Net profit ratio (in %)	Profit for the year	Revenue from operations	-10.65%	-12.97%	18%	Revenue growth along with cost management has resulted in an improvement in the ratio
10	Return on capital employed (in %)	Profit before tax and finance costs	Capital Employed = Networth+lease liabilities+Deferred tax liabilities	-2.91%	-3.91%	26%	Revenue growth has resulted in improvement in profitabilty & hence an improvement in the ratio
11(a)	Return of FD Investement			5.52%	6.12%	-10%	
11(b)	Return on Liquid Fund			3.59%	3.39%	6%	
	Return on FMP			4.06%	7.60%	-47%	Due to mark to market
11(c)	Return on Bond Investments			6.43%	6.93%	-7.2%	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

54 . ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total net assets	As at March 31, 2022	As % of Total net assets	As at March 31, 2021
Net assets (total assets minus total liabilities)					
National Commodity & Derivatives Exchange Limited (NCDEX)	Parent Company	50%	40,626	52%	42,296
NCDEX e Markets Limited. (NeML)	Subsidiary	7%	5,971	8%	6,846
National E-Repository Limited (NERL)	Subsidiary	7%	6,094	8%	6,369
National Commodity Clearing Limited (NCCL)	Subsidiary	30%	24,455	28%	22,698
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	(0)	0%	(12)
Power Exchange India Limited	Associates	6%	4,825	4%	3,249
Total		**100%**	**81,970**	**100%**	**81,446**

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total Profit or loss	For the year ended March 31, 2022	As % of Total Profit or loss	For the year ended March 31, 2021
Share in profit or (loss)					
National Commodity & Derivatives Exchange Limited (NCDEX)	Parent Company	13084%	(1,376)	210%	(2,488)
NCDEX e Markets Limited. (NeML)	Subsidiary	3903%	(410)	(87%)	1,032
National E-Repository Limited (NERL)	Subsidiary	2566%	(270)	46%	(546)
National Commodity Clearing Limited (NCCL)	Subsidiary	(4378%)	460	5%	(55)
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	(109%)	11	2%	(19)
Power Exchange India Limited	Associates	(14966%)	1,574	(75%)	891
Total		**100%**	**(11)**	**100%**	**(1,188)**

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total OCI	For the year ended March 31, 2022	As % of Total OCI	For the year ended March 31, 2021
Share in other comprehensive income					
National Commodity & Derivatives Exchange Limited (NCDEX)	Parent Company	109%	(41)	135%	75
NCDEX e Markets Limited. (NeML)	Subsidiary	(63%)	24	(25%)	(14)
National E-Repository Limited (NERL)	Subsidiary	14%	(5)	3%	2
National Commodity Clearing Limited (NCCL)	Subsidiary	43%	(16)	(1%)	(1)
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	-	0%	-
Power Exchange India Limited	Associates	(4%)	1	(12%)	(7)
Total		**100%**	**(37)**	**100%**	**56**

(₹ in Lakhs)

Particulars	Nature of Relationship	As % of Total comprehensive income	For the year ended March 31, 2022	As % of consolidated net assets	For the year ended March 31, 2021
Share in total comprehensive income					
National Commodity & Derivatives Exchange Limited (NCDEX)	Parent Company	2954%	(1,417)	213%	(2,413)
NCDEX e Markets Limited. (NeML)	Subsidiary	807%	(387)	(90%)	1,017
National E-Repository Limited (NERL)	Subsidiary	574%	(275)	48%	(545)
National Commodity Clearing Limited (NCCL)	Subsidiary	(926%)	444	5%	(55)
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	(24%)	11	2%	(19)
Power Exchange India Limited	Associates	(3285%)	1,575	(78%)	884
Total		**100%**	**(48)**	**100%**	**(1,131)**

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 debited to statement of profit and loss account amounting to ₹ 4.68 Lakhs (March 31,2021 ₹ 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 Organization has declared the same as a pandemic. During the FY 2021-22, 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 ₹ NIl as other income during the year ended March 31, 2022 (March 31, 2021 ₹ 20 Lakhs).

58. The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on September 28, 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. ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

i Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

ii Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

iii Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iv Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

v Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vi Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

vii Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

viii Valuation of PP&E, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

x Utilization of borrowed funds and share premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

59. During the year ended March 31, 2022, The Board of Directors of Exchange at its meeting held on May 20, 2022 has recommended a payment of dividend of ₹ 0.50 per equity shares of ₹ 10/- each.

60. 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 : May 20, 2022

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
Chairman
DIN - 02224776

Hoshi D. Bhagwagar
Company Secretary
Membership No. - F2945

Atul Roongta
Chief Financial Officer

NCDEX

Pragati ka Solid Exchange

National Commodity & Derivatives Exchange Limited

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