



**National Commodity & Derivatives Exchange Limited**

First Floor, Akruti Corporate Park, Near G.E. Garden,  
L.B.S. Road, Kanjurmarg (West), Mumbai - 400078.

T: (+91-22) 66406789 F: (+91-22) 66406899

E: askus@ncdex.com W: www.ncdex.com

CIN: U51909MH2003PLC140116

NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED

ANNUAL REPORT  
2024-25



**NCDEX**

Pragati ka Solid Exchange



ANNUAL REPORT | 2024-25

# REFRAMING CHALLENGES

BUILDING AN INCLUSIVE MARKET ECOSYSTEM



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## Vision

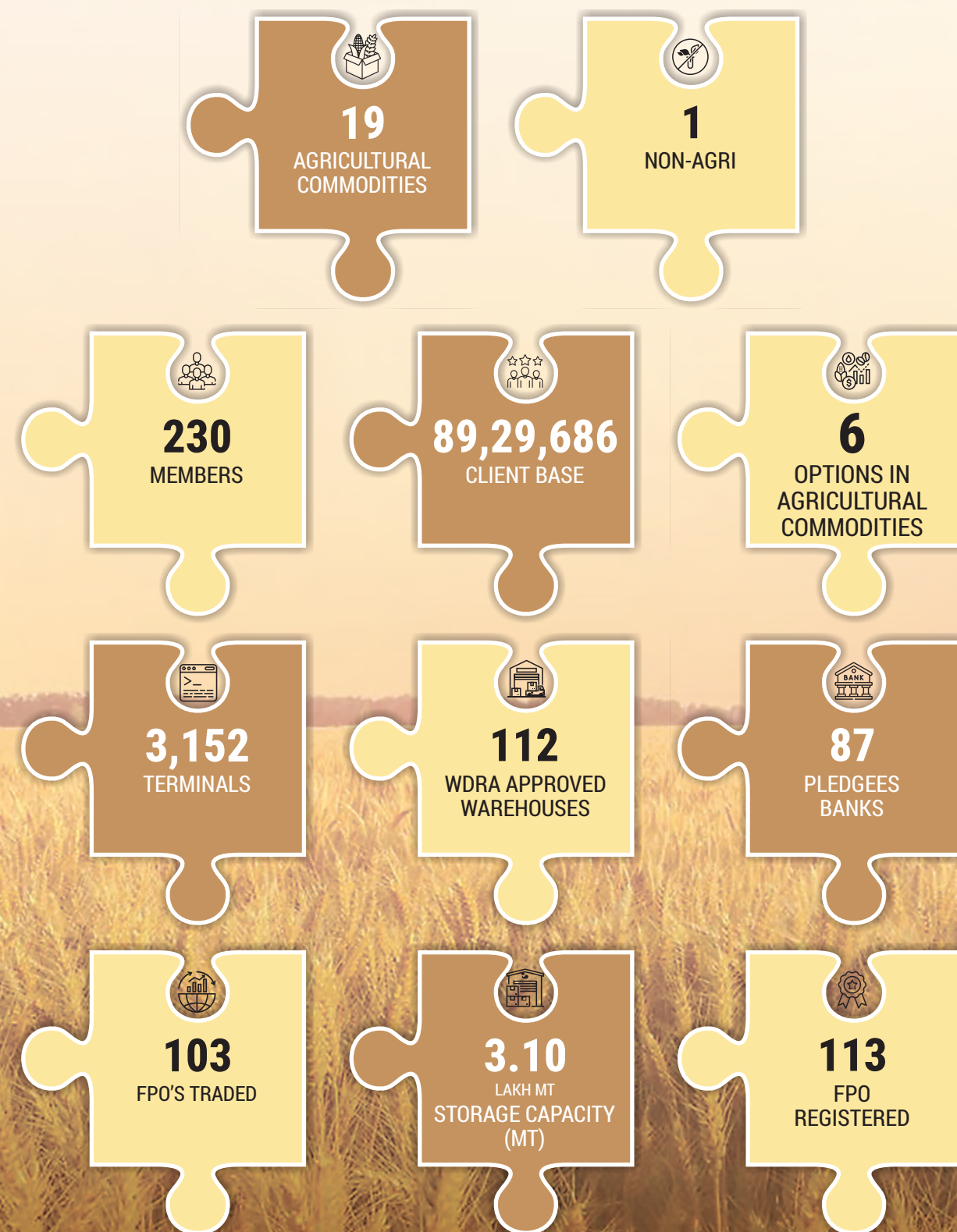
To be a globally trusted, innovative, and diversified exchange ecosystem that creates value for all stakeholders.

## Mission

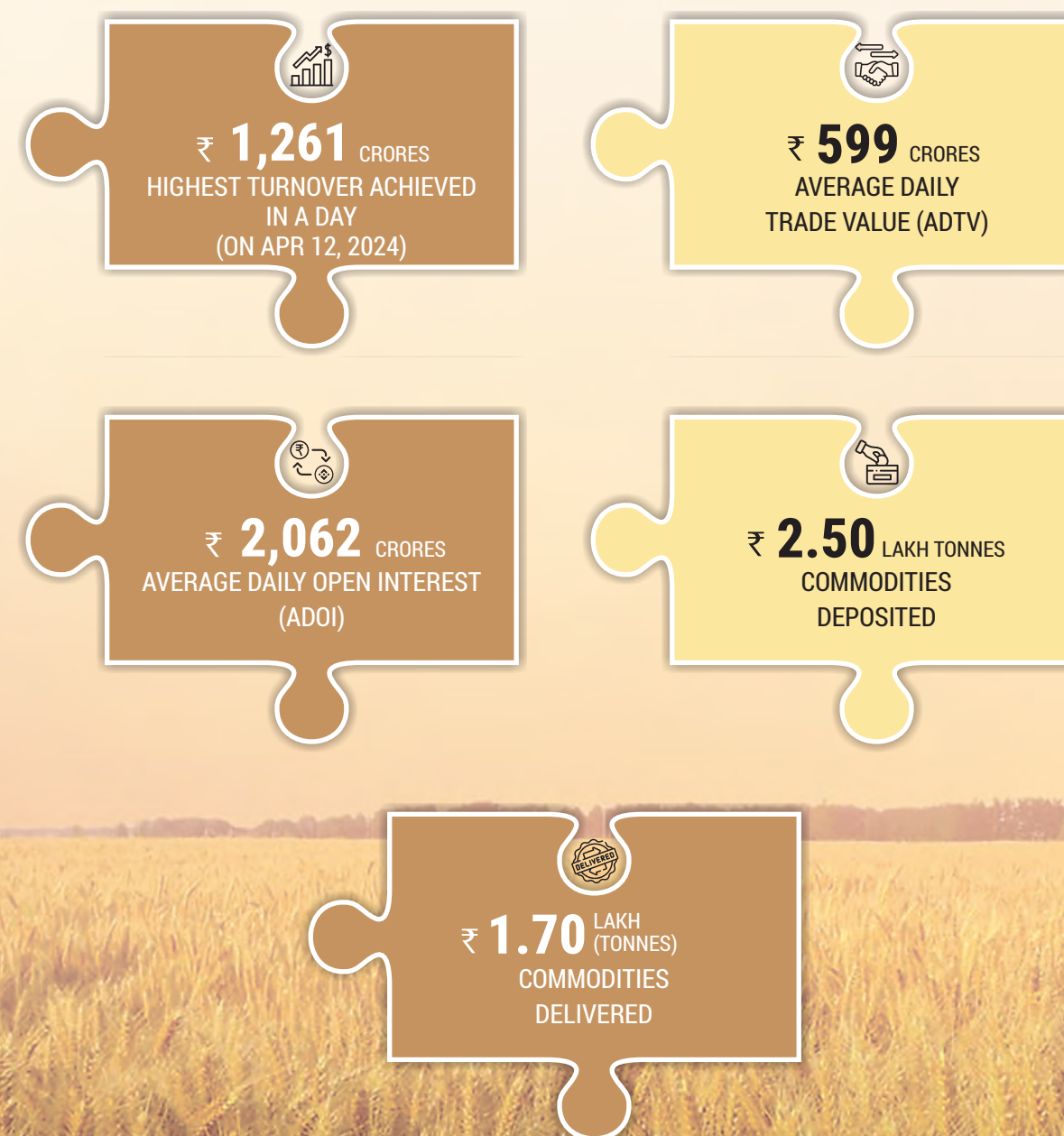
To be a financially sustainable commodity ecosystem that enhances efficiency by leveraging resources, improving liquidity, and adopting practices of good governance.



## Year At A Glance Commodity Offered For Trading



## Other Salient Highlights For FY 2024-25





## MD & CEO's Message



DEAR SHAREHOLDERS,

Global trade bore the scars of war, shaped by protectionist policies and riddled with tariffs that attempted to override persistent volatility. Ongoing conflicts like the Russia-Ukraine and Iran-Israel, heightened tensions in the Middle-East, and shifting political landscapes raised fresh red flags, leading to a 7% contraction in global trade volumes. Yet, amid these disruptions, trade demonstrated resilience—though not without leaving economic bruises. Our domestic theater remained calmer, with inflation in check, consistently increasing grain production and diplomatic efforts.

The Exchange resonated this spirit by working on product innovations, market expansion and strategic institutional support. The Exchange has successfully navigated three and a half years of a continued period of suspension of some of its key contracts. We realigned our attention on development of new product offerings and strategic alliances. These strategic partnerships were focused at broadening and deepening the impact of our market offerings and capacity building initiatives with the market participants.

**Farmer Producer Organizations (FPOs) /farmers** remain at the heart of our financial inclusion mission, and that commitment translated into a **20% growth in our footprint during 2024–25** compared to the previous year. This remarkable progress was achieved despite the continued suspension of several key contracts. The connection we've built with 1.15 million farmers stands as a powerful endorsement of the trust and confidence that primary producers have placed in our system—a testament to the enduring value and relevance of our platform in their economic journey.

**A collaborative initiative with NABARD** led to the subsidization of put option premiums for Farmer Producer Organizations (FPOs), empowering them to effectively hedge price risks through spice options. The scheme benefitted 80 FPOs, extending its reach to 134,221 farmers and safeguarding price risk on 6,544 metric tonnes of spices. This initiative could potentially serve as a pilot model for a complementary mechanism alongside the existing Minimum Support Price framework, paving the way for more inclusive price risk management strategies.

“Global trade faced a 7% contraction due to ongoing conflicts (Russia-Ukraine, Iran-Israel), Middle East tensions, and protectionist policies. Despite volatility and economic strain, trade showed resilience. Domestically, the situation was more stable, with controlled inflation, rising grain production, and strong diplomatic efforts.”

The participation and faith of our value chain has been our strongest pillar. In FY 2024-25, many of the key commodities such as Castor Seed, Kapas, Coriander & Turmeric have shown a positive increase in average Open interest. Further, the Castor Seed contract witnessed a strong participation with an increase of 4% in ADTV and 23% in ADOI. Commodity options continue to be an exciting product. We are thankful to the regulator for exceptional approval for the launch of spice options. We launched Options on futures in guarseed & guar gum. These options contracts were well received by the stakeholders.

The commodity value chain has multiple layers and various product offerings; our objective is to ensure all value added products and their value chain participants benefit from our product offerings. Hence, last year we launched cotton washoil to add another product to the cotton complex. Yellow peas was another product that was launched, but due to interventions in the physical market, the product has been slow in garnering traction.

Looking ahead, while we continue to scale up our existing product suite, we are also preparing to embrace innovation with offerings such as weather derivatives. In parallel, the Exchange is actively working to broaden its participant base by introducing new market segments beyond commodity derivatives—an effort aimed at expanding our sphere of influence and strengthening the institution. We have begun exploring opportunities to enter the equities segment, which will not only broaden our impact but will also provide opportunities for ever-increasing investor base in the country.

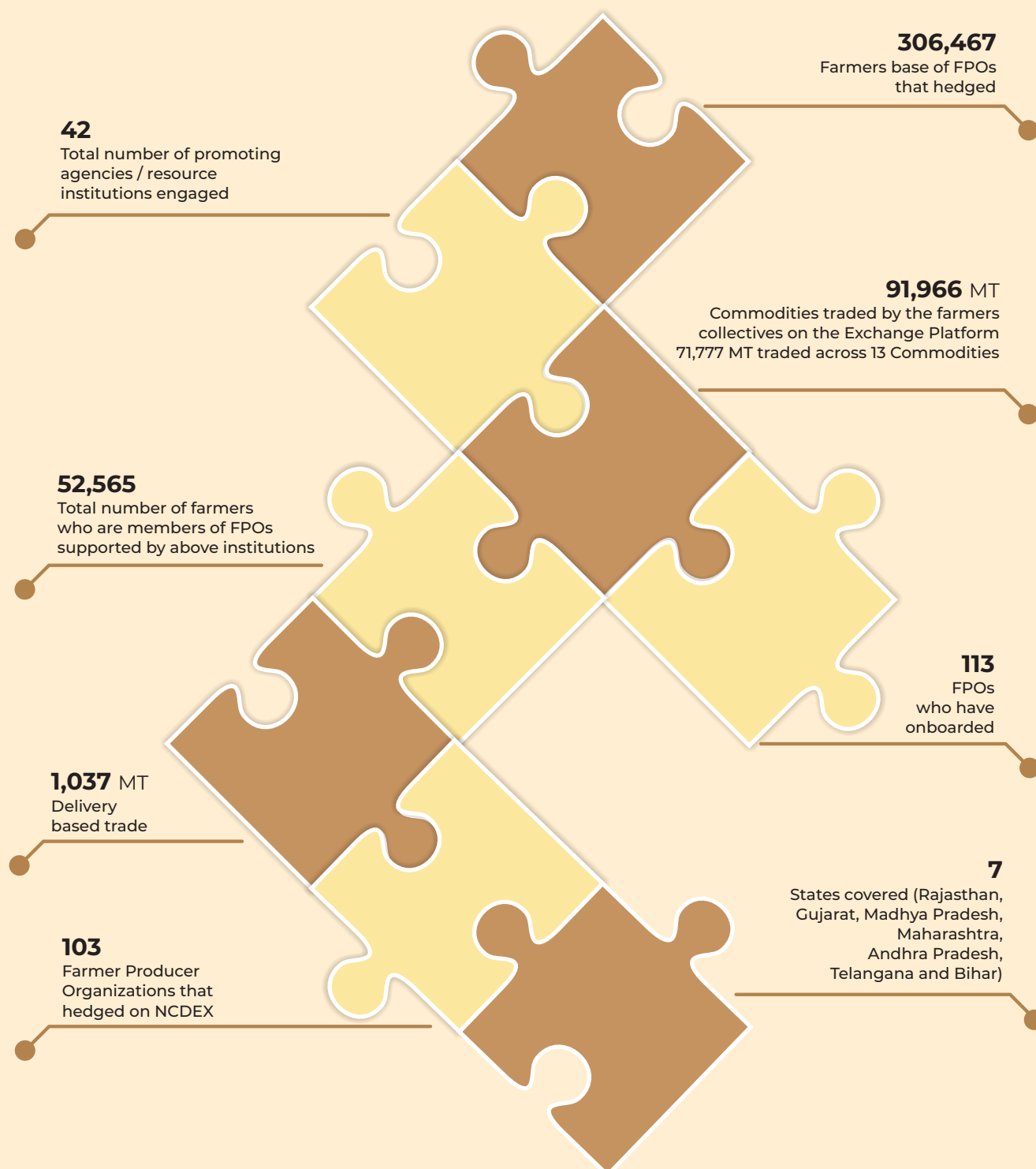
Our commitment to policy advocacy remains unwavering, as we strive to reinforce trust in commodity markets and encourage government institutions to adopt derivatives for effective price risk management. These initiatives are underpinned by the unwavering support of our stakeholders, whose collaboration has been instrumental in shaping this evolving ecosystem. I am grateful to our regulator for their guidance and support, and all our partner institutions, members and associates for their belief in the Exchange. And last but not the least, Kudos to our own people at the exchange. Ultimately, it is people who define any organisation. It is through their perseverance, agility, and drive that the Exchange continues to aim higher, committed to exceeding expectations in 2025–26 and beyond.

With best regards,

**Arun Raste**

*Managing Director &  
Chief Executive Officer*

## FPO Highlights FY 2024-25



## Company Information

### BOARD OF DIRECTORS

**Mr. Ashish Bahuguna**  
Chairman and Public Interest Director

**Mr. Hemant Adarkar**  
Public Interest Director

**Dr. Mukulita Vijayawargiya**  
Public Interest Director

**Mr. R. Amalorpavanathan**  
Public Interest Director

**Mr. Soma Sankara Prasad**  
Public Interest Director  
(w.e.f. July 2, 2024)

**Mr. Sanjeev Rohilla**  
Non-Independent Director

**Mr. Arun Raste**  
Managing Director  
& Chief Executive Officer

### CHIEF FINANCIAL OFFICER

**Mr. Atul Roongta**

### STATUTORY AUDITOR

Khandelwal Jain & Co., Chartered Accountants  
6-B&C, PIL Court, 6th Floor, 111, M. Karve Road,  
Churchgate, Mumbai 400 020.

### SECRETARIAL AUDITOR

Ragini Chokshi & Co., Practicing  
Company Secretaries, 34,  
Kamer Building, 5th Floor, 38,  
Cawasji Patel Street, Fort, Mumbai – 400001.

### BANKERS

Axis Bank Limited  
Bank of India  
Canara Bank  
IndusInd Bank Limited  
HDFC Bank Limited  
Kotak Mahindra Bank Limited  
ICICI Bank Limited  
Tamilnad Mercantile Bank Limited  
Punjab National Bank  
Yes Bank Limited  
Union Bank of India  
State Bank of India

### COMPANY SECRETARY

**Mr. Kishore P. Shah** (w.e.f. December 1, 2024)  
**Mr. Hoshi D. Bhagwagar** (upto November 30, 2024)

### REGISTERED OFFICE

First Floor, Akruiti Corporate Park,  
Near G. E. Garden, L. B. S. Road,  
Kanjurmarg (West), Mumbai - 400 078.

### REGISTRAR & SHARE TRANSFER AGENTS

MUFG Intime India Private Limited  
(formerly Link Intime India Private Limited)  
C-101, 247 park, L.B.S. Marg, Vikhroli (West),  
Mumbai 400083.

### BRANCH OFFICES

**Ahmedabad** : 12th Floor, 1201-B, BVR-EK,  
Opp. Inder Residency Hotel, Ellisbridge,  
Ahmedabad 380 006.

**Delhi** : 18th Floor, Unit no. 1801 to 1806,  
Ambadeep Building, 14 Kasturba Gandhi Marg,  
New Delhi 110 001.

**Hyderabad** : C/o NCDEX e Markets Limited,  
Park View Estate, 4th Floor,  
Banjara Hills Road No. 2, Opp KBR Park.  
Hyderabad, Telangana 500 034.

**Indore** : 3rd floor, 309, Gold Arcade,  
Opp. Curewell Hospital,  
New Palasiya road, Indore 452 001.

**Jaipur** : Vinayak Heights, 5th Floor, Plot No. 105-106,  
Gom Defence Colony, Gautam Marg,  
Vaishali Nagar, Jaipur 302 021.

**Kolkata** : Shrachi Tower, Mezzanine Floor,  
686 Anandapur, E.M. Bypass Ruby, Kolkata 700 107.

## Board of Directors



**Mr. Ashish Bahuguna**  
Chairman and  
Public Interest Director



**Mr. Hemant Adarkar**  
Public Interest Director



**Dr. Mukulita Vijayawargiya**  
Public Interest Director



**Mr. R. Amalorpavanathan**  
Public Interest Director



**Mr. Soma Sankara Prasad**  
Public Interest Director  
(with effect from July 2, 2024)



**Mr. Sanjeev Rohilla**  
Non-Independent Director



**Mr. Arun Raste**  
Managing Director &  
Chief Executive Officer



**Mr. Atul Roongta**  
Chief Financial Officer



**Mr. Kedar Deshpande**  
Chief Business Officer



**Mr. Hitesh Savla**  
Chief Trading Operations and  
Customer Services



**Mr. Avinash Mohan**  
Chief - Enterprise Risk,  
Surveillance & Investigation



**Ms. Seema Nayak**  
Chief Compliance Officer



**Ms. Aditi Mukherjee**  
Chief People Officer



**Ms. Archana Venugopal**  
Senior Vice President and  
Chief Information Security Officer



**Balkrishna Shankwalker**  
Chief Technology Officer (CTO)



**Mr. Kishore P. Shah**  
Vice President and  
Company Secretary



## DIRECTORS' REPORT

The Members,

Your Directors are pleased to present the Twenty Second Annual Report and Audited Financial Statements of the National Commodity & Derivatives Exchange Limited ('NCDEX'/the 'Exchange') for the Financial Year ended March 31, 2025 (FY 2024-25).

### PERFORMANCE

The following table shows the summary of financial performance of the Exchange on standalone as well as consolidated basis for the FY 2024-25:

Particulars	Standalone		Consolidated	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Total income	4,476	5,283	12,206	13,606
Total expenses	10,630	10,191	19,701	18,722
<b>Profit before exceptional items and tax</b>	<b>(6,154)</b>	<b>(4,908)</b>	<b>(7,495)</b>	<b>(5,116)</b>
Exceptional item	37,732	3,913	34,400	989
Share of net profit from joint venture and associate	-	-	977	807
<b>Profit before tax</b>	<b>31,578</b>	<b>(995)</b>	<b>27,882</b>	<b>(3,320)</b>
Tax expenses	5,295	(630)	4,273	(550)
<b>Profit after tax</b>	<b>26,283</b>	<b>(365)</b>	<b>23,609</b>	<b>(2,770)</b>
Other comprehensive income	(86)	(30)	(140)	(69)
<b>Total comprehensive income for the year</b>	<b>26,197</b>	<b>(395)</b>	<b>23,469</b>	<b>(2,839)</b>

(₹ in Lakhs)

#### Summary of financial performance of the Exchange on standalone and consolidated basis for the FY 2024-25

##### Standalone Results

The total income of the Exchange for FY 2024-25 was ₹ 4,476 Lakhs, reflecting a decrease of 15% over FY 2023-24.

The total expenses of the Exchange for FY 2024-25 were ₹ 10,630 Lakhs, 4% higher than ₹ 10,191 Lakhs for FY 2023-24.

Profit/(loss) before exceptional item and tax during FY 2024-25 was ₹ (6,154) Lakhs as compared to ₹ (4,908) Lakhs for FY 2023-24.

Profit/(loss) after tax was of ₹ 26,283 Lakhs for FY 2024-25 as compared to ₹ (365) Lakhs for FY 2023-24.

##### Consolidated Results

The total income of the NCDEX Group for FY 2024-25 was ₹ 12,206 Lakhs, reflecting a decrease of 10% over that of FY 2023-24.

The total expenses of the NCDEX Group stood at ₹ 19,701 Lakhs, which was 5% higher than that in FY 2023-24.

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 2024-25, was ₹ 290 Lakhs as compared to ₹ 105 Lakhs in FY 2023-24.

The share in net profit from Meta Materials Circular Markets Private Limited (MMCMPL), a 50:50 joint venture between MTC Business Private Limited and NCDEX e-Markets Limited (NeML) for FY 2024-25 was ₹ (181) Lakhs as compared to ₹ (64) Lakhs in FY 2023-24.

The share in net profit from Power Exchange India Limited (PXIL) for FY 2024-25, was ₹ 859 Lakhs as compared to ₹ 766 Lakhs in FY 2023-24.

Profit/(loss) of the Exchange after tax was ₹ 23,609 Lakhs during FY 2024-25, as compared to ₹ (2,770) Lakhs during FY 2023-24.

## DIRECTORS' REPORT (Contd.)

### REVIEW OF OPERATIONS

#### Highlights

- The highest turnover achieved in a day during FY 2024- 25 was ₹ 1,261 Crores.
- The top five traded commodities on the Exchange were Guar Seed, Guar Gum, Turmeric, Cotton Cake and Castor seed.
- The Average Daily Traded Volume ('ADTV') in FY 2024- 25 stood at ₹ 599 Crores vis-a-vis ₹ 848 Crores in FY 2023-24.

The major highlights of the FY 2024-25 are given below:

#### Business

The FY 2024-25 was marked by significant unpredictability and volatility in global commodity markets, characterized by notable price fluctuations, evolving policy frameworks, and unexpected disruptions. As the world looked inwards, prioritizing food security and protecting its domestic boundaries, Indian agricultural markets put forth a more resilient picture. Consistently showing growth in the grains and pulses production touching 353.96 million tons, an increase of 21.6 million tons as compared to the last Financial Year (FY). Also domestic food exports observed an increase by 6.4 percent versus the global grains trade declining by 7 percent as compared to last FY. Much like our domestic response to the disturbed global order, the Exchange also exhibited resilience in a continued era of suspension of its key derivative contracts with our focus on innovation and diversification.

Disturbed global trade and the continuation of suspension of our major derivative contracts for over three and half years now, has impacted the entire commodity value chain. From farmers having no visibility of prices to processors closing their businesses as they were unable to hedge their price risk in the absence of these market driven instruments. To encapsulate the impact on market participants during the suspension period, a series of research initiatives were undertaken under the NCDEX Investor Protection Fund Trust by IIT Bombay, BIMTECH (Birla Institute of Management and Technology) and IRMA (Institute of Rural Management, Anand). Dedicated efforts to share the reactions and recommendations from these research initiatives with policy makers, trade associations, farmers/ FPOs (farmer producer organizations) and industry, have been undertaken in the last FY. During this period, our market connections have strengthened as

the ask for resuscitation of the suspended contracts was collectively put forth in a research backed manner. The Exchange maintained its focus on reach out and capacity building programs for the Exchange participants.

#### Special Initiative

Our drive to elevate the primary producers by equipping them to manage their price risk through market driven instruments lead us to a synergic and strategic tie up with NABARD (National Bank for Agriculture and Rural Development). NCDEX, in association with NABARD, launched a price protection scheme using put options. The scheme subsidized the put options premium on option contracts in spices benefiting 80 FPOs enabling this benefit to reach 1,34,221 farmers and safeguarding price risk on 6,544 metric tonnes of spices. The initiative was able to induct almost 50 percent new FPOs to the program and hence was an experienced based capacity building exercise. The capacity building exercise was not only limited to the benefitting FPOs but also the supporting NABARD DDMs (District Development Managers) as they were also engaged making the program successful. The above impact was a result from release of just the first tranche of ₹ 5 crores from a total fund allocated by NABARD of ₹ 25 crores. Around 90 awareness programs were conducted, and 155 FPOs expressed interest in participating. The program will continue in the FY 2024-25, expecting increased FPO participation.

#### FPO Footprint

NCDEX fosters a modern, efficient marketplace, partnering with farmers, FPOs, and stakeholders to promote price transparency and risk management. The Exchange connects FPOs to build robust markets, enhance awareness of produce quality, and enable them with informed decision making on crop planting and marketing.

In the FY 2024-25, NCDEX's FPO program on boarded 113 FPOs, including 2 FPO consortiums, representing 52,565 farmers. This brought the total to 673 FPOs across 16 states, covering over 11,54,061 farmers.

During the FY, 103 FPOs from 7 states hedged 11 commodities, with a cumulative volume of 91,996 metric tons valued at ₹19,437 lakhs, The FPOs registered 28% increase in volume from the last FY. Deliveries by 16 FPOs amounted to 1,037 MT, worth approximately ₹1,003 Lakh. Since 2016, 246 FPOs have traded 22 commodities, hedging about 2,83,467 MT of produce.



## DIRECTORS' REPORT (Contd.)

SEBI has also supported the Exchange's initiatives by permitting to channelize regulatory fees to subsidize delivery costs for FPOs. In the FY 2024-25, 13 FPOs from 4 states received ₹17 Lakh in assistance to deliver 8 commodities, totaling 582 metric tons on the Exchange's platform.

To empower FPOs in using derivative tools for hedging, NCDEX's FPO team conducts Investor Education Programs (IEPs), webinars, and training sessions, alongside one-on-one interactions. In the FY 2024-25, NCDEX held 122 IEPs with 709 FPOs, 91 webinars with 407 FPOs, and 179 training sessions with 213 FPOs across 7 states and 165 locations. Officials from Krishi Vigyan Kendras (KVKs), agriculture universities, NABARD, financial institutions, State Rural Livelihood Mission (SRLM), and relevant State Government departments also participated in these initiatives.

NCDEX remains committed for engaging with the agricultural ecosystem, particularly FPOs and their supporting institutions, to drive positive change and enhance the resilience of Indian farmers.

### Business updates

Industry confidence and support has been a resilient force behind surviving these challenging times. FY 2024-25 was yet another year where the suspended contracts previously trading on the Exchange were not revoked. The industry was given hope and after two extensions, finally the suspension period was extended for another year on March 31, 2025. Our average daily traded volumes and open interest corrected downwards as compared to the previous FY by 29 percent and 9 percent respectively. It indicates that on one hand the hedgers' participation has largely remained intact (with minor drop mainly attributed to Jeera) but the intraday participation has seen a major decline due to lower opportunities (volatility) in key commodities such as Guar Seed and Guar Gum. The Exchange still strived to grow business from the existing products and added new ones, especially in the Options segment. In FY 2024-25, many of the key commodities such as Castor Seed, Kapas, Coriander and Turmeric have shown a positive increase in average open interest. Further, the Castor Seed contract witnessed a strong participation with an increase of 4% in ADTV and 23% in ADOI.

The Exchange not only channelized its efforts towards bringing back suspended commodities, but also added new products to its basket of product offerings to explore

new avenues for business growth. The Exchange has added two futures contracts (Yellow peas and Cotton wash Oil) and five Option contracts (Guar Seed, Guar Gum, Dhaniya, Jeera and Turmeric) to its portfolio in order to cater to the needs of financial players and value chain participants. The options on spices (Jeera, Dhaniya and Turmeric) were instrumental in empowering FPOs in 6 states to take advantage of the NABARD supported Price Protection Program using Put Options.

During FY 2024-25, the data sales segment continued to demonstrate resilience and strategic growth. Despite the saturation of real-time market data vendors and the onboarding of major hedge funds in the previous FY, the Exchange has achieved an additional revenue of ₹ 22 lakh. This growth, though slower than the previous FY's 44.6%, reflects the successful retention of key vendors, who provided us with price hikes, and the onboarding of several large corporates requiring spot data for select commodities. While the growth rate has slowed, these strategic additions underscore our commitment to expanding our reach and providing tailored data solutions.

Our marketing and corporate communication efforts in FY 2024-25 focused on building brand awareness, driving engagement, and fostering strong stakeholder relationships. From product promotions to engaging in purported stakeholder engagements along-side connecting with policy makers for one to one presentations. Our on ground engagements with stakeholders increased by 10 percent.

### Industry Awards and Accolades

People and technology are two strong pillars that define growth and sustainability for organizations. NCDEX was recognized on various tech and HR forums. The following accolades were presented to the Exchange in the FY 2024-25:

- Most Innovative HR 2024: Award by HR Association India
- Arogya World Healthy Workplace Award 2024: "Silver" Category by Arogya World
- "Workplace of Winners" awards by 'Jombay'
- Gold award for the Best Website of the Year at the PR & Communication Aces Awards 2024
- Best use of Data Analytics (Commodity Exchange) at 5<sup>th</sup> Annual BFSI Technology Excellence Awards 2024 by Quantic



## DIRECTORS' REPORT (Contd.)

### Way Forward

The financial year 2024–25 posed significant challenges, yet the resilience and trust of our stakeholders not only sustained our operations but expanded our strategic horizon. Our commitment remains firmly anchored in strengthening our presence in commodity options, particularly empowering farmers and FPOs with risk management tools such as put options. We will also continue to remain focused on our policy advocacy efforts to resuscitate the suspended commodity contracts.

Looking ahead, NCDEX is gearing up to launch its equity segment and pioneer innovative instruments like weather derivatives—designed to address climate-linked agricultural risks. These initiatives reflect our broader ambition to diversify offerings and deepen market relevance. Our approach will focus on reinforcing core commodity markets while developing feeder locations to extend product accessibility.

Backed by rigorous research, we are intensifying our collaboration with policymakers to enhance advisory frameworks and drive awareness. Strengthening ties with industry associations and value-chain participants will be pivotal in building momentum for the coming year. While challenges persist, we are confident that our evolved strategy will transform adversity into opportunity. Our strength lies in the relevance we bring to the ecosystem—fostering inclusivity, resilience, and sustainable growth.

### CAPITAL STRUCTURE

The Authorized Share Capital of the Exchange is ₹ 70,00,00,000/-, comprising of 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, 2025, the Exchange platform across the country had 225 members.

### CUSTOMER SERVICE GROUP

At the Exchange, our commitment to enhancing customer experience remains unwavering. The Customer Service Group (CSG) has spearheaded several projects aimed at improving customer experience and optimizing operational processes. These initiatives, alongside our ongoing internal process enhancements, have significantly elevated the quality of service we provide to market participants.

### Streamlining the processes

To mitigate operational risks, all members are required to maintain a Fidelity Insurance Policy, which must be submitted to the Exchange. This year, we digitalized the Fidelity Insurance process to enhance operational efficiency and reduce turnaround times. As a result, there has been a significant decrease in the number of calls and emails regarding expired or renewal-due insurance policies.

Authorised Person Cancellation process has also been automated during the year, whereby it has become easy for the members to submit the request on the portal itself and track its status on real time basis.

### Website Enhancements

During the year, the Exchange has successfully integrated Trading-View widgets—a charting platform used by over 100 million traders and investors worldwide—into NCDEX website. This integration provides market participants with access to real-time data and advanced charting tools within a user-friendly interface.

### DIVIDEND AND APPROPRIATIONS

For the FY ended March 31, 2025, your Directors have not recommended any dividend on the equity shares issued by the Exchange.

### DIVIDEND DISTRIBUTION POLICY

In terms of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ('Listing Regulations'), the Board has adopted a Dividend Distribution Policy which can be accessed on the website of the Exchange at <https://ncdex.com/about/disclosures>

### TRANSFER TO RESERVES

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

### TRANSFER OF UNPAID DIVIDEND AMOUNT TO NCDEX INVESTOR (CLIENT) PROTECTION FUND TRUST

No amount was transferred to the NCDEX Investor (Client) Protection Fund Trust during the FY 2024-25.

### 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, 2025.



## DIRECTORS' REPORT (Contd.)

### CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Exchange during the FY 2024-25.

The Board of Directors of the Exchange, at its meeting held on February 12, 2025, had approved the launch of Equity and Equity Derivatives segment, subject to necessary approvals of the Shareholders, necessary amendments/ alterations in Memorandum of Association of the Exchange ('MoA') and such other approvals from the regulatory authorities as may be applicable. The launch of Equity and Equity Derivatives segment of the Exchange has subsequently been approved by the Members of the Exchange on July 10, 2025 by way of Postal Ballot through remote e-voting process. Further, the Exchange has received in-principle approval from the Securities and Exchange Board of India vide its letter dated July 29, 2025, for the launch of its Equity and Equity Derivatives segment, subject to fulfilment of conditions as stipulated in the said letter.

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Mr. Rakesh Kapur (DIN: 00007230), Non-Independent Director retired by rotation at the Twenty First Annual General Meeting held on September 27, 2024 and was re-appointed subject to approval of SEBI. SEBI vide its letter dated November 13, 2024, approved the appointment of Mr. Rakesh Kapur as a Non-Independent Director of the Exchange.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sanjeev Rohilla (DIN: 08640408), Non-Independent Director, will be retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends the re-appointment of Mr. Rohilla as a Director of the Exchange in the "Non-Independent Director" category. His appointment is subject to approval of SEBI.

On recommendation of the Nomination and Remuneration Committee, the Board recommends the appointment of Mr. Ratnakar Patnaik (DIN:10283908) as a Non-Independent Director of the Exchange. Mr. Patnaik's appointment shall be subject to approval of SEBI.

The following Director(s) were appointed and/or retired/ resigned during the FY 2024-25:

Sr. No.	Name of the Director	Designation	Date of Appointment (A) / Retirement (R) / Resignation (RE)
1.	Mr. Soma Sankara Prasad	Public Interest Director	July 02, 2024 (A)
2.	Mr. Prem Kumar Malhotra	Public Interest Director	August 9, 2024 (R)
3.	Mr. Rakesh Kapur	Non-Independent Director	February 20, 2025 (RE)

Further, Mr. R. Doraiswamy, Non-Independent Director of the Exchange, has resigned from the directorship of the Exchange effective July 15, 2025.

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

During the FY 2024-25, Mr. Hoshi D. Bhagwagar retired from the position of Company Secretary of the Exchange and Mr. Kishore P. Shah, was appointed as the Company Secretary (Key Managerial Personnel) of the Exchange with effect from December 01, 2024.

### 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 Listing Regulations. All the Independent Directors have also provided 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'). The Board is of the opinion that the Independent Directors of the Exchange collectively possess requisite qualifications, experience and expertise in the fields of law and regulatory, technology, finance and accounting, capital/ securities market, risk management, administration, economics, management financial market, market infrastructure, co-operatives, agriculture markets, agriculture economics, macroeconomics, post-harvest technologies, international development; and they hold highest standards of integrity. Skills/ expertise/



## DIRECTORS' REPORT (Contd.)

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 is 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 & CEO 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 and the SECC Regulations read with relevant Circulars and guidelines. 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

During the FY 2024-25, six 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

The Board has Committees such as Audit Committee, Nomination and Remuneration Committee etc. under the Companies Act, 2013 as well as Committees such as Risk Management Committee, Standing Committee on Technology etc. under the SECC Regulations and Listing Regulations.

Details of the composition of the Committees, meetings held, terms of reference and attendance of the Directors at such meetings during the FY 2024-25 are provided in

the Corporate Governance Report, which forms part of the Annual Report.

### DETAILS OF MEETING OF SHAREHOLDERS

The Twenty First Annual General Meeting of the Exchange was held on September 27, 2024. The Twenty Second Annual General Meeting of the Exchange is scheduled to be held on Thursday, September 25, 2025.

The Shareholders of the Exchange have also transacted special businesses through postal ballot by remote e-voting vide notices dated May 23, 2025 and June 19, 2025. The resolutions stated in the said notices were passed on July 10, 2025 and July 24, 2025, respectively, with requisite majority.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the FY 2024-25, 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, 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 the Listing Regulations, a report on Corporate Governance for the FY 2024-25 is forming part of the Annual Report. Further, a Corporate Governance Compliance Certificate from M/s. U. Hegde & Associates, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance is forming part of the Corporate Governance report.

### CORPORATE SOCIAL RESPONSIBILITY

In terms of Section 135(5) of the 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 the 3 (three) immediately preceding financial years in pursuance to the Corporate Social Responsibility (CSR) Policy. Since 2% of average net profits of the Exchange made during 3 immediately preceding financial years is negative owing to losses sustained, the Exchange is not mandatorily required to spend any amount on CSR activities for the FY 2024-25. Accordingly, the Exchange

## DIRECTORS' REPORT (Contd.)

was neither required to nor has undertaken any CSR activities for the FY 2024-25. Consequently, the annual report on CSR activities, as required under Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014, is not annexed to the Directors' Report.

### AUDITORS / AUDIT

#### A. Statutory Auditors

Khandelwal Jain & 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 Nineteenth Annual General Meeting of the Exchange until the conclusion of the Twenty Fourth Annual General Meeting of the Exchange.

As required under the provisions of section 139(1) of the Companies Act, 2013, the Exchange had received a Certificate from Khandelwal Jain & Co. to the effect that their appointment is within the prescribed limit under Section 141 of the Companies Act, 2013 and that they are not disqualified for such appointment. There is no qualification, reservation or adverse remarks or disclaimer in the report given by Khandelwal Jain & Co. on the Financial Statements of the Exchange for the financial year ended March 31, 2025. Further, in terms of the provisions of section 143(12) of the Companies Act, 2013, it is informed that Khandelwal Jain & Co. have not observed any frauds in the course of the performance of their duties as auditor.

#### 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 M/s. Ragini Chokshi & Co., Company Secretaries, as Secretarial Auditor for FY 2024-25. In terms of sub-section (3) of section 134 of the Companies Act, 2013, Secretarial Audit Report issued by M/s. Ragini Chokshi & Co., Company Secretaries in Form MR-3 is attached as Annexure 1. There is no qualification, reservation or adverse remarks or disclaimer in the report given by M/s. Ragini Chokshi & Co. in Form MR-3. Further, in compliance with the Regulation 24A of the Listing Regulations, Secretarial Audit Report of material unlisted subsidiaries of the Exchange namely NCDEX e Markets Limited, National Commodity

Clearing Limited and National E-Repository Limited, in Form MR-3 are enclosed as Annexure 2.

In terms of the provisions of the Regulation 24A of the SEBI LODR and Section 204 of the Companies Act and pursuant to the recommendation of the Audit Committee, the Board of Directors of the Exchange has approved and recommended the appointment of M/s. Ragini Chokshi & Co., Company Secretaries (ICSI Firm Registration No. P1988MH05 6900), as Secretarial Auditor of the Exchange, for a period of five consecutive years, commencing from the Financial Year 2025-26 till the Financial Year 2029-30, including Audit under the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, for the approval of the shareholders at the ensuing AGM.

#### 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 the Financial Year 2025-26 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, 2025 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, if any, made under section 186 of the Companies Act, 2013



## DIRECTORS' REPORT (Contd.)

are provided in the Financial Statements forming part of the Annual Report.

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

All related party transactions during the FY 2024-25 were in the ordinary course of business and on an arm's length basis. The details of the related party transactions as required under the IndAS 24 are set out in Note no. 35 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(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 and SECC Regulations containing the remuneration details is enclosed as Annexure 3.

A statement containing particulars of top 10 employees and particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is to be provided as a separate Annexure. However, as provided in proviso to Section 136(1) of the Act, the Report and Financial Statements are being sent to the Shareholders, excluding the said Annexure, with the aforementioned Statement open for inspection. Any member interested in obtaining a copy of the same may write to the Exchange at [secretarialteam@ncdex.com](mailto:secretarialteam@ncdex.com). None of the employees listed in the said Annexure are related to any Director of the Company.

### 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 of the Exchange, which provides broad strategic direction to the Risk Management function. In accordance with SECC Regulations, read with relevant circulars and guidelines issued by SEBI in this regard from time to time, the Board has formed a Risk Management Committee ('RMC'), which is a sub-committee of the Board comprising Public Interest Directors and Independent External Professional. The RMC functions as per the terms of reference prescribed by SEBI guidelines and oversees the Risk Management function of the Exchange. The CRiO heads the Enterprise Risk Management department of the Exchange. Further, the Chief Risk Officer submits a half-yearly risk report to SEBI, providing an overview of the overall risk landscape of the Exchange based on key risk parameters and mitigation strategies. The report also highlights any changes in trends vis-à-vis the previous report. The CRiO 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. Further, the Enterprise Risk Management department of the Exchange also reports any breaches in the risk tolerance level as defined in the ERM Framework to the RMC. Risk Management in the Exchange is a comprehensive, disciplined and continuous process in which risks are identified, analyzed, consciously accepted or mitigated and managed by strengthening existing processes or by introducing new controls wherever feasible.

### INFORMATION SECURITY

The Exchange remains steadfast in its commitment to cybersecurity, continuously strengthening its security posture through proactive governance, risk mitigation, and advanced technological solutions. The Information Security Management framework, overseen by the Board of Directors of the Exchange and the Information Security Management Committee (ISMC), ensures strategic alignment with evolving regulatory standards. Recognizing

## DIRECTORS' REPORT (Contd.)

the dynamic nature of cyber threats, the Exchange enhanced its security architecture with cutting-edge initiatives such as red team exercise and User & Behavior Analytics (UBA) for comprehensive threat monitoring. Additionally, critical measures like dark web monitoring, threat modeling, and endpoint protection bolster defenses against emerging cyber risks. To fortify cybersecurity awareness and resilience, the Exchange has prioritized employee education and training, ensuring personnel remain well-equipped to identify and mitigate security threats. Advanced phishing detection mechanisms, enhanced data leakage prevention strategies, and multi-factor authentication implementation further strengthen the Exchange's defenses against targeted cyber threats. Governance remains a central pillar, with continuous policy reviews and adherence to industry best practices ensuring robust compliance. By embracing a forward-looking approach, integrating innovative cybersecurity tools, and refining incident response mechanisms, the Exchange reinforces its position as a secure and trusted platform, resilient against evolving cyber challenges.

### 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 two joint venture companies namely Rashtriya e-Market Services Private Limited and Meta Materials Circular Markets 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. Further, Power Exchange India Limited ceased to be an associate of the Exchange effective March 24, 2025.

#### NCDEX e Markets Limited ('NeML')

NCDEX e-Markets Ltd. (NeML) continues to showcase robust growth and resilience in the FY 2024–25. By strengthening its core operations and venturing into new sectors, NeML navigates business challenges with agility and innovation successfully. This strategic approach further consolidates its role as a leader in the country in providing fully integrated digital marketplace across diverse commodities and intangibles with enhanced efficiencies.

In the year gone by, NeML has delivered a strong performance across its core business areas, propelled by strategic investments and a dedicated team. The company maintained a positive Profit After Tax. By prioritising cost control, revenue diversification, technology integration, and talent development, NeML significantly enhanced not only its gross and net profits but margins as well.

These gains, though modest in absolute terms, reflect strong margin improvements, signalling successful business expansion. By focusing on cost optimisation, revenue diversification, technology integration, talent development, and strong corporate governance, NeML has refined its strategic approach over the past 7–8 months to better navigate market fluctuations and seize emerging opportunities. These efforts have solidified NeML's financial stability and positioned it for sustained long-term success.

In the Government business, NeML maintains its leadership in transforming the Indian agricultural sector while strategically expanding into non-agricultural government domains. A key highlight was the continued development and scaling of the e-Samrddhi platform for MSP procurement. A key highlight was the continued scaling of the e-Samrddhi platform for Minimum Support Price (MSP) procurement, achieving record-breaking results in Gujarat and Maharashtra, with 12,02,834 farmers participating, 25,06,970 metric tonnes procured, and a total procurement value of ₹ 14,555 crores.

Furthermore, NeML successfully executed several critical large and complex mandates with Central and State governments, including procurement for Public Distribution Systems and various social welfare schemes. Although high market prices posed challenges in pulse procurement, a strong recovery in oilseeds helped sustain overall revenue performance in the government business segment.

NeML's private trade segment continues to thrive, with its online physical delivery platform, Krishivedh, gaining widespread adoption across a diverse range of commodities and geographies. The dairy sector also experienced robust growth, driven by focused efforts on both pre-production activities like vaccination and artificial insemination, and post-production procurement of key feed ingredients.

NeML further augmented its presence in the cooperative by renewing its five-year partnership with National Cooperative Dairy Federation of India Limited (NCDFI), reinforcing its commitment to collaborative growth. NeML



## DIRECTORS' REPORT (Contd.)

has also forged a strategic association with the newly formed Government of India led organic enterprises, further strengthening its commitment to advancing the organic sector and aligning with national initiatives for sustainable agricultural growth.

Building on the success of Gujarat's Emission Permit Trading System, which has sparked interest from other states, NeML expanded its innovative footprint. In trade finance, the company enhanced its value chain by integrating lending services for MSMEs, collaborating with banks and NBFCs to provide low-risk financing solutions. Despite state-level fiscal constraints, NeML adopted a prudent approach to disbursements while ensuring accessible credit options to support its ecosystem.

In FY 2024-25, Rashtriya e Market Services (ReMS), our 50:50 joint venture with the Government of Karnataka, bounced back strongly after a rough patch caused by earlier legal reforms. Following the repeal of amendments to the Karnataka Agricultural Produce Act early last year, the market arrivals have surged again, stabilising the NeML's operations in FY 2024-25. ReMS expanded its impact by launching warehouse-based sales, allowing farmers to time their sales for better prices, and digitalised market fee collection, streamlining revenue for the Agricultural Marketing Department of the State. NeML's efforts reinforced its reputation as a game-changing model for agri-market digitisation and farmer empowerment in Karnataka.

In FY 2024-25, our other 50:50 joint venture with the MTC Group, Meta Materials Circular Markets Private Limited (MMCM)'s flagship platform, DigiELV - India's first MoRTH-authorised CD marketplace handled 30% of all the private vehicle certificate trades nationwide, with 38,000 users and 23,000+ trades. Its Autoloop platform also gained traction, supporting 15+ vehicle scrapping facilities with full digital traceability. Looking ahead, MMCM is pioneering an ELV Carbon Credit methodology to unlock carbon market potential for both India and globally.

In the FY 2024-25, NeML achieved STQC certification, confirming that its platform adheres to government-mandated standards for quality, security, and interoperability, thereby strengthening trust and ensuring compliance. Additionally, attaining CMMI Level 3 certification underscores NeML's dedication to consistent, well-defined processes and ongoing improvement, demonstrating its robust capability to deliver reliable and scalable digital solutions.

With deep domain expertise in Indian agriculture, a diverse portfolio, advanced tech adoption, and a skilled team, we remain confident in sustaining growth and expanding market share. NeML continue to be the go-to platform for Government agri-transactions and are seeing early gains from our diversification efforts. While global uncertainties like climate change, trade volatility, and geopolitical tensions pose challenges, NeML's strong fundamentals and agile approach position NeML to navigate risks and capitalize on emerging opportunities.

### National Commodity Clearing Limited ('NCCL')

National Commodity & Clearing Ltd (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. Subsequently, the recognition granted to act as a Clearing Corporation was renewed by SEBI for a further period of three years commencing on September 10, 2019 and ending on September 09, 2022 subject to certain conditions prescribed therein. Further, the recognition to act as a Clearing Corporation was again renewed by SEBI for a further period of three years commencing on September 10, 2022 and ending on September 9, 2025 subject to certain conditions prescribed therein.

NCCL has entered into a clearing and settlement agreement with NCDEX to provide, inter alia, clearing and settlement services along with all associated and related functions, including managing instruments offered as collaterals, risk management and clearing and settlement functions for all trades executed on the NCDEX platform.

NCCL has not undergone any change in the nature of its business during the FY 2024-25.

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

A summary of trading, settlement and collaterals processed during the FY 2024-25 is given below:

#### Trades

Particulars	FY 2024-25	FY 2023-24
Number of trades	21,84,935	32,09,549
Traded quantity	2,26,04,152 (MTs)	2,84,92,773 (MTs)
	40,08,454 (Lots)	50,08,334 (Lots)
Traded value (₹ in Crores)	1,35,726	2,06,102

## DIRECTORS' REPORT (Contd.)

### Settlement

Particulars	FY 2024-25	FY 2023-24
MTM Settlement (₹ in Crores)	1,453.24	2,575.96
Physical Settlement (₹ in Crores)	767.66	1,228.64

### Management of collateral instruments

Instrument Processed	FY 2024-25		FY 2023-24	
	Count	Amount (in Crores)	Count	Amount (in Crores)
Bank Guarantees	125	252.42	219	415.53
Fixed Deposit Receipts	568	1,421.94	983	2,042.58

### National E-Repository Limited ('NERL')

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

The result for FY 2024-25 is as below:

	Quantity of eNWR (MT)			Value (₹ in Crores)		
	FY 2024-25	FY 2023-24	Growth %	FY 2024-25	FY 2023-24	Growth %
Exchange Business	2,51,475	2,80,456	-10.33%	1,597.13	1,924.91	-17.03%
Emerging Business*	11,32,895	7,08,148	59.98%	5,069.17	3,786.43	33.88%
Total	13,84,370	9,88,604	40.03%	6,666.30	5,711.34	16.72%
Quantity of eNNWR (MT)						
Emerging Business*	1,82,692	1,84,787	-1.13%			

### Loan against eNWR (₹ in Crores) for FY 2024-25

	FY 2024-25	FY 2023-24	Growth %
Exchange Business	439.49	541.02	-18.77
Emerging Business	2,853.83	2,472.16	15.44
Total	3,293.32	3,013.18	9.30

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

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.

FY 2024-25 was the 7<sup>th</sup> full year of operations for NERL after receiving the Permanent Certificate of Registration from WDRA. NERL also completed five years of operations in Emerging Business (non-exchange business). NERL closed the year with more than 11,821 active customers (~3,000 customers added in FY 2024-25), 84 pledgee Banks/ NBFCs, 3 CM Pledgees, 1,344 unique Warehouses issuing eNWR/eNNWR and 101 Repository Participants ('RPs') across 17 states and 1 UT in India. NERL has issued more than 6 lakh eNWRs (Exchange + Emerging Business) for commodities over 73.5 Lakhs MT (Exchange + Emerging Business) deposited in registered warehouses of WDRA.

A new milestone was achieved in FY 2024-25 as Banks crossed ₹11,000 Crores in finance against eNWR since inception, a clear indication of growing confidence of banks in eNWR. Clients, banks and warehouses kept showing interest in the eNWR ecosystem, thus helping achieve a 9% growth in Pledge finance compared to FY 2023-24. NERL saw upwards of ₹3,200 Crores worth of pledge finance against eNWR on its platform in FY 2024-25. The Emerging Business saw a growth of 27% in deposits (deposits in eNWR & eNNWR) in FY 2024-25 compared to FY 2023-24.

### Since inception (as on March 31, 2025)

	FY 2024-25	FY 2023-24
RPs (account maintenance)	101	99
RPs (pledgee)	84	76
CM Pledgee	3	3
Number of active depositors/client accounts	11,821	9,980



## DIRECTORS' REPORT (Contd.)

### **NCDEX Institute of Commodity Markets and Research ('NICR')**

The NCDEX Institute of Commodity Markets and Research (NICR) is a wholly owned subsidiary of National Commodity & Derivatives Exchange (NCDEX) and is registered under Section 25 of the Companies Act, 1956. To enhance awareness in the commodity ecosystem, it offers a variety of certification courses and customized education and training programmes along with consultancy and research to various stakeholders.

In FY 2024-25, NICR concentrated on its CoRE focus areas i.e., Consultancy, Research, and Education & Awareness, with enhanced efforts towards consulting and research. Towards these efforts, NICR successfully completed two research projects. One of these projects, titled "Scaling climate finance for agri-food systems in India under Article 6 of the UNFCCC Paris Agreement" involved field surveys and stakeholder consultations to study low emission pathways in India's agriculture sector. The project was completed and submitted to Food and Agriculture Organization (FAO).

NICR has been awarded a significant consultancy project by the Government of Maharashtra under the Hon. Balasaheb Thackeray Agribusiness and Rural Transformation (SMART) project, funded by the World Bank. The project, spanning two years from April 01, 2025 to March 31, 2027, focuses on establishing dedicated Hedging Desks to support Farmer Producer Organizations (FPOs) and Community-Based Organizations (CBOs) across the state. As part of this initiative, NICR will set up a state-level hedging desk aimed at equipping FPOs and farmers with the knowledge and tools required to engage effectively with modern agricultural markets. The project includes structured handholding and capacity-building interventions to help participants understand the functioning of commodity derivatives markets and their application in post-harvest marketing and price risk management. Over the project duration, NICR will deliver a series of comprehensive capacity-building programs, provide advisory services to FPOs, and offer ongoing support on market intelligence and hedging strategies. This initiative reinforces NICR's commitment to enhancing the market readiness and resilience of grassroots agricultural stakeholders in Maharashtra.

In FY 2023-24, NICR secured a prestigious training project under the Skill India initiative (PMKVY 4.0), with the National Skill Development Corporation (NSDC) allocating a target of training 10,000 students and 1,000

CBBOs/FPOs. While the project was extended into FY 2024-25, formal confirmation was received only in late September 2024, significantly reducing the available window for implementation. Despite these operational constraints and the limited execution timeline, NICR successfully conducted training for 348 students and FPO stakeholders. The project is expected to be extended into FY 2025-26, during which NICR aims to scale up efforts and achieve the full allocated target.

In line with our objective to explore new revenue streams, NICR initiated organizing commodity-specific conferences in collaboration with external partners. In August 2024, NICR hosted the Global Turmeric Conference in partnership with Agnomics Analytics Lab Pvt Ltd. In March 2025, NICR co-hosted the Maize & Millets Summit organized by Teflas.

During the FY 2024-25, under its education initiative, NICR continued to offer online self-learning mode certification courses in two languages, viz., English and Hindi. These courses are available in digital form with an online test assessment partner. Apart from offering online courses, NICR, under its engagement with Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM), Pune, delivered a 30-hours onsite course on derivatives for their MBA students.

In FY 2024-25, NICR undertook focused efforts to enhance awareness about the role and relevance of the commodity derivatives market among key stakeholder groups. As part of this initiative, a notable onsite awareness programme was conducted at the Ministry of Home Affairs, Government of India, in New Delhi. The session aimed to build understanding of commodity derivatives as effective tools for price discovery and risk management.

NICR continued to produce research reports on various commodities. The reports are generated on different frequencies viz., monthly commodity reports covering fundamentals of various exchange- commodities; weekly monsoon reports during the monsoon season and daily commodity performance reports providing a glimpse of performances of not only commodities traded on NCDEX but also liquid commodities on other exchanges and equity indices.

Social media has become one of the leading platforms to reach out to the young audience. Keeping this in mind, NICR has increased its social media presence during the year by reaching over 3,700 followers on LinkedIn and 1,000 followers on Twitter.

## DIRECTORS' REPORT (Contd.)

### **Rashtriya e Market Services Private Limited ('ReMS')**

In order to reform the Agricultural Marketing operations, Government of Karnataka accepted the recommendations of the Agricultural Marketing reforms Committee and formulated Karnataka Agricultural Marketing Policy-2013. To implement the recommendations of the Policy effectively, an institutional frame work was contemplated to form a Joint Venture Company between Government of Karnataka and NCDEX e Markets Ltd and accordingly, Rashtriya e Market Services Private Limited (ReMS), was registered in 2014 under the Companies Act 1956.

The main objectives of the ReMS were digitization of operations in the regulated Agricultural Markets in Karnataka, to create a market structure that is transparent and equitable, eliminate the deficiencies in the market operations such as trader cartels, opaque manual bidding process etc; expand the reach of the farmer produce for bidding by integrating all APMCs in the state and provide competitive price discovery for the benefit of farmers.

This innovative idea was hailed as "Karnataka Model" and had attracted the attention of the Union Government and other State governments in the country. A Conference to discuss and decipher the concept was conducted at Hubli in 2015. Union Agriculture Minister and 26 Ministers of Agriculture of the states and Union territories had participated in the Conference. Emanating from this, the Government of India replicated the concept and introduced e-National Agricultural Market (e-NAM) across all other states in the country.

The online marketing of agricultural commodities has been in operation in the Agri-Markets of Karnataka for over ten years and achieved great success benefitting farmers in realising competitive prices for their produce. There has been manifold increase in the efficiency in market operations and the activities are being conducted seamlessly.

In 2020, Government of India amended the Farm Laws and provided freedom to farmers to sell their produce anywhere of their choice. Following this, the Government of Karnataka similarly amended the provisions of Karnataka Agriculture Produce (Regulation & Development) Act 1966. As a consequence, ReMS faced financial setback as also the department of Agricultural Marketing. However, subsequently, in March 2024, the amendments earlier done to the Act were repealed by the Government of Karnataka and thereafter, market arrivals have substantially increased in 2024-25 enabling ReMS to sustain.

In the FY 2024-25, the ReMS, in co-ordination with the Director Agricultural Marketing, has commenced Ware house-based Sales to facilitate farmers to sell their produce stored in the nearby warehouses at an appropriate time when prices are found favourable to them. ReMS also digitalised market fee collection in FY 2024-25 by which the Department of Agricultural Marketing is able to collect market fee promptly.

### **Meta Materials Circular Markets Private Limited (MMCM)**

Meta Materials Circular Markets Private Limited (MMCM) is a joint venture between NeML (a wholly owned subsidiary of NCDEX) and MTC Group, established to build digital ecosystems rooted in circular economy principles.

In FY 2024-25, MMCM's flagship platform DigiELV—India's first MoRTH-authorised Certificate of Deposit (CD) marketplace—achieved significant scale. Integrated with the Vahan-Vscrap portal, DigiELV has onboarded approximately 38,000 users and enabled over 23,000 CD trades, accounting for trading of 30% of private vehicle CD generated nationwide in the year. This has directly supported vehicle buyers in availing up to 25% road tax rebate and 100% registration fee waiver and also enabled better prices for end of life vehicles.

MMCM's second offering, Autoloop, has become a key digital enabler for Registered Vehicle Scrapping Facilities (RVSFs), with 15+ facilities have start using the platform for end-to-end operational traceability.

In a forward-looking initiative, MMCM is also developing an ELV Carbon Credit methodology to quantify emission savings from material circularity. This aims to open global carbon market opportunities for RVSFs in India and similar facilities across developing nations.

### **Power Exchange India Limited ('PXIL')**

PXIL is one of the three power exchanges operating in the country, wherein buyers and sellers transact on PXIL's platform to meet their power trading requirement. In addition to trading of power, the PXIL platform is also utilized for trading in Renewable Energy Certificates ('RECs') and Energy Saving Certificates ('ESCert').

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 next day's power requirements and in Real Time Market ('RTM') for meeting power requirement



## DIRECTORS' REPORT (Contd.)

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 11:00 hours, whereas, in case of RTM 48 separate auctions are conducted during even time blocks of each hour. In case of DAM, separate prices are discovered for clearing conventional power, green power comprising of Solar, Wind, Hydro and other type of renewable sources and high price power comprising of imported coal, liquid fuel and Battery Energy Storage System. 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 six products, viz. Intra-Day, Day-Ahead Contingency, Daily, Weekly, Monthly and Any Day Products for transacting in conventional power, green power and high price power for durations upto 90-days / 12-Weeks / 3-Months ahead.

In all Green transactions, purchase of Renewable energy enables buyer to meet Renewable Purchase Obligation ('RPO') of the year. In FY 2024-25, against market size of 143.8 Billion Units ('BUs'), the volume traded on PXIL was 14.3 BU providing a market share of 9.9%, during the year PXIL market volume increased by nearly 55% from 9.2 BU in FY 2023-24.

During the FY 2024-25, nearly 114.65 lacs RECs were transacted at PXIL providing for market share of 38% when compared to transaction volume of 39.85 lacs Lakhs providing market share of 34% in FY 2023- 24. In ESCerts segment, Bureau of Energy Efficiency directed pause in transaction in ESCert in FY 2024-25.

PXIL ceased to be an associate of NCDEX effective March 24, 2025.

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

The Exchange is complying with the Provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Exchange has in place a "Policy on Prevention of Sexual Harassment" in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013.

The Internal Committee (IC) has been set up under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints

received regarding Sexual harassments. The details of the complaints to the IC are as under:

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

### COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

The Exchange has duly complied with the provisions of the Maternity Benefit Act, 1961.

### VIGIL MECHANISM

Pursuant to the provisions of Listing 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, 2025 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 2024-25, no significant and material order was passed by the regulator or court or tribunals impacting the going concern status and the Exchange operations in future.

## DIRECTORS' REPORT (Contd.)

### INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

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

- recording of transactions in a manner that facilitates preparation of financial statements as per the Indian Accounting Standards (Ind AS),
- maintaining records that in reasonable detail, fairly and accurately reflect the transactions of the Exchange,
- ensuring that all expenditure and income are as per approval of the management,
- 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, 2025.

### RESOURCES COMMITTED TOWARDS STRENGTHENING 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.

The Regulatory Departments of the Exchange comprised of functions and sub functions details of which are given below. These functions are responsible to undertake various aspects of regulatory compliances.

Each Regulatory Department is headed by a senior official of the Exchange, reporting to the Managing Director & Chief Executive Officer, who further reports to Board of Directors. The total salary paid to the employees who were working in the Regulatory Departments as on March 31, 2025 or resigned during the FY 2024-25 was ₹ 9,80,50,618/-.

The employee count in Regulatory Departments closing March 31, 2025 was as under-

Department	Employee Count
Regulatory Group I	
Membership/IPF/SEBI Inspection	9
Member Inspection/Enforcement/Internal Audit	17
Compliance/ Investor Services Cell	9
<b>Sub-Total 1</b>	<b>35</b>
Regulatory Group II -Enterprise Risk, Surveillance & Investigation	
Market Intelligence	5
Surveillance/ Warehouse Audit/ Member Tech	10
Investigation	5
Spot polling	4
Enterprise Risk Management	3
<b>Sub-Total 2</b>	<b>27</b>
<b>Grand Total</b>	<b>62</b>

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

Neither an application was made by the Exchange nor any proceeding is pending against the Exchange under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the FY 2024-25.

### 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

The Exchange has not entered into any one time settlement arrangement with banks or financial institutions during the FY 2024-25.

### FINANCIAL DISINCENTIVE(S) CREDITED TO THE SEBI INVESTOR PROTECTION AND EDUCATION FUND UNDER THE FRAMEWORK OF FINANCIAL DISINCENTIVES FOR SURVEILLANCE RELATED LAPSES ("FDSRL")

No Financial Disincentives for Surveillance Related Lapses has been noted during the FY 2024-25.



## DIRECTORS' REPORT (Contd.)

### 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'), which were taken up in the previous years have helped in sustaining continuation of energy conservation. The other ongoing measures for conserving energy undertaken by the Exchange include reduction of contract demand charges, regular servicing, periodic maintenance of all electrical equipment and prompt switching-off of equipment when not required.

### TECHNOLOGY ABSORPTION

#### ► Resiliency and Uptime

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

The Exchanges ensured to provide a smooth and glitch free trading environment to the members despite multiple updates and upgrades to the system.

#### ► Enhanced API Security Measures

The Exchange has implemented additional security measures for all APIs interacting with its systems, covering both inbound and outbound data flows. This includes the implementation of encryption and tokenization within the API for the NTICK application, which provides delayed data feeds to data vendors. Furthermore, encryption has been enforced through TLS connectivity for FIX API communications between trading members and the trading platform, ensuring secure and compliant data transmission

#### ► Leveraging Technology for internal efficiencies, robotic process automations and process optimizations

As a part of improving operational and process efficiencies, the Exchange has successfully achieved the following:

- Automation of manual checklist to be executed via scripts has significantly reduced the time on monthly housekeeping activities in member facing website applications. The overall time has reduced from 2.5 hours to 30 minutes.
- Leveraging Robotic Process Automation (RPA), the Exchange has streamlined critical processes by automating execution of scripts

for Beginning of the Day (BOD) and End of the Day (EOD) activities and achieved remarkable improvements in efficiency, reliability and also reduction in overall time. The overall BOD time has now reduced to 25 min from earlier time of 2 Hours and 15 minutes and the manual execution time for EOD activities has reduced to 50 minutes from the earlier time of 4 Hours of 10 minutes

- Exchange has developed a comprehensive role-based model for monitoring the EOD and BOD activities through an intuitive dashboard. This system leverages predictive capabilities to analyze historical data, determining the start and end times of various activities. It proactively notifies of any delays or issues, ensuring timely interventions
- Implementation of Automation Testing – The regression testing suite of all the applications, which are critical for running the business operations of the exchange, has been automated by implementing an automation testing tool. Below are the benefits achieved by the Exchange:
  - Reduction in the overall testing timelines and improvement in the turnaround time.
  - Complete automation and maintenance of evidences for test executions.
  - Accuracy and standardization in the test execution process.
  - Improvement in the testing coverage of sanity testing.
  - Real time analysis and MIS generation for the test executions.
  - Cross capability knowledge upgradation for manual and automation testers

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the FY 2024-25, there has been a foreign exchange inflow to the extent of ₹ 293 Lakhs. There has been foreign exchange outgo to the extent of ₹ 749 Lakhs on account of technology expenses, professional and consultation fees, and other expenses.

## DIRECTORS' REPORT (Contd.)

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Sections 134(3) and 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, 2025, 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, 2025 on a 'going concern' basis.
- e. that the Directors have laid down internal financial controls to be followed by the Exchange and that such internal financial controls are adequate and operating effectively.

- f. 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 corporations, 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.

### For and on behalf of the Board of Directors

Sd/-  
**Arun Raste**  
 Managing Director & CEO  
 DIN: 08561128

Sd/-  
**Ashish Bahuguna**  
 Chairman  
 DIN: 02224776

Mumbai; August 08, 2025.



# ANNEXURE-1

## FORM NO MR-3

### SECRETARIAL AUDIT REPORT

[Pursuant to Section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025**

To,  
The Members,  
**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**  
First Floor, Akruti Corporate Park, Near G. E. Garden  
L. B. S. Road, Kanjurmarg West, Mumbai - 400078

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED** (hereinafter called as the 'Company / Exchange') having (CIN: U51909MH2003PLC140116). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on the verification and examination of 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 March 31, 2025 (hereinafter called as the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company **for the financial year ended on March 31, 2025** according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to 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 and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the Audit Period)**
- (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, 2021; **(Not applicable to the Company during the Audit Period)**
- (h) The Securities and Exchange Board of India (Buy-back 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.

## ANNEXURE-1 (Contd.)

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

**We further report that** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with SECC Regulations, specific law applicable to the Company:

**We further report that** during the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Shareholder / Non-Independent Directors (Non-Executive Directors) and Public Interest Directors (Independent Directors). The changes in the composition of the Board of Directors of the Company during the Audit Period were in accordance with the provisions of the Act, SECC Regulations and SEBI Listing Regulations.

Adequate notice was given to all directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, the Company has taken shorter notice consent from the Members of the Board / Committees and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the audit period, there were following specific events or actions which have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

1. The Board at its meeting held on February 12, 2025 has approved for launch of Equity and Equity Derivatives segment in the Exchange.
2. The Board at its meeting held on November 8, 2024 has approved the following: -
  - (i) stake sale upto 16.22% of the total paid up share capital of National e-Repository Limited held by the Exchange subject to such approvals and procedural formalities, as may be required.
  - (ii) stake sale upto 7.14% of the total paid up share capital of Power Exchange India Limited held by the Exchange subject to such approvals and procedural formalities, as may be required.
3. The members of the Company at the 18<sup>th</sup> Extra-Ordinary General Meeting (EGM) held on June 12, 2024 had approved the offer and issue of 1,89,76,358 (One Crore Eighty-Nine Lac Seventy-Six Thousand Three Hundred and Fifty-Eight) equity shares of face value of ₹ 10/- at a premium of ₹ 150.60/- per shares by way of Preferential Issue. As the said issue had not been subscribed, no allotment has taken place during the financial year.
4. The following changes took place in Board of Directors and Key Managerial Personnels of the Company.
  - i) Re-appointment of Mr. Hemant Adarkar as a Public Interest Director w.e.f April 13, 2024.
  - ii) Appointment of Mr. Soma Sankara Prasad as a Public Interest Director w.e.f July 02, 2024.
  - iii) Re-appointment of Mr. Rakesh Kapur as a Non – Independent Director w.e.f September 26, 2024.
  - iv) Re-appointment of Mr. Amalorpavanathan as a Public Interest Director w.e.f January 3, 2025.
  - v) Cessation of Mr. Rakesh Kapur as a Non -Independent Director w.e.f February 20, 2025.
  - vi) Cessation of Mr. Hoshi Bhagwagar as Company Secretary w.e.f November 30, 2024.
  - vii) Appointment of Mr. Kishore Shah as Company Secretary w.e.f December 1, 2024.

**FOR RAGINI CHOKSHI & CO.**

Sd/-

**UMASHANKAR HEGDE**  
(PARTNER)

**M.No: A22133 ; CP No: 11161**  
**UDIN : A022133G000447965**

**Date: May 23, 2025**

**Place: Mumbai**

ICSI Unique Code: P1988MH05 6900

Peer Review Certificate No -659/2020



## ANNEXURE-1 (Contd.)

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members

**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**

The Secretarial Audit report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Exchange. 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. Where ever 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 RAGINI CHOKSHI & CO.**

Sd/-

**UMASHANKAR HEGDE**

**(PARTNER)**

**M.No: A22133 ; CP No: 11161**

**UDIN : A022133G000447965**

ICSI Unique Code: P1988MH05 6900

Peer Review Certificate No -659/2020

**Date: May 23, 2025.**

**Place: Mumbai**

## ANNEXURE-2

### FORM NO MR-3

#### SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel Rules, 2014]

**FOR THE PERIOD 01-04-2024 TO 31-03-2025**

To,  
Members,

**NCDEX E MARKETS LIMITED**

Unit No.101 & 101 T, First Floor,  
Akruti Corporate Park, L.B.S Marg,  
Next to GE Garden, Kanjurmarg (W) Mumbai ,400079

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices **NCDEX E MARKETS 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.

Based on our verification of 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 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2025 ("The Reporting 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 audit period 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2025 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws Framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to extent of Foreign Direct Investment, Overseas Direct

Investment and External Commercial borrowings;  
**(Not Applicable to the Company during the period under review)**

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **(Not Applicable to the Company during the period under review)**
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
  - e. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - 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
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018



## ANNEXURE-2 (Contd.)

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing obligation and Disclosures Requirements) Regulations, 2015. **(to the extent applicable)**

We further report that having regard to the compliance system prevailing in the Company and on perusal of the relevant documents and records in pursuance thereof on test check basis and on the basis of representation made, the company has generally complied with the following laws applicable specifically to the Company;

- Rules, Regulations, circulars, directives, conditions and guidelines applicable to the Company and issued by following state Agriculture Produce Market Committee's with which the Company is registered.
- 1) Maharashtra
  - 2) Karnataka

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

We further report that

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**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 the company has reported following specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

- 1) Appointment of Mr. Praveen Hiremath as the Managing Director and Chief Executive Officer w.e.f July 15, 2024.
- 2) Resignation of Mr. Shailesh Chitre as Interim Chief Executive Officer w.e.f July 14, 2024.
- 3) Cessation of Mr. Arun Raste as Non-Executive Director w.e.f August 2, 2024.
- 4) Resignation of Mr. Rakesh Kumar as a Non-Executive Director of the Company w.e.f November 27, 2024.
- 5) Resignation of Mr. Krishna Kumar Daga as Chief Financial Officer of the Company w.e.f December 1, 2024.
- 6) Appointment of Mr. Sanjeev Rohilla as Non-Executive Director of the Company w.e.f February 8, 2025
- 7) Appointment of Mrs. Sarika Jaiswal as an Interim Chief Financial Officer w.e.f February 8, 2025.

**FOR RAGINI CHOKSHI & CO.**

Sd/-

**UMASHANKAR HEGDE**

**(PARTNER)**

**M.No: A22133 ; CP No: 11161**

**UDIN : A022133G000303348**

**Date: May 8, 2025.**

**Place: Mumbai**

ICSI Unique Code: P1988MH05 6900

Peer Review Certificate No -659/2020

*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-2 (Contd.)

**‘ANNEXURE A’**

To,  
Members,  
**NCDEX E MARKETS LIMITED**  
Unit No.101 & 101 T, First Floor,  
Akruti Corporate Park, L.B.S Marg,  
Next to GE Garden,  
Kanjurmarg (W) Mumbai ,400079

Our Report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision 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 RAGINI CHOKSHI & CO.**

**UMASHANKAR HEGDE**  
**(PARTNER)**

**M.No: A22133 #CP No: 11161**

**UDIN : A022133G000303348**

ICSI Unique Code: P1988MH05 6900

Peer Review Certificate No -659/2020

**Date: May 8, 2025.**

**Place: Mumbai**

## ANNEXURE-2 (Contd.)

To,

The Members,

**National Commodity Clearing Limited**

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

1. Maintenance of Secretarial records 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 auditing standards issued by the Institute of Company Secretaries of India (ICSI) and 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 the Secretarial records.
3. We have not verified the correctness and appropriateness of financial records and books of account 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 the 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 the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For M/s N. L. Bhatia & Associates**

Practising Company Secretaries

**UIN:** P1996MH055800

**P/R No.:** 6392/2025

**Sd/-**

**Bharat Upadhyay**

**Partner**

**FCS:** 5436

**CP. No.** 4457

**UDIN:** F005436G000359339

**Place:** Mumbai

**Date:** May 16, 2025.



## ANNEXURE-2 (Contd.)

### SECRETARIAL AUDIT REPORT

#### FORM NO. MR-3

For The Financial Year Ended March 31, 2025

[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 Clearing Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good governance practices by **National Commodity Clearing Limited** (herein after called '**the Company**'). Secretarial Audit was conducted in conformity with the auditing standards issued by the Institute of Company Secretaries of India ("the Auditing Standards") and the processes and practices followed during the conduct of Audit are aligned with the Auditing Standards to provide us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms 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, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the period covering from the 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2025 ('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 March 31, 2025 according to the provisions of:

- a) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- b) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d) Foreign Exchange Management Act, 1999 and the

Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment; (Not Applicable to the Company for the Audit Period as there is no FDI or ODI or ECB during **the Audit Period**)

- e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 read with the notifications, guidelines and circulars issued by Securities and Exchange Board of India or Stock Exchanges in this regard, to the extent applicable to the Company:
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company for the Audit Period)**
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(to the extent applicable to the Company for the Audit Period)**
  - iii. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the Company for the Audit Period)
  - iv. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client; (Not Applicable to the Company for the Audit Period)
  - v. Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018; (Not Applicable to the Company for 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 (ICSI) with respect to Board and General Meetings.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

## ANNEXURE-2 (Contd.)

Regulations, 2015 as amended from time to time;

**We further report that,** having regards to the compliance framework prevailing in the Company and the examination of the pertinent documents and records maintained thereof, it is ascertained, on a test-check basis, that the Company has predominantly adhered to the following regulations that are specifically applicable to its operations:

- The Securities Contract (Regulation) (Stock Exchange and Clearing Corporation) Regulations, 2018 and the circulars/guidelines issued thereunder;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Master Circular, Guidelines, Standards, etc. as 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 Public Interest Director (Independent Director). The changes in the composition of Board of Directors that took place during the period under review were in accordance with the provisions of the Companies Act, 2013, SECC Regulations, 2018 and SEBI Listing Regulations, 2015.

Adequate notice was given to all directors to schedule the Board / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and where the same were given at shorter notice than seven days, the Company has taken shorter notice consent from the Members of the Board / Committees and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

**We further report that,** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines. All the notices and orders received by the Company pursuant to the abovementioned laws have been adequately dealt with/duly replied/complied with.

**We further report that** during the audit period, there were following specific events or actions which have a bearing

on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. Re-appointment of Dr. Harshavarshan Raghunath (DIN: 01675460) as a Public Interest Director on the Board of the Company w.e.f. May 11, 2024 for a period of three years.
2. Appointment of Dr. Harshavarshan Raghunath as chairman of the Board of company w.e.f 18<sup>th</sup> June 2024.
3. Cessation of Mr. Shanti Srikant (DIN: 08100689) and Mr. Ramalingam Ramaseshan (DIN: 00200373) as a Public Interest Directors w.e.f. close of business hours on 10<sup>th</sup> May 2024
4. Appointment of Mr. Rajiv Relhan as Managing Director & CEO of NCCL for a period of four years w.e.f. September 27, 2024 in the Extra Ordinary General Meeting of the company held on 05<sup>th</sup> November 2024.
5. Resignation of Mr. Sumit Agarwal from the position of Independent External Professional of the Regulatory Oversight Committee w.e.f. 27 August, 2024 and Mr. Sanjay Chadha has been appointed as an Independent External Professional of the Regulatory Oversight Committee w.e.f. September 27, 2024 for a term of three years.
6. Appointment of Ms. Meera Ranganathan as Public Interest Director on the Board of NCCL (DIN: 08180208) w.e.f. November 22, 2024 for a period of three years.
7. Appointment of following person as (Key Management Personnel under SECC Regulations, 2018) of the Company at Board meeting held on September 26, 2024:
  - Mr. Sweedin Satav - Senior Vice President
  - Mr. Sachin Pundle - Senior Vice President
  - Mr. Sudnyesh Pradeep Girap - Vice President- Chief Technology Officer
  - Mr. Jibananda Bain - Assistant Vice President - Chief Information Security Officer
8. The Company has reconstituted all the committees and its Terms of Reference as per the SEBI circular SEBI/HO/MRD/MRD-PoD-3/2024/088 vide dated June 25, 2024.

## ANNEXURE-2 (Contd.)

9. Appointment of M/s Qseap InfoTech Pvt. Ltd as System & Network Auditor for a term of three years i.e. for FY 2024-2025 to FY 2026-2027 for the remuneration as approved by the Board and also to provide Half Yearly Cyber Security Audit report to the company.
10. Board has approved transfer of one share of the Company between National Commodity and Derivatives Exchange Limited jointly held with Mr. Kapil Dev to National Commodity and Derivatives Exchange Limited jointly held with Mr. Avinash Mohan.
11. Re-appointment of Mr. Atul Roongta as a Non-Independent Director on the Board of the Company w.e.f. September 6, 2024.
12. Resignation of Dr. Harshavardhan Raghunath (DIN: 01675460) from the position of Public Interest Director and Chairman of the Board of the Company w.e.f. 27<sup>th</sup> November 2024.
13. Resignation Mr. Atul Roongta (DIN: 07878061) from the position of Non-Independent Director of the Board of Company w.e.f. 18<sup>th</sup> February 2025.
14. Appointment of Mr. Kumbla Srinivas Nayak (DIN: 09094351) as chairman of the Board of company w.e.f 05<sup>th</sup> March 2025.
15. Board at their meeting held 07<sup>th</sup> February 2025, has appointed M/s. Mahajan & Aibara, Chartered Accountant LLP, (Firm Reg. No. 105742W) as the Internal Auditors of the Company for the period of one year commencing from April 1, 2025 to March 31, 2026.
16. Appointment of Mr. Udaybhaskar Vemuri (DIN: 10942597) as Public Interest Director of the company w.e.f 03<sup>rd</sup> April, 2025.

**For M/s N. L. Bhatia & Associates**

**Practicing Company Secretaries**

**UIN:** P1996MH055800

**P/R No:** 6392/2025

Sd/-  
**Bharat Upadhyay**

**Partner**

**FCS:** 5436

**CP. No.** 4457

**Place:** Mumbai

**Date:** May 16, 2025.

**UDIN:** F005436G000359339



## ANNEXURE-2 (Contd.)

**ANNEXURE 'A'****List of other Applicable Laws**

- a) Tax Laws
  - Income Tax Act, 1961
  - Central Goods and Services Tax Act
  - State Goods and Services Tax Act
  - Interstate Goods and Services Tax Act
  - Stamp Duty Act
- b) Negotiable Instrument Act, 1881
- c) Micro, Small & medium Enterprises Act, 2006
- d) Employee Laws
  - Payment of Gratuity Act, 1972 and Payment of Gratuity (Central) Rules, 1972
  - Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
  - Payment of Wages Act, 1936
  - Minimum Wages Act 1948
  - Employees' Provident Fund and Miscellaneous Provisions Act, 1952
  - The Maternity Benefit Act, 1961
  - Child Labour (Prohibition and Regulation) Act, 1986
  - The Maharashtra Labour Welfare Fund Act, 1953
  - Professional Tax Act, 1975
  - TDS on Salary Provisions (Income Tax Act)
- e) The States Shops and Establishment Act including Maharashtra Shops and Establishments Act, 1948
- f) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- g) The States Shops and Establishment Act including Maharashtra Shops and Establishments Act, 1948
- h) Securities and Exchange Board of India Act, 1992.

## ANNEXURE-2 (Contd.)

## FORM NO. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE YEAR ENDED MARCH 31, 2025**

[Pursuant to Section 204 of the Companies Act, 2013 read with Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**The Board of Directors,  
National e-Repository Limited,**

Akruti Corporate Park, 1<sup>st</sup> Floor, Near G.E Garden,  
Mumbai City, Kanjurmarg (W), Mumbai – 400 078.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **National e-Repository Limited** (hereinafter called the '**Company**'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes 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 the Secretarial Audit, I hereby report that in my opinion, the Company has, during the **audit period covering the financial year ended on March 31, 2025 ('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:

I have examined the books, papers, Minute books, forms and returns filed, and other records maintained by the Company for the year ended on March 31, 2025, according to the provisions of:

- a. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder - Not applicable to the Company;
- c. The Depositories Act, 1996, the regulations and byelaws framed thereunder;
- d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable to the Company;
- e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - **Not applicable to the Company**;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - Not applicable to the Company;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - Not applicable to the Company;
- The Securities and Exchange Board of India (Shared Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not applicable to the Company;
- The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable to the Company;
- 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 - Not Applicable to the Company;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not applicable to the Company;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - Not applicable to the Company.

- f. The Laws specifically applicable to the Company, as identified by the management, being a Repository registered with the Warehousing Development and Regulatory Authority ('WDRA'):-

- Guidelines on Repositories and Creation and Management of Electronic Negotiable Warehouse Receipts;
- Guidelines on Corporate Governance for the Repositories registered for Creation and Management of Electronic Negotiable Warehouse Receipts ('WDRA Guidelines').

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

- Secretarial Standards issued by the Institute of

## ANNEXURE-2 (Contd.)

Company Secretaries of India.

- SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - **Not applicable to the Company.**

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

**I further report that:**

- The Board of Directors of the Company is duly constituted with the 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 the WDR Guidelines.
- Adequate notice is given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.
- All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.
- Based on the review of Compliance mechanism and representations received from the Management, I am of the opinion 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 the applicable Laws, Rules, Regulations and Guidelines.

**I further report that** during the audit period, following were the specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

1. The Members of the Company, at the Extraordinary General Meeting held on April 02, 2024, have appointed Mr. B.K. Singhal, Nominee Director of NABARD and Mr. Ankur Parwal, Nominee Director of ICICI Bank, as Shareholder Directors of the Company. The WDR approval for the said

appointments was received on August 09, 2024. The effective date of the aforementioned appointments is August 09, 2024.

2. Alteration in Clause 19 of the Bye-laws of the Company relating to 'Transmission of Warehouse Receipt' by inserting 'Clause 19A. 1'. (The Company made an application dated June 19, 2024, bearing reference number NERL/WDRA/2024-2025/005 to the WDR for approval of amendment in Clause 19 of the Bye-Laws. The said application is yet to be approved by the WDR as on date of this Report).
3. Mr. Arun Raste, Shareholder Director (DIN: 08561128), representing National Commodity & Derivatives Exchange Limited (NCDEX), retired by rotation and was re-appointed by the Members of the Company at the 07<sup>th</sup> Annual General Meeting held on September 19, 2024. The Company has received the WDR approval for the said re-appointment on January 29, 2025.
4. The Board of Directors of the Company at their Meeting held on February 07, 2025, subject to approval of WDR, has amended clauses 6 (w.r.t. Advisory Committee) & 9A (w.r.t. Statutory Committees) of its bye-laws. The Company has made an application dated March 04, 2025, bearing reference number NERL/WDRA/2024-2025/020 to the WDR for approval of the amendment. The said application is yet to be approved by the WDR as on date of this Report.
5. Pursuant to the extension granted by WDR exempting NCDEX from restrictions of holding more than 51% of the paid-up capital of the Company under Clause 4(9) of the WDR Guidelines, NCDEX held 67.22% at the start of the FY 2024-25. As of January 24, 2025, NCDEX has disinvested its holding by 16.22% to bring it down to the extent of 51% of the Share Capital of the Company.
6. Mr. Ankit Shah, Company Secretary, resigned from his post as the Company Secretary of the Company with effect from March 24, 2025.

**For Shweta Gokarn & Co.**

Company Secretaries

Peer Review Regn. No.: 1693/2022

Sd/-

**Ms. Shweta Gokarn**

ACS: 30393

CP No.: 11001

Place: Navi Mumbai

Date: May 12, 2025.

UDIN: A030393G000324005

**Note:** This report is to be read with our letter of even date, which is annexed herewith and forms an integral part of this report.



## ANNEXURE-2 (Contd.)

**ANNEXURE TO SECRETARIAL AUDIT REPORT****The Board of Directors,****National e-Repository Limited,**

Akruti Corporate Park, 1<sup>st</sup> Floor, Near G.E Garden,  
Mumbai City, Kanjurmarg (W), Mumbai – 400 078.

My report of even date is to be read along with this letter. This is to state that:

- a. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. I believe that the processes and practices I followed provided a reasonable basis for my opinion.
- c. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- e. Whenever necessary I have obtained and relied on the Management representation provided by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.
- f. The Secretarial Audit Report for financial year ended on March 31, 2025 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 Shweta Gokarn & Co.**

Company Secretaries

**Peer Review Regn. No.:** 1693/2022

Sd/-

**Ms. Shweta Gokarn**

**ACS:** 30393

**CP No.:** 11001

**UDIN:** A030393G000324005

**Place:** Navi Mumbai

**Date:** May 12, 2025.

## ANNEXURE – 3

### Disclosure on remuneration for the Financial Year 2024-25

*[Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Exchange for the financial year 2024-25:

Public Interest Directors and Non-Independent Directors were not paid any remuneration, except sitting fees during the Financial Year 2024-25.

Ratio of remuneration of MD & CEO to the median remuneration of the employees of the Exchange for the financial year 2024-25 is 21.72.

2. Percentage increase in remuneration paid\* of each Director, CFO, CEO, CS or Manager, if any, in the financial year 2024-25 compared to the last financial year 2023-24:

Percentage increase in the remuneration paid\* to MD& CEO and CFO in the Financial Year 2024-25, as compared to the last financial year 2023-24 is 6.19% and 8.11% respectively.

\*Includes payment of deferred Variable Pay pertaining to the earlier relevant financial year.

Mr. Kishore P. Shah joined the Exchange as Company Secretary during the Financial Year 2024-25; and hence comparative data is not applicable.

3. Percentage increase in the median remuneration of employees in the Financial Year 2024-25 : 18.59%
4. The number of permanent employees on the rolls of the Exchange: 209
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentile increase in the salaries of employees other than the managerial personnel in the last financial year 2024-25 is 13.93%. The average percentile increase in the salaries of managerial personnel is 6.19%.

6. Affirmation that the remuneration is as per the Nomination and Remuneration Policy of the Exchange: Yes

## 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 periodic exercise of reviewing and amending the Exchange Rules and Bye Laws has been initiated in line with SEBI circulars/ guidelines.

On necessary approvals, the Notification for the approved proposed amendments to Rules and 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 specific period of time. 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

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

Sr. No.	Name of the Director	Designation	Date of appointment
1.	Mr. Soma Sankara Prasad	Public Interest Director	July 2, 2024

The Directors who retired and resigned during the year are as under:

Sr. No.	Name of the Director	Designation	Date of Resignation/ Completion of Term
1.	Mr. Prem Kumar Malhotra	Public Interest Director	August 8, 2024
2.	Mr. Rakesh Kapur	Non-Independent Director	February 20, 2025

#### 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, 2025:

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Standing Committee on Technology
- Investment Committee
- Public Interest Directors' Committee
- Corporate Social Responsibility Committee
- Regulatory Oversight Committee
- Stakeholders Relationship Committee
- Member Committee (formerly Member and Core Settlement Guarantee Fund Committee)
- Sub-Committee on Legal matters
- Business Strategy Committee
- Farmer Engagement Group



## ANNEXURE-4 (Contd.)

## Changes in the composition of the Committee(s)

## 1. Audit Committee\*

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	Mr. Ashish Bahuguna	Mr. Soma Sankara Prasad
2	Mr. R. Amalorpavanathan	Mr. Ashish Bahuguna
3	Mr. Rakesh Kapur	Mr. R. Amalorpavanathan

\*re-constituted with effect from March 11, 2025

## 2. Nomination and Remuneration Committee\*

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	Mr. R. Amalorpavanathan	Mr. R. Amalorpavanathan
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. Prem Kumar Malhotra	Mr. Hemant Adarkar

\*re-constituted with effect from August 9, 2024

## 3. Risk Management Committee\*

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	Mr. Hemant Adarkar	Mr. Hemant Adarkar
2	Mr. Prem Kumar Malhotra	Mr. Soma Sankara Prasad
3	Mr. Sanjeev Shukla	Mr. Sanjeev Shukla

\* re-constituted with effect from August 9, 2024

## 4. Standing Committee on Technology\*

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	Mr. Hemant Adarkar	Mr. Hemant Adarkar
2	Mr. Ashish Bahuguna	Mr. Soma Sankara Prasad
3	Mr. Prem Kumar Malhotra	Mr. Ashish Bahuguna
4	Mr. Anand Iyer	Mr. Anand Iyer
5	Mr. Dhananjaya Tambe	Mr. Dhananjaya Tambe
6	Ms. Mayurakshi Ray	Ms. Mayurakshi Ray

\* re-constituted with effect from August 9, 2024

## 5. Investment Committee\*

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	N.A. Constituted on July 24, 2024	Mr. Ashish Bahuguna
2		Mr. Hemant Adarkar
3		Mr. Soma Sankara Prasad
4		Mr. Sanjeev Rohilla
5		Mr. R. Doraiswamy

\* re-constituted with effect from March 11, 2025

## ANNEXURE-4 (Contd.)

**6. Public Interest Directors' Committee\***

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
2	Mr. Hemant Adarkar	Mr. Hemant Adarkar
3	Mr. Prem Kumar Malhotra	Mr. Soma Sankara Prasad
4	Mr. R. Amalorpavanathan	Mr. R. Amalorpavanathan
5	Dr. Mukulita Vijayawargiya	Dr. Mukulita Vijayawargiya

\*re-constituted with effect from August 9, 2024

**7. Corporate Social Responsibility Committee**

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	Mr. Sanjeev Rohilla	Mr. Sanjeev Rohilla
2	Mr. Hemant Adarkar	Mr. Hemant Adarkar
3	Mr. Arun Raste	Mr. Arun Raste

**8. Regulatory Oversight Committee\***

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	Mr. Prem Kumar Malhotra	Dr. Mukulita Vijayawargiya
2	Mr. Hemant Adarkar	Mr. Hemant Adarkar
3	Mr. Jayant Nalawade	Mr. Jayant Nalawade

\*re-constituted with effect from August 9, 2024

**9. Stakeholders Relationship Committee\***

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	Mr. Prem Kumar Malhotra	Mr. Sanjeev Rohilla
2	Mr. Hemant Adarkar	Mr. Hemant Adarkar
3	Mr. Rakesh Kapur	Mr. R. Doraiswamy

\*re-constituted with effect from March 11, 2025

**10. Member Committee (formerly Member and Core Settlement Guarantee Fund Committee)\***

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	Mr. Prem Kumar Malhotra	Mr. Soma Sankara Prasad
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. Arun Raste	Dr. Mukulita Vijayawargiya
4	-	Mr. Arun Raste
5	-	Mr. Jayant Nalawade

\*re-constituted with effect from September 23, 2024

**11. Sub-Committee on Legal matters\***

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	Mr. Prem Kumar Malhotra	Dr. Mukulita Vijayawargiya
2	Mr. Ashish Bahuguna	Mr. Ashish Bahuguna
3	Mr. Arun Raste	Mr. Arun Raste

\*re-constituted with effect from August 9, 2024

## ANNEXURE-4 (Contd.)

## 12. Business Strategy Committee\*

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	Mr. Rakesh Kapur	Mr. Ashish Bahuguna
2	Mr. Ashish Bahuguna	Mr. R. Amalorpavanathan
3	Mr. R. Amalorpavanathan	Mr. Sanjeev Rohilla
4	Mr. Sanjeev Rohilla	Mr. Arun Raste
5	Mr. Arun Raste	-

\*re-constituted with effect from March 11, 2025

## 13. Farmer Engagement Group\*

Sr. No.	Members as on March 31, 2024	Members as on March 31, 2025
1	Mr. Sanjeev Rohilla	Mr. Sanjeev Rohilla
2	Mr. R. Amalorpavanathan	Mr. R. Amalorpavanathan
3	Mr. Rakesh Kapur	Mr. Rohtash Mal
4	Mr. Rohtash Mal	Mr. Srinivas Rao
5	Mr. Srinivas Rao	Mr. Arun Raste
6	Mr. Arun Raste	-

\*re-constituted with effect from March 11, 2025

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

Details for FY 2024-25 are given below:

	Total	Trading cum Clearing Member (TCM)	Trading Member (TM)	Strategic Trading cum Clearing Member (STCM)
Members as on March 31, 2024	250	103	141	6
Surrendered/ Suspend/Ceased during the year	27	9	18	0
New members added	1	0	1	0
Members as on March 31, 2025	225*	96**	124**	5**

\* 1- TCM member status change from SUSPENDED to DISABLED OTHERS pursuant to SEBI order as NSEL matter

\*\*1 member converted from TM to TCM and 1 member converted from STCM to TM

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

The Exchange has imposed penalties and issued advisory and warnings to members as per the extant guidelines / circulars for the violation/ non-compliance observed and no other disciplinary actions (i.e expulsion and defaulter declaration) was taken in the given Financial year.

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

## I) Status of Arbitration of cases for the year 2024-25:

1	Type of cases – Arbitration
1)	Non-payment of dues by clients
2)	Non refund of money by Member
3)	Service Related
4)	Unauthorized Trades related



## ANNEXURE-4 (Contd.)

2	Number of cases referred in Arbitration	0
3	Number of Cases of non-payment of dues by clients	0
4	Number of Cases of non-refund of money by Member	0
5	Number of Service related disputes referred to Arbitration	0
6	Number of unauthorized trades related disputes referred to Arbitration	0
7	Number of Cases in which Award is passed in Arbitration	0
8	Number of Cases in which case is withdrawn before Award	0
9	Number of Cases in progress on March 31, 2024 in Arbitration	0

## II) Status of Appellate Arbitration of cases for the year 2024-25:

1	<b>Type of cases – Appellate Arbitration</b>	
	1) Grievance in relation to Award passed in Arbitration	
2	Number of cases referred for Appellate arbitration	0
3	Number of Cases of Non-payment of dues by clients	0
4	Number of Cases of Non refund of money by Members	0
3	Number of Cases in which Award is passed	0
4	Number of Cases in which case is withdrawn before Award	0
5	Number of Cases in progress on March 31, 2024 in Appellate Arbitration	0

**RULE 17 (1)(G) DEFAULTS COMMITTED BY MEMBERS**
**Physical Delivery Default:**

Following are the instances of default in physical delivery obligation during the FY 2024-25:

Expiry Month	Symbol	Shortages	Unit
Apr-2024	BARLEYJPR	10	MT
Apr-2024	JEERAUNJHA	24	MT
Apr-2024	TMCFGRNZM	120	MT
Jun-2024	DHANIYA	10	MT
Sep-2024	COCUDAKL	2,120	MT
Sep-2024	JEERAUNJHA	18	MT
Nov-2024	DHANIYA	5	MT
Jan-2025	GUARSEED10	5	MT

**MTM Settlement Default:**

None of the members had defaulted in meeting their MTM settlements during the FY 2024-25.

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

There was no incident of any emergency in trade during the FY 2024-25.

**RULE 17 (1)(I) SECURITIES LISTED AND DE-LISTED**

Not Applicable

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

There are no addition or removal from the forward list this financial year

## 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

(₹ 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	3,560	12,275	8,100	207
Other Equity	3,082	14,425	(3,490)	(183)
Total Liabilities	18,983	18,157	1,193	37
Total Assets	25,625	44,858	5,804	62
Investments (including Fixed deposits)	15,953	41,631	2,975	-
Turnover (Revenue from operations)	4,563	815	965	120
Profit before taxation	326	(984)	(532)	(10)
Provision for taxation	(6)	(245)	(134)	-
Profit after taxation	332	(739)	(398)	(10)
Other Comprehensive Income	(20)	18	(16)	-
Total Comprehensive Income	313	(721)	(415)	(10)
Proposed Dividend	-	-	-	-
% of shareholding	#99.73%	100%	51%	100%

# including shares held by National Commodity Clearing Limited in NCDEX e Markets Limited.

#### Notes:

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

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

During FY 2024-25, Exchange has reduced its stake in National E-Repository Limited from 67.22% to 51%.

## ANNEXURE-5 (Contd.)

**Part “B”: Associates and Joint Ventures**

Name of Associates/Joint Ventures	Power Exchange India Limited
1. Latest audited Balance Sheet date	March 31, 2025
2. Shares of Associate/Joint Ventures held by the Company on the year end	
No.	Equity Shares As on March 23, 2025 – 128,94,240 As on March 31, 2025 – 99,76,585 Preference shares – NIL
Amount of Investment in Associates/Joint Venture	Equity Shares As on March 23, 2025 – ₹ 12,89,42,405 As on March 31, 2025 – ₹ 9,97,65,850 Preference shares – NIL
Extent of Holding %	Equity shareholding upto March 23, 2025 – 22.06% Equity shareholding w.e.f. March 24, 2025 – 17.06% Preference shareholding – NIL
3. Description of how there is significant influence	Upto March 23, 2025, Exchange had significant influence over Power Exchange India Limited (PXIL) due to equity shareholding of more than 20% of the total paid up share capital, w.e.f. March 24, 2025, Exchange has lost the significant influence due to equity shareholding less 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 upto March 23, 2025
5. Networth attributable to Shareholding as per latest audited Balance Sheet (Exchange Share of Net Worth)	Not Applicable as PXIL is no more an associate company as on March 31, 2025
6. Profit / Loss for the year	Audited figure as on March 31, 2025 Profit/Loss for the year after Tax is ₹ 3,454 Lakhs (Exchange's share of profit after tax is ₹ 859 Lakhs upto March 23, 2025)
i. Considered in Consolidation	₹ 859 Lakhs (Exchange share of profit)
ii. Not Considered in Consolidation	NIL

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

**By order of the Board of Directors**

Sd/-

**Arun Raste**

Managing Director &amp; CEO

DIN: 08561128

Sd/-

**Kishore P. Shah**

Company Secretary

Membership No.: A20792

Sd/-

**Ashish Bahuguna**

Chairman

DIN: 02224776

Sd/-

**Atul Roongta**

Chief Financial Officer

 Mumbai;  
 August 08, 2025.



# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Gross Domestic Product (GDP) Performance during FY 2024–25

India's agricultural and allied sector registered steady growth during the FY 2024–25 despite climatic volatility and global commodity market fluctuations. As per provisional estimates by the Ministry of Statistics and Programme Implementation (MoSPI), the sector grew at an estimated 3.5% in real terms, moderately lower than the 4.0% growth recorded in FY 2023-24, yet consistent with long-term trends. The sector's share in total Gross Value Added (GVA) remained around 18.1%, reflecting both the resilience of primary production and the expanding role of allied activities such as livestock, fisheries, and horticulture. While crop production faced setbacks due to a prolonged heatwave and uneven monsoon distribution, allied sub-sectors, particularly dairy, poultry, and inland fisheries, continued to outperform, providing income diversification opportunities for rural households. This sustained performance was underpinned by public investments in infrastructure, expanded access to institutional credit, and robust procurement under MSP programs, particularly for rice and wheat. The agriculture sector's steady growth helped anchor rural demand, acting as a stabilizing force amid global headwinds and macroeconomic uncertainty.

### Weather and Climatic Events

The financial year began with one of the most extreme heatwaves recorded in recent Indian history. In May and June 2024, several states in northwestern and central India, including Rajasthan and Delhi, experienced temperatures exceeding 50°C. The India Meteorological Department classified the heatwave as 'severe to exceptional,' which had immediate consequences for early kharif crop sowing and rural labor availability. This weather anomaly reduced soil moisture retention and delayed the transplanting of paddy and sowing of pulses in some pockets of Punjab, Haryana, Uttar Pradesh, and Madhya Pradesh.

Relief arrived with the onset of the southwest monsoon. While aggregate rainfall was near normal, its distribution remained erratic. Torrential downpours triggered localized flooding across Himachal Pradesh, Uttarakhand, Assam, and parts of Maharashtra and Gujarat. The most disruptive event came in the form of Cyclone Asna in August 2024, which caused extensive damage to standing crops, rural infrastructure, and post-harvest supply chains in Gujarat and adjoining states. The cumulative effect of these

weather shocks underscored the growing vulnerability of Indian agriculture to climate change and emphasized the need for rapid adoption of climate-resilient practices and crops.

### Agricultural Production

Despite these disruptions, agricultural output rebounded in the second half of the financial year. According to estimates from the Ministry of Agriculture, kharif foodgrain production reached a record 164.7 million tonnes, led by rice and maize. Rice production alone accounted for approximately 120 million tonnes, supported by improved seed varieties and timely irrigation. The Government's food grain procurement operations also ensured price support for farmers. Meanwhile, India's rice stocks as of December 2024 stood at an unprecedented 44.1 million tonnes, well above the buffer norm of 7.6 million tonnes, reflecting a healthy harvest.

On the trade front, India's position as a leading agricultural exporter was reinforced by its return to the global rice market. In March 2025, the Government lifted its export ban on non-basmati rice varieties (excluding broken rice), a measure initially imposed in 2023 to curb domestic inflation. The easing of restrictions led to a steep decline in global rice prices, with India poised to export a record 22.5 million tonnes in 2025, reclaiming market share from competitors like Thailand and Vietnam. However, sugar output dipped marginally to around 31 million tonnes due to deficient post-monsoon rainfall in Maharashtra and Karnataka, prompting the Government to impose restrictions on sugar exports to ensure domestic availability.

### Union Budget 2024-25

The Union Budget 2024-25 reflected a strong commitment to agricultural resilience and income security. The Government allocated ₹1.52 lakh crore to the Ministry of Agriculture and Farmers' Welfare, up 5% from the previous year. Of this, ₹60,000 crore was directed towards the PM-KISAN scheme, providing direct income support to 11.8 crore small and marginal farmers. The Modified Interest Subvention Scheme received ₹22,600 crore to ensure affordable short-term credit. The Pradhan Mantri Fasal Bima Yojana was allocated ₹14,600 crore to expand crop insurance coverage. Additionally, ₹7,553 crore was earmarked for Rashtriya Krishi Vikas Yojana (RKVY) and ₹7,447 crore for Krishionnati Yojana to support state-level and sustainable agriculture programs.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

Key new initiatives included the Prime Minister Dhan-Dhaanya Krishi Yojana - a six-year plan to promote crop diversification, yield improvements, and resource-use efficiency. The Union Budget 2024-25 also proposed a pulse production expansion strategy targeting tur, urad, and masoor with procurement assurance. The Government also introduced the National Cooperative Policy to strengthen farmer producer organizations (FPOs) and cooperatives across states. In terms of digital transformation, the budget announced the implementation of digital crop surveys in 400 districts, covering six crore farmers and integrating their land and crop details into national databases. Expansion of the e-NAM platform to 1,361 mandis was also fast-tracked with a projected trade volume of ₹3 lakh crore.

### Sustainability and Agri-Tech

Sustainable agriculture remained a priority, with the promotion of natural farming being central to the year's strategy. The Government set a target of transitioning one crore farmers to natural and zero-budget farming by 2026. Over 10,000 bio-input resource centers were approved for rollout to provide affordable organic inputs. The Indian Council of Agricultural Research (ICAR) released 109 high-yielding and climate-resilient crop varieties tailored to local agro-ecological zones. These included drought-tolerant paddy, pest-resistant pulses, and heat-tolerant maize, thereby strengthening India's adaptive capacity to climate change.

In parallel, the private sector deepened its engagement in the agritech space. KissanAI launched 'Dhenu 1.0' in December 2023—the world's first agriculture-specific large language model (LLM) powered by AI—offering personalized advisory services in local languages. By March 2025, over 1 lakh farmers were using the voice-activated platform to access insights on soil health, pest control, weather forecasts, and market prices. The Uttar Pradesh (the UP) Government partnered with Google Cloud to launch the UP Open Network for Agriculture (UP-ONA), a unified multilingual platform providing farmers access to input markets, advisory services, mechanization, and loans. IIT Indore also launched the AgriHub Centre of Excellence for AI in agriculture in January 2025, with support from the Madhya Pradesh Government.

### Institutions-Led Initiatives

Private warehousing and agri-logistics firms expanded aggressively during the FY. StarAgri filed for a ₹450 crore IPO to scale its 2,000+ warehouse network across

19 states. SLCM (Sohan Lal Commodity Management) partnered with Bank of Baroda to expand post-harvest credit access, digitize commodity storage, and reduce transaction costs for farmers. Exchanges, such as NCDEX continued to deepen farmer and FPO participation in futures and options markets through targeted awareness programs and workshops. NICR, a 100% subsidiary of NCDEX, in partnership with the Government of Maharashtra, has established a dedicated Hedging Desk for FPOs in the state, a first-of-its-kind initiative by any State Government in India.

### Farmer Movement and Political Developments

The resurgence of farmer protests in early 2024 marked a significant moment in India's agricultural and political landscape. Farmers from Punjab and Haryana, regions historically known for their agricultural significance, took to the streets once again, demanding a legal guarantee for Minimum Support Prices (MSP). The movement echoed the sentiments of the 2020 protests against the controversial farm laws, which had ignited widespread anger over fears of corporatization and weakening of MSP and procurement systems. The renewed protests highlighted the farmers' enduring concerns about the viability of traditional agricultural practices, the rising cost of inputs, and inadequate government support for the sector. The protests acted as a catalyst for a renewed debate on agricultural policy, prompting calls for increased investments in infrastructure, better market access, and measures to improve the financial health of farmers.

### SEGMENT-WISE, PRODUCT-WISE PERFORMANCE

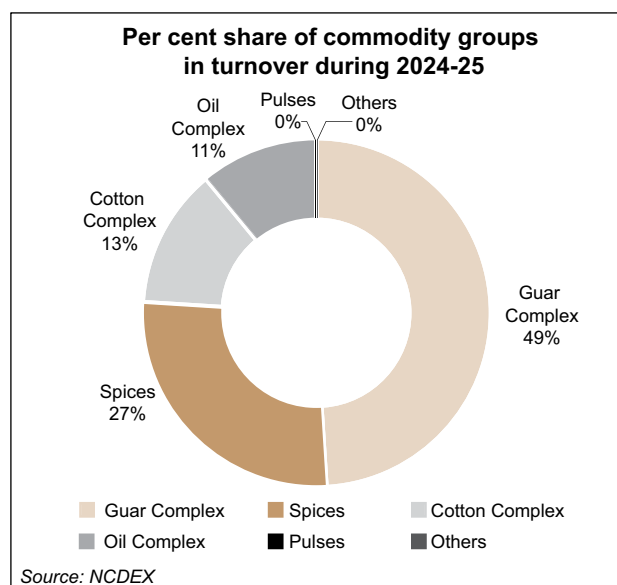
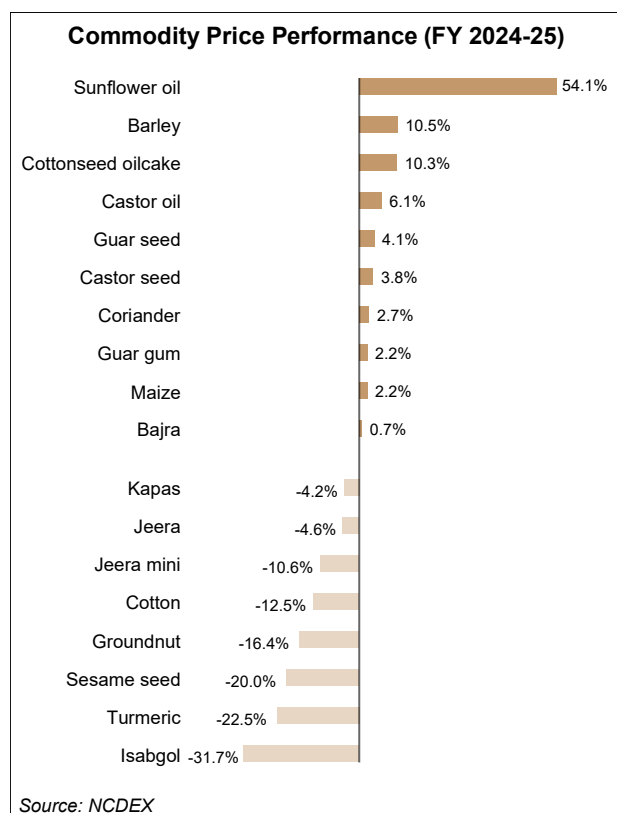
Global commodity markets in FY 2024-25 displayed mixed performance, influenced by macro-economic stabilization, geopolitical uncertainties, and climate-related supply disruptions. According to the World Bank and Food and Agriculture Organization of the United Nations (FAO), agricultural commodity prices showed a marginal decline overall, with the FAO Food Price Index averaging 122.0 points - down by 2.1% compared to 2023. In the energy sector, crude oil prices remained volatile through the FY, influenced by the Organization of the Petroleum Exporting Countries (OPEC+) supply decisions and geopolitical tensions, particularly in the Middle East.

Overall, FY 2024-25 reinforced the interconnected nature of global commodity markets and the growing importance of resilient risk management frameworks. While food commodity inflation eased marginally at the global level, domestic price trends remained sensitive to supply-side

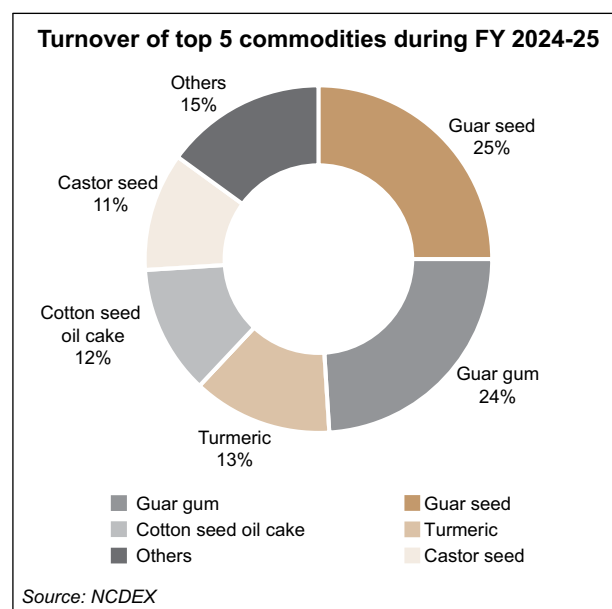
## MANAGEMENT DISCUSSION &amp; ANALYSIS REPORT (Contd.)

shocks, input cost pressures, and policy interventions. Continued geopolitical volatility and climate uncertainties are expected to remain key factors influencing commodity price trajectories in the near term.

A commodity wise performance (based on the Futures prices) of major commodities during FY 2024-25 is given in the chart below:

**Turnover of top five commodities during FY 2023-24**

The Exchange recorded an average daily turnover of approximately ₹599 crore in FY 2024-25, reflecting a decline from ₹848 crore in FY 2023-24. With 49% share, the Guar complex held the largest share in total turnover during the fiscal year. Spices and Cotton complex contributed around 27% and 13%, respectively. Among Individual commodities, Guar seed held the highest share of 25%, followed by Guar gum (24%), Turmeric (13%), Cotton seed oilcake (12%), and Castor seed (11%). The segment-wise performance of commodities traded at the Exchange remained as follows:

**OUTLOOK**

The commodity market outlook for FY 2025-26 is expected to be shaped by a convergence of evolving macroeconomic trends, climate variability, and geopolitical developments. According to the World Bank's Commodity Markets Outlook (April 2025), global commodity prices are likely to remain volatile, with agricultural commodities expected to remain firm due to weather-induced supply risks and sustained demand from emerging economies. While global growth is projected to stabilize, demand for key agricultural commodities is anticipated to stay strong, driven by concerns around food security, biofuel policies, and a recovery in consumption patterns.

On the domestic front, the RBI Monetary Policy Report (April 2025) and the Ministry of Agriculture's Second Advance Estimates reflect cautious optimism, supported by expectations of a normal monsoon and robust kharif



## MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

sowing. Early forecasts from the India Meteorological Department (IMD) suggest a timely onset of the southwest monsoon, which bodes well for agricultural production. Nevertheless, potential disruptions from El Niño or La Niña events and global trade uncertainties remain key risk factors.

In the non-agricultural segment, metals and energy markets are expected to witness a modest recovery in demand, driven by the global shift toward clean energy, easing of supply chain constraints, and continued inflationary pressures.

While the global economic landscape is expected to remain mixed with different regions facing varied challenges and opportunities, India's economic outlook for FY 2025–26 remains optimistic. Strong structural drivers such as digitalisation, global offshoring, and the energy transition, combined with supportive policy initiatives and expanding institutional infrastructure, are expected to fuel broad-based growth. These factors position India's agricultural and commodity sectors to sustain momentum in the coming fiscal year.

### OPPORTUNITIES AND THREATS

Financial year 2025 was yet another challenging year on account of continued suspensions of seven of our key commodity derivatives and we chose to channelize our efforts towards boosting our product portfolio, immersing in institutional reinvention along with building global partnerships. Our policy advocacy efforts were intensified with fresh researches conducted by IIT Bombay, BIMTECH and IRMA. The global canvas depicts an increase in commodity price volatility over past couple of years and coupled with absence of domestic market-driven instruments, it has restricted the quantum of trade. Hence, elevated risk markers and lack of commodity derivative contracts has impacted sustainability.

Collaborations and alliances are indicative of market acceptance, synergies and shared objectives, this was our core theme for the last financial year. The Exchange remains passionate about empowering the primary producer with tools to thrive in a market that transcends domestic barriers leaving them exposed to market risks. In 2020, SEBI had supported an options scheme by subsidizing the premium on Chana and Mustard, enabling 41 FPOs to hedge 3,000 MT plus quantity, this successful model was replicated in the last financial year with the support of one of the premier institutions focused on rural financial inclusion, NABARD. NABARD sanctioned ₹ 25 crores towards the Price protection scheme through put options for FPOs. The scheme included subsidizing

premium on put options on spices enabling 80 FPOs to hedge 6,544 MT of spices across various states. A landmark initiative that also received the support of SEBI by granting the Exchange an exception on reducing the threshold of average daily turnover to launch options on futures for spices to ₹50 crores from ₹100 crores for agricultural commodities.

With financial inclusion also came capacity building, under the Maharashtra government and World Bank supported SMART initiative, NICR (NCDEX Institute of Commodity Derivatives and Research) received a grant of ₹4.82 crores. This initiative will be focused at building a price risk hedging desk for farmers that will be extensively training farmers/ FPOs on commodity derivatives as market-driven instruments to manage price risk.

From institutional collaborations to research-based approach to drive policy discussions on the challenges the industry faces on account of suspended commodity derivatives, it was crucial to assess the impact on overall industry, after three and half years of suspensions of few agri commodity derivative contracts. Research by IIT Bombay, BIMTECH and IRMA proved with price data and industry feedback that the industry had progressed backwards. Researchers not only submitted their reports but also collaborated with NCDEX to present the findings and recommendations to relevant government ministries.

As we continue to stay resilient on our mission to build a progressive policy narrative seeking industry-conducive actions, we also decided to add new products in our product basket. Exchange added two futures contracts (Yellow peas & Cotton wash Oil) and five Option contracts (Guar Seed, Guar Gum, Dhaniya, Jeera & Turmeric) to its portfolio in order to cater to the needs of financial players and value chain participants. The options on spices (Jeera, Dhaniya and Turmeric) were instrumental in empowering FPOs in 6 states to take advantage of the NABARD supported Price Protection Program using Put options.

Our ability to remain agile, open to possibilities, and attuned to market trends has consistently enabled the Exchange to navigate challenging times with resilience. We are now in full swing preparing to launch our equity segment—an ambitious move that marks our foray into a new asset class and reflects our commitment to broadening the scope of financial instruments available to market participants.

Simultaneously, we are actively developing innovative tools such as weather derivatives, including weather futures, which are designed to address climate-linked

## MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

risks and attract a new cohort of participants to the Exchange. These bold initiatives are not just product expansions—they represent a strategic evolution aimed at deepening engagement, enhancing market relevance, and reinforcing our role as a catalyst for inclusive and sustainable growth.

### 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, 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. 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.

### RISK AND CONCERNS

The Exchange business is largely dependent on 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 the business, financial condition and results of operations. The Risk Management Framework recognizes this as a business / 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 the norm. Further, as the Exchange

operates predominantly in the agri space, the Exchange is vulnerable to changes in Government policies. The Exchange has seen several regulatory interventions this year as well, by prolonging the suspension of important contracts that make up a significant amount of the value of the Exchange. Nonetheless, the Exchange is actively collaborating with government organizations to promote the growth of commodities markets in general, it is also exploring broader avenues for growth and revenue diversification which would favorably affect the operations of the Exchange.

### MATERIAL DEVELOPMENTS IN HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED

We believe that a strong workplace culture is the foundation of employee satisfaction, productivity, and long-term success. Our commitment to fostering a positive, inclusive, and high-performing work environment is embedded in our values, leadership approach, and employee-centric policies.

Through various initiatives, we continuously strive to create a space where employees feel empowered, supported, and engaged driving a workplace which has evolved into a thriving ecosystem built on innovation, inclusivity, and well-being.

The human resources strategy of the Exchange is deployed through its various policies and processes, which are reviewed periodically in alignment with overall business goals, employee feedback and other external inputs.

The Exchange is an equal opportunity employer. There were total 209 regular employees on rolls of the Exchange as on March 31, 2025.

#### Key Focus Areas:

##### Communications

At the heart of our workplace culture lies a firm belief: **communication is a strategic enabler**. We are committed to fostering an environment where information flows freely and meaningfully across all levels of the organization.

To ensure our internal stakeholders remain informed and engaged, we leverage a multi-channel communication approach. Our leaders regularly connects with employees through:

Town Halls – for organization-wide updates and open Q&A sessions

## MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

Informal Connect Sessions – to encourage candid conversations in a relaxed setting

Focus Groups – to gather targeted feedback and insights

Emails and Newsletters – for timely and structured updates

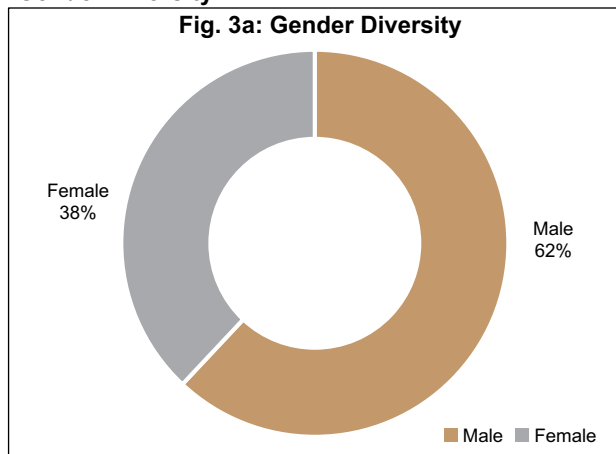
These touchpoints not only keep everyone aligned on our progress and priorities but also reinforce our values of openness, inclusivity, and collaboration.

### Diversity and Inclusion

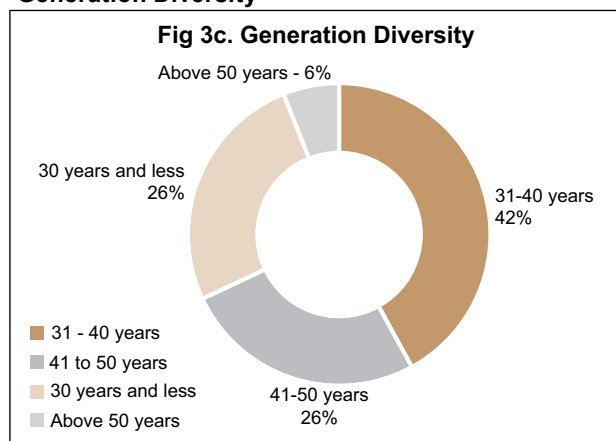
At NCDEX, we uphold diversity and inclusion practices and beliefs in the way we work. Majority of the employees (42%) belong to the age group of 31 to 40 years with a healthy female diversity of 38% across the organization. The Exchange maintained a skilled workforce with 47% of Post Graduates and focuses on hiring qualified candidates.

Round the year, we have undertaken several initiatives promoting inclusivity such as programs on women health, leadership development, etc.

#### Gender Diversity



#### Generation Diversity



### 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 process driven approach towards recruitment and on-boarding. The Exchange encourage referral programs and internal job postings to fulfil its talent needs. 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.

All new joiners undergo around a week-long induction program to assimilate better with the organization's culture and understanding of the business.

The number of employees, as on March 31, 2025 was 209. The breakup of employees in the Exchange is, as under:

Group/ Department	Number of Employees as on March 31, 2024	*Group/ Department	Number of Employees as on March 31, 2025
Business & Products	43	Business & Products	47
Trading Operations & Customer Services	25	Trading Operations & Customer Services	25
Regulatory Group II- Ent. Risk , Surveillance & Investigation	30	Regulatory Group II- Ent. Risk, Surveillance & *Information Security	27
			2
Regulatory Group I	32	Regulatory Group I	35
Corporate Office	2	Corporate Office	2
Corporate Services	25	Corporate Services	23
Human Resources	6	Human Resources	7
Technology	39	Technology	38
Assigned to NICR	3	Assigned to NICR	3
<b>Total</b>	<b>205</b>		<b>209</b>

## MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

### HR Policies and Framework

The Exchange has clearly defined guidelines, processes and policies such as Code of Conduct for Employees, Whistle-blower Policy, Policy on Regulatory and Statutory Trainings, Policy for Succession Plan of Directors, MD & CEO and other Key Management Personnel, Prevention of Sexual Harassment at Workplace and such others. These policies are made available to employees through online access to HRIS and are also part of the Induction Program for new joiners. Awareness and Refresher trainings of these corporate policies are held round the year.

### Health, Safety & Well-Being

At NCDEX, we believe that a healthy workforce is the foundation of a thriving organization. Our commitment to creating a healthy workplace and engaging employees was reflected in a wide range of initiatives during FY 2024-25.

### Wellness Programs and Activities

To address physical, mental, and emotional wellbeing, we organized diverse programs such as:

- Stretching is Fun
- Mental and Emotional Wellbeing Sessions
- Laughter and Fitness Sessions
- Virtual Desktop Ergonomics
- The Workplace-Gut Axis: Managing Stress and Nutrition
- Women's Health Awareness
- Posture Precision Workshops

### Health Challenges & Engagement Initiatives

We encouraged active participation through:

- NCDEX Stepathlon Challenge 2024 (Daily Step Challenge)
- Scale Smashers (Weight Loss Program)
- Health & Wellness Crossword Challenge
- Blood Donation Camp
- Lifestyle Coaching Program – Empowering employees with better dietary choices, stress management, and active living.

### Nutrition & Cafeteria Enhancements

We revised our cafeteria menu to support nutritious dietary preferences, offering:

- Whole grains
- Nutrient-rich meals
- Fresh fruits
- Low-sugar alternatives

### Health Screenings & Medical Support

- A **comprehensive health screening camp** included Lipid Profile, LFT, CBC, ESR, Blood Sugar, Dental & Eye Checkups.
- **Doctor on Board Initiative:** Specialist practitioners including Physicians, Nutritionists, Dieticians, and Gynecologists provided expert guidance to employees.

### Annual Health Checkup Program

As part of our employee benefits, we offer a **voluntary annual health checkup**. In FY 2024-25, **52% of eligible employees** availed this benefit.

### Recognition & Awards

We are proud to be recognized as a **“Healthy Workplace”** in the **Silver category** by **Arogya World**, a globally renowned health non-profit. This honor reflects our unwavering commitment to employee wellness and holistic development.





## MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)



### Performance Management

The Exchange has a structured process of performance evaluation, which is driven through the system named as "NConnect". 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. Once Exchange goals are approved by the Board, it cascades to departmental goals and then to individual goals.

### Capability Development:

At NCDEX Group Academy, we remain committed to fostering a culture of continuous learning and professional growth. Enabled by a robust digital learning infrastructure, blended learning models, leadership development programs, project-based experiences, and classroom sessions, our learning ecosystem has evolved to meet the dynamic needs of our workforce.

### Training Coverage and Impact

In FY 2024-25, we achieved 100% employee coverage through various learning interventions. Our quarterly training calendar strategically addressed both functional and behavioral competencies, resulting in a total of 5,668 learning hours—a significant increase over the previous year. This reflects our sustained efforts to build a future-ready workforce.

### Functional Training Programs

A diverse bouquet of functional training programs was delivered, including:

- i-Lead Program
- Sessions with NISM for Regulatory Team
- Mediation Techniques
- Power BI and Data Visualization
- Excel & Advanced Excel
- Train the Trainer Program
- Art of Storytelling

## MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

To further energize our learning culture, we launched the “Power Up” campaign, focused on upskilling employees in Power BI and data visualization. This initiative fostered enthusiasm and engagement across teams.

### Compliance & Awareness Sessions

Periodic awareness sessions were conducted to reinforce compliance and ethical standards. Topics included:

- Information & Cyber Security
- Prevention of Money Laundering
- Code of Conduct
- Internal Conflict Management
- Commodity Trading Policy
- Whistleblower Policy
- Prevention of Sexual Harassment (POSH)

### Women Development & Upskilling

As part of our gender diversity and inclusion strategy, women leaders were nominated for the ‘1000 Women Leaders’ program hosted by Jombay. This 4-month development initiative was tailored for rising women professionals aspiring to take on managerial and leadership roles.

### Leadership Development

Our flagship i-Lead Program was a transformative experience for emerging managers. Designed for professionals transitioning from individual contributor roles to managerial positions, the program offered:

- Practical leadership tools
- Self-reflection exercises
- Strategies to build and inspire high-performing teams

In addition, we introduced AI-driven learning tools to personalize leadership development. These tools provided strategic insights and advanced skill-building techniques, helping leaders adapt to evolving challenges with agility and confidence.



Achieved a total of  
**5,668 learning hours**  
in the financial year



**Completion of 95% (Behavioral Training) & 93% (Functional Training) of Individual Development plan,** demonstrating a strong focus on tailored capability-building



**100% Training Coverage (FY 2024-25) of employees actively engaged** in functional and behavioral learning programs, ensuring holistic professional development.



**6,223 courses successfully completed,** showcasing broad participation and diverse learning exposure across employees.



**3,729 badges awarded,** recognizing milestones, achievements, and active learner engagement.



**100% compliance and coverage** of Regulatory & Statutory Trainings for all employees, reinforcing commitment to corporate governance and policy adherence.



## MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)



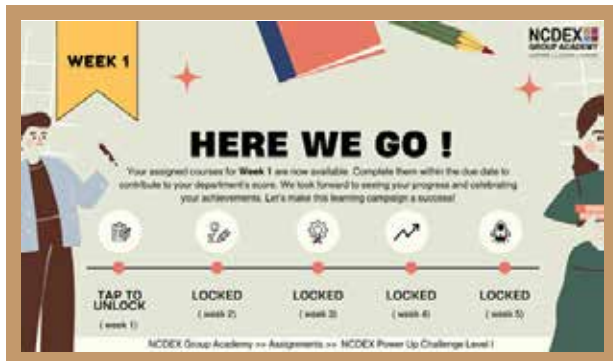
- Most Innovative HR 2024 : Award by HRAI
- Arogya World Healthy Workplace Award 2024 : "Silver" Category
- WOW Awards by Jombay

### Key Highlights of FY 2024-25 ~ Celebrations/ Engagement Programs/ New Initiatives, etc

#### Annual Day Celebration –



#### Women's Day Celebration –



### Other Transformational Initiatives

With the objective of adopting digital advancement, the Exchange achieved an internal milestone by introducing a new HRIS - NConnect, which is a unified platform for all HR services with an aim to bring efficiency to the HR processes and enhance employee experience.

### Industry Recognition & Accolades:

In FY 2024-25, the Exchange was recognized by the industry in various forums through multiple awards in various categories during the year. Some of them are listed below –



## MANAGEMENT DISCUSSION &amp; ANALYSIS REPORT (Contd.)



## TATA Marathon



## Diwali Celebration





## MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Exchange has recorded an Average Daily Trading Volume (ADTV) of ₹ 599 Crores for FY 2024-25. The top five performing commodities in the FY 2024-25 were Guar Seed, Guar Gum, Turmeric, Cotton Cake and Castor seed.

The Exchange has ended FY 2024-25 with profit/ (loss) after tax of ₹ 26,283 Lakhs. The total income for FY 2024-25 was ₹4,476 Lakhs as compared to ₹5,283 Lakhs in FY 2023-24. The total expenditure was ₹10,630 Lakhs in FY 2024-25 as compared to ₹10,191 Lakhs in FY 2023-24.

#### Income

The income from transaction charges for FY 2024-25 was ₹1,598 Lakhs as compared to ₹2,390 Lakhs in FY 2023-24. Based on ADTV of ₹599 Crores in FY 2024-25 and ₹848 Crores in FY 2023-24.

The income from investments for FY 2024-25 was ₹953 Lakhs (includes ₹212 Lakhs dividend received from associate) as compared to ₹791 (includes ₹353 Lakhs dividend received from associate) Lakhs in FY 2023-24.

The other income for FY 2024-25 was ₹2,028 Lakhs (includes ₹9 Lakhs interest on income tax refund) as compared to ₹2,059 Lakhs (includes ₹235 Lakhs interest on income tax refund) in FY 2023-24.

#### Expenditure

The total personnel expense for FY 2024-25 was ₹4,417 Lakhs as compared to ₹4,171 Lakhs in FY 2023-24, an increase of 5.9%.

Other operating expenses for FY 2024-25 were ₹4,867 Lakhs as compared to ₹4,571 Lakhs in FY 2023-24.

#### Disclosure on Accounting Treatment

The Exchange has followed Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 to the extent applicable, in the preparation of Financial statements for the FY 2024-25. There is no deviation from Ind AS.

#### Details of significant changes in Key Financial Ratios

Key Financial Ratios	Standalone	
	FY 2024-25	FY 2023-24
Debtors Turnover	6.9	9.0
Current ratio	3.0	1.6
Net Profit Margin ratio	1074%	(12%)
Return on Net worth	54.2%	(1%)

# REPORT ON CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE PHILOSOPHY

The Exchange is a professionally managed entity and owned by national level financial institution(s), exchange(s), bank(s), private sector company(ies) and private equity fund(s). Its 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 viz. Audit Committee, Nomination and Remuneration Committee, Regulatory Oversight Committee, Member Committee, Risk Management Committee, Standing Committee on Technology, Investment Committee, Stakeholders Relationship Committee, Sub-Committee on Legal matters etc.

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 and towards this end, the information given in this section

constitutes the report on Corporate Governance for the Financial Year 2024 - 25.

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 eight directors, of whom five are Public Interest Directors and three are Non-Independent Directors, including Managing Director & Chief Executive Officer. The profiles of the Directors can be accessed at [https://www.ncdex.com/board\\_of\\_directors](https://www.ncdex.com/board_of_directors).

### Board Meetings held during the Financial Year 2024-25 and attendance record

During the Financial Year 2024-25, six meetings of the Board were held on May 10, 2024, May 24, 2024, August 8, 2024, November 8, 2024, January 20, 2025 and February 12, 2025. Apart from these meetings, the Board of Directors also considered and approved certain matters by way of resolution by circulation.

The attendance of the Directors in the Board Meetings during the Financial Year 2024-25 along with their number of directorships in public companies, committees memberships etc. are detailed as under:

Name of Director	Number of Meetings Attended	Whether last AGM attended	Number of Memberships in Board Committees including Voluntary Committees	Number of Directorships in other public Companies as on March 31, 2025	Number of Committee positions held in other Public Companies**	
					Chairman	Member
Non-executive, Public Interest Directors						
Mr. Ashish Bahuguna	6	Yes	8	-	-	-
Mr. Hemant Adarkar	6	No	7	2	-	2
Mr. Prem Kumar Malhotra#	3	No	5	NA	NA	NA
Mr. R. Amalorpavanathan	6	Yes	5	-	-	-
Dr. Mukulita Vijayawargiya	6	No	3	-	-	-
Mr. Soma Sankara Prasad\$	4	Yes	5	1	-	1
Non-executive, Non Independent Directors						
Mr. Rakesh Kapur@	6	No	3	NA	NA	NA
Mr. Sanjeev Rohilla	6	Yes	5	1	-	-
Mr. R. Doraiswamy	2	No	2	3&	-	3&
Executive Director, Managing Director & CEO						
Mr. Arun Raste	6	Yes	2	1	-	

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Note:

1. #Mr. Prem Kumar Malhotra ceased to be a Public Interest Director with effect from August 9, 2024 on completion of his term.
2. \$Mr. Soma Sankara Prasad was appointed as a Public Interest Director with effect from July 02, 2024
3. @Mr. Rakesh Kapur ceased to be a Non Independent Director with effect from February 20, 2025 on account of his resignation.
4. \*Includes directorship in Life Insurance Corporation of India (LIC) (not considered as a public company pursuant to provisions of the Companies Act, 2013). Includes Committee membership in LIC.
5. \*\*Membership/Chairpersonship of only Audit Committee and Stakeholders' Relationship Committee of all Public Companies have been considered.
6. Directorship of Directors in Listed Entities other than the Exchange as on March 31, 2025:

Name of Director	Directors in Listed Entities other than the Exchange	Category of Directorship held in listed entities other than the Exchange
Mr. R. Doraiswamy	Life Insurance Corporation of India	Managing Director

7. None of the Directors are holding shares of the Exchange as on March 31, 2025.
8. Other disclosures
  - There is no relationship between the Directors of the Exchange *inter-se*.
  - The Exchange has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management and other employees in line with the requirements of Regulation 25(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for such quantum and for such risks as determined by the Board.

### 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	Primary	Secondary	Other Skills/ expertise/ competence
Mr. Ashish Bahuguna	Law and Regulatory	Finance & Accountancy	Administration, Agriculture Markets, Economics, Market Infrastructure, Risk Management, Co-operatives
Mr. Hemant Adarkar	Technology	Risk Management	System development, Architecture, Technology Consulting, Outsourcing & Off-shoring primarily in banking and financial services and Digital Transformation
Mr. R. Amalorpavanathan	Capital/ Securities Market	Finance & Accountancy	Management and Administration, Economics, Agriculture Marketing, Risk Management, Banking, Treasury Management, Project finance & Management, Cooperatives and Agri & Rural Infrastructure designing
Dr. Mukulita Vijayawaragiya	Law & Regulatory	Administration	Management
Mr. Soma Sankara Prasad	Finance & Accountancy	Risk Management	Risk Management, Retail and International Banking, Treasury Management, Corporate Credit, Insurance, Regulatory Compliance

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

Name of Director	Primary	Secondary	Other Skills/ expertise/ competence
Mr. Sanjeev Rohilla	Technology	Management	Fund raising, HR, Credit operations, Credit planning and Corporate communications
Mr. R Doraiswamy	Technology	Administration	Operations, Marketing and Academics
Mr. Arun Raste	Capital Markets	Administration	Finance & Accountancy, Agriculture, Economics, Management, CSR, Corporate Communication and Marketing

**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.

**Board Appointment / Resignation**

During the Financial Year 2024-25, Mr. Soma Sankara Prasad has been appointed as a Public Interest Director of the Exchange with effect from July 02, 2024. Mr. Prasad had consented to the appointment and has confirmed that he fulfills the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and is independent of the Management.

During the Financial Year 2024-25, Mr. Prem Kumar Malhotra, ceased to be a Public Interest Director of the Exchange with effect from August 9, 2024 on completion of his term. Further, Mr. Rakesh Kapur, Non Independent Director, resigned from the Board of the Exchange with effect from February 20, 2025.

No Independent Director has resigned from the Board of the Exchange before the expiry of his /her tenure.

**Board Procedure**

For seamless scheduling of meetings, the dates of the meetings are determined at the beginning of the financial year. Notice of meetings is given well in advance to all the Directors. The Company Secretary sets the agenda in consultation with the Chairman and the Managing Director. The agenda, along with all supporting and relevant documents for Board and Committee meetings, are curated and provided promptly, ensuring that the Board can make informed decisions. If Directors require any additional records or documents or information, they can request assistance from the Company Secretary to facilitate access. The Board periodically reviews the strategic, operational, financial and governance matters of the Exchange and its subsidiaries. To enable the

Board to discharge its responsibilities effectively and take informed decisions, the Managing Director provides business and other operational updates to the Board each quarter. Additionally, the Key Managerial Personnel and Senior Leadership is also invited to the meetings, as and when required. The Chairperson of the respective Committees provides an update to the Board about the discussion, recommendations and decisions taken at the Committee Meetings.

**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 (SECC Regulations, 2018) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR 2015) from time to time.

**I. Audit Committee**

The Committee consists of three Directors, all of them are Public Interest Directors. 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:

- a. As per Companies Act, 2013:
  1. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
  2. Review and monitor the auditors' independence and performance, and effectiveness of audit process.
  3. Examination of the annual financial statements and Auditors' Report thereon.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

4. Approval or any subsequent modification of transactions of the Company with related parties.  
(Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed)
  5. Scrutiny of inter-corporate loans and investments.
  6. Valuation of undertakings or assets of the Company, wherever it is necessary.
  7. Evaluation of internal financial controls and risk management systems.
  8. Monitoring the end use of funds raised through public offers (if any) and related matters.
- b. As per SEBI LODR, 2015:
1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
  3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
  4. 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) 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;
    - (b) changes, if any, in accounting policies and practices and reasons for the same;
    - (c) major accounting entries involving estimates based on the exercise of judgment by management;
    - (d) significant adjustments made in the financial statements arising out of audit findings;
    - (e) compliance with listing and other legal requirements relating to financial statements;
    - (f) disclosure of any related party transactions;
    - (g) modified opinion(s) in the draft audit report;
  5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. 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 utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter;
  7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the Company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. 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;
  14. Discussion with internal auditors of any significant findings and follow up there on;

## REPORT ON CORPORATE GOVERNANCE (Contd.)

15. 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;
16. 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;
17. 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;
18. To review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore 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.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
23. 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
  - the appointment, removal and terms of remuneration of the chief internal

auditor shall be subject to review by the audit committee.

- statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

24. such other functions as may be specified under the Companies Act, by SEBI or any other Statutory or Regulatory Authority.

During the Financial Year 2024-25, four meetings of the Committee were held on May 22, 2024, August 07, 2024, November 07, 2024 and February 11, 2025. The composition and attendance of the Members of the Audit Committee is given below:

Name of the Members of the Audit Committee	Number of meetings held during the Financial Year 2024-25	Number of meetings attended
Mr. Soma Sankara Prasad, Chairman <sup>1</sup>	4	3
Mr. Ashish Bahuguna <sup>2</sup>	4	4
Mr. R. Amalorpavanathan	4	4
Mr. Rakesh Kapur <sup>3</sup>	4	4

<sup>1</sup> Mr. Soma Sankara Prasad was inducted as a Member of the Committee and elected as its Chairman with effect from July 24, 2024.

<sup>2</sup> Mr. Ashish Bahuguna ceased to be the Chairman of the Committee with effect from July 24, 2024

<sup>3</sup> Mr. Rakesh Kapur ceased to be a Member of the Committee on account of his resignation from the Board of the Exchange with effect from March 11, 2025

## II. Nomination and Remuneration Committee

The Committee consists of three Public Interest Directors. During the Financial Year 2024-25, five meetings of the Committee were held on April 10, 2024, May 23, 2024, August 07, 2024, November 07, 2024 and February 11, 2025.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

The composition and attendance of the Members is given below:

Name of the Members of the Nomination and Remuneration Committee	Number of meetings held during the Financial Year 2024-25	Number of meetings attended
Mr. R. Amalorpavanathan, Chairman	5	5
Mr. Ashish Bahuguna	5	5
Mr. Prem Kumar Malhotra <sup>1</sup>	5	3
Mr. Hemant Adarkar	5	3

<sup>1</sup> Mr. Prem Kumar Malhotra ceased to be Member of the Committee with effect from August 9, 2024, on completion of his term as a Public Interest Director.

<sup>2</sup> Mr. Hemant Adarkar was inducted as a Member of the Committee with effect from May 24, 2024.

The terms of reference of the Nomination and Remuneration Committee are as under:

a) As per SECC Regulations, 2018

(I) Governing Board and its Members related aspects:

- Scrutinising and interviewing applicants for selecting the MD of the stock exchange.
- Adhering and developing a skill evaluation metrics to assess applications of new or existing PIDs and NIDs for their appointment and/or reappointment and recommending their names to the Governing Board.
- Ensuring at all times that the governing board comprises of directors with required skill set and expertise in the areas as provided in SECC Regulations, 2018.
- Ensure compliance with governing board level skill diversity at the time of appointment, reappointment or extension of tenure of PIDs or NIDs.
- Framing & reviewing the policy to carry out internal evaluation of every director's performance, including that of PIDs.
- Reviewing and recommending extension of the term of appointment and re-appointment of existing PIDs.

g. Appointment of Independent External Professionals (IEPs).

(II) KMPs related aspects:

- Identifying KMPs based on importance of activities carried out by them, including being key decision maker(s) within the stock exchange, other than those specifically provided under regulation 2(1)(j) of the SECC Regulations, 2018. For identifying KMPs, one of the criteria should be, persons (including employees/consultants) drawing annual pay higher than any KMP(s).
- Review, at least once a year hierarchical set ups across the departments, in order to identify KMPs due to a change in role and responsibilities assigned to them. Such review should necessarily include, consultants reporting to the MD/CEO or ED.
- The appointment and removal of KMPs other than resignations.
- Laying down policy for accountability of KMPs. Further, mapping legal and regulatory duties to the concerned position and Delegation of Power (DoP) at various levels.
- Laying down the policy for compensation of KMPs in compliance with the compensation norms prescribed under SECC Regulations, 2018 and ensuring that the compensation paid to KMPs is as per the compensation policy.
- Framing performance review parameters for evaluation of KMPs including that of MD.
- Assess the performance of KMPs based on reports submitted by the functional heads/ reporting authority, and observations, if any, received from SEBI, and submit such reports to the governing board every year.
- Determining the tenure of a KMP, other than a director, to be posted in a particular role within regulatory, compliance, risk management and investor grievance vertical.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

- p. Determining and finalizing the Key Result Areas (KRAs) of all KMPs at the beginning of every year. Review the same in line with organization needs.
  - q. Ensuring that no KMP reports to a non-KMP.
- (III) On other organisation level related aspects:
- r. Ensure that no employee of the stock exchange is working or reporting to an employee of any other company where the stock exchange has invested and vice-versa.
  - s. Ensure that hiring of consultants is based on a pre-defined SOP of the stock exchange.
  - t. Framing, reviewing, implementing and monitoring SOP for imposing disciplinary actions against employees of stock exchange.
  - u. Besides the above, it will also discharge the function as Nomination & Remuneration Committee under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended from time to time.
- b) As per Companies Act, 2013:
- a. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
  - b. 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.
  - c. formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
  - d. framing the guidelines and management of the employee stock option scheme to the staff and whole-time Directors of the Company.
  - e. develop and approve key policies in respect of human resources, organizational matters etc.
- c) As per SEBI LODR, 2015:
- a. 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.
  - b. formulation of criteria for evaluation of performance of independent directors and the board of directors.
  - c. devising a policy on diversity of board of directors.
  - d. 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.
  - e. 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.
  - f. recommend to the board, all remuneration, in whatever form, payable to senior management.
  - g. For every appointment of an independent director, the Nomination and Remuneration 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 shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration 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.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

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

### III. Risk Management Committee

The Committee consists of two Public Interest Directors and one Independent External Professional ('IEP'). During the Financial Year 2024-25, four meetings of the Committee were held on May 22, 2024, August 06, 2024, November 06, 2024 and February 10, 2025.

The composition and attendance of the Members is given below:

Name of the Members of the Risk Management Committee	Number of meetings held during the relevant period	Number of meetings attended
Mr. Hemant Adarkar, Chairman <sup>1</sup>	4	4
Mr. Prem Kumar Malhotra <sup>2</sup>	4	2
Mr. Soma Sankara Prasad <sup>3</sup>	4	3
Mr. Sanjeev Shukla, IEP	4	4

<sup>1</sup> Mr. Hemant Adarkar was elected as a Chairman of the Committee with effect from May 24, 2024.

<sup>2</sup> Mr. Prem Kumar Malhotra ceased to be Member of the Committee with effect from August 9, 2024, on completion of his term as a Public Interest Director

<sup>3</sup> Mr. Soma Sankara Prasad was inducted as a Member of the Committee with effect from July 24, 2024.

The terms of reference of the Risk Management Committee (RMC) are as under:

- Formulate a detailed Risk Management Framework (RMF) which shall be approved by the governing board of the stock exchange to ensure continuity of operation at all points of time.
- The RMF shall include the following:
  - The framework for identification of internal and external risks.
  - Measures for risk mitigation including systems and processes for internal control.
  - Business continuity plan
- Monitor each risk associated with the functioning of the stock exchange more specifically for functions under vertical 1 and 2.

- Review the RMF and Risk Mitigation Measures at least once annually taking into account the changing industry dynamics and evolving complexity.
- Monitor and review enterprise-wide risk management plan and lay down procedures to inform the governing board about the risk assessment and mitigation procedures.
- RMC shall coordinate with other committees. In case of overlap with activities of other committees, RMC may consider views of such committees.
- Monitor implementation of the RMF and also keep the governing board informed about implementation of the RMF and deviation, if any.
- Approve the Half-Yearly Risk report to be submitted by the Chief Risk Officer (CRiO) to SEBI and the governing board of the stock exchange.
- Comply with the roles and responsibilities as provided under the Companies Act 2013 and the SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.

### IV. Stakeholders Relationship Committee

The Stakeholders Relationship Committee consists of one Public Interest Director and two Non-Independent Directors. During the Financial Year 2024-25, one meeting of the Committee was held on November 07, 2024.

The composition and attendance of the Members is given below:

Name of the Members of the Stakeholders Relationship Committee	Number of meetings held during the relevant period	Number of meetings attended
Mr. Sanjeev Rohilla, Chairman <sup>1</sup>	1	-
Mr. Hemant Adarkar	1	1
Mr. Rakesh Kapur <sup>2</sup>	1	1
Mr. R. Doraiswamy <sup>3</sup>	1	-
Mr. Prem Kumar Malhotra <sup>4</sup>	1	-

<sup>1</sup> Mr. Sanjeev Rohilla, was inducted as a Member of the Committee and elected as its Chairman with effect from August 9, 2024.

<sup>2</sup> Mr. Rakesh Kapur ceased to be Member of the Committee with effect from March 11, 2025, on account of his resignation from the Board of the Exchange.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

<sup>3</sup> Mr.R. Doraiswamy was inducted as a Member of the Committee with effect from March 11, 2025.

<sup>4</sup> Mr. Prem Kumar Malhotra ceased to be a Member and Chairman of the Committee with effect from August 9, 2024, on completion of his term as a Public Interest Director

The terms of reference of the Stakeholders Relationship Committee, *inter-alia*, are as under:

- a. To specifically look into various aspects of interest of shareholders, debenture holders and other security holders.
- b. Approve transfer, transmission, dematerialization, rematerialisation, splitting and/or consolidation of share certificates, issue of duplicates etc. of shares and debentures in accordance with the Articles of Association of the Company.
- c. Resolving the grievances of the security holders of the Company 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.
- d. Review of measures taken for effective exercise of voting rights by shareholders.
- e. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- f. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

### V. Member Committee

The erstwhile Member and Core Settlement Guarantee Fund Committee which was renamed as the Member Committee with effect from July 26, 2024, consists of three Public Interest Directors, one IEP and the MD & CEO. During the Financial Year 2024-25, four meetings of the Committee were held on May 23, 2024, August 06, 2024, November 06, 2024 and February 10, 2025.

The composition and attendance of the Members is given below:

Name of the Members of the Member Committee	Number of meetings held during the relevant period	Number of meetings attended
Mr. Soma Sankara Prasad <sup>1</sup> , Chairman	4	3
Mr. Prem Kumar Malhotra <sup>2</sup>	4	2
Mr. Ashish Bahuguna	4	4
Dr. Mukulita Vijayawargiya <sup>3</sup>	4	3
Mr. Jayant Nalawade (IEP) <sup>4</sup>	4	2
Mr. Arun Raste	4	4

<sup>1</sup> Mr. Soma Sankara Prasad was inducted as a Member of the Committee and elected as its Chairman with effect from July 24, 2024.

<sup>2</sup> Mr. Prem Kumar Malhotra ceased to be Member of the Committee with effect from August 9, 2024, on completion of his term as a Public Interest Director.

<sup>3</sup> Dr. Mukulita Vijayawargiya was inducted as a Member of the Committee with effect from May 24, 2024.

<sup>4</sup> Mr. Jayant Nalawade, Independent External Professional was inducted as a Member of the Committee with effect from September 23, 2024.

The terms of reference of the Member Committee, *inter-alia*, are as under:

- (I) On admission, transfer and surrender of membership/ Withdrawal/Change in control:
  - a. Formulate the policy to scrutinize, evaluate, accept or reject applications for admission of members, transfer of membership and approve surrender of membership or withdrawal and Change in Control.
  - b. The activities with regard to scrutinizing, evaluating, accepting or rejecting applications for admission, transfer surrender, withdrawal and change in control of membership can be implemented through an Internal Committee (IC) under MC.
  - c. Define the Standard Operating Procedure (SOP) for the IC, including the timelines to be followed by IC, its composition, standardize criteria to scrutinize, evaluate, accept and grounds for rejection of applications, and other associated aspects to ensure uniformity and consistency while dealing with applications or cases. For scenarios not covered in the SOP, IC should seek approval of MC.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- d. Oversee the implementation of the membership policy by the IC, including its timelines, uniformity and consistency in approach, based on quarterly report submitted by IC. MC shall continue to be responsible and accountable for the activities of the IC.

### (II) On Regulatory Actions

- e. Ensure that the stock exchange has detailed SOP and processes in place towards monitoring the activities of its members through inspections.
- f. Ensure that there is mechanism for monitoring of the members on various parameters including through adoption of technology and take necessary action for non-compliance.
- g. Formulate the policy for regulatory actions including warning, monetary penalty, suspension, withdrawal of trading membership, declaration of default, expulsion, etc. to be taken by the stock exchange for various violations by the members of the stock exchange. The policy should have an SOP for undertaking such actions.
- h. Based on the laid down policy, consider all cases of violations observed and impose appropriate regulatory measures on the members of the stock exchange.
- i. For enforcement actions against violations, where no discretion of MC is involved, the same could be delegated to an IC, provided corresponding regulatory action, including penalty amount, if any, is standardised in the policy framed by MC or through a circular issued by the stock exchange or SEBI. If the same is delegated, quarterly report in this regard should be placed before MC by the IC. However, for scenarios which require immediate regulatory action, the stock exchange shall inform the MC post imposition of such actions.
- j. Oversee the regulatory actions taken by IC, if delegated, including evaluating that no discretion has been exercised in the process. For any violation by IC, MC will be responsible and liable for the same.
- k. While imposing the regulatory measure, the Committee shall adopt a laid down process, based on the 'Principles of natural justice' and 'Principle of proportionality'. The 'Principle of natural justice' may be extended by the MC/IC, as applicable.
- l. Any review, appeal or waiver of penalty filed shall be placed before MC for its consideration.

### (III) On Defaulter Members:

- m. Formulate the policy to realise all the assets, and deposits of the defaulter or expelled member and appropriate the same amongst various dues and claims against the defaulter or expelled member in accordance with the Rules, Byelaws, Regulations of the Stock Exchange and applicable regulatory provisions.
- n. The activities with regard to realization of assets and deposits of the defaulter or expelled member and appropriation of the same amongst various dues and claims against the defaulter or expelled member, etc. can be implemented through an Internal Committee (IC) under MC.
- o. Define the SOP for the IC, including the timelines to be followed by IC and its composition. For scenarios not covered in the SOP, IC should seek approval of MC.
- p. In the event both the trading member and the constituent clearing member are declared defaulter, then the MC of the stock exchange and that of the clearing corporation shall work together to realise the assets of both the trading member and the clearing member.
- q. Admission or rejection of claims of client or trading members or clearing members over the assets of the defaulter or expelled member.

### (IV) On IPF related aspects:

- r. Recommendation in respect of the claims of clients of defaulter trading member to the Trustees of the IPF on whether the claim is to be paid out of IPF or otherwise.
- (V) 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)

## VI. Standing Committee on Technology

The Standing Committee on Technology consists of three Public Interest Directors and three IEPs. During the Financial Year 2024-25, four meetings of the Committee were held on May 22, 2024, August 06, 2024, November 06, 2024 and February 10, 2025.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

The composition and attendance of the Members is given below:

<b>Name of the Members of the Standing Committee on Technology</b>	<b>Number of meetings held during the relevant period</b>	<b>Number of meetings attended</b>
Mr. Hemant Adarkar, Chairman	4	4
Mr. Ashish Bahuguna	4	4
Mr. Prem Kumar Malhotra <sup>1</sup>	4	2
Mr. Soma Sankara Prasad <sup>2</sup>	4	3
Mr. Dhananjaya Tambe	4	4
Mr. Anand Iyer	4	2
Mrs. Mayurakshi Ray	4	4

<sup>1</sup> Mr. Prem Kumar Malhotra ceased to be Member of the Committee with effect from August 9, 2024, on completion of his term as a Public Interest Director.

<sup>2</sup> Mr. Soma Sankara Prasad was inducted as a Member of the Committee with effect from July 24, 2024

The terms of reference of the Standing Committee on Technology, are as under:

- Ensure the availability of required IT infrastructure for core and critical functions under verticals for "Critical operations" and "Regulatory, compliance, risk management and investor grievances".
- Ensure existence of adequate Business Continuity Plan (BCP) and Disaster Recovery (DR) plans.
- Ensuring sound and prudent policies, standards and procedures for managing technology risks and safeguard information assets in the stock exchange.
- Review the implementation of technology risk management framework and strategy of stock exchange.
- Monitor whether the technology used remains up to date and meets the growing demands of the markets.
- Periodic review of the IT system and network architecture design to identify any weaknesses in the existing design.
- Review of in-house availability of appropriate IT staff to manage IT systems and related outsourcing arrangement.
- Monitor the adequacy of systems capacity and efficiency.

- To look into the changes being suggested by the stock exchange to the existing software or hardware.
- Oversee investigations into issues related to computerized trading system, such as hanging, slowdown, breakdown, etc.
- Ensure that transparency is maintained in disseminating information regarding slowdown or breakdown in Online Trading System and ensure that the Stock Exchange issues a press release specifying the reasons for any such breakdown.
- Approve Root Cause Analysis (RCA) of any stoppage of Trading system and report to the governing board and SEBI.
- Review the implementation of board approved cyber security and cyber resilience policy and its framework and ensure existence of advanced Cyber Security and Cyber Resilience framework at the stock exchange.
- Review the identification and classification process of critical assets based on their sensitivity and criticality for business operations, services and data management.
- Ensuring that the scope of the system audit, cyber audit and VAPT of the stock exchange is broad and representative of all critical areas of the stock exchange.
- Monitoring the results of periodic cyber security and DR drills conducted by the stock exchange.
- Review and approve the report regarding overall cyber security posture and technology implementation at the stock exchange and submit to the governing board. Upon approval by the governing board, submit the report to SEBI.
- On the above areas, the Committee shall submit a report to the Governing Board of the stock exchange for necessary action, if any.
- Such other matters as may be referred by the Governing Board of stock exchange and/or SEBI.

**VII. Regulatory Oversight Committee**

The Regulatory Oversight Committee consists of two Public Interest Directors and one IEP. During the Financial Year 2024-25, four meetings of the Committee were held on May 23, 2024, August 7, 2024, November 6, 2024 and February 10, 2025.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

The composition and attendance of the Members is given below:

Name of the Members of the Regulatory Oversight Committee	Number of meetings held during the relevant period	Number of meetings attended
Dr. Mukulita Vijayawargiya, Chairperson <sup>1</sup>	4	3
Mr. Hemant Adarkar	4	4
Mr. Prem Kumar Malhotra <sup>2</sup>	4	2
Mr. Jayant Nalawade (IEP)	4	4

<sup>1</sup> Dr. Mukulita Vijayawargiya was inducted as a Member with effect from May 24, 2024 and was elected as a Chairman of the Committee with effect from August 9, 2024.

<sup>2</sup> Mr. Prem Kumar Malhotra ceased to be Member of the Committee with effect from August 9, 2024, on completion of his term as a Public Interest Director.

The terms of reference of the Regulatory Oversight Committee, are as under:

Oversee the matters related to the following:

a. Surveillance and Investigation:

- i. Oversight 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, development of new alerts based on learnings from past or ongoing cases, etc., as may be applicable to the relevant segments of the exchange.
- ii. Requests, received from members of stock exchange, for review of decision taken by stock exchange regarding annulment of trades and provide its recommendation within 30 days of receipt of request by the stock exchange.

b. Listing of Securities: Oversight of admission of securities for trading, suspension, revocation, delisting, etc.

c. Compliance:

- i. Oversee and monitor implementation of SECC Regulations, 2018 and other applicable rules and regulations along with SEBI Circulars and other directions issued thereunder.

- ii. Review the observations arising from various SEBI inspections, ensuring its advisories and findings are appropriately and timely addressed, and reports to governing board on timely basis.

d. Code of Conduct:

- i. Lay down procedures for implementation of the code of conduct and prescribe the reporting formats for disclosures required under the code of conduct.
- ii. Oversee the compliance of the code of conduct by KMPs and members of statutory committees (except directors)
- iii. Review compliance with the provisions on "Code of Conduct & Institutional mechanism for prevention of Fraud or Market Abuse" of Chapter VI of SEBI Master Circular for Stock Exchanges and Clearing Corporations at least once in a financial year and also verify the adequacy and operational effectiveness of the systems for internal control.
- iv. Periodically oversee the dealings in securities by KMPs and IEPs.
- v. Periodically oversee the trading conducted by firms or corporate entities in which the directors of the stock exchange hold twenty percent or more beneficial interest or hold a controlling interest.
- vi. While monitoring trades by KMPs and members of statutory committees, ROC shall take into consideration sensitive information held by them as per structured digital database maintained by stock exchange.

e. Ensure the adequacy of resources dedicated to functions under verticals for "Critical operations" and "Regulatory, compliance, risk management and investor grievances".

f. Grievance Redressal Mechanism:

- i. Define policy and SOP for dealing with complaints by stock exchanges.
- ii. Review of complaint resolution process, complaints remaining unresolved over long period of time, etc.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

- iii. Ensuring that stock exchanges take pro-active actions in case of repeated nature of complaints against particular TMs.
- g. Investor Protection and Services:
  - i. Supervising the functioning of Investors Services Cell of the stock exchange.
  - ii. Approve the investment policy for Investor Service Fund (ISF)
  - iii. Supervise ISF, including its utilization.
- h. Whistleblower Mechanism:
  - i. Frame the Whistle Blower Policy to be approved by the governing board.
  - ii. Communicate the whistle blower policy internally to all persons and display the same on the stock exchange website.
  - iii. Review the whistle blower policy based on feedback received.
- i. Fees and Charges:
  - i. Review the fees and charges levied by the exchange, including commenting on its appropriateness, on a periodic basis as well as each time there is change.
  - ii. Review Liquidity Enhancement Scheme (LES) including reduction or waiver of transaction fees, etc., its justification and impact,
- j. Oversee contribution of the stock exchange towards Core Settlement Guarantee Fund (SGF) of the Clearing Corporation.
- k. Review annually the performance of Product Advisory Committee (for Stock Exchanges with Commodities Derivatives segment)
- l. Oversee matters related to product design and review the design of the already approved and running contracts.

**VIII. Investment Committee**

During the Financial Year 2024-25, the Board of Directors of the Exchange constituted the Investment Committee consisting of three Public Interest Directors and MD & CEO. During the Financial Year, three meetings of the Committee were held on November 7, 2024, January 20, 2025 and February 11, 2025.

The composition and attendance of the Members is given below:

<b>Name of the Members of the Investment Committee</b>	<b>Number of meetings held during the relevant period</b>	<b>Number of meetings attended</b>
Mr. Ashish Bahuguna	3	3
Mr. Soma Sankara Prasad	3	3
Mr. Hemant Adarkar	3	3
Mr. Rakesh Kapur <sup>1</sup>	3	2
Mr. Sanjeev Rohilla <sup>2</sup>	3	2
Mr. R Doraiswamy <sup>3</sup>	3	-
Mr. Arun Raste <sup>4</sup>	3	2

<sup>1</sup> Mr. Rakesh Kapur was inducted as Member of the Committee with effect from November 08, 2024. Further he ceased to be a member of the Committee on account of his resignation from the Board of the Exchange with effect from March 11, 2025.

<sup>2</sup> Mr. Sanjeev Rohilla was inducted as Member of the Committee with effect from November 08, 2024.

<sup>3</sup> Mr. R. Doraiswamy was inducted as Member of the Committee with effect from November 08, 2024.

<sup>4</sup> Mr. Arun Raste ceased to be a member of the Committee with effect from January 20, 2025.

The terms of reference of the Investment Committee, are as under:

- a. To review the capital raising/capital structure plan/IPO plan, roadmap and timelines for execution thereof.
- b. To review and provide inputs to all the documents in connection with the capital raising/capital structure plan/IPO.
- c. To review and recommend all the expenditure in connection with the capital raising/capital structure plan/IPO of the Exchange.
- d. To consider additional matters in relation in connection with the capital raising/capital structure plan/IPO of the Exchange as applicable.
- e. To consider proposals of capital restructuring like merger, demerger, amalgamation.
- f. Evaluate each investment and divestment proposals, whether requiring infusion of funds or otherwise, except treasury investments.
- g. Evaluate proposals of capital expenditure.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- h. Make detailed analysis of existing investments.
- i. Investment Committee shall provide their recommendations along with rationale to the governing Board.

### IX. Meeting of Public Interest Directors

During the Financial Year 2024-25 the Public Interest Directors met separately on May 23, 2024, November 7, 2024 and February 11, 2025.

The composition and attendance of the Public Interest Directors are given below:

Name of the Public Interest Directors	Number of meetings held during the relevant period	Number of meetings attended
Mr. Ashish Bahuguna	3	3
Mr. Soma Sankara Prasad <sup>1</sup>	3	2
Mr. Hemant Adarkar	3	3
Mr. Prem Kumar Malhotra <sup>2</sup>	3	1
Mr. R. Amalorpavanathan	3	3
Dr. Mukulita Vijayawargiya	3	3

<sup>1</sup> Mr. Soma Sankara Prasad was appointed as a Public Interest Director with effect from July 2, 2024.

<sup>2</sup> Mr. Prem Kumar Malhotra ceased to be a Public Interest Director with effect from August 9, 2024, on completion of his term as a Public Interest Director.

The terms of reference of the Public Interest Directors' Committee, *inter-alia* are as under:

- a) As per Companies Act, 2013:
  - a. Review the performance of Non-Independent Directors, and the Board as a whole.
  - b. Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
  - c. 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.
- b) As per SECC Regulations, 2018:
 

During their meetings, the Public Interest Directors shall undertake the following:

  - a. Public interest directors shall meet separately, at least once in six months to exchange views on critical issues. Public interest directors shall submit a report of such meeting to SEBI and to the Governing Board of the Exchange within the time and manner as may be specified by SEBI from time to time.
  - b. Review the status of compliance with all applicable regulations, circulars, guidelines, letters issued by SEBI from time to time.
  - c. Review the functioning of regulatory departments including the adequacy of resources dedicated to regulatory functions.
  - d. Public interest directors shall prepare a report on the working of the other committees on which they are member. The report shall be circulated to the other Public Interest Directors. A consolidated report shall then be submitted to the Governing Board of the Exchange.
  - e. 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 SEBI in a time bound manner.
  - f. Have regular oversight on observations of SEBI's inspection particularly on issues of governance standards, technology and cyber security and system audit and cyber security audit observations.
  - g. Proactive in identifying any issues concerning functioning of Exchange and report the same to SEBI.
  - h. Public interest directors should ensure all regulatory communication/letter from SEBI are placed before the governing board with comments/report of Managing Director.
  - i. Put in place an evaluation mechanism to assess the performance of Managing Director on a continuing basis in line with evaluation guidelines for Public Interest Directors.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- j. Ensure that appointments of Managing Director be held within specified timelines. Identification of Key Management Personnel be closely scrutinized as per the laid down procedure and exceptions should be brought to the notice of the SEBI.
- k. Ensure adequacy of resource allocations (both financial & human) towards regulatory compliances.
- l. Take proactive part in the deliberations of different committees and steer their functioning.
- m. such other functions as may be specified under the Companies Act, SEBI or any other statutory and regulatory authority.

### TRAINING AND FAMILIARIZATION PROGRAMME FOR DIRECTORS

In terms of Clause VII of Part H of Schedule II of the SECC Regulations, 2018, the Exchange is required to provide seven days training to all its Directors each year. SEBI vide its letter no. SEBI/HO/MRD/SEC-2/2024/0000015025/5 dated April 24, 2024 had also advised the exchanges to prepare a training calendar for directors in advance for each financial year by the end of June quarter of that financial year in order to comply with the said stipulation.

Further, Regulation 25(7) of Listing Regulations requires the Exchange to familiarise its Independent Directors through various programmes, including about nature of the industry in which the Exchange operates, its business model, roles, rights, responsibilities of independent directors and other relevant information.

Accordingly, the Exchange arranges for training to all its Directors to familiarize them with the Exchange's business, strategy, annual plan and budget, operations, etc. Directors are also briefed on the regulatory changes and legal updates applicable to the Exchange. The details of familiarization programmes is available on the website of the Exchange at <https://ncdex.com/about/disclosures>.

### PERFORMANCE EVALUATION CRITERIA OF THE BOARD

The performance evaluation of the Board is governed by the provisions of the Companies Act, 2013, the Listing Regulations 2015 and the SECC 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 (Public Interest Directors, Non-Independent Directors, and Managing Director & Chief Executive Officer)

- (i) 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



## REPORT ON CORPORATE GOVERNANCE (Contd.)

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

- **Professional development –**

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

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

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

### (iii) **Various Committees of the Board**

The criteria for performance evaluation of various Committees *inter-alia* includes committees' effectiveness in carrying out their mandate and confronting important, meaningful issues; whether the terms of reference for the committees are appropriate with clear defined roles and responsibilities; whether composition of the committees are in compliance with the provisions of applicable laws and the committees meet regularly as per their terms of reference and requirements of law; whether members of the committees receive complete and timely agenda and provide an independent opinion on agenda items while respecting the assent or dissent of other members; whether the meeting agenda and related background papers are concise and provide information of appropriate quality and detail; whether minutes of the committee meetings are effectively prepared; whether committees encourage two way communication between the committees and Management of the Exchange; whether adequate independence of the committees is ensured and whether the committees monitor and manage potential conflicts of interest; whether significant recommendations of the committee are communicated to the Board; whether the actions arising from Committee meetings are properly followed up and reviewed in subsequent Committee meetings; and whether attendance and participation by Committee members at the meetings is adequate.

### (iv) **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

## REPORT ON CORPORATE GOVERNANCE (Contd.)

views and judgment, Effectiveness of leadership and ability to steer the meetings and ability to keep shareholders' interest in mind.

- (v) Individual Directors (Public Interest Directors, Non-Independent Directors and Managing Director & Chief Executive Officer)

Public Interest Directors: The performance evaluation of Public Interest Directors is governed by the Policy for Performance Evaluation of Board, Board Committees and 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.

Non-Independent Directors: The performance evaluation criteria for Non Independent 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.

## PARTICULARS OF SENIOR MANAGEMENT

Name of Senior Management Personnel	As on March 31, 2024	As on March 31, 2025
Mr. Arun Raste	Managing Director & CEO	Managing Director & CEO
Mr. Atul Roongta	Chief Financial Officer	Chief Financial Officer
Ms. Seema Nayak	Chief Compliance Officer	Chief Compliance Officer
Mr. Hitesh Savla	Chief Trading Operations and Customer Services	Chief Trading Operations and Customer Services
Mr. Avinash Mohan	Chief – Enterprise Risk, Surveillance & Investigation	Chief – Enterprise Risk, Surveillance & Investigation
Ms. Aditi Mukherjee	Chief People Officer	Chief People Officer
Mr. Kapil Dev	Chief Business Officer	-
Mr. Kedar Deshpande	-	Chief Business Officer
Mr. Hoshi Bhagwagar	Company Secretary	-
Mr. Kishore P. Shah	-	Company Secretary
Mr. Sanjay Jain	Chief Information Security Officer	-
Ms. Archana Venugopal	-	Chief Information Security Officer
Mr. Viral Davda	Chief Technology Officer	-

## 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. The sitting fees paid to the Non-Executive Directors for attending the meetings of the Board and Committees during the Financial Year 2024-25 is as follows:

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

Name of the Director	Sitting Fees (Amount in ₹)		
	Board Meetings	Committee Meetings	Total
Mr. Ashish Bahuguna	3,60,000	10,40,000	14,00,000
Mr. Hemant Adarkar	3,60,000	8,80,000	12,40,000
Mr. Prem Kumar Malhotra <sup>#</sup>	1,80,000	4,80,000	6,60,000
Mr. R. Amalorpavanathan	3,60,000	6,00,000	9,60,000
Dr. Mukulita Vijayawargiya	3,60,000	3,20,000	6,80,000
Mr. Soma Sankara Prasad <sup>\$</sup>	2,40,000	7,40,000	9,80,000
Mr. Rakesh Kapur <sup>@</sup>	3,60,000	3,60,000	7,20,000
Mr. Sanjeev Rohilla	3,60,000	80,000	4,40,000
Mr. R. Doraiswamy	1,20,000	-	1,20,000

<sup>#</sup> Mr. Prem Kumar Malhotra ceased to be a Public Interest Director with effect from August 09, 2024 on completion of his term.

<sup>\$</sup> Mr. Soma Sankara Prasad was appointed as a Public Interest Director with effect from July 02, 2024

<sup>@</sup> Mr. Rakesh Kapur ceased to be a Non Independent Director with effect from February 20, 2025 on account of his resignation.

The details of remuneration paid to Managing Director & CEO during the Financial Year 2024-25 is given below:

Sl. no.	Particulars of Remuneration	Name of Managing Director & Chief Executive Officer
		Mr. Arun Raste (April 01, 2024 to March 31, 2025)
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	(a) ₹ 1,61,55,994
	(b) NPS contribution, Motor Car Expense Reimbursement and Value of perquisites u/s 17(2) Income-tax Act, 1961	(b) ₹ 32,99,977
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	(c) Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	Nil
	- as % of profit	Nil
	- others, specify...	
5.	Others, please specify	Nil
	<b>Total</b>	₹ 1,94,55,971
	Ceiling as per the Act	The Exchange has obtained approval from the shareholders for the payment of above remuneration.

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.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

### Stakeholders' Grievance:

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

a) Name of Non-Executive Director heading the Committee: Mr. Sanjeev Rohilla, Chairman of the Committee

b) Name and designation of Compliance Officer: Mr. Kishore P. Shah

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

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

e) Number of pending complaints: Nil

### DETAILS OF GENERAL MEETINGS

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

Financial Year	Date	Time	Venue	Special resolutions passed, if any
2021-22 (19 <sup>th</sup> AGM)	September 26, 2022	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
2022-23 (20 <sup>th</sup> AGM)	September 26, 2023	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
2023-24 (21 <sup>st</sup> AGM)	September 27, 2024	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)	Approval for the remuneration of Mr. Arun Raste, Managing Director & Chief Executive Officer for the fourth and fifth year of his appointment, i.e. with effect from June 7, 2024 till June 6, 2026)

Postal Ballot conducted by the Exchange during the Financial Year 2024-25 – Nil

### MEANS OF COMMUNICATION

The Financial Statements are displayed on the website of the Exchange – [www.ncdex.com](http://www.ncdex.com) and Extract of Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2025 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 Twenty Second Annual General Meeting will be held on September 25, 2025 at 11:00 a.m. through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM')

(ii) **Financial Year:** April 01, 2024 to March 31, 2025.

(iii) **Dividend Payment Date:** The Board has not recommended any dividend for the Financial Year 2024-25.

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

#### (v) Registrar to an issue and share transfer agents:

MUFG Intime India Private Limited, C-101, 24x7 Park, L.B.S. Marg, Surya Nagar, Gandhi Nagar, Vikhroli (West), Mumbai 400 083.

#### (vi) Share transfer system:

The transfer of equity shares of the Exchange is as per the provisions of the Companies Act, 2013 and the provisions of the Articles of Association of the Exchange and the SECC Regulations, 2018. The equity shares of the Exchange are traded in dematerialized form. In accordance with the SECC Regulations, 2018, in case the holding of the



**REPORT ON CORPORATE GOVERNANCE (Contd.)**

acquirer reaches two or more percent of the paid up capital, the transfer proposal needs to be sent to the Exchange for determining among other things, that the buyer is a fit and proper person. Shareholders and Investors are advised to send their transfer proposal if the shareholding post acquisition or holding of

shares would be two or more percent of the paid up capital. Such transfer requests would be placed for the consideration of the Stakeholders Relationship Committee/Board. Post that, the acquirer would be informed and the transfer could then be effected.

**(vii) Distribution of shareholding:**

Share Range	No. of Shareholders	Shares Held	Nominal Value of Shares held (₹)	Percentage of Shareholders	Percentage to Share Capital
1 – 500	5197	6,75,427	67,54,270	68.48	1.33
501 – 1000	744	6,88,880	68,88,800	9.80	1.36
1001 – 2000	586	10,46,293	1,04,62,930	7.72	2.06
2001 – 3000	305	7,72,514	77,25,140	4.02	1.52
3001 – 4000	107	4,12,915	41,29,150	1.41	0.81
4001 – 5000	350	16,94,095	1,69,40,950	4.61	3.34
5001 – 10000	139	11,64,662	1,16,46,620	1.83	2.30
10000 onwards	161	4,42,21,214	44,22,12,140	2.12	87.26

**(viii) Shareholding Pattern as on March 31, 2025:**

Categories	No. of Shares held	Percentage
Individuals	1,08,26,223	21.36
Corporates	1,89,13,639	37.32
Financial Institutions	56,25,000	11.10
Banks	67,49,965	13.32
Insurance Companies	56,25,000	11.10
Any Other (specify) –		
Trusts	2,000	0.00
Public – PAC	23,33,600	4.61
HUF	6,00,573	1.19
<b>Total</b>	<b>5,06,76,000</b>	<b>100.00</b>

- (ix) Dematerialization of shares and liquidity: All the shares of the Exchange are in dematerialised mode.
- (x) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable
- (xi) Commodity price risk or foreign exchange risk and hedging activities: Not Applicable
- (xii) Plant locations: Not Applicable
- (xiii) Address for correspondence: First Floor, Akruti Corporate Park, Near G. E. Garden, L.B.S. Road, Kanjurmarg (West), Mumbai 400 078.

- (xiv) 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 program 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.

**REPORT ON CORPORATE GOVERNANCE (Contd.)**

- (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 behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. 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. Weblink where policy on Whistle Blower Policy is disclosed: <https://ncdex.com/about/disclosures>
- (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) of SEBI LODR 2015: 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: The certificate 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)

As Auditors (including limited review)	46
For tax audit	9
For tax matters	-
For other services	2
For reimbursement of expenses	2
<b>Total</b>	<b>60</b>

- (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 off 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 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

## REPORT ON CORPORATE GOVERNANCE (Contd.)

(xviii) There were no Loans and Advances in the nature of Loans to firms/companies in which directors are interested by the Exchange and its subsidiaries during the Financial Year 2024-25

(xix) Details of Material Subsidiaries of Exchange are as follows:

- **National Commodity Clearing Limited (NCCL)**

Date of incorporation - August 04, 2006

Place of Incorporation - Mumbai

Name of Statutory Auditor - Khandelwal Jain & Co., Chartered Accountants

Date of Appointment of Statutory Auditor - August 08, 2023 (For Five years)

- **National E-Repository Limited (NERL)**

Date of Incorporation - February 10, 2017

Place of Incorporation – Mumbai

Name of Statutory Auditor - Khandelwal Jain & Co., Chartered Accountants

Date of Appointment of the Statutory Auditor – September 8, 2023 (For Five years)

- **NCDEX e Markets Limited (NeML)**

Date of Incorporation - October 18, 2006

Place of Incorporation - Mumbai

Name of Statutory Auditor - K. S. Aiyar & Co

Date of Appointment of the Statutory Auditor - July 31, 2020 (For Five years)

## ANNEXURE – 1

To,  
The Members,  
**National Commodity & Derivatives Exchange Limited**  
1<sup>st</sup> Floor, Akruti Corporate Park, Near G. E. Garden,  
L. B. S. Road, Kanjurmarg West, Mumbai 400 078.

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 1<sup>st</sup> 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 time 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](http://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, 2025, 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/ Category	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.	Dr. Mukulita Vijayawargiya	Public Interest Director	10497989	09-02-2024
4.	Mr.Soma Sankara Prasad <sup>1</sup>	Public Interest Director	02966311	02-07-2024
5.	Mr. Prem Kumar Malhotra <sup>2</sup>	Public Interest Director	07731762	09-08-2018
6.	Mr. R. Amalorpavanathan	Public Interest Director	06941432	03-01-2022
7.	Mr. Rakesh Kapur <sup>3</sup>	Non-Independent Director	00007230	26-04-2008
8.	Mr. R. Doraiswamy	Non-Independent Director	10358884	21-03-2024
9.	Mr. Sanjeev Rohilla	Non-Independent Director	08640408	04-01-2024
10.	Mr. Arun Raste, Managing Director & CEO	Executive Director	08561128	07-06-2021

<sup>1</sup> Appointed as a Public Interest Director with effect from July 02, 2024.

<sup>2</sup> ceased to be a Public Interest Director with effect from August 9, 2024, on completion of his term.

<sup>3</sup> ceased to be a Non-Independent Director with effect from February 20, 2025, on account of his resignation.

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**

Sd/-

**Umashankar K. Hegde**

**Proprietor**

**C.P. No- 11161 ; M.No- ACS 22133**

**ICSI UDIN : A022133G000997635**

**ICSI Unique Code: S2012MH18 8100**

**Peer Review Certificate No - 1263/2021**

**Place: Mumbai  
Date: August 8, 2025**



## ANNEXURE – 2

### COMPLIANCE WITH THE CODE OF CONDUCT BY THE DIRECTORS & MEMBERS OF THE SENIOR MANAGEMENT OF THE EXCHANGE FOR THE FINANCIAL YEAR 2024 – 25

I hereby 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

Date: August 8, 2025

Place: Mumbai

## ANNEXURE – 3

### CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

**The Members,**

**National Commodity & Derivatives Exchange Limited**

First Floor, Akruiti Corporate Park, Near G. E. Garden

L. B. S. Road, Kanjurmarg West, Mumbai – 400 078.

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, 2025. 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 the 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.

We state that the compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the applicable disclosure requirements and corporate governance norms as specified for listed companies.

**FOR RAGINI CHOKSHI & CO**

**Sd/-**

**UMASHANKAR HEGDE**

**(PARTNER)**

**M.No: A22133**

**CP No: 11161**

**ICSI UDIN : A022133G000997571**

ICSI Unique Code: P1988MH05 6900

Peer Review Certificate No -659/2020

**Date: August 8, 2025**

**Place: Mumbai**

## INDEPENDENT AUDITORS' REPORT

**To the Members of National Commodity & Derivatives Exchange Limited**

### **REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the accompanying standalone financial statements of **National Commodity & Derivatives Exchange Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, 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 ended on that date, and a summary of material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our

audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Emphasis of Matter**

1) We draw attention to Note 4(a) of the Standalone Financial Statements regarding sale of 16.22% (1,31,41,000 equity shares) of Company's stake in its subsidiary, National E-Repository Limited (NERL), to certain buyers, for consideration of Rs. 2,760 lakhs and the profit earned on the said stake sale of Rs. 1,443 lakhs has been credited to the statement of profit and loss and shown as an exceptional income.

Our opinion on the standalone financial statements is not modified in respect of the above matter.

- 2) i) We draw attention to Note 4(a) of the Standalone Financial Statements regarding sale of 16.01% (93,63,287 equity shares) of Company's stake in its associate, Power Exchange India Limited (PXIL), to certain buyers, for consideration of Rs. 15,656 lakhs and the profit earned on the said stake sale of Rs. 14,700 lakhs has been credited to the statement of profit and loss and shown as an exceptional income.
- ii) We draw attention to Note 45 of the Standalone Financial Statements regarding, reduction of its stake in PXIL below 20% i.e. 17.06% and the management is of the view that the Exchange does not have significant influence over PXIL and accordingly PXIL ceases to be an associate on March 24, 2025 and recognition of gain on account of difference of Rs. 22,890 lakhs between the fair value of the retained interest of Rs. 23,888 lakhs and the carrying amount of the said investment of Rs. 998 lakhs is credited to the statement of profit and loss and shown as an exceptional income.

## INDEPENDENT AUDITORS' REPORT (Contd.)

Our opinion on the standalone financial statements is not modified in respect of the above matters.

- 3) We draw attention to Note 16(a)(ii) of the Standalone Financial Statements regarding company continues to recognize and carry net deferred tax assets of Rs. 2,845 lakhs as at March 31, 2025 on account of business losses on a reasonable certainty based on future taxable profits and the management expects that business losses will be adjusted against the future taxable profits based on the approved business plan and projections by the Company.

Our opinion on the standalone financial statements is not modified in respect of the above matter.

- 4) We draw attention to Note 47 of the Standalone Financial Statements regarding suspension on launch of new contracts and no fresh positions of major commodities for the period from August 17, 2021 to March 31, 2026, resultant losses and negative operating cash flows of the Company. However, the fact that net worth of the company as at March 31, 2025 is maintained as per the regulatory

guidelines, the company is capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date and other reasons mentioned in Note 47 to the standalone financial statements, the management is of the view that there is no impact on the carrying value of its assets & no adjustments are made in the financial statements for the year ended March 31, 2025.

Our opinion on the standalone financial statements is not modified in respect of the above matter.

**Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone 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 matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Litigation, Claims and Contingent Liabilities</b> (Refer Notes 32(a), 33 &amp; 34 to be read along with Emphasis of Matter in Independent Auditor's Report of the standalone financial statements)</p> <p>As of March 31, 2025, the Company has various ongoing litigations on legal and proceedings with tax authorities involving uncertain direct and indirect tax positions. There are various direct and indirect tax cases against the Company, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc.</p> <p>The Company has assessed the above pending matters related to litigations and has disclosed the contingent liabilities, wherever applicable, and certain legal matters, in its standalone financial statements.</p>	<p>Our audit procedures related to legal and uncertain tax positions included–</p> <ul style="list-style-type: none"> <li>Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the standalone financial statements in respect of these matters;</li> <li>Obtaining details of litigations on legal and uncertain direct and indirect tax positions.</li> <li>Reviewing orders and management responses thereto.</li> <li>Inspecting the supporting documents to evaluate management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the standalone financial statements; and</li> </ul>



## INDEPENDENT AUDITORS' REPORT (Contd.)

Key Audit Matter	How our audit addressed the key audit matter
<p>This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the standalone financial statements.</p>	<ul style="list-style-type: none"> <li>Reviewing expert's legal advice/opinion obtained by the Company's management for evaluating certain legal and tax matters;</li> </ul> <p>Based on the above procedure, we noted that the Company has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, and certain legal matters, in its standalone financial statements. (Refer Notes 32(a), 33 &amp; 34 to the standalone financial statements)</p>

### Information Other than the Standalone 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 Board's Report including Annexures to Board's Report, but does not include the Standalone financial statements and our auditor's report thereon. The Board's Report including Annexures to Board's Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Standalone 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 Standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement of this other information, we are required to report that fact.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the

matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT (Contd.)

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 standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates

and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in 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 the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the 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

## INDEPENDENT AUDITORS' REPORT (Contd.)

matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure 'A'**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified

under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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/provided 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, as amended 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 as at March 31, 2025 on its financial position in its standalone financial statements – Refer Note 32(a), 33 & 34 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivatives contracts as

## INDEPENDENT AUDITORS' REPORT (Contd.)

at March 31, 2025 for which there were any material foreseeable losses - Refer Note 51 to the standalone financial statements.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025 - Refer Note 52 to the standalone financial statements.

iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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; - Refer Note 38(x) to the standalone financial statements

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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; - Refer Note 38(x) to the standalone financial statements; and

c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the company as per the statutory requirements for record retention.

**For Khandelwal Jain & Co.  
Chartered Accountants**

Firm Registration Number:105049W

**Narendra Jain  
Partner**

Membership Number: 048725  
UDIN: 25048725BMNWHY3586

Plac : Mumbai

Date: May 23, 2025



## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **National Commodity and Derivative Exchange Limited** of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
    - (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment and relevant details of right-of-use assets.
    - (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 have any immovable property and accordingly the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
    - (d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
    - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 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, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
  - (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii) (b) of the Order is not applicable.
  - iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the company has not 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. Therefore, the provisions of clause 3(iii)(a), (c) to (f) of Companies (Auditor's Report) Order, 2020 are not applicable to the Company.
- Based on the information and explanations and in our opinion, the investments made, during the year are, prima facie, not prejudicial to the Company's interest.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
  - v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are considered to be deemed deposits during the year, hence directives issued by the Reserve Bank of India and the provisions of

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT (Contd.)

sections 73 to 76 or any other relevant provisions of the Companies Act and the rules made thereunder are not applicable to the Company. According to information and explanations provided to us, no order has been passed by Company Law Board of National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause 3(vi) of the order is not applicable to the Company.
- vii (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, service tax, goods and service tax (GST),

duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities. According to the records of the Company, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service-tax, GST, duty of custom, duty of excise, value added tax, cess and other statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, except the following:

Name of the Statute (Nature of the Dues)	Period to which the amount relates	Forum where dispute is pending	Amount (₹ in Lakhs)		
			Amount Disputed	Amount Paid/ Adjusted	Amount Unpaid
Income Tax Act, 1961 (Tax / Interest)	FY 2006-07	Order Giving Effect (OGE) pending for ITAT favorable Order	171	-	171
Income Tax Act, 1961 (Tax / Interest)	FY 2007-08		113	-	113
Income Tax Act, 1961 (Tax / Interest)	FY 2010-11	High Court	123	-	123
Income Tax Act, 1961 (Tax / Interest)	FY 2008-09	Commissioner of Income Tax (Appeals) - Mumbai	11	11	-
Income Tax Act, 1961 (Tax / Interest)	FY 2010-11		13	13	-
Income Tax Act, 1961 (Tax / Interest)	FY 2011-12		456	456	-
Income Tax Act, 1961 (Tax / Interest)	FY 2015-16		580	580	-
Income Tax Act, 1961 (Tax / Interest)	FY 2020-21	Income Tax Appellate Tribunal	17	17	-
Income Tax Act, 1961 (Tax / Interest)	FY 2012-13		0.5	0.5	-
Income Tax Act, 1961 (Tax / Interest)	FY 2013-14		5	5	-
Income Tax Act, 1961 (Tax / Interest)	FY 2016-17		15	15	-
Income Tax Act, 1961 (Tax / Interest)	FY 2021-22		525	-	525
Income Tax Act, 1961 (Tax / Interest)	FY 2017-18	Rectification application filed u/s 154 with A.O.	62	-	62
Finance Act, 1994 (Service Tax) *	Nov 2013 – July 2016	Customs, Excise & Service Tax Appellate Tribunal	814	61	753
Finance Act, 1994 (Service Tax) *	Oct 2014 – June 2017		1464	110	1354

\* excluding interest & penalty

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT (Contd.)

- viii. According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that 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 defaulted in repayment of loan or in the payment of interest thereon to banks.
- (b) According to the information and explanation given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary and hence, reporting on clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary and hence, reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans.
- Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) We hereby confirm that to the best of our knowledge and belief, there are no fraud by the Company and no material fraud on the Company has been 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) As represented to us by the management there are no whistle blower complaints received by the Company during the year.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT (Contd.)

during the year and till date, in determining the nature, timing and extent of our audit procedures.

- xv. In our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- 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) As per information and explanation 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. The Company has not incurred cash loss during the financial year 2024-25 covered by our audit but it had incurred cash loss of Rs. 186 lakhs for the immediately preceding financial year 2023-24.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of

meeting 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. As per information and explanation given to us and in our opinion, the provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx)(a) & (b) of the Order is not applicable to the Company.

**For Khandelwal Jain & Co.**  
**Chartered Accountants**

Firm Registration Number:105049W

**Narendra Jain**  
**Partner**

Membership Number: 048725  
UDIN: 25048725BMNWHY3586

Plac : Mumbai  
Date: May 23, 2025

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of National Commodity and Derivative Exchange Limited "the Company" of even date)

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls over financial reporting of **National Commodity and Derivative Exchange Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. 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 (ICAI). 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 Act.

### AUDITORS' RESPONSIBILITY

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the



## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT (Contd.)

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

#### OPINION

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, 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 Khandelwal Jain & Co.**  
**Chartered Accountants**  
 Firm Registration Number:105049W

**Narendra Jain**  
**Partner**  
 Membership Number: 048725  
 UDIN: 25048725BMNWHY3586

Plac : Mumbai  
 Date: May 23, 2025

# STANDALONE BALANCE SHEET

AS AT MARCH 31, 2025

(₹ in lakh)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	638	420
Right of use assets	42	687	1,034
Intangible assets	3	1,611	2,107
Intangible assets under development	3	61	75
Investment in subsidiaries, associates and joint ventures	4	19,981	21,443
Financial assets			
- Investments	5(a)	23,888	-
- Other financial assets			
- Bank balances	5(b)	1,887	127
- Others	5(c)	69	213
Deferred tax assets (net)	16 (a)	3,327	4,786
Income tax assets (net)	6	1,228	1,453
Other non-current assets	7	7	11
<b>Total non-current assets</b>		<b>53,384</b>	<b>31,669</b>
<b>Current Assets</b>			
Financial assets			
- Investments	8	4,031	2,812
- Trade receivables	9	375	334
- Cash and cash equivalents	10	62	1,225
- Bank balances other than cash and cash equivalents	11	13,155	2,799
- Others	5(b)	593	1,490
Income tax assets (net)	6	-	574
Other current assets	7	1,706	1,209
<b>Total current assets</b>		<b>19,922</b>	<b>10,443</b>
Investments held for sale- in subsidiary and associate	4(a)	-	1,786
<b>TOTAL ASSETS</b>		<b>73,306</b>	<b>43,898</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	12	5,068	5,068
Other equity	13	56,526	30,329
<b>Total Equity</b>		<b>61,594</b>	<b>35,397</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Deposits	17	869	894
- Lease Liabilities	19	367	759
Provisions	14	592	478
Deferred tax liabilities	16 (b)	3,271	-
<b>Total non-current liabilities</b>		<b>5,099</b>	<b>2,131</b>
<b>Current liabilities</b>			
Financial liabilities			
- Deposits	17	3,100	3,120
- Trade payables			
Total Outstanding dues of micro enterprises and small enterprises	18	54	37
Total Outstanding dues of other than micro enterprises and small enterprises	18	613	556
- Lease Liabilities	19	392	365
- Others	19	807	946
Other current liabilities	20	842	828
Provisions	14	576	518
Current Tax Liabilities (Net)	15	229	-
<b>Total current liabilities</b>		<b>6,613</b>	<b>6,370</b>
<b>TOTAL LIABILITIES</b>		<b>11,712</b>	<b>8,501</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>73,306</b>	<b>43,898</b>
Summary of material & other accounting policies	1		

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

As per our report of even date

**For Khandelwal Jain & Co.**

Chartered Accountants

ICAI Firm Registration No : 105049W

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

Partner

Membership No. 048725

**Arun Raste**

Managing Director &amp; Chief Executive Officer

DIN - 08561128

**Ashish Bahuguna**

Chairman

DIN - 02224776

**Kishore P. Shah**

Company Secretary

Membership No. - A20792

**Atul Roongta**

Chief Financial Officer

Place : Mumbai

Date : May 23, 2025

## STANDALONE STATEMENT OF PROFIT AND LOSS

### FOR THE YEAR ENDED MARCH 31, 2025

(₹ in lakh)

Particulars	Notes	For Year ended March 31, 2025	For Year ended March 31, 2024
<b>INCOME</b>			
Revenue from operations	21	2,448	3,224
Other Income	22	2,028	2,059
<b>Total income</b>		<b>4,476</b>	<b>5,283</b>
<b>EXPENSE</b>			
Employee benefits expense	23	4,417	4,171
Finance cost	24	75	92
Depreciation & amortization expense	25	1,270	1,357
Technology Expenses	26 (a)	3,309	3,285
Other expenses	26 (b)	1,558	1,286
<b>Total expenses</b>		<b>10,630</b>	<b>10,191</b>
<b>Profit / (loss) before exceptional items and income tax</b>		<b>(6,154)</b>	<b>(4,908)</b>
Exceptional income / (expense)	27	37,732	3,913
<b>Profit / (Loss) before tax</b>		<b>31,578</b>	<b>(995)</b>
<b>Tax expense</b>			
Current tax	28	508	-
Income Tax / (refund) for earlier years	28	34	9
Deferred tax expense/ (credit)	28	4,753	(639)
<b>Total Tax expense</b>		<b>5,295</b>	<b>(630)</b>
<b>Profit / (Loss) for the year (A)</b>		<b>26,283</b>	<b>(365)</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified to the Statement of profit and loss;			
Remeasurement of post-employment benefit obligations		(70)	(12)
Income tax impact on above		18	3
Item that will be reclassified to the Statement of profit and loss;			
Debt instruments through Other Comprehensive Income		(39)	(24)
Income tax impact on above		5	3
<b>Other comprehensive income for the year, net of taxes (B)</b>		<b>(86)</b>	<b>(30)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>26,197</b>	<b>(395)</b>
<b>Earnings per share ( Face Value of ₹ 10 each)</b>	28		
(1) Basic (₹)		51.87	(0.72)
(2) Diluted (₹)		51.87	(0.72)
Summary of material & other accounting policies	1		

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

As per our report of even date

**For Khandelwal Jain & Co.**

Chartered Accountants

ICAI Firm Registration No : 105049W

**NARENDRA JAIN**

Partner

Membership No. 048725

Place : Mumbai

Date : May 23, 2025

**For and on behalf of the Board of Directors**

**National Commodity & Derivatives Exchange Limited**

**Arun Raste**

Managing Director & Chief Executive Officer

DIN - 08561128

**Kishore P. Shah**

Company Secretary

Membership No. - A20792

**Ashish Bahuguna**

Chairman

DIN - 02224776

**Atul Roongta**

Chief Financial Officer

## STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2025

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before tax	31,578	(995)
Adjustments for:		
Depreciation & amortisation	1,270	1,357
(Profit) / Loss on sale of fixed asset	(4)	(2)
(Profit) / Loss on sale of investments	(95)	(94)
Ind AS Fair value impact of financial asset	(16)	(12)
Interest income	(646)	(344)
Dividend Income	(212)	(353)
Profit on stake sale in subsidiary	(1,443)	(2,690)
Profit on stake sale in associate	(14,700)	(618)
Bad Debts	0.2	4
Profit on fair valuation of equity instrument	(22,890)	-
Interest expenses on lease liability	75	92
Provision for doubtful debts	1,436	-
<b>Operating profit before working capital changes</b>	<b>(5,647)</b>	<b>(3,655)</b>
<b>Movements in working capital:</b>		
Decrease / (Increase) in trade receivables	(41)	44
Decrease / (Increase) in other current assets	(498)	(314)
Decrease / (Increase) in other non current assets	4	8
Decrease / (Increase) in other financial assets	(317)	302
Increase / (Decrease) in trade payables	75	7
Increase / (Decrease) in financial liabilities	(123)	156
Increase / (Decrease) in deposits	(45)	(193)
Increase / (Decrease) in provisions	102	97
Increase / (Decrease) in other current liabilities	115	(0.4)
<b>Cash generated / (used) from operations</b>	<b>(6,375)</b>	<b>(3,549)</b>
Direct taxes (paid) / refund (net)	486	(319)
<b>Net cash generated / (used) in operating activities</b>	<b>(5,889)</b>	<b>(3,868)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(647)	(295)
Proceeds from sale / disposal of fixed assets	4	3
Proceeds from stake sale in subsidiary and associate company (net)	18,393	3,684
Purchase of current investments	(16,355)	(11,057)
Proceeds from sale of current investments	15,208	10,953
Dividend received from associate	212	353
Interest received	568	490
Investment in fixed deposits	(19,662)	(8,640)
Redemption / Maturity of fixed deposits	7,547	9,965
<b>Net cash generated / (used) in investing activities</b>	<b>5,268</b>	<b>5,456</b>

STANDALONE CASH FLOW STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>C. Cash Flows from financing activities</b>		
Dividend paid	(101)	-
Payment of lease Liabilities	(441)	(407)
<b>Net cash generated / (used) from financing activities</b>	<b>(542)</b>	<b>(407)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(1,163)</b>	<b>1,182</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,225</b>	<b>43</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>62</b>	<b>1,225</b>
<b>Components of cash and cash equivalents</b>		
Cash and cheques on hand	0.03	0.07
With Banks		
- on current accounts	62	19
- on fixed deposits (Original maturity being three months or less)	-	1,206
<b>Total</b>	<b>62</b>	<b>1,225</b>

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

Summary of material & other accounting policies - Note 1

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

As per our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountants  
ICAI Firm Registration No : 105049W

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

**NARENDRA JAIN**  
Partner  
Membership No. 048725

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

**Ashish Bahuguna**  
Chairman  
DIN - 02224776

Place : Mumbai  
Date : May 23, 2025

**Kishore P. Shah**  
Company Secretary  
Membership No. - A20792

**Atul Roongta**  
Chief Financial Officer



## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2025

### (A) Equity Share Capital

(₹ in lakh)

Particulars	Amount
Balance as at April 1, 2023	5,068
Changes in equity share capital during the year	-
Balance as at April 01, 2024	5,068
Changes in equity share capital during the year	-
Balance as at March 31, 2025	5,068

### (B) Other Equity

(₹ in lakh)

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, 2023	13,956	1,110	15,618	41	30,725
Profit / (Loss) for the year	-	-	(365)	-	(365)
Items of Other Comprehensive Income for the year, net of tax	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	(9)	-	(9)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	(22)	(22)
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-
Balance as at March 31, 2024	13,956	1,110	15,244	19	30,329
Profit / (Loss) for the year	-	-	26,283	-	26,283
Items of Other Comprehensive Income for the year, net of tax	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	(52)	-	(52)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	(34)	(34)
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-
Balance as at March 31, 2025	13,956	1,110	41,475	(15)	56,526

Refer note 13 for description of nature and purpose of reserve and other notes

Summary of material & other accounting policies - Note 1

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

As per our report of even date

For Khandelwal Jain & Co.

Chartered Accountants

ICAI Firm Registration No : 105049W

For and on behalf of the Board of Directors

National Commodity & Derivatives Exchange Limited

**NARENDRA JAIN**

Partner

Membership No. 048725

**Arun Raste**

Managing Director & Chief Executive Officer

DIN - 08561128

**Ashish Bahuguna**

Chairman

DIN - 02224776

**Kishore P. Shah**

Company Secretary

Membership No. - A20792

**Atul Roongta**

Chief Financial Officer

Place : Mumbai

Date : May 23, 2025

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED MARCH 31, 2025

### BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

#### Background

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

#### 1A MATERIAL ACCOUNTING POLICIES :

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to year presented, unless otherwise stated.

#### a Statement of Compliance

The financial statements as at and for the year ended March 31, 2025 and March 31, 2024 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 23, 2025.

#### 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 lakh and all values are rounded to the nearest lakh except where otherwise stated.

#### c Revenue Recognition

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

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

#### Transaction charges

Transaction charges are recognised as income on trade date basis.

#### Annual subscription charges

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

#### Admission fees

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 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.

### d Impairment of non-financial assets

The Exchange assesses, on annual basis, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Exchange estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the Statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

### e Investments and other 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 (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. 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 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

- 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.

### **Investment in subsidiaries, joint ventures and associates**

Investment in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses, if any in the standalone financial statements. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

On cessation of investment in subsidiaries, associates and joint venture, the retained interest is fair valued as on the date of the cessation and the difference between the fair value of the retained interest and the carrying amount of the said investment is credited to the statement of profit and loss. Further, for the purpose of subsequent measurement, the Company elects an option of Fair Value through Other Comprehensive Income (FVOCI) or Fair Value Through Profit & Loss (FVTPL).

### **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, plus in the case of trade receivables not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the trade receivable. However, trade receivables that do not contain a significant financing component are measured at transaction price.

### **De-recognition**

A financial asset is de-recognized only when :

- i. The Exchange has transferred the rights to receive cash flows from the financial asset or
- ii. Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Exchange has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de- recognized.

Where the Exchange has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Exchange has

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

not retained control of the financial asset. Where the Exchange retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### Impairment of financial assets

In accordance with Ind AS 109, the Exchange applies expected credit loss (ECL) model for measurement and recognition of Impairment loss on the following financial assets and credit risk exposure:

- i. Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- ii. Financial assets that are debt instruments and are measured as at FVTOCI.
- iii. Lease receivables under Ind AS 116
- 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 116.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of profit and loss.

### f 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".



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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
Telecommunication system	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 arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of profit and loss.

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

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

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

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

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

##### De-recognition of intangible assets

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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.

### **h Provisions, Contingent liabilities and Contingent assets**

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

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

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

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

is remote.

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

### **i Lease**

#### **As a lessee**

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

#### **(a) Finance leases**

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

#### **(b) Operating Leases**

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

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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 exercised.

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

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

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

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

### **As a lessor**

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Transition

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

### j Current and Non-current classification

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

An asset is treated as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle i.e. twelve months
- ii. Held primarily for the purpose of trading, or
- iii. Expected to be realised within twelve months after the reporting period other than for (i) above, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- v. Current assets also includes current portion of non-current financial assets.

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.

### k Use of estimates and judgment

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

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

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

#### Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

### Recognition of deferred tax assets

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

### Contingent liabilities

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

### Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Exchange makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Exchange considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of

the lease and the importance of the underlying asset to the Exchange's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### I Non- current asset held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

As mandated by Ind AS 105, assets and liabilities would not be reclassified or re-presented for prior period.

### **m Settlement Guarantee Fund (SGF)**

Effective 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 to Core SGF maintained by NCCL is debited to statement of Profit & Loss.

### **n Income taxes**

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

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

Deferred income tax is provided in full, using the balance sheet method, on temporary differences

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

As per para 34 of Ind AS 12, a deferred tax asset shall be recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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.

### o **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.

### p **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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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.

### q Impairment of non-financial assets

The Exchange assesses, on annual basis, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Exchange estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the Statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change

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

### r Employee Benefit

#### Short-term obligations

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

#### Other long-term employee benefit obligations

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Post-employment obligations

The Exchange operates the following post-employment schemes:

- a. defined benefit plans such as gratuity, and
- b. defined contribution plans such as provident fund.

### Defined benefit Plan

#### • Gratuity obligations

The Exchange has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the Standalone 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.

Measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the Balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit and loss as past service cost.

### Defined Contribution Plan

#### • Provident fund

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.

### Leave Encashment

Leave encashment is measured on the basis of actuarial report.

### s Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During year ended March 31, 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

### B OTHER ACCOUNTING POLICIES :

#### a Cash and cash equivalents

Cash and Cash equivalents includes cash on hand, other short-term, 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### **b 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.

### **c Foreign Currencies**

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

#### **Transactions and balances**

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

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

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

### **d Government Grants**

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

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

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

### **e Borrowing Costs**

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

### **f 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.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Initial recognition and measurement

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

### Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of profit and loss.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Exchange prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the Statement of profit and loss when the liabilities are derecognized. Interest expenses on these financial liabilities is included in finance cost using EIR method.

### Financial guarantee contracts

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### g 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.

### h Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

Particulars	Computer Hardware	Improvement to Lease hold Property	Telecommunication Equipments'	Office Equipments'	Electrical Installations	Furniture and Fixtures	Total	Capital work-in-progress
<b>Cost or Deemed Cost</b>								
Opening as at April 01, 2023	1,610	146	1,142	54	79	84	3,115	-
Additions	64	8	7	5	-	1	85	-
Disposals	10	-	21	5	2	7	45	-
Adjustments	1	(0.3)	6	1	(0.5)	(2)	5	-
<b>Closing gross carrying amount</b>	<b>1,665</b>	<b>153</b>	<b>1,134</b>	<b>55</b>	<b>77</b>	<b>76</b>	<b>3,160</b>	-
<b>Accumulated depreciation and impairment</b>								
Opening as at April 01, 2023	1,276	142	988	44	24	51	2,525	-
Depreciation for the year	167	2	66	6	11	7	259	-
Disposals / Adjustments	10	-	21	5	2	6	44	-
<b>Closing accumulated depreciation</b>	<b>1,433</b>	<b>144</b>	<b>1,033</b>	<b>45</b>	<b>33</b>	<b>52</b>	<b>2,740</b>	-
<b>Net carrying amount as at March 31, 2024</b>	<b>232</b>	<b>9</b>	<b>101</b>	<b>10</b>	<b>44</b>	<b>24</b>	<b>420</b>	-
<b>Cost or Deemed Cost</b>								
Opening as at April 01, 2024	1,665	153	1,134	55	77	76	3,160	-
Additions	214	2	123	23	-	2	364	-
Disposals	140	-	-	8	0.04	-	148	-
Adjustments	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>1,739</b>	<b>155</b>	<b>1,257</b>	<b>70</b>	<b>77</b>	<b>78</b>	<b>3,376</b>	-
<b>Accumulated depreciation and impairment</b>								
Opening as at April 01, 2024	1,433	144	1,033	45	33	52	2,740	-
Depreciation for the year	81	2	40	6	11	6	146	-
Disposals	140	-	-	8	0.04	-	148	-
<b>Closing accumulated depreciation</b>	<b>1,374</b>	<b>146</b>	<b>1,073</b>	<b>43</b>	<b>44</b>	<b>58</b>	<b>2,738</b>	-
<b>Net carrying amount as at March 31, 2025</b>	<b>365</b>	<b>9</b>	<b>184</b>	<b>27</b>	<b>33</b>	<b>20</b>	<b>638</b>	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 3 INTANGIBLE ASSETS

(₹ in lakh)

Particulars	Computer Software	Total	Intangible assets under development	Total
<b>Cost or Deemed Cost</b>				
Opening as at April 01, 2023	7,296	7,296	62	62
Additions	224	224	240	240
Adjustments	(5)	(5)	3	3
Capitalised during the year	-	-	224	224
<b>Closing gross carrying amount</b>	<b>7,515</b>	<b>7,515</b>	<b>75</b>	<b>75</b>
<b>Accumulated amortisation and impairment losses</b>				
Opening as at April 01, 2023	4,661	4,661	-	-
Amortisation for the year	745	745	-	-
Disposals / Adjustments	2	2	-	-
<b>Closing accumulated amortisation</b>	<b>5,408</b>	<b>5,408</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2024</b>	<b>2,107</b>	<b>2,107</b>	<b>75</b>	<b>75</b>
<b>Cost or Deemed Cost</b>				
Opening as at April 01, 2024	7,515	7,515	75	75
Additions	281	281	271	271
Adjustments	(1)	(1)	4	4
Capitalised during the year	-	-	281	281
<b>Closing gross carrying amount</b>	<b>7,795</b>	<b>7,795</b>	<b>61</b>	<b>61</b>
<b>Accumulated amortisation and impairment losses</b>				
Opening as at April 01, 2024	5,408	5,408	-	-
Amortisation for the year	776	776	-	-
Adjustments	-	-	-	-
<b>Closing accumulated amortisation</b>	<b>6,184</b>	<b>6,184</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>1,611</b>	<b>1,611</b>	<b>61</b>	<b>61</b>

### 3 INTANGIBLE ASSETS UNDER DEVELOPMENT

#### a Intangible Assets under development ageing

Ageing for Intangible Assets under development as on 31<sup>st</sup> March 2025 is as follows:

(₹ in lakh)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	61	-	-	-	61
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61</b>

Any of the project's completion is not overdue and neither any cost is exceeded as compared to original plans.

Ageing for Intangible Assets under development as on 31<sup>st</sup> March 2024 is as follows:

(₹ in lakh)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress	72	3	-	-	75
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>72</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>75</b>

Any of the project's completion is not overdue and neither any cost is exceeded as compared to original plans.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**4 NON CURRENT INVESTMENTS**

(₹ in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Quantity	Amount	Quantity	Amount
<b>Investment in subsidiaries, associates and joint ventures</b>				
<b>I Investment in unquoted equity shares (At cost)</b>				
<b>(i) In Subsidiary Companies</b>				
Equity shares of ₹10/- each fully paid up in NCDEX e Markets Limited	3,23,99,400	3,240	3,23,99,400	3,240
Equity Shares of ₹10/- each fully paid up in NCDEX Institute of Commodity Markets & Research	20,75,000	207	20,75,000	207
Aggregate provision for diminution in value of unquoted investments		(207)		(207)
Equity shares of ₹10/- each fully paid up in National Commodity Clearing Limited	12,27,50,000	12,610	12,27,50,000	12,610
Equity shares of ₹10/- each fully paid up in National E-Repository Limited *	4,13,10,000	4,131	4,13,12,124	4,131
<b>(ii) In Associates</b>				
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited **	-	-	1,46,15,609	1,462
<b>Total</b>		<b>19,981</b>		<b>21,443</b>
Aggregate amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate amount of unquoted investments		<b>19,981</b>		<b>21,443</b>

**4(a) Investments Held for Sale - in subsidiary and associate**

(₹ in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Quantity	Amount	Quantity	Amount
<b>Investments Held for Sale</b>				
Equity shares of ₹10/- each fully paid up in National E-Repository Limited *	-	-	1,31,38,876	1,314
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited **	-	-	47,24,263	472
<b>Total</b>		<b>-</b>		<b>1,786</b>

\*The Exchange was permitted to hold up to 74% of the paid up share capital of NERL and to reduce it to 51% or below by December 21, 2018 as per letter 16/5-15/A&F-1959 dated December 8, 2016 and letter of intent dated December 23, 2016 of Warehousing Development and Regulatory Authority (WDRA). Since the shareholding of the Exchange (67.22%) was not in line with the above guidelines, the Exchange had sought permission from WDRA, from time to time, to continue to hold 67.22% in NERL. During the year ended March 31, 2023, the Board had accorded its in-principle approval for sale of investment in subsidiary namely NERL, to the extent of regulatory requirement and the same was classified as 'Asset held for sale'. Subsequently, Exchange has received permission from WDRA to continue to hold 67.22% in NERL till September 30, 2025. However, during the year ended March 31, 2025, the management has sold the said excess holding of 16.22% of its stake in NERL for a consideration of ₹ 2,760 lakh and profit of ₹ 1,443 lakh (net of expenses of ₹ 2 lakh) has been credited to the statement of profit and loss and shown as an exceptional income.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

\*\*As per shareholding pattern norms prescribed under Regulations 19(1) of the Central Electricity Regulatory Commission (CERC) (Power Market) Regulations, 2010, dated January 10, 2010, applicable to Power Exchange India Ltd (PXIL), the shareholder (except for the member of Power Exchanges) can hold maximum upto 25% of paid up share capital. The power exchange was granted 3 years time from the date of notification to comply with the said norms. Since the shareholding of the Exchange (34.21%) was not in line with the above regulations, PXIL has sought and recieved permission from CERC to allow the Exchange to continue to hold 34.21% in PXIL. CERC vide its order dated 20<sup>th</sup> November, 2023 has granted an extension of time upto 30<sup>th</sup> September, 2024. During the year ended March 31 2023, the Board had accorded its in-principle approval for sale of investment in associate namely PXIL, to the extent of 9.21% (53,84,391 equity shares) to comply with regulatory requirement and the same was classified as 'Asset held for sale'. During the year ended March 31, 2024, the Company had sold 1.13% (6,60,128 equity shares) of its stake in PXIL (associate company) to a buyer for a consideration of ₹ 700 lakh. The net profit of ₹ 618 lakh (net of expenses ₹ 16 lakh), for the year ended March 31, 2024 on the said stake sale of ₹ 700 lakh, had been credited to the statement of profit and loss and shown as an exceptional income. As at March 31, 2024, the management continued to classify the balance 8.08% (47,24,263 equity shares) stake held in PXIL as 'Asset held for sale', being the excess holding over regulatory requirement.

During the year ended March 31, 2025, the Company has sold 16.01% (93,63,287 equity shares) of its stake in PXIL (associate company) for a consideration of ₹ 15,656 lakh. The net profit of ₹ 14,700 lakh (net of expenses of ₹ 20 lakh) earned during the year ended March 31, 2025 on the said stake sale of ₹ 15,656 lakh, has been credited to the statement of profit and loss and shown as an exceptional income.

### 5 (A) NON-CURRENT INVESTMENTS

(₹ in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Quantity	Amount	Quantity	Amount
<b>Investment in unlisted equity shares (At FVTOCI)</b>				
Power Exchange India Limited (PXIL) (Face value of ₹10 per share)	99,76,585	23,888	-	-
<b>Total</b>		<b>23,888</b>		<b>-</b>

### (B) OTHER FINANCIAL ASSETS

(₹ in lakh)

Particulars	Non Current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Non-current bank balances</b>				
Deposits with bank - original maturity more than 12 months	1,887	127	-	-
<b>Total</b>	<b>1,887</b>	<b>127</b>	<b>-</b>	<b>-</b>
<b>Others</b>				
<b>Considered Good- Unsecured</b>				
Recoverable from subsidiaries	-	-	328	21
Interest accrued on fixed deposits	9	7	109	33
Security Deposit	60	206	156	-
<b>Receivables - Unsecured</b>				
Others receivables - credit impaired	32	32	1,696	1,696
Less: Allowance for bad and doubtful receivables (Refer note 34) *	(32)	(32)	(1,696)	(260)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,436</b>
<b>Total</b>	<b>69</b>	<b>213</b>	<b>593</b>	<b>1,490</b>

\* Provision of ₹ 260 lakh as at March 31, 2024 regrouped to 'Current financial assets from 'Current provisions'.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 6. INCOME TAX ASSETS (NET)

(₹ in lakh)

Particulars	Non Current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Advance income tax paid including tax deducted at source receivable (net of provision)	1,228	1,453	-	574
<b>Total</b>	<b>1,228</b>	<b>1,453</b>	<b>-</b>	<b>574</b>

### 7. OTHER ASSETS

(₹ in lakh)

Particulars	Non Current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, Considered Good</b>				
Prepaid Expenses	7	11	356	327
Balances with Government authorities *	-	-	1,336	869
Other Receivables	-	-	14	13
<b>Total</b>	<b>7</b>	<b>11</b>	<b>1,706</b>	<b>1,209</b>

\* Includes ₹ 171 lakh (PY ₹ 171 lakh) paid under protest towards service tax demand

### 8. CURRENT INVESTMENTS

(₹ in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Units	Amount	Units	Amount
<b>A) Investment in bonds (At FVTOCI)</b>				
<b>Bonds (Quoted)</b>				
7.35% NHAI Tax-free bonds 2015 Maturity dated January 11, 2031	57,140	615	57,140	638
7.35% NABARD Tax-free bonds Maturity dated March 23, 2031	67,475	745	67,475	760
8.48% NTPC Tax-free bonds Maturity dated December 16, 2028	44,799	538	44,799	538
<b>Total Bonds (a)</b>		<b>1,898</b>		<b>1,936</b>
<b>B) Investment in mutual funds (At FVTPL)</b>				
<b>Mutual Funds (Unquoted)</b>				
Aditya Birla Sunlife Liquid fund Direct Plan - Growth Option *	6,931	29	8,359	33
Axis Liquid Fund Direct Plan - Growth Option	18,253	526	-	-
Axis Liquid Fund Direct Plan - Growth Option **	3,959	114	2,602	70
HDFC- Overnight Fund -Direct Plan -Growth Option	7,137	270	-	-
HDFC- Liquid Fund -Direct Plan -Growth Option	9,857	502	3,799	180

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**8. CURRENT INVESTMENTS (Contd.)**

(₹ in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Units	Amount	Units	Amount
HDFC- Liquid Fund -Direct Plan -Growth Option *	49	3	213	10
ICICI Prudential Overnight Fund - Direct Plan - Growth Option	-	-	17,838	230
ICICI Prudential Liquid Plan - Direct Plan- Growth Option	1,30,567	501	-	-
Kotak Overnight Fund- Direct Plan - Growth Option ***	-	-	1,818	23
Kotak Liquid Scheme- Direct Plan - Growth Option ***	1,003	53	616	30
SBI Liquid Fund - Direct Plan - Growth Option	3,336	135	7,951	300
<b>Total - Current Investments (b)</b>		<b>2,133</b>		<b>876</b>
<b>Aggregate amount of total investments(a+b)</b>		<b>4,031</b>		<b>2,812</b>
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				
Aggregate amount of quoted investments		1,898		1,936
Aggregate market value of quoted investments		1,898		1,936
Aggregate amount of unquoted investments		2,133		876

**9. TRADE RECEIVABLES**

(₹ in lakh)

Particulars	Current	
	As at March 31, 2025	As at March 31, 2024
a) Trade Receivables considered good - Secured * - billed	176	212
b) Trade Receivables considered good - Unsecured - billed	198	122
c) Trade Receivables which have significant increase in Credit Risk	-	-
d) Trade Receivables - credit impaired	-	-
	<b>375</b>	<b>334</b>
Less: Expected credit loss allowance	-	-
<b>Total</b>	<b>375</b>	<b>334</b>

\* Secured by deposits received from members

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Trade Receivables Ageing as at March 31, 2025

(₹ in lakh)

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	342	2	5	0.3	26	375
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	-	-	-	-	-	-
<b>Sub Total</b>	<b>342</b>	<b>2</b>	<b>5</b>	<b>0.3</b>	<b>26</b>	<b>375</b>
Less : Expected credit loss allowance	-	-	-	-	-	-
<b>Total</b>	<b>342</b>	<b>2</b>	<b>5</b>	<b>0.3</b>	<b>26</b>	<b>375</b>

### Trade Receivables Ageing as at March 31, 2024

(₹ in lakh)

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	306	3	2	0.4	22	334
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	-	-	-	-	-	-
<b>Sub Total</b>	<b>306</b>	<b>3</b>	<b>2</b>	<b>0.4</b>	<b>22</b>	<b>334</b>
Less : Expected credit loss allowance	-	-	-	-	-	-
<b>Total</b>	<b>306</b>	<b>3</b>	<b>2</b>	<b>0.4</b>	<b>22</b>	<b>334</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 10 CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	Current	
	As at March 31, 2025	As at March 31, 2024
<b>Cash and cash equivalents</b>		
Cash in hand	0.03	0.07
<b>Balances with bank</b>		
In current accounts	62	19
Deposits with original maturity of three months or less	-	1,206
<b>Total</b>	<b>62</b>	<b>1,225</b>

### 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	Current	
	As at March 31, 2025	As at March 31, 2024
Unpaid Dividends #	-	101
Earmarked Flexi deposit balances *	60	72
Earmarked bank balances **	3	11
Earmarked fixed deposits	13	13
Deposits with original maturity for more than 3 months but less than 12 months ***	9,543	845
Deposits with maturity of less than 12 months at the balance sheet date	3,536	1,757
<b>Total</b>	<b>13,155</b>	<b>2,799</b>

\*Earmarked Flexi deposit balances

- Includes ₹ 0.04 lakh (March 31, 2024 ₹ 19 lakh) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ 59 lakh (March 31, 2024 ₹ 53 lakh) represents earmarked for Base Minimum Capital.

\*\* Earmarked bank balances

- Includes ₹ 0.81 lakh (March 31, 2024 : ₹ 0.70 lakh) for Investor Service Fund.
- Includes ₹ 2.07 lakh (March 31, 2024 ₹ 4.99 lakh) for Base Minimum Capital.
- Includes ₹ 0.01 lakh (March 31, 2024 ₹ 0.72 lakh) for SEBI Regulatory fees
- Includes ₹ NIL (March 31, 2024 ₹ 0.22 lakh) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ NIL (March 31, 2024 ₹ 1 lakh) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ NIL (March 31, 2024 ₹ 3 lakh) represents earmarked for Base Minimum Capital.

\*\*\* Includes Fixed Deposits of ₹ 400 lakh (March 31, 2024 : ₹ 180 lakh) lien marked for Overdraft facility

# paid pursuant to SEBI directives

NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**12 EQUITY SHARE CAPITAL**

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Authorised</b>		
70,000,000 Equity shares of ₹ 10/- each (Previous Years : 70,000,000 Equity shares of ₹ 10/- each)	7,000	7,000
<b>Issued, subscribed and fully paid up shares</b>		
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
<b>Total</b>	<b>5,068</b>	<b>5,068</b>

**a. Reconciliation of the authorised equity shares outstanding at the beginning and at the end of the reporting period.**

	March 31, 2025		March 31, 2024	
	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
<b>Equity Shares of ₹ 10 each fully paid</b>				
At the beginning of the year	7,00,00,000	7,000	7,00,00,000	7,000
Addition during the year	-	-	-	-
Outstanding at the end of the year	7,00,00,000	7,000	7,00,00,000	7,000

**b. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period**

	March 31, 2025		March 31, 2024	
	No. of Shares	(₹ in lakh)	No. of Shares	(₹ in lakh)
<b>Equity Shares of ₹ 10 each fully paid</b>				
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

**c. Terms / Rights attached to equity share**

The Exchange has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Exchange declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Exchange, the holder of the equity shares will be entitled to receive remaining assets of the Exchange, after distribution of all the preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholder.



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	As at March 31, 2025		As at March 31, 2024	
	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 Fertiliser Cooperative Limited (IFFCO)	-	-	50,68,000	10.00%
Oman India Joint Investment Fund (OIJIF)	-	-	50,67,600	10.00%
Punjab National Bank	36,94,446	7.29%	36,94,446	7.29%
Canara Bank	30,55,519	6.03%	30,55,519	6.03%
Build India Capital Advisors LLP	22,33,799	4.41%	25,33,799	5.00%
Investcorp Private Equity Fund - I (previously known as IDFC Private Equity Fund III)	-	-	16,46,970	3.25%
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.

e. Shareholding of promoter

Shares held by promoters at March 31, 2025

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 13 OTHER EQUITY

(₹ in lakh)

Particulars	Reserves and Surplus			Items of Other Comprehensive Income	Total
	Securities Premium Reserve	General reserve	Retained Earnings	FVTOCI Debt instrument	
<b>Balance as at April 01, 2023</b>	<b>13,956</b>	<b>1,110</b>	<b>15,618</b>	<b>41</b>	<b>30,725</b>
Loss for the year	-	-	(365)	-	(365)
Items of Other Comprehensive Income for the year, net of tax					
Remeasurement benefit of defined benefit plans	-	-	(9)	-	(9)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	(22)	(22)
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>13,956</b>	<b>1,110</b>	<b>15,244</b>	<b>19</b>	<b>30,329</b>
Profit/ (Loss) for the year	-	-	26,283	-	26,283
Items of Other Comprehensive Income for the year, net of tax	-	-	-	-	-
Remeasurement benefit of defined benefit plans	-	-	(52)	-	(52)
Net fair value gain on investment in debt instruments through Other Comprehensive Income (OCI)	-	-	-	(34)	(34)
Payment of Dividend (Transaction with owners in their capacity as owners)	-	-	-	-	-
<b>Balance as at March 31, 2025</b>	<b>13,956</b>	<b>1,110</b>	<b>41,475</b>	<b>(15)</b>	<b>56,526</b>

#### Dividend on equity shares

The company has neither declared nor paid dividend for the year ended March 31, 2025 and March 31, 2024.

#### Description of nature and purpose of reserve

##### Securities Premium Reserve

Securities premium is used to record the premium on issue of shares i.e. the amount received in excess of the par value of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

##### General Reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

##### Settlement Guarantee Fund

Settlement Guarantee Fund (SGF) - SGF was constituted by the Company as per the regulatory requirement. The amount was earmarked for completion of the settlement, in case of a default by a member.

##### Retained Earnings

The amount that can be distributed by the Exchange as dividends to its equity shareholders is determined based on the standalone 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 fair value through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or impairment losses on such instruments.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**14 PROVISIONS**

(₹ in lakh)

Particulars	Non-Current	Non-Current	Current	Current
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>Employee benefits obligation</b>				
a) Provision for gratuity	293	201	126	120
b) Provision for leave encashment	47	48	23	25
c) Provision for performance based Incentive	252	229	427	373
<b>Other Provisions (refer note 5(b))</b>	-	-	-	-
<b>Total</b>	<b>592</b>	<b>478</b>	<b>576</b>	<b>518</b>

\* Provision of ₹ 260 lakh as at March 31, 2024 regrouped from 'Current provisions' to 'Current financial assets.'

**15 CURRENT TAX LIABILITIES (NET)**

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Tax Liabilities (Net)	229	-
<b>Total</b>	<b>229</b>	<b>-</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**16 (A) DEFERRED TAX ASSETS (NET)**

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Deferred tax assets components</b>		
Employee benefits	123	99
Unabsorbed loss including unabsorbed depreciation	2,845	4,861
Deferred tax assets on SEBI Regulatory Fees	39	29
Deferred tax assets on ISF liabilities	7	10
Deferred tax on provision for doubtful debt	427	-
<b>Gross deferred tax asset</b>	<b>3,441</b>	<b>4,999</b>
<b>Deferred tax liabilities components</b>		
Depreciation and amortisation	90	185
Financial assets at fair value through P&L	6	3
Financial assets at fair value through OCI	-	2
Rent Expenses IND AS 116	18	23
<b>Gross deferred tax liabilities</b>	<b>114</b>	<b>213</b>
<b>Total (Refer note 16(a)(ii) below)</b>	<b>3,327</b>	<b>4,786</b>

- (i) During the previous year ended March 31, 2024, the Company had derecognized MAT credit of ₹ 206 lakh.
- (ii) As at March 31, 2025, the Company continues to recognize and carry deferred tax assets of ₹ 2,845 lakh on account of business losses on a reasonable certainty based on future taxable profits. Management expects that business losses will be adjusted against the future taxable profits based on the approved business plan and projections by the Company.

**(B) DEFERRED TAX LIABILITIES (NET)**

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Deferred tax liabilities components</b>		
Fair Valuation of Equity Instrument	3,273	-
<b>Deferred tax assets components</b>		
Financial assets at fair value through OCI	3	-
<b>Total *</b>	<b>3,271</b>	<b>-</b>

\* brought forward business losses is not legally offsetable against the tax liability on unrealised capital gain.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 17 DEPOSITS

(₹ in lakh)

Particulars	Non-Current	Non-Current	Current	Current
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Base Minimum Capital*	869	894	902	689
Deposit from members	-	-	2,158	2,391
	<b>869</b>	<b>894</b>	<b>3,060</b>	<b>3,080</b>
Other Deposits - related parties	-	-	40	40
<b>Total</b>	<b>869</b>	<b>894</b>	<b>3,100</b>	<b>3,120</b>

\* Non current portion of Base minimum capital of ₹ 869 lakh (PY ₹ 894 lakh) is carried at undiscounted value as the date of refund cannot be estimated

### 18 TRADE PAYABLES

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Total outstanding due of micro and small enterprises	54	36
b) Total outstanding dues of creditors other than micro and small enterprises	613	527
c) Trade payable to related party - Micro and small enterprises	0.1	1
d) Trade payable to related party - other than Micro and small enterprises	-	29
<b>Total</b>	<b>667</b>	<b>593</b>

#### Trade Payable Ageing as at March 31, 2025

(₹ in lakh)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	54	-	-	-	-	<b>54</b>
Others	611	0.1	0.04	-	2	<b>613</b>
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - others	-	-	-	-	-	-
<b>Total</b>	<b>665</b>	<b>0.1</b>	<b>0.04</b>	<b>-</b>	<b>2</b>	<b>667</b>

#### Trade Payable Ageing as at March 31, 2024

(₹ in lakh)

Particulars	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	37	-	-	-	-	<b>37</b>
Others	554	-	-	-	2	<b>556</b>
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - others	-	-	-	-	-	-
<b>Total</b>	<b>591</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>593</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 19 OTHER FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	Non-Current	Non-Current	Current	Current
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
a) Payable towards capital expenditure - others	-	-	99	113
b) Payable towards capital expenditure - MSME	-	-	5	7
c) Dues to members	-	-	374	444
d) Other payable	-	-	29	13
e) Interest payable to MSME	-	-	0.6	-
f) Payable to member/ customer	-	-	281	369
g) FPO grant assistance	-	-	19	-
	-	-	<b>807</b>	<b>946</b>
h) Lease Liabilities	367	759	392	365
<b>Total</b>	<b>367</b>	<b>759</b>	<b>1,199</b>	<b>1,311</b>

### 20 OTHER CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Revenue received in advance #	362	351
b) SEBI turnover and regulatory fees	155	116
c) Investor protection fund *	86	33
d) Investor Service fund	29	40
e) Statutory dues payable	195	172
f) Dividend withheld **	-	101
g) Deposit from applicants	15	15
<b>Total</b>	<b>842</b>	<b>828</b>

# Includes ₹ 34 lakh (PY ₹ 38 lakh) from related parties

\* Includes ₹ 19 lakh (March 31, 2024 : ₹ 19 lakh) payable to Investor Protection Fund Trust, in view of the freeze order on the security deposit of the member Bhavishya Advisory and Comtrade (India) Pvt. Ltd. However, Forward Market Commission(FMC) has directed that NCDEX shall get the freeze order lifted by the police authorities and reimburse the amount to the Trust towards settlement of award and arbitration cost which the Trust has paid.

\*\* paid pursuant to SEBI directives

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 21 REVENUE FROM OPERATIONS

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
<b>Sale of services</b>		
Transaction charges	1,598	2,390
Annual subscription fees	72	81
Exchange charges	168	67
Admission fees	-	5
Warehouse charges	6	6
Data, Analytics and Technology Sales	501	581
<b>Other Operating Revenues</b>		
Computer to computer link charges	32	40
Port charges	71	54
<b>Total</b>	<b>2,448</b>	<b>3,224</b>
<b>Revenue recognised</b>		
Point in time	1,704	2,476
Over the period of time	744	748
<b>Total</b>	<b>2,448</b>	<b>3,224</b>

### 22 OTHER INCOME

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
<b>Finance Income</b>		
Interest on Bank deposits	516	215
Interest on Bonds	130	130
Interest on financial asset measured at amortised cost	16	12
Dividend Income	212	353
Net gain on sale of investments measured at fair value through profit or loss	83	89
Net gain/(loss) on investments mandatorily measured at Fair Value through Profit or Loss	12	4
Interest on Income Tax Refund	9	235
Recovery of charges	771	753
Profit on sale/scrap of PPE (net)	4	2
Leaseline charges income	271	261
Others (miscellaneous income)	4	4
<b>Total</b>	<b>2,028</b>	<b>2,059</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**23 EMPLOYEE BENEFITS EXPENSES**

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Salaries, bonus and allowances	3,897	3,683
Contribution to Provident and other funds	253	241
Staff welfare expenses	267	247
<b>Total</b>	<b>4,417</b>	<b>4,171</b>

**24 FINANCE COSTS**

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Interest on lease liability	75	92
Interest exp on MSME	0.6	-
<b>Total</b>	<b>75</b>	<b>92</b>

**25 DEPRECIATION & AMORTIZATION EXPENSE**

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Depreciation	147	259
Amortization	776	745
Amortization of right of use assets	347	353
<b>Total</b>	<b>1,270</b>	<b>1,357</b>

**26 (A) TECHNOLOGY EXPENSES**

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Repairs & Maintenance computer and software	1,907	1,994
Annual Maintenance charges	833	717
Networking Expenses	200	206
Data Centre Expenses	177	176
Other Technology Expenses	192	192
<b>Total</b>	<b>3,309</b>	<b>3,285</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**26 (B) OTHER EXPENSES**

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Legal and Professional Charges	313	227
Electricity Charges	121	112
Polling Expenses	21	20
Research Expenses	62	62
Rent	7	22
Repairs and Maintenance	102	92
Directors Sitting Fees	72	72
Committee Sitting Fees	9	12
Board and Committee meeting expenses	7	12
Travelling and Conveyance expenses	94	76
Liquidity Enhancement Scheme expenses	348	151
Insurance Expenses	60	65
SEBI Regulatory Fees	2	2
Contribution towards SEBI Regulatory Fund	57	55
Contribution to Investor Protection Fund	16	24
Contribution to Investor Service Fund	18	27
Security Charges	42	40
Advertisement and Publicity	25	48
Printing and stationery	15	10
Communication Expenses	21	21
Recruitment Expenses	31	11
Books Periodicals & Subscription	13	13
Payment to Auditors		
- For Audit (including limited review) *	20	19
- For tax audit	4	4
- For other services	1	1
- For reimbursement of expenses	1	1
Bad Debts	0.2	4
Sundry balances / assets written off (net)	-	2
Rates & Taxes	0.5	2
Other Expenses	75	79
<b>Total</b>	<b>1,558</b>	<b>1,286</b>

\*Includes ₹ 9 lakh (March 31, 2024 : ₹ 9 lakh) for Limited review fees.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**27 EXCEPTIONAL INCOME / (EXPENSE)**

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Exchange contribution from core SGF - NCCL (Refer note 44)	135	605
Profit on stake sale in subsidiary (net) (Refer note 46 & 4(a))	1,443	2,690
Profit on stake sale in associate (net) (Refer note 4(a))	14,700	618
Difference between fair valuation of retained interest and carrying amount on cessation of the associate (Refer note 45)	22,890	-
Provision for doubtful receivables (Refer note 34)	(1,436)	-
<b>Total</b>	<b>37,732</b>	<b>3,913</b>

**28 CURRENT AND DEFERRED TAX**

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Current tax	508	-
Income Tax / (refund) for earlier years	34	9
Reversal of MAT credit (Refer note 16 (a)(i))	-	206
Deferred Tax	4,753	(845)
<b>Total</b>	<b>5,295</b>	<b>(630)</b>

**29 EARNINGS PER SHARE (EPS)**

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Net Profit / (Loss) after tax as per Statement of Profit and Loss <b>(A)</b>	26,283	(365)
Weighted average no. of equity shares for calculating EPS <b>(B)</b>	50,676,000	50,676,000
Basic earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	51.87	(0.72)
Diluted earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) (A) / (B)	51.87	(0.72)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Weighted average number of equity shares for calculating EPS	50,676,000	50,676,000



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

30

During the year, Exchange has recognised the following amounts in the financial statements as per Ind AS 19 "Employees Benefits" :

### a) Defined Contribution Plan

#### Contribution to Provident Fund and Employee State Insurance Scheme

Contribution to Defined Contribution Plan are recognised and charged off for the year as under :

The Exchange makes contribution, determined as percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Exchange has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Employer's Contribution to Provident Fund	177	167

### b) Defined Benefit Plan

The Exchange has a defined benefit gratuity plan. Every employee who has completed five years or more and less than or equal to nine years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Every employee who has completed more than ten years of service gets a gratuity on departure at 26 days salary (last drawn salary) for each completed year of service.

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

Actuarial assumptions	Gratuity (funded)	
	As at March 31, 2025	As at March 31, 2024
Expected Rate of Return on plan assets	6.54%	7.16%
Discount rate (per annum)	6.54%	7.16%
Rate of increase in Compensation levels	6.00% p.a. for the next 4 years, 5.00% p.a. thereafter, starting from the 5th year	8.00% p.a. for the next 1 year, 6.00% p.a. for the next 5 years, starting from the 2nd year 5.00% p.a. thereafter, starting from the 7th year
Rate of Employee turnover	25.00%	25.00%
Mortality Rate during Employment	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2012-14) (Urban)
Mortality Rate after Employment	N.A.	N.A.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Table showing changes in present value of obligations :

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of obligation as at the beginning of the year	576	556
(Liability Transferred In / Acquisitions)	-	-
(Liability Transferred Out / Divestments)	-	-
Interest Cost	41	40
Current Service Cost	53	52
Benefits paid	(126)	(93)
Actuarial (gain) / loss on obligations	66	21
<b>Present value of obligation as at the end of the year</b>	<b>610</b>	<b>576</b>

### Table showing changes in the fair value of plan assets :

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets at beginning of the year	255	265
(Liability Transferred In / Acquisitions)	-	-
(Assets Transferred Out / Divestments)	-	-
Interest income	18	18
Employer contribution	48	56
Benefits paid	(126)	(93)
Return on Plan Assets, Excluding Interest Income	(4)	8
<b>Fair value of plan assets at year end</b>	<b>192</b>	<b>255</b>

### The amounts to be recognized in Balance Sheet :

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of obligation as at the end of the year	(610)	(576)
Fair value of plan assets as at the end of the year	192	255
Funded Status (Surplus / (Deficit))	(418)	(321)
Unrecognised actuarial (gains) / losses	-	-
<b>Net asset / (liability) recognised in Balance Sheet</b>	<b>(418)</b>	<b>(321)</b>

### Expenses recognised in Statement of Profit and Loss :

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Current service cost	53	52
Past service cost (Vested Benefit)	-	-
Net Interest Income	23	21
Expected return on plan assets	-	-
Curtailment and settlement cost / (credit)	-	-
<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>76</b>	<b>73</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

Expenses recognised in Other Comprehensive Income :

(₹ in lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Actuarial (Gains) / Losses on Obligation for the year	66	21
Return on Plan Assets, excluding Interest Income	4	(8)
Change in Asset Ceiling	-	-
<b>Net (Income) / Expense For the year Recognized in Other Comprehensive Income</b>	<b>70</b>	<b>12</b>

Maturity profile of defined benefit obligation :

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Projected benefits payable in future years from the date of reporting</b>		
1 <sup>st</sup> Following year	151	146
2 <sup>nd</sup> Following year	120	113
3 <sup>rd</sup> Following year	109	102
4 <sup>th</sup> Following year	82	84
5 <sup>th</sup> Following year	67	63
Sum of Years 6 to 10	176	167
Sum of Years 11 and above	55	56

Investment Details :

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

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Investments with insurance fund	100%	100%

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Sensitivity :

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

(₹ in lakh)

Gratuity	Change in Assumption	For Year ended March 31, 2025		For Year ended March 31, 2024	
		Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1% / -1%	(16)	17	(15)	16
Salary Escalation Rate	+1% / -1%	17	(16)	16	(15)
Employee Turnover	+1% / -1%	(1)	1	(1)	-

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 recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note-1: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Note-2: The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

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**Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows :**

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
a. Principal amount remaining unpaid to any supplier as at the year end	59	44
Interest due thereon :		
b. Amount of interest paid during the year	-	-
c. Amount of payments made to the supplier beyond the appointed day during the accounting year.	-	-
d. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the (year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006.	-	-
e. Amount of interest accrued and remaining unpaid at the end of the accounting year.	0.6	-
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.	-	-

**Note:** The above information and that given in Note. 18 & 19 'Trade Payables' and 'other financial liabilities' regarding Micro and Small Enterprises has been determined on the basis of information available with the Exchange and has been relied upon by the auditors.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the Balance Sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

### 32 COMMITMENTS AND CONTINGENCIES

#### (a) Contingent Liabilities not provided for :

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) On account of Income taxes (Refer Note 1 below)	1,726	1,574
(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	2,278
(iv) On account of GST (Refer Note 5 below)	7	-

#### Note 1

(₹ in lakh)

Particulars	Assessment Year	As at March 31, 2025	As at March 31, 2024	Forum before which case is pending
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 07-08	-	171	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 08-09	-	113	High Court
Short TDS credit granted by AO, adjusted against FBT	AY 09-10	11	11	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 11-12	123	123	High Court
Short TDS credit granted by AO	AY 11-12	13	13	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 12-13	456	456	CIT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 13-14	-	0.5	ITAT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 14-15	-	5	ITAT
Disallowance u/s 14A, Other disallowances and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 16-17	580	580	CIT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 17-18	-	15	ITAT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 18-19	-	69	ITAT
Addition u/s 41	AY-21-22	17	17	CIT
Disallowance u/s 14A, addition us 269T and short grant of TDS	AY 22-23	525	-	CIT
<b>Total</b>		<b>1,726</b>	<b>1,574</b>	



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Note 2

A legal suit was filed jointly against the Exchange and National Collateral Management Services Limited by a party claiming a sum of ₹ 185 lakh 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 retrospective 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 its 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 had received an adverse order on the issue of non-payment of service tax on liquidated damages amounting to ₹ 814 lakh along with interest u/s 75 & Penalty u/s 78, as per Finance Act, 1994. The Exchange had filed an appeal with CESTAT against the same. The Exchange had also pre deposited 7.5% of the tax amount i.e. ₹ 61 lakh at the time of filing appeal with CESTAT. Outcome of the appeal is pending.

The Exchange had received an adverse order on the issue of Inadmissible Cenvat credit as per rule 6(3)(i) of the Cenvat Credit Rule, 2004 amounting to ₹ 1,464 lakh along with interest u/s 75 & Penalty u/s 78, as per Finance Act, 1994. In FY 2022-23, the Exchange had filed an appeal with CESTAT against the same and the Exchange had pre deposited 7.5% of the tax amount i.e. ₹ 110 lakh at the time of filing appeal with CESTAT. Outcome of the appeal is pending.

### Note 5

(₹ in lakh)

Particulars	Financial Year	As at March 31, 2025	As at March 31, 2024	Forum before which case is pending
Disallowance of eligible GST credit	2018-19	2	-	Commissioner appeal
Disallowance of eligible GST credit	2019-20	5	-	Commissioner appeal
<b>Total</b>		<b>7</b>	<b>-</b>	

### (b) Capital Commitments

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	22	53

### (c) Other Commitments

- i SEBI vide its circular dated April 10, 2019, has prescribed Risk based method to determine the net worth required for Clearing Corporation. In this regard, 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

- ii The Exchange has invested ₹ 207 lakh ( ₹ 207 lakh March 31, 2024 ) 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 loss of ₹ 10 lakh for the year ended March 31, 2025 ( ₹ 6 lakh for the year ended March 31, 2024) and accumulated losses as on March 31, 2025 is ₹ 183 lakh ( ₹ 174 lakh for the year ended March 31, 2024). 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.

- 33** A legal suit was filed against the Exchange and two Warehouse Service Providers (WSP) jointly by three parties claiming liquidated damages, penalties, interest cost, re-processing and re-testing charges and other incidental costs etc. As per the legal opinion received, the management believes that possibility of any outflow is remote and the outcome of the said pending litigation will not have a material adverse effect on the Exchange's financials position and the results of operations.

- 34** Based on complaints of presence of "Mineral Oil" in some of the stocks, warehouses having pepper stock of approximately 6853 MT were sealed by Food Safety and Standard Authority of India, Kerala (FSSAI) and deliveries were stopped from the warehouses, till further notice. In the meantime, the Commissioner of Food Safety, Kerala passed Orders for release of pepper stocks free of mineral oil of approximately 463 MT. The presence of mineral oil was not a part of the National Commodity & Derivatives Exchange Limited ("Exchange") specifications and therefore any liability arising on account of the same cannot be under the settlement process of the Exchange. However, in order to retain market integrity, the Exchange had offered to facilitate improvement of pepper stock, subject to recovering the costs of improvement and accordingly prayed before the Hon'ble High Court of Kerala to allow the same. Based on this, the Hon'ble High Court of Kerala vide its order dated August 28, 2014, allowed the Exchange to clean the pepper stock lying in the warehouse with a right to recover the costs associated with the same. Subsequently, some of the holders of the stocks had requested Food Safety Authorities, Kerala to permit the reference of a second sample to the referral laboratory viz. The Central Food Laboratory, Kolkata. Further, Hon'ble High Court of Kerala, vide its order dated May 12, 2015 had directed the release of such quantity of pepper which is found free from impurities and contamination. Based on this, approximately 4,376 MT of pepper stock which was found free of mineral oil on testing by Central Food Laboratory, Kolkata, has been released to the holders & approximately 1,015 MT was further released after cleaning. In the earlier years, the Exchange had paid the total amount including taxes towards cleaning and other related costs of ₹ 1,696 lakhs (net of recovery of ₹ 9 lakhs till March 31, 2025). As on March 31, 2025, the balance stock of Pepper under the custody of Food Safety Authority, Kerala and pending release is approximately 998 MT. Further, the Hon'ble High Court of Kerala, in a Writ Petition filed by the holders, passed an interim order dated 13<sup>th</sup> April, 2018, restricting the Exchange from taking any coercive actions against the holders and the said order is currently in force. The management is of the view that it has a fair chance of recovery of the costs incurred by it, since the same is backed by orders of the Hon'ble Court, which provide a constructive lien on the goods stored at the Exchange approved warehouses and pending release. However, as a matter of prudence, during the year ended March 31, 2025, the company has made further provision of ₹ 1,436 lakh (as at March 31, 2024 ₹ 260 lakh) towards the same which has been charged to the statement of profit and loss account and shown as an exceptional expense. The company retains the legal right to recover the said amount in view of the Hon'ble High Court of Kerala vide its order dated August 28, 2014 and will reverse the said provision on recovery of the said cost.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 35 AS REQUIRED BY IND AS - 24 "RELATED PARTY DISCLOSURES"

#### (i) Name and description of related parties

Relationship	Name of related party
(a) <b>Subsidiaries</b>	NCDEX e Markets Limited (NeML)
	National E-Repository Limited (NERL)
	National Commodity Clearing Limited (NCCL)
	NCDEX Institute of Commodity Markets and Research (NICR)
(b) <b>Associate</b>	Power Exchange India Limited (PXIL) (Upto March 23, 2025)
(c) <b>Joint Venture</b>	Rashtriya e Market Services Private Limited ( Joint venture with subsidiary NeML)
	Meta Materials Circular Markets Private Limited (MMCMPL) ( Joint venture with subsidiary NeML)
(d) <b>List of Key Management Personnel</b>	Mr. Arun Raste (Managing Director and Chief Executive Officer)
	Mr. Vijay Kumar V. (Managing Director and Chief Executive Officer) (upto April 18, 2021)
	Mr. Ashish Bahuguna (Chairman and Public Interest Director) (w.e.f. June 15, 2023)
	Dr. Purvi Mehta (Public Interest Director) (upto January 11, 2024)
	Mr. Bhaskaran Nayar Venugopal (Shareholder Director) (upto January 11, 2024)
	Mr. Rakesh Kapur (Non-Independent Director) (upto Feb 20, 2025)
	Mr. Manikumar S. (Non-Independent Director upto September 26, 2023)
	Mr. Prem Kumar Malhotra (Public Interest Director) (Upto Aug 8, 2024)
	Mr. Venkat Nageswar Chalasani (Public Interest Director) (upto November 14, 2023)
	Mr. Soma Sankara Prasad (Public Interest Director) (w.e.f. July 2, 2024)
	Mr. Hemant Adarkar (Public Interest Director)
	Mr. R. Amalorpavanathan (Public Interest Director)
	Mr. R. Doraiswamy (Non-Independent Director) (w.e.f. March 21, 2024)
	Mr. Sanjeev Rohilla (Non-Independent Director) w.e.f. January 4, 2024)
	Dr. Mukulita Vijayawargiya (Public Interest Director w.e.f. February 9, 2024)

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

(ii) Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at March 31, 2025 are as under:

Particulars	Subsidiaries										Joint venture with subsidiary				Associate		Key Management Personnel							
	NeML		NICR		NERL		NCCL		MMCPL		PXIL		Vijay Kumar V.		Arun Raste		Directors							
	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24						
Remuneration*	-	-	-	-	-	-	-	-	-	-	-	-	-	16	14	212	200	-	-					
Recovery of expenses	90	89	69	75	86	84	511	505	11	-	-	-	-	-	-	-	-	-	-					
Expenses paid (including rent)	2	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Research and training expenses paid to subsidiaries	-	-	57	62	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Investment in equity shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Advance billing to subsidiaries	-	28	-	-	-	31	-	226	-	-	-	-	-	-	-	-	-	-	-					
Exchange contribution from core	-	-	-	-	-	-	135	605	-	-	-	-	-	-	-	-	-	-	-					
SGF - NCCL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Security Deposit collected	-	17	-	-	-	20	-	2	-	-	-	-	-	-	-	-	-	-	-					
Stake sale in subsidiary (NeML)	-	-	-	-	-	-	-	3,001	-	-	-	-	-	-	-	-	-	-	-					
Income collected by subsidiaries on NCDEX behalf	-	-	-	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-	-					
Payment made on behalf of subsidiaries	-	-	-	-	-	-	27	-	-	-	-	-	-	-	-	-	-	-	-					
Sitting fees paid to directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	72	71					
Dividend Income	-	-	-	-	-	-	-	-	-	-	212	353	-	-	-	-	-	-	-					

**Note**

\*As the liabilities for defined benefit plan viz. gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

Balance outstanding at the year end	Subsidiaries								Joint venture with subsidiary	Associate	Key Management Personnel											
	NeML		NICR		NERL		NCCL				MMCMPL	PXIL*	Vijay Kumar V.				Arun Raste				Directors	
	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24					Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	
Investments in equity shares	3,240	3,240	207	207	4,131	5,445	12,610	12,610	-	-	-	1,934	-	-	-	-	-	-	-	-		
Provision for diminution in the value of investment	-	-	207	207	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Revenue received in advance	17	20	-	-	2	2	16	15	-	-	-	-	-	-	-	-	-	-	-	-		
Security Deposit collected	17	17	-	-	20	20	2	2	-	-	-	-	-	-	-	-	-	-	-	-		
Other receivables	5	2	27	18	17	2	279	-	1	-	-	-	-	-	-	-	-	-	-	-		
Trade payables / Other payable	0.1	1	4	13	-	-	-	16	-	-	-	-	-	-	16	118	94	-	-	-		

\* During the year ended March 31, 2025, the Company has sold 16.01% (93,63,287 equity shares) of its stake in PXIL to a buyer for a consideration of ₹ 15,656 lakh, resulting in reduction of its stake to 17.06%, which has led to discontinuation of its classification as an investment in associate.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 36 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 does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

### 37 CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

(₹ in Lakh)

Sr. No.	Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
1	Amount required to be spent by the company during the year	-	-
2	Amount of expenditure incurred during the year	-	-
3	Excess of previous year adjusted	-	-
4	(Excess) / Shortfall at the end of the year	-	-
5	Total of previous years shortfall / (Excess)	-	-
6	Reason for shortfall	-	-
7	Nature of CSR activities	N.A.	N.A.
8	Details of related party transactions	N.A.	N.A.
9	Provision made in current financial period due to any contractual obligation	N.A.	N.A.

### 38 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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 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 Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

### ix 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.

### x Utilisation 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.

### xi Core Investment Company (CIC)

There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

### xii Loans or advances to specified persons

The Company has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are:

- (a) repayable on demand or
- (b) without specifying any terms or period for repayment

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**39 DISCLOSURE OF FINANCIAL RATIOS**

Sr No.	Particulars	31st March, 2025	31st March, 2024	Variance	Explanation for Variance above 25%
1	Current Ratio (In times)	3.0	1.6	(0.8)	The ratio has improved due to increase in the current assets
2	Debt-Equity Ratio (In times) (Debt represents lease liability)	0.01	0.03	0.6	Due to increase in shareholder's equity and reduction in lease liability
3	Debt Service Coverage Ratio (In times)	62.8	2.7	(22.5)	The ratio has improved due to increase in the profit as compared to the previous year.
4	Return on Equity Ratio (in %)	54.2%	(1.0%)	5519.8%	The ratio has improved due to increase in the profit as compared to the previous year and in turn increase in the shareholders's equity
5	Inventory Turnover ratio	NA	NA	NA	Not applicable
6	Trade receivables turnover ratio (in times)	6.9	9.0	(0.2)	Not applicable
7	Trade payables turnover ratio (in times)	7.7	7.8	0.0	Not applicable
8	Net Capital turnover ratio (in times)	0.2	0.8	0.8	The ratio has improved due to increase in the working capital.
9	Net profit ratio (in %)	1073.8%	(11.6%)	9357.0%	The ratio has improved due to increase in the profit as compared to the previous year.
10	Return on capital employed (in %)	50.8%	(2.5%)	2130.6%	The ratio has improved due to increase in the profit as compared to the previous year.
11(a)	Return of FD Investment (%)	7.5%	7.0%	7.3%	Not applicable
11(b)	Return on Liquid Mutual Fund (%)	7.1%	7.0%	2.1%	Not applicable
11(c)	Return on Bond Investments (%)	7.0%	7.0%	0.0%	Not applicable

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 40 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 they become 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 optimise 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 Lakh)

Particulars	Note Nos.	Carrying amount	Payable on demand	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2025</b>						
Deposits	17	3,969	3,100	-	869	3,969
Trade payables	18	667	-	667	-	667
Lease Liabilities	42	759	-	436	590	1,026
Other financial liabilities	19	807	-	807	-	807
		<b>6,202</b>	<b>3,100</b>	<b>1,910</b>	<b>1,459</b>	<b>6,469</b>
<b>As at March 31, 2024</b>						
Deposits	17	4,014	3,120	-	894	4,014
Trade payables	18	593	-	593	-	593
Lease Liabilities	42	1,124	-	440	1,026	1,466
Other financial liabilities	19	946	-	946	-	946
		<b>6,677</b>	<b>3,120</b>	<b>1,978</b>	<b>1,920</b>	<b>7,019</b>

#### 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 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.

Out of the total trade receivable of ₹ 375 lakh (March 31, 2024 ₹ 334 lakh), the receivable amounting to ₹ 33 lakh (March 31, 2024 ₹ 27 lakh) are outstanding for more than 180 days.

One customer accounted 10% of receivables and none of other customer accounted for revenue of more than 10% for the year ended March 31, 2025 (None of the customers accounted for receivables and revenue more than 10% for the year ended March 31, 2024).

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Other financial assets :

The Exchange maintains exposure in cash and cash equivalents, term deposits with banks, investments in debt mutual funds and bonds. The Exchange limits its exposure to credit risk by making investment as per the investment policy. The Exchange addresses credit risk in its investments by mandating a minimum rating of the security / institution where the amounts are invested and is further strengthened by mandating additional requirements like Net Worth Criteria and Capital Adequacy Ratio (CAR) for term deposits with banks and Minimum Average Assets Under Management (AAUM) of the Asset Management Companies (AMCs) and Assets Under Management (AUM) of the schemes for investments in debt mutual funds. Further the Investment Committee of the Exchange reviews the investment portfolio on a periodic basis and recommends or provides suggestions to the management. The Exchange does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors.

### Management of Market Risk

The Exchange's business, financial condition and results of operations are highly dependent upon the levels of activity on the exchange, and in particular upon the volume of commodities traded, the number of contracts and liquidity and similar factors.

In addition to the above risk, Market risk also includes the risk of loss of future earnings, fair values of future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Exchange's control. Changes in the general level of interest rates can affect the profitability by affecting the spread between, amongst other things, income the Exchange receives on investments in debt securities, the value of interest-earning investments, its ability to realise gains from the sale of investments.

### Foreign currency risk

The Exchange periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the Exchange has not entered into 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.

### Regulatory Net worth

Regulation 14 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, 2018, as amended, prescribes the net worth requirements for Stock Exchanges. In terms of this regulation, the Exchanges shall have a minimum networth rupees one hundred crore at all times. The Company is in compliance with said SEBI directives.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 41 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

(₹ in Lakh)

Particulars	Levels	As at March 31, 2025	As at March 31, 2024
<b>1) Financial Assets</b>			
<b>Financial assets measured at fair value through profit or loss</b>			
A) Investment in Mutual Funds	Level 1	2,133	876
<b>Financial assets measured at fair value through other comprehensive income</b>			
A) Investment in Bonds	Level 1	1,898	1,936
B) Investment in Equity Instruments	Level 2	23,888	-
<b>Financial assets measured at Amortized Cost</b>			
A) Bank deposits		15,042	2,927
B) Trade receivables		375	334
C) Cash and Cash equivalents		62	1,225
D) Other Financial Asset		662	1,703
<b>Total financial assets</b>		<b>44,060</b>	<b>9,000</b>
<b>2) Financial liabilities</b>			
<b>Financial liabilities measured at Amortized Cost</b>			
A) Deposits		3,969	4,014
B) Trade payables		667	593
C) Lease Liabilities		759	1,124
D) Other Financial liabilities		807	946
<b>Total Financial liabilities</b>		<b>6,202</b>	<b>6,677</b>

The carrying amounts of trade receivables, bank deposit, other financial assets, trade payables, Deposit, other financial liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 42 LEASES

- 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 "Finance costs" and "Depreciation and Amortisation Expense" respectively under Note 24 and 25.
- The weighted average incremental borrowing rate applied to lease liabilities is 8.38%.
- Following are the changes in the carrying value of right of use assets for the year ended March 31, 2025

(₹ in Lakh)

Particulars	Category of Right of use Assets	Total
	Office Space	
<b>Balance as of April 1, 2023</b>	951	951
Additions	494	494
Deletions/ Modification	58	58
Depreciation	353	353
<b>Balance as of March 31, 2024</b>	<b>1,034</b>	<b>1,034</b>
<b>Balance as of April 1, 2024</b>	1,034	1,034
Additions	-	-
Deletions/ Modification	-	-
Depreciation	347	347
<b>Balance as of March 31, 2025</b>	<b>687</b>	<b>687</b>

- The following is the break-up of current and non-current lease liabilities as of March 31, 2025 :

(₹ in Lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Lease liabilities	392	365
Non-current lease liabilities	367	759
<b>Total</b>	<b>759</b>	<b>1,124</b>

- The following is the movement in lease liabilities during the year ended March 31, 2025 :

(₹ in Lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Balance as at beginning of the year</b>	1,124	1,019
Additions	-	479
Deletions/ Modification	-	58
Finance cost accrued during the year	75	92
Payment of lease liabilities	441	407
<b>Balance as at end of the year</b>	<b>759</b>	<b>1,124</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

- 6 The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2025 on an undiscounted basis:

(₹ in Lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	436	440
One to five years	590	1,026
More than 5 years	-	-
<b>Total</b>	<b>1,026</b>	<b>1,466</b>

The Company does not face a significant liquidity risk with regard to its lease liability as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expenses recorded for short-term leases was ₹ 7 Lakh for the year ended March 31, 2025 (₹ 22 Lakh for the year ended March 31, 2024)

- 7 The Exchange does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### 43 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 Lakh)

Particulars	For Year ended March 31, 2025	For Year ended March 31, 2024
Profit / (Loss) before income taxes	31,578	(995)
Enacted tax rates in India (%)	25.17	26.00
Computed expected tax expense	7,948	(259)
Tax impact due to non-deductible expenses for tax purposes	27	0.6
Tax impact on exempt income	(32)	(709)
Tax impact of DTA on provision for doubtful debt	(65)	-
Capital gain taxed at different rate & Other Income (Net of business losses)	(580)	(22)
MAT reversal (Refer note 16(a)(i) & 28)	-	206
Effect of reduced tax rate applied for DTL on revaluation of financial assets	(2,488)	-
De-recognition of deferred tax assets on business losses	486	-
Income tax for earlier years	34	9
Impact of tax rate change	-	158
Others	(35)	(15)
<b>Income tax expense</b>	<b>5,295</b>	<b>(630)</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

- b The following table provides the details of income tax assets and income tax liabilities as of March 31, 2025 :

(₹ in Lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax assets	1,228	2,027
Income tax liabilities	229	-
<b>Net Non current income tax assets / (liability) at the end of the year</b>	<b>999</b>	<b>2,027</b>

- c The gross movement in the current income tax asset / (liability) for the year ended March 31, 2025 :

(₹ in Lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Net current income tax asset/ (liability) at the beginning	2,027	1,717
Add:- Income tax paid	(217)	514
Less:- Income tax refund received	(777)	(195)
Less:- Income tax expense	(34)	(9)
<b>Net current income tax asset/ (liability) at the end of the year</b>	<b>999</b>	<b>2,027</b>

- d **Deferred tax (liabilities) / assets (net)**

(₹ in Lakh)

Particulars	As at March 31, 2025	Charged / (credited) FY 2024-25	As at March 31, 2024	Charged / (credited) FY 2023-24	As at March 31, 2023
<b>Deferred tax assets components</b>					
Employee benefits	123	(24)	99	(5)	94
Unabsorbed loss including unabsorbed depreciation	2,845	2,016	4,861	(739)	4,122
Deferred tax assets on SEBI Regulatory Fees	39	(10)	29	(9)	20
Deferred tax assets on ISF liabilities	7	3	10	1	11
Deferred tax on provision for doubtful debt	427	(427)	-	-	-
MAT Credit Entitlement	-	-	-	206	206
Financial assets at fair value through OCI	3	(3)	-	-	-
<b>Gross deferred tax asset</b>	<b>3,444</b>	<b>1,555</b>	<b>4,999</b>	<b>(546)</b>	<b>4,453</b>
<b>Deferred tax liabilities components</b>					
Depreciation and amortisation	90	95	185	102	287
Financial assets at fair value through P&L	6	(3)	3	(1)	2
Financial assets at fair value through OCI	-	2	2	3	5
Rent Expenses IND AS 116	18	5	23	(5)	18
Fair Valuation of Equity Instrument	3,273	(3,273)	-	-	-
<b>Gross deferred tax liabilities</b>	<b>3,388</b>	<b>(3,175)</b>	<b>213</b>	<b>98</b>	<b>312</b>
<b>Total</b>	<b>56</b>	<b>4,730</b>	<b>4,786</b>	<b>(645)</b>	<b>4,141</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**44** As per SEBI circular SEBI/HO/MRD/MRD-POD-1/P/CIR /2023/78 dated May 23, 2023 relating to revision in computation of Core Settlement Guarantee Fund in Commodity Derivatives Segment, Clearing Corporations in Commodity Derivatives Segment may now align their core SGF in terms of SEBI circulars dated August 27, 2014 as well as July 11, 2018 and excess contribution, if any, may be returned to the contributing stakeholders on a pro-rata basis, after taking due approval from SEBI. Accordingly, subsidiary company, National Commodity Clearing Limited (NCCL) vide its letters dated June 01, 2023 and June 14, 2023, had requested for permission to withdraw excess contribution from Core SGF. In response to the said letters, SEBI has approved withdrawal of excess SGF contribution of ₹ 6,185 lakh and ₹ 842 lakh by NCCL & NCDEX respectively, from core SGF vide its letter SEBI/HO/MRD/RAC-1/P/OW/2023/28875/1 dated 18<sup>th</sup> July 2023. Based on the said approval, the Exchange has received excess contribution from core SGF (post tax liability of Core SGF) of ₹ 605 lakh for the year ended March 31, 2024. The same is credited to the statement of profit and loss and shown as an Exceptional income.

Further, NCCL received approval from SEBI vide letter dated SEBI/HO/MRD/RAC-1/P/OW/2024/0025143/1 dated August 6, 2024 for withdrawal of excess contribution of ₹ 640 lakh and ₹ 188 lakh by the NCCL & NCDEX respectively from Core SGF. Based on said approval, the Exchange has received excess contribution from core SGF of ₹ 135 lakh (post tax liability of Core SGF) for the year ended March 31, 2025. The same is credited to the statement of profit and loss and shown as an Exceptional income.

**45** During the year, the company has sold a part of its stake in its associate company Power Exchange India Limited (PXIL) which has resulted in reduction of its stake below 20% i.e. 17.06% and the management is of the view that the company does not have significant influence over PXIL and accordingly PXIL ceases to be an associate on March 24, 2025. The sale price of equity share of PXIL of ₹ 239.44 per share is considered by the management as fair value of the share on date of cessation as an associate. Accordingly, the difference of ₹ 22,890 lakh between the fair value of the retained interest of ₹ 23,888 lakh and the carrying amount of the said investment of ₹ 998 lakh is credited to the statement of profit and loss. The same has been shown as an Exceptional Income.

For the purpose of subsequent measurement, the management has elected an option of Fair Value through Other Comprehensive Income (FVOCI) for the said investment. The management is of the view that there are no significant changes in business operations and profitability of PXIL after the date of cessation till March 31, 2025 and accordingly it has considered the aforesaid fair value of ₹ 239.44 per share as fair value as on March 31, 2025. Accordingly the investment in PXIL as at March 31, 2025 is valued at ₹ 23,888 lakh has been classified as Financial Assets- non-current Investments at FVOCI.

**46** During the year ended March 31, 2024, the company had sold 8.71% (31 lakh equity share) of its stake in its subsidiary, NCDEX e-Markets Limited (NeML), to its wholly owned subsidiary, National Commodity Clearing Limited (NCCL), for a consideration of ₹ 3,000.80 lakh, based on independent valuation report. The said stake sale has been approved by its Board on August 11, 2023. Further, the said stake sale is carried by the Company after obtaining SEBI's approval vide its letter dated December 6, 2023 under regulation 38 (2) of SECC Regulations, 2018. The profit earned on the said stake sale of ₹ 2,690 lakh has been credited to the statement of profit and loss and shown as an exceptional income.

**47** As per SEBI directives, the Exchange has issued circulars informing the market participants that no fresh positions and launch of new contracts are allowed in Chana and Rapeseed-Mustard with effect from August 17, 2021 and October 8, 2021 respectively. In addition to this, the Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-124/2021 dated December 20, 2021 wherein no fresh positions and launch of new contracts are allowed for a period of one year in respect of certain commodities prescribed in the said circular including major commodities like Soyabean and Refined Soy Oil as well as earlier suspended commodities viz. Chana and Rapeseed-Mustard. The suspension of these commodities was extended for a period of one year i.e. till December 20, 2023. Subsequently the extension was further extended for a period of one more year i.e. till December 20, 2024.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

The suspension is further extended till March 31, 2025. Subsequently, the suspension is further extended till March 31, 2026. The Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-011/2025 dated March 25, 2025 to that effect. Accordingly, the revenue of the Exchange from transaction charges of these commodities has been impacted. The management, based on its assessment, is of the view that there is no impact on the carrying value of its assets. Therefore, no adjustments are made in these financial statements for the year ended March 31, 2025.

Despite the suspension of commodities, resultant losses and negative operating cash flows of the Company, the net worth of the Company has been maintained as per the regulatory guidelines and the Company is capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. The company is putting efforts to grow its business in the existing commodities and diversify its business by exploring new products. Further, the company has diluted its excess holdings of 16.22% (as per regulatory requirements) for a consideration of ₹ 2,760 lakh in NERL (subsidiary company) (refer note 4(a)), divested 16.01% stake in PXIL (associate company) for a consideration of ₹ 15,656 lakh (refer note 4(a)) and obtained board approval for the launch of Equity and Equity Derivatives segment in the Exchange based on a feasibility study and business plan. In view of the above and the business plan of the Company, the management is of the view that no material uncertainty exists and the financial statements have been prepared based on the going concern assumption.

- 48** Other Income includes Interest on Income Tax refund of ₹ 9 lakh for the year ended March 31, 2025 (₹ 235 lakh for the year ended March 31, 2024).
- 49** Other Income for the year ended March 31, 2025 includes ₹ 212 lakh received from Power Exchange India Limited (PXIL) as equity dividend. Other Income for the year ended March 31, 2024 includes ₹ 353 lakh received from PXIL as dividend for the Financial Year 2012-13 to FY 2019-20 on erstwhile 10% Optionally Convertible Cumulative Preference shares (later converted to Equity shares in FY 2019-20).
- 50** The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on 28<sup>th</sup> September 2020 and the said Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Exchange will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 51** In accordance with the relevant provisions of the Companies Act, 2013, the Exchange does not have long term contracts as of March 31, 2025 and March 31, 2024 for which there were no material foreseeable losses. The Exchange did not have any derivative contracts as at March 31, 2025 and March 31, 2024.
- 52** For the year ended March 31, 2025 and March 31, 2024, the Exchange is not required to transfer any amount into the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.
- 53** Previous year figures have been regrouped / reclassified wherever necessary to conform to current year presentation.

As per our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountants  
ICAI Firm Registration No : 105049W

**NARENDRA JAIN**  
Partner  
Membership No. 048725

Place : Mumbai  
Date : May 23, 2025

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

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

**Kishore P. Shah**  
Company Secretary  
Membership No. - A20792

**Ashish Bahuguna**  
Chairman  
DIN - 02224776

**Atul Roongta**  
Chief Financial Officer

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS of National Commodity & Derivatives Exchange Limited

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying consolidated financial statements of **National Commodity & Derivatives Exchange Limited** ("the Parent" or "the Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as "the Group"), its associate company and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information prepared based on the relevant records, (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 associate and jointly controlled entities as at March 31, 2025, and its consolidated profit, its consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

- 1) We draw attention to Note 43 of the Consolidated Financial Statements regarding sale of 16.22% (1,31,41,000 equity shares) of Company's stake in its subsidiary, National E-Repository Limited (NERL), to certain buyers, for consideration of Rs. 2,760 lakhs and difference of Rs. 1,998 lakhs, between the consideration received of Rs. 2,757 lakhs (net of expenses of Rs. 3 lakhs) and the amount of Rs. 759 lakhs by which the proportion of equity held by non-controlling interest, is recognised directly in "Other Equity" as gain on sale of 16.22% interest in subsidiary and further, income tax expense of Rs. 206 lakhs on the said sale is also debited directly to the "Other Equity".

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

- 2) i) We draw attention to Note 4(a) of the Consolidated Financial Statements regarding sale of 16.01% (93,63,287 equity shares) of Company's stake in its associate, Power Exchange India Limited (PXIL), to certain buyers, for consideration of Rs. 15,656 lakhs and the profit earned on the said stake sale of Rs. 13,937 lakhs has been credited to the

## INDEPENDENT AUDITOR'S REPORT (Contd.)

statement of profit and loss and shown as an exceptional income.

- ii) We draw attention to Note 54 of the Consolidated Financial Statements regarding, reduction of its stake in PXIL below 20% i.e. 17.06% and the management is of the view that the Exchange does not have significant influence over PXIL and accordingly PXIL ceases to be an associate on March 24, 2025 and recognition of gain on account of difference of Rs. 21,899 lakhs between the fair value of the retained interest of Rs. 23,888 lakhs and the carrying amount of the said investment of Rs. 1,989 lakhs is credited to the statement of profit and loss and shown as an exceptional income.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

- 3) We draw attention to Note 55 of the Consolidated Financial Statements, which describes that the Company has disposed of its partial investment in associate, PXIL during the year at various dates resulting into cessation of associate. As the financial statements of the associate as of the respective dates of disposal were not available, the Company's share of net profit (including OCI) of Rs. 859 lakhs for the period from April 01, 2024 to March 23, 2025 in the associate up to the respective dates of disposal has been based on management's estimates and available financial information. However, the management is of the view that the difference, between had the audited financial statements of PXIL at each respective date of disposal been available and the above, would not be material as stated in said note.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

- 4) We draw attention to Note 15(b) of the Consolidated Financial Statements regarding Group continues to recognize and carry net deferred tax assets of Rs.

4,310 lakhs as at March 31, 2025 on account of business losses and unabsorbed depreciation on a reasonable certainty based on future taxable profits and the management expects that business losses and unabsorbed depreciation will be adjusted against the future taxable profits based on the approved business plan and projections by the Group.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

- 5) We draw attention to Note 53 of the Consolidated Financial Statements regarding suspension on launch of new contracts and no fresh positions of major commodities for the period from August 17, 2021 to March 31, 2026, resultant losses and negative operating cash flows of the Holding Company. However, the fact that net worth of the holding company as at March 31, 2025 is maintained as per the regulatory guidelines, the holding company is capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date and other reasons mentioned in Note 53 to the consolidated financial statements, the management is of the view that there is no impact on the carrying value of its assets & no adjustments are made in the financial statements for the year ended March 31, 2025.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

- 6) The following Emphasis of Matter paragraph has been included in the Independent Auditor's Report on the consolidated financial statements of NCDEX e Markets Limited (NEML), a Subsidiary of the Holding Company, issued by an independent firm of chartered accountants vide their report dated May 08, 2025, and is reproduced by us as under:

"We draw attention to note 33\* to the consolidated financial statements regarding the order received by the Company from Director General of GST Investigation (DGGSTI) Delhi North for alleged non-

## INDEPENDENT AUDITOR'S REPORT (Contd.)

payment /short payment of Tax Collected at Source (TCS) on Goods and Service tax (GST) liability to be collected by the Company as an e-commerce operator. Based on legal assessment, the management is confident of favourable outcome of the aforesaid matter and accordingly no adjustments have been made to the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.”

\* This note is included in Note 31(a)(9) to the consolidated financial statements.

**Key Audit Matter**

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 matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Litigation, Claims and Contingent Liabilities</b> (Refer Notes 31(a), 32 &amp; 45, to be read along with Emphasis of Matter in Independent Auditor's Report of the consolidated financial statements)</p> <p>As of March 31, 2025, the Holding Company has various ongoing litigations on legal and proceedings with tax authorities involving uncertain direct and indirect tax positions. There are various direct and indirect tax cases against the Holding Company, including disallowance of certain expenses under income tax, applicability of service tax on certain services etc.</p> <p>The Holding Company has assessed the above pending matters related to litigations and has disclosed the contingent liabilities, wherever applicable, and certain legal matters, in its consolidated financial statements.</p> <p>This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws and regulations and application of relevant judicial precedents to determine the probability of outflow of economic resources, if any, provisions and related disclosures to be made in the consolidated financial statements.</p>	<p>Our audit procedures related to legal and uncertain tax positions included—</p> <ul style="list-style-type: none"> <li>Evaluating the design and operating effectiveness of controls over the recognition, measurement, presentation and disclosures made in the consolidated financial statements in respect of these matters;</li> <li>Obtaining details of litigations on legal and uncertain direct and indirect tax positions;</li> <li>Reviewing orders and management responses thereto;</li> <li>Inspecting the supporting documents to evaluate management's assessment of probability of outcome of ongoing proceedings, the magnitude of potential loss, if any, and testing related provisions and disclosures made in the consolidated financial statements; and</li> <li>Reviewing expert's legal advice/opinion obtained by the Holding Company's management for evaluating certain legal and tax matters;</li> </ul> <p>Based on the above procedure, we noted that the Holding Company has reviewed the above pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, and certain legal matters, in its consolidated financial statements. (Refer Notes 31(a), 32 &amp; 45 to the consolidated financial statements)</p>

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other

information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our

## INDEPENDENT AUDITOR'S REPORT (Contd.)

auditor's report thereon. The Board's Report including Annexures is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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, 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.

When we read the other information and the report of the other auditors as furnished to us [refer 'Other Matters' paragraph below], if we conclude that there is a material misstatement of this other information, we are required to report that fact.

### **Responsibilities of Management and Those Charged with Governance 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 term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 are responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility 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

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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 Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system 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 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 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 consolidated 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 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 misstatements in the consolidated financial statements that, individually or in 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 the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure



## INDEPENDENT AUDITOR'S REPORT (Contd.)

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (i) We did not audit the consolidated financial statements of a subsidiary namely NCDEX e Markets Limited (NEML) included in the consolidated financial statements, whose consolidated financial statements, before consolidation adjustments, reflect total assets of Rs. 25,625 lakhs and net assets of Rs. 6,642 lakhs as at March 31, 2025 and total revenues Rs. 5,361 lakhs for the year ended March 31, 2025, net profit of Rs. 332 lakhs for the year ended March 31, 2025, total comprehensive income of Rs. 313 lakhs for the year ended March 31, 2025 and net cash inflows of Rs. 7,408 lakhs for the year ended March 31, 2025, as considered in the consolidated financial statements.

These consolidated financial statements of the subsidiary company have been audited by other auditors whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid subsidiary are based on the report of the other auditors.

- (ii) We did not audit the financial statements of a subsidiary namely NCDEX Institute of Commodity Market And Research (NICR) included in the consolidated financial statements, whose financial statements, before consolidation adjustments, reflect total assets of Rs. 61.68 lakhs and net assets of Rs. 24.21 lakhs as at March 31, 2025 and total revenues of Rs. 120.48 lakhs for the year ended March 31, 2025, net loss of Rs. 9.71 lakhs for the year ended March 31, 2025, total comprehensive

loss of Rs. 9.71 lakhs for the year ended March 31, 2025 and net cash inflows of Rs. 1.63 lakhs for the year ended March 31, 2025, as considered in the consolidated financial statements. These financial statements of the subsidiary company have been audited by other auditors whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid subsidiary are based on the report of the other auditors.

- (iii) The consolidated financial statements also include the Group's share of net profit after tax of Rs. 861 lakhs for the period from April 01, 2024 to March 23, 2025 and total comprehensive income of Rs. 859 lakhs for the period from April 01, 2024 to March 23, 2025, as considered in the consolidated financial statements, in respect of an associate company namely Power Exchange India Limited (PXIL). The above Group share of profit (including OCI) is proportionately calculated by the management at respective date of stake sale of PXIL i.e. April 18, 2024, June 05, 2024, February 22, 2025 and March 24, 2025, based on unaudited financial results upto December 31, 2024 and for the last quarter of FY 2024-25 calculated as the difference between audited figures in respect of full financial year and year to date figures upto the third quarter. The financial impact between this approach and if the financial statements of PXIL had been audited for each sale date cannot be ascertained accurately, however the management is of the view that the impact on account of difference would not be material on the statement of profit and loss. Further, PXIL ceases to be associate of the Holding Company w.e.f. March 24, 2025 (Also refer note 55 of the consolidated financial statements). The financial statements of PXIL for the year ended March 31, 2025, have been audited by other auditors whose report have been

## INDEPENDENT AUDITOR'S REPORT (Contd.)

furnished to us by the management, and our opinion on the consolidated financial statements insofar as it relates to the disclosures included in respect of the associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other information insofar as it relates to the aforesaid associate company are based on the report of the other auditors.

- (iv) In respect of Rashtriya e-Market Services Private Limited (ReMS), one jointly controlled entity, in the opinion of the ReMS, goods and services tax ('GST') is not applicable on the transaction charges billed by ReMS. Hence, the provision for GST has not been made in the ReMS books of accounts for the same. The financial impact, if any, due to applicability of GST on profit for the year ended March 31, 2025, of jointly controlled entity is Rs. 108.48 lakhs. Therefore, the financial impact on the consolidated financial statements for the year ended March 31, 2025, is Rs. 54.24 lakhs (50% of 108.48 lakhs) exclusive of interest and other imposition, if any. The cumulative financial impact as on March 31, 2025, if any, due to applicability of GST on the consolidated financial statements is Rs. 1,011.03 lakhs (50% of Rs 2,022.06 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 matter with respect to our reliance on the work done and the report of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records 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, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, an associate company and two jointly controlled entities incorporated in India, none of the directors of the Group company incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure 'A'**.
- (g) The Group and its associate, wherever applicable, have paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate/ consolidated financial statements of the subsidiary companies, an associate company (Power Exchange India Limited) and two jointly controlled entities incorporated in India, as noted in the Other Matter paragraph:

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, an associate company and two jointly controlled entities – refer Note 31(a), 32 & 45 to the consolidated financial statements.
- (ii) The Group, an associate company and two jointly controlled entities did not have any long-term contracts including derivatives contracts as at March 31, 2025 for which there were any material foreseeable losses - refer Note 60 to the consolidated financial statements
- (iii) During the year ended March 31, 2025, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, an associate company and two jointly controlled entities incorporated in India - refer Note 61 to the consolidated financial statements
- (iv) (a) The respective managements of the Holding Company and its subsidiaries, an associate company and two jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other

auditors of such subsidiaries, an associate company and two jointly controlled entities respectively that, to the best of its knowledge and belief, 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 Holding Company or any of such subsidiaries, an associate and two jointly controlled entities to or in any other person or entity, 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 respective Holding Company, or any of such subsidiaries, an associate company and two jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; Refer Note 62(ix) to the consolidated financial statements

- (b) The respective managements of the Holding Company and its subsidiaries, an associate company and two jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such its subsidiaries, an associate company and two jointly controlled entities respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such its subsidiaries, an associate company and two jointly controlled entities from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise,

## INDEPENDENT AUDITOR'S REPORT (Contd.)

that the Holding Company or any of such its subsidiaries, an associate company and two jointly controlled entities 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; Refer Note 62(ix) to the consolidated financial statements and

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the its subsidiaries, an associate company and two jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Holding Company, its subsidiaries and two jointly controlled entities incorporated in India, have neither declared nor paid any dividend during the year. The dividend declared and paid during the year by the associate company is in compliance with Section 123 of the Act.
- (vi) Based on our examination which included test checks, performed by us on the Company and two subsidiaries and that performed by the auditors of two subsidiaries, an associate company and two jointly controlled entities incorporated in India, have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2025 which has a feature of recording

audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of audit, we and respective auditors have not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Holding Company, above referred subsidiary companies, associate and jointly controlled entities incorporated in India as per the statutory requirements for record retention.

2. 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 us for Holding Company and its subsidiary companies and based on respective CARO reports issued by other auditors in respect of a subsidiary company, an associate company and two jointly controlled entities 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 these CARO reports.

**For Khandelwal Jain & Co.**

Chartered Accountants

Firm's Registration No. 105049W

**Narendra Jain**

**Partner**

Membership No. 048725

UDIN: 25048725BMNWHZ4920

Place : Mumbai

Date : May 23, 2025

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report on consolidated financial statements to the Members of **National Commodity & Derivatives Exchange Limited** of even date)

### REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF 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") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), an associate company and joint controlled entities, which are companies incorporated in India, as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding company, its subsidiary companies, an associate company and jointly controlled entities to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 ("ICAI"). 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 the respective 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 Act.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated 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") issued by the ICAI and the Standards on Auditing 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 ICAI. 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 consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

**MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control with reference to consolidated 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 consolidated 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 and an associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding 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 MATTER**

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 insofar as it relates to two subsidiary companies, one associate company and two jointly controlled entities, which are company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.

Our opinion is not modified in respect of this matter.

**For Khandelwal Jain & Co.**

Chartered Accountants  
Firm's Registration No. 105049W

**Narendra Jain**  
**Partner**

Membership No. 048725  
UDIN: 25048725BMNWHZ4920

Place : Mumbai

Date : May 23, 2025



# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2025

(₹ in lakh)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	762	574
Right to use assets	49	856	1,371
Intangible assets	3	3,085	3,733
Intangible assets under development	3	184	446
<b>Financial assets</b>			
- Investment in Associate and Joint ventures	4 (a)	3,454	5,502
- Investment in equity instrument	5(a)	23,888	-
Other financial assets			
- Bank balances	5(b)	6,650	2,079
- Others	5(c)	190	311
Deferred tax assets (net)	15	4,666	5,363
Income tax assets (net)	6	1,449	1,784
Other non-current assets	7	57	36
<b>Total non-current assets</b>		<b>45,241</b>	<b>21,199</b>
<b>Current Assets</b>			
Financial assets			
- Investments	8	5,477	5,751
- Trade receivables	9	2,251	2,292
- Cash and cash equivalents	10	16,235	9,781
- Bank balances other than cash and cash equivalents	11	49,358	38,150
- Others	5(b)	3,876	3,848
Income tax assets (net)	6	154	630
Other current assets	7	1,999	1,434
<b>Total current assets</b>		<b>79,350</b>	<b>61,886</b>
<b>Investments held for sale in associate</b>	4(a)	-	742
<b>TOTAL ASSETS</b>		<b>124,591</b>	<b>83,828</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	12	5,068	5,068
Other equity	12	67,721	40,871
<b>Equity attributable to Owners</b>		<b>72,789</b>	<b>45,939</b>
Non Controlling Interest	12	2,271	1,658
<b>Total Equity</b>		<b>75,060</b>	<b>47,597</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
- Deposits	13	869	894
- Lease Liabilities	13	367	966
Provisions	14	1,043	948
Deferred tax liabilities (net)	15	3,129	-
<b>Total non-current liabilities</b>		<b>5,408</b>	<b>2,808</b>
<b>Current Liabilities</b>			
Financial liabilities			
- Deposits	16	14,230	14,059
- Trade payable			
Total Outstanding dues of micro enterprises and small enterprises	17	154	83
Total Outstanding dues of other than micro enterprises and small enterprises	17	893	848
- Lease Liabilities	18	599	547
- Other Financial liabilities	18	25,091	14,026
Other current liabilities	19	1,315	2,305
Provisions	14	1,266	1,161
Current Tax Liabilities (Net)	14	575	393
<b>Total current liabilities</b>		<b>44,123</b>	<b>33,422</b>
<b>TOTAL LIABILITIES</b>		<b>49,531</b>	<b>36,230</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>124,591</b>	<b>83,828</b>

Summary of material &amp; other accounting policies

1

As per our report of even date

For Khandelwal Jain & Co.  
Chartered Accountants  
ICAI Firm Registration No : 105049W

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

**NARENDRA JAIN**  
Partner  
Membership No. 048725

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

**Ashish Bahuguna**  
Chairman  
DIN - 02224776

Place : Mumbai  
Date : May 23, 2025

**Kishore P. Shah**  
Company Secretary  
Membership No. - A20792

**Atul Roongta**  
Chief Financial Officer

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED MARCH 31, 2025

(₹ in lakh)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>INCOME</b>			
Revenue from operations	20	8,819	9,640
Other Income	21	3,387	3,966
<b>Total Income</b>		<b>12,206</b>	<b>13,606</b>
<b>EXPENSE</b>			
Employee benefits expense	22	9,593	9,100
Finance cost	23	100	136
Depreciation & amortization expense	24	2,509	2,462
Technology expenses	25(a)	4,462	4,380
Other expenses	25(b)	3,037	2,643
<b>Total expenses</b>		<b>19,701</b>	<b>18,722</b>
<b>Profit / (loss) before share of Net profit of Joint ventures, associate, exceptional items and income tax</b>		<b>(7,495)</b>	<b>(5,116)</b>
Less : Exceptional Income/ (Expenses)	26	34,400	989
<b>Profit / (Loss) before share of Net profit of Joint ventures, associate and income tax</b>		<b>26,905</b>	<b>(4,127)</b>
Share of net profit from Joint ventures and associates accounted for using equity method		977	807
<b>Profit / (Loss) before tax</b>		<b>27,882</b>	<b>(3,320)</b>
<b>Tax expense</b>			
Current tax	27	401	133
Current tax for earlier years	27	6	9
Deferred tax (credit)	27	3,866	(692)
<b>Total Tax expense</b>		<b>4,273</b>	<b>(550)</b>
<b>Profit / (Loss) for the year (A)</b>		<b>23,609</b>	<b>(2,770)</b>
<b>Other comprehensive Income (OCI) :</b>			
<b>Items that will not be reclassified to the Statement of profit and loss;</b>			
(i) Changes in revaluation surplus;			
Remeasurement of post-employment benefit obligations		(138)	(58)
Income tax impact on above		35	14
Share of OCI from Joint venture accounted for using equity method		(3)	(4)
<b>Item that will be reclassified to the Statement of profit and loss;</b>			
(i) Exchange differences in translating to financial statements of a foreign operation;			
Debt instruments through Other Comprehensive Income		(39)	(24)
Income tax impact on above		5	3
<b>Other comprehensive income for the year net of tax (B)</b>		<b>(140)</b>	<b>(69)</b>
<b>Total comprehensive income for the year (A+B)</b>		<b>23,469</b>	<b>(2,839)</b>
<b>Profit attributable to:</b>			
Owners of the Parent Company		23,749	(2,606)
Non-controlling interests		(140)	(164)
<b>Total Profit after Tax</b>		<b>23,609</b>	<b>(2,770)</b>
<b>Other comprehensive income attributable to:</b>			
Owners of the Parent Company		(134)	(66)
Non-controlling interests		(6)	(3)
<b>Total other comprehensive income</b>		<b>(140)</b>	<b>(69)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Parent Company		23,615	(2,672)
Non-controlling interests		(146)	(167)
<b>Total comprehensive income</b>		<b>23,469</b>	<b>(2,839)</b>
Earnings per share attributable to the equity holders of the Parent Company			
<b>Earnings per share (Face value of ₹ 10 each)</b>			
(1) Basic (₹)	28	46.86	(5.14)
(2) Diluted (₹)	28	46.86	(5.14)
Summary of material & other accounting policies	1		

The accompanying notes are an integral part of the consolidated financial statements.  
As per our report of even date

**For Khandelwal Jain & Co.**  
Chartered Accountants  
ICAI Firm Registration No : 105049W

**NARENDRA JAIN**  
Partner  
Membership No. 048725

Place : Mumbai  
Date : May 23, 2025

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

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

**Kishore P. Shah**  
Company Secretary  
Membership No. - A20792

**Ashish Bahuguna**  
Chairman  
DIN - 02224776

**Atul Roongta**  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF CASH FLOW

AS AT MARCH 31, 2025

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	27,882	(3,320)
Adjustments for:		
Depreciation & amortisation	2,509	2,462
(Profit) / Loss on sale / scrap of fixed assets (net)	(5)	(46)
(Profit) / Loss on sale of investments	(422)	(446)
Dividend Received from Associate entity	-	(353)
Interest income	(2,481)	(2,241)
Share of profit from Joint venture and associate	(971)	(807)
Profit on stake sale in associate	(13,937)	(579)
Difference between Fair value of retained interest and carrying amount on cessation of the associate	(21,899)	-
Provision for doubtful receivables	1,436	-
Interest on lease liabilities	99	136
Net gain on sale of investments measured at Fair Value through Profit or Loss	(27)	(30)
Remeasurement of Lease Liabilities	-	(26)
Provision for doubtful debts / ECL	-	18
Sundry balances written off/ (written back)	(54)	2
Bad debts	7	4
<b>Operating profit before working capital changes</b>	<b>(7,863)</b>	<b>(5,226)</b>
Movements in working capital:		
Decrease / (Increase) in trade receivables	34	860
Decrease / (Increase) in other current assets	(512)	(335)
Decrease / (Increase) in other non current assets	(24)	14
Decrease / (Increase) other financial assets	(1,303)	973
Increase / (Decrease) in trade payables	116	28
Increase / (Decrease) in provisions	62	138
Increase / (Decrease) in financial liabilities	11,073	(1,746)
Increase / (Decrease) in other current liabilities	(889)	176
Decrease / (Increase) in Deposits	146	(504)
<b>Cash generated / (used) from operations</b>	<b>841</b>	<b>(5,623)</b>
Movement in Core SGF (Penalties)	195	1,848
Direct taxes (paid) / refund (net)	148	(1,767)
<b>Net cash generated / (used) in operating activities</b>	<b>1,184</b>	<b>(5,541)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(1,280)	(1,236)
Proceeds from sale / disposal of fixed assets	7	146
Proceeds from stake sale in subsidiary (NeRL) (net)	2,757	-
Proceeds from stake sale in associate (PXIL) (net)	15,638	683
Purchase of current investments	(59,570)	(214,645)
Proceeds from sale of current investments	60,255	213,692
Investment in Joint Venture	(150)	(500)
Dividend Received from Associate/ Joint Venture	222	353
Interest received	3,919	3,709
Investment in fixed deposits (original maturity of more than three months)	(218,254)	(355,191)
Redemption/Maturity of fixed deposits (original maturity of more than three months)	202,475	362,586
<b>Net cash generated / (used) in investing activities</b>	<b>6,018</b>	<b>9,597</b>

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of lease Liabilities	(647)	(641)
Dividend paid	(101)	-
<b>Net cash generated / (used) from financing activities</b>	<b>(748)</b>	<b>(641)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>6,454</b>	<b>3,415</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>9,781</b>	<b>6,366</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>16,235</b>	<b>9,781</b>
<b>Components of cash and cash equivalents</b>		
Cash and cheques on hand	0.1	0.2
With Banks		
- on current accounts	4,721	1,485
- on fixed deposits (Original maturity being three months or less)	4,744	6,133
- Investments in mutual funds (Highly Liquid Funds)	6,770	2,163
<b>Total</b>	<b>16,235</b>	<b>9,781</b>

- 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.
- Previous period figures have been regrouped / reclassified wherever necessary to conform to current period presentation.  
Summary of material & other accounting policies  
The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

**For Khandelwal Jain & Co.**

Chartered Accountants

ICAI Firm Registration No : 105049W

**NARENDRA JAIN**

Partner

Membership No. 048725

Place : Mumbai

Date : May 23, 2025

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

Managing Director &amp; Chief Executive Officer

DIN - 08561128

**Kishore P. Shah**

Company Secretary

Membership No. - A20792

**Ashish Bahuguna**

Chairman

DIN - 02224776

**Atul Roongta**

Chief Financial Officer

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED MARCH 31, 2025

(A)												
Equity Share Capital												
Particulars												
(₹ in lakh)												
Amount												
Balance as at April 1, 2023												
5,068												
Changes in equity share capital during the year												
-												
Balance as at March 31, 2024												
5,068												
Changes in equity share capital during the year												
-												
Balance as at March 31, 2025												
5,068												
(B)												
Other Equity												
Particulars												
(₹ in lakh)												
Grand Total												
Items of Other Comprehensive Income												
Reserves and Surplus												
Retained Earnings												
Attributable to owners of the Parent Company												
Attributable to Non-controlling interest												
Total												
Balance at the April 1, 2023												
44,237												
Addition in current year												
(2,446)												
Add : Replenishment of SGF												
1,201												
Add : Interest on above replenished amount												
326												
Add : Interest on income tax refund (net)												
6												
Add : Income on investment of SGF												
1,381												
Less : Contribution returned to contributing stakeholders												
-												
Less : Income tax expense												
(2,044)												
Less : Provision for Tax												
(59)												
Utilised / Converted during the year												
(2)												
Items of Other Comprehensive Income for the year, net of tax												
(2)												
Remeasurement benefit of defined benefit plans												
(48)												
Net fair value gain on investment in debt instruments through Other Comprehensive Income												
(22)												
Balance as at March 31, 2024												
42,529												
Add : Addition in current year												
23,803												
Add : Interest on above replenished amount												
1												

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

(B) Other Equity	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	Settlement Guarantee Fund	Core Guarantee Fund	Special Guarantee Fund	Retained Earnings	FVTOCI Debt instrument		Total Attributable to owners of the Parent Company	Attributable to Non-controlling interest	Total
	Add : Interest on income tax refund (net)	-	-	-	-	-	-	6	-	-	-	-	6	-	6
	Add : Income on investment of SGF	-	-	-	-	-	-	1,474	-	-	-	-	1,474	-	1,474
	Add: Gain on sale of interest in subsidiary	-	-	-	-	-	-	-	-	1,998	-	-	1,998	-	1,998
	Less: Tax on gain on sale of interest in subsidiary	-	-	-	-	-	-	-	-	(206)	-	-	(206)	-	(206)
	Add: Changes in proportion held by NCI	-	-	-	-	-	-	-	-	-	-	-	-	759	759
	Less : Contribution returned to contributing stakeholders	-	-	-	-	-	-	(595)	-	595	-	-	-	-	-
	Less : Income tax expense	-	-	-	-	-	-	(157)	-	-	-	-	(157)	-	(157)
	Less : Provision for Tax	-	-	-	-	-	-	(75)	-	-	-	-	(75)	-	(75)
	Utilised / Converted during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Items of Other Comprehensive Income for the year, net of tax</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Remeasurement benefit of defined benefit plans	-	-	-	-	-	-	-	-	(100)	-	-	(100)	(6)	(106)
	Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(34)	-	(34)	-	(34)
	<b>Balance as at March 31, 2025</b>	<b>14,016</b>	<b>-</b>	<b>0.1</b>	<b>20</b>	<b>1,110</b>	<b>20,788</b>	<b>1</b>	<b>31,802</b>	<b>(15)</b>	<b>67,721</b>	<b>2,271</b>	<b>69,992</b>		

Refer note 12 for description of nature and purpose of reserve and other notes

Summary of material & other accounting policies - Note 1

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

As per our report of even date

**For Khandelwal Jain & Co.**

Chartered Accountants

ICAI Firm Registration No : 105049W

**NARENDRA JAIN**

Partner

Membership No. 048725

Place : Mumbai

Date : May 23, 2025

**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

**Kishore P. Shah**

Company Secretary

Membership No. - A20792

**Atul Roongta**

Chief Financial Officer



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### BACKGROUND AND 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 (SEBI).

The consolidated financial statements relates to the Parent Company, its subsidiary companies, jointly controlled entities and associates (collectively referred to as "the Group").

The consolidated financial statements represent the results of Business operations of the National Commodity & Derivatives Exchange Limited (Exchange or Company or NCDEX) and its subsidiary companies, National Commodity Clearing Limited (NCCL) (100%), National E-Repository Limited (NERL) (67.22% upto January 8, 2025, 59.11% upto January 23, 2025 and 51% w.e.f January 24, 2025), NCDEX Institute of Commodity Markets and Research (NICR) (100%), NCDEX E Markets Limited (NEML) and its jointly controlled entity Rashtriya e Market Services Private Limited (ReMS) and Meta Materials Circular Markets Private Limited (Joint venture with subsidiary NeML) (99.73%) (as at March 31, 2024 99.73%) and the Exchange's Associate company Power Exchange India Limited (PXIL) 33.08% upto April 18, 2024, 31.62% upto June 4, 2024, 24.21% upto February 20, 2025, 22.05% upto March 23, 2025 and 17.06% w.e.f March 24, 2025. Further, w.e.f March 24, 2025, PXIL ceases to be an associate company.

#### 1A MATERIAL ACCOUNTING POLICIES :

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to year presented, unless otherwise stated.

#### a Statement of Compliance

The financial statements as at and for the year ended March 31, 2025 and year ended March 31, 2024 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 23, 2025.

#### 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.

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

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

- 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### c Principle of consolidation and equity accounting

#### i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

#### ii) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

#### iii) Joint Arrangements

Under IND AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

#### iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post - acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. When the group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

On cessation of investment in associates and joint venture, the retained interest is fair valued as on the date of the cessation and the

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

difference between the fair value of the retained interest and the carrying amount of the said investment is credited to the statement of profit and loss. Further, for the purpose of subsequent measurement, the Company elects an option of Fair Value through Other Comprehensive Income (FVOCI) or Fair Value Through Profit & Loss (FVTPL).

### **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 Revenue Recognition**

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

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

### **Transaction charges**

Transaction charges are recognised as income on trade date basis.

### **Annual subscription charges**

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

### **Admission fees**

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

### **Delivery Charges**

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

### **Interest Income**

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

### **Dividends**

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### **Risk Management Fees**

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

### **Comtrack / Repository charges**

Comtrack charges are recognized when a transaction for Fresh deposit, Ownership transfer, Client negotiated Trade (Off market transaction), Pledge creation / closure / invocation is entered by client .

### **Warehouse Charges**

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

### **Software service charges**

Software rental charges are recognized as income on the basis of agreement with parties and in respect of agreements with the joint controlled, claims are accounted on actual receipts.

### **Registration Fees**

Registration fee is recognized fully as one time income for the financial year.

### **Reactivation Fees**

Reactivation fees is charged when client agrees to reactivate the account and pays the same and It is recognised on receipt basis.

### **Interest Income on trade financing**

Interest income on Trade Finance is recognized on accrual basis taking into account the amount outstanding and the interest rate applicable as per agreement.

### **Corporate Buying arrangements**

Revenue from sale of goods is recognised at point in time as control passes as and when goods are sold

to customer. Interest income on Corporate buying is recognized on accrual basis taking into account the amount outstanding and the interest rate applicable as per agreement. The purchase of agricultural commodities (GST exempted commodities) made by the company under the corporate buying arrangement is on the basis of the purchase order/ specifications placed by the client. The Company does not hold commodities for self-consumption nor for trading purpose. The Company pays full amount of consideration to suppliers for purchase of commodities and receives 25% amount as advance from client. The commodities purchased are in title of the company to protect the client failure to pay until the outstanding dues is received from client. The price risk is not with the company as it monitors price movement on daily basis and makes mark to market calls if there is a fall in price and consequent margin beyond amount threshold limits. Further it receives monthly fixed consideration in form of Interest from Corporate Buying Arrangement (CBA) on outstanding dues and reimbursement of expenses incurred (warehouse charges, insurance charges etc) till commodities is transferred to client. In the event of default by client, the Company has the right to sell the commodity and recover it's outstanding dues along with pending dues such as interest from CBA/ expense reimbursement if any and transfer the balance consideration if any to client.

### **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.

The billing schedules agreed with customers include periodic performance-based billing and /

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

or milestone based progress billings. Revenues in excess of billing are classified as unbilled revenue while billing in excess of revenues are classified as contract liabilities (which we refer to as "unearned revenues").

All other revenue is recognised in the period in which the performance obligation is satisfied over a period of time or point in time.

### **f 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.

### **g 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 (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, financial assets that do not contain a significant financing component are measured at transaction price. 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 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).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 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.

### 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, plus in the case of trade receivables not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the trade receivable. However, trade receivables that do not contain a significant financing component are measured at transaction price.

### 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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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 116.
- 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 115.
- 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 116.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of profit and loss.

### h 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".

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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 Equipments	6 years

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or over the shorter of the assets useful life and the lease term if there is an uncertainty that the Group will obtain ownership at the end of the lease term.

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

### i 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 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.

### j Provisions, Contingent liabilities and Contingent assets

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

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

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

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

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

### k 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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

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

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

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

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

### **As a lessor**

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### I Current and Non-current classification

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

An asset is treated as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle i.e. twelve months
- ii. Held primarily for the purpose of trading, or
- iii. Expected to be realised within twelve months after the reporting period other than for (i) above, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- v. Current assets also includes current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle i.e. twelve months
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period other than for (i) above, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

### m Use of estimates and judgment

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

critical accounting estimates and assumptions having the most significant effect on the amounts recognised in the financial statements are:

#### - Estimated useful lives of property, plant and equipment and intangible assets

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

#### - Recognition and measurement of defined benefit obligations

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

#### - Recognition of deferred tax assets

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

### - **Contingent liabilities**

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

### - **Share Based Payments**

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

### - **Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the

group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

### n **Non-current assets held for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

As mandated by Ind AS 105, assets and liabilities would not be reclassified or re-presented for prior period.

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

### o **Core Settlement Guarantee Fund (Core SGF)**

From September 27, 2018, Clearing & Settlement function is carried out by National Commodity Clearing Limited (NCCL). Accordingly, as per SEBI requirement Core SGF is set up and maintained by NCCL. Contribution to Core SGF by the Exchange is debited to statement of Profit and Loss and contribution by NCCL to Core SGF is by way of appropriation from retained earnings in the respective standalone financial statements. As the Core SGF is maintained within the group, in consolidated financial statements, contribution by the Exchange and NCCL is appropriated out of retained earnings.

As per SEBI vide circular no. CIR/MRD/DRMNP/25/2014 dated August 27, 2014 every recognised clearing corporation shall establish and maintain a Fund for each segment, to guarantee the settlement of trades executed in that respective segment of a recognised Commodity exchange. The Clearing Corporation shall have a fund called

Core SGF for each segment of each Recognised Commodity Exchange to guarantee the settlement of trades executed in the respective segment of the Commodity Exchange. In the event of a clearing member (member) failing to honor settlement commitments, the Core SGF shall be used to fulfill the obligations of that member and complete the settlement without affecting the normal settlement process. The Core SGF shall be contributed by Exchange and National Commodity Clearing Limited (NCCL) and the clearing members, in a manner as prescribed by SEBI. This fund is represented by earmarked Core SGF investments. The income earned on such investments is credited to the respective contributor's funds and adjusted towards incremental requirement of Minimum Required Corpus (MRC). Settlement related penalties are transferred to Core SGF.

### p **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.

As per para 34 of Ind AS 12, a deferred tax asset shall be recognised for the carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (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 recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amount will be available to utilise those temporary differences and losses. At each reporting date the Group reassesses unrecognized deferred tax assets and recognizes the same to the extent it has become probable that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent it is probable that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group

recognizes MAT credit as an asset on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is not probable that the Group will pay normal tax during the specified period.

### q Fair Value Measurement

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

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

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

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

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

- **Level 1 — Quoted (unadjusted)**

This hierarchy includes financial instruments measured using quoted prices.

- **Level 2**

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

Level 2 inputs include the following:

- a) Quoted prices for similar assets or liabilities in active markets.
- b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c) Inputs other than quoted prices that are observable for the asset or liability.
- d) Market – corroborated inputs.

- **Level 3**

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

### r **Employee Benefit**

#### **Short-term obligations**

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

#### **Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in

respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of profit and loss.

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

#### **Post-employment obligations**

The Group operates the following post-employment schemes:

- a. defined benefit plans such as gratuity, and
- b. defined contribution plans such as provident fund.

#### **Defined benefit Plan**

- **Gratuity obligations**

The Group has maintained a Group Gratuity Cum Life Assurance Scheme with the Life Insurance Corporation of India (LIC) towards which it annually contributes a sum determined by LIC. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to yields on government securities at the end of the reporting period that have terms approximating to the terms of the related obligation.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit and loss as past service cost.

### Defined Contribution Plan

#### • Provident fund

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the provident fund.

#### Leave Encashment

Leave encashment is measured on the basis of actuarial report.

#### s Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During year ended March 31, 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback

transactions, applicable to the Company w.e.f April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

## B OTHER ACCOUNTING POLICIES :

### a Foreign currency translation and transactions

#### 1 Functional and presentation currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian currency (INR), which is the Group's functional and presentation currency.

#### 2 Transactions and balances

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

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### **b Government Grants**

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

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

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

### **c Business combination**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in consolidated statement of profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 'Income Taxes' ("Ind AS 12") and Ind AS 19 'Employee Benefits' ("Ind AS 19") respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognizing a gain in respect thereof, the Group determines where there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognizes it in other comprehensive income and accumulates the same in equity as capital reserve. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognizes the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to consolidated statement of profit or loss where

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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.

## **d Financial Instruments**

### **Cash and Cash equivalents**

Cash and Cash equivalents includes cash on hand, other short-term, 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.

### **Financial liabilities**

#### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Initial recognition and measurement**

Financial liabilities are recognised when the Group becomes a party to the contractual

provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit or loss.

### **Subsequent measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized. Interest expenses on these Financial liabilities are included in Finance cost using EIR method.

### **Financial guarantee contracts**

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### **Contributed Equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **e Borrowing Costs**

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

### **f 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.

### **g Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

### **h 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.

### **h Dividends**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

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
(₹ in lakh)									
<b>Cost or Deemed cost</b>									
Opening as at April 01, 2023	2,281	307	1,170	166	101	138	10	4,174	-
Additions	93	8	7	12	-	10	-	130	-
Disposals / Adjustments	131	7	15	7	3	9	-	172	-
Closing gross carrying amount	2,243	308	1,162	172	99	139	10	4,132	-
<b>Accumulated depreciation and impairment</b>									
Accumulated depreciation as at April 01, 2023	1,834	266	1,006	131	33	75	3	3,348	-
Depreciation for the year	249	15	70	19	14	14	1	383	-
Disposals / Adjustments	132	5	21	7	2	6	(1)	173	-
Closing accumulated depreciation	1,951	276	1,055	143	45	83	5	3,558	-
Net carrying amount as at March 31, 2024	292	32	106	30	54	56	4	574	-
<b>Cost or Deemed cost</b>									
Opening as at April 01, 2024	2,243	308	1,162	172	99	139	10	4,132	-
Additions	258	2	123	27	-	3	-	413	-
Disposals / Adjustments	150	-	-	12	0.04	-	-	162	-
Closing gross carrying amount	2,351	310	1,285	187	99	142	10	4,383	-
<b>Accumulated depreciation and impairment</b>									
Opening as at April 01, 2024	1,951	276	1,055	143	45	83	5	3,558	-
Depreciation for the year	125	14	42	14	14	15	1	225	-
Disposals / Adjustments	150	-	-	12	0.04	-	-	162	-
Closing accumulated depreciation	1,926	290	1,097	145	59	98	6	3,621	-
Net carrying amount as at March 31, 2025	425	20	188	42	40	44	4	762	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**3 INTANGIBLE ASSETS**

(₹ in lakh)

Particulars	Computer Software	Total	Intangible assets under development	Total
<b>Cost or Deemed cost</b>				
<b>Opening as at April 01, 2023</b>	12,289	12,289	501	501
Additions	1,183	1,183	567	567
Disposals/ Capitalised during the year	121	121	622	622
Impairment	-	-	-	-
<b>Closing gross carrying amount</b>	<b>13,351</b>	<b>13,351</b>	<b>446</b>	<b>446</b>
<b>Accumulated amortisation and impairment losses</b>				
<b>Accumulated amortisation as at April 01, 2023</b>	8,103	8,103	-	-
Amortisation for the year	1,535	1,535	-	-
Disposals / Adjustments	20	20	-	-
<b>Closing accumulated amortisation</b>	<b>9,618</b>	<b>9,618</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2024</b>	<b>3,733</b>	<b>3,733</b>	<b>446</b>	<b>446</b>
<b>Cost or Deemed cost</b>				
<b>Opening as at April 01, 2024</b>	13,351	13,351	446	446
Additions	1,122	1,122	512	512
Disposals/ Capitalised during the year	1	1	774	774
<b>Closing gross carrying amount</b>	<b>14,472</b>	<b>14,472</b>	<b>184</b>	<b>184</b>
<b>Accumulated amortisation and impairment losses</b>				
<b>Opening as at April 01, 2024</b>	9,618	9,618	-	-
Amortisation for the year	1,769	1,769	-	-
Disposals / Adjustments	-	-	-	-
<b>Closing accumulated amortisation</b>	<b>11,387</b>	<b>11,387</b>	<b>-</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2025</b>	<b>3,085</b>	<b>3,085</b>	<b>184</b>	<b>184</b>

## Intangible assets under development categories ageing as at March 31, 2025

(₹ in lakh)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	137	13	33	0.2	184
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>137</b>	<b>13</b>	<b>33</b>	<b>0.2</b>	<b>184</b>

Any of the project's completion is not overdue &amp; neither any cost is exceeded as compared to original plans.

## Intangible assets under development categories ageing as at March 31, 2024

(₹ in lakh)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	233	115	37	61	446
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>233</b>	<b>115</b>	<b>37</b>	<b>61</b>	<b>446</b>

Any of the project's completion is not overdue &amp; neither any cost is exceeded as compared to original plans.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 4 NON CURRENT INVESTMENTS

(₹ in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Quantity	Amount	Quantity	Amount
<b>a) Investment in associates / joint ventures accounted for using the equity method</b>				
<b>Investments in Unquoted equity Shares</b>				
<b>(i) In Associate</b>				
Equity Shares of ₹ 10/- each fully paid up in Power Exchange India Limited			14,615,609	1,462
Add/(less): Cumulative share of Profit		-		836
		-		<b>2,298</b>
<b>(ii) In Joint Venture</b>				
(a) Rashtraya e Market Services Private Limited	5,000,000	500	5,000,000	500
Add: Share of Profit		2,549		2,268
		<b>3,049</b>		<b>2,768</b>
(b) Meta Material Circular Markets Private Limited	5,000,000	500	5,000,000	500
Add: Additional Capital Infused	1,500,000	150		-
Add: Share of Profit / (Loss)		(245)		(64)
		<b>405</b>		<b>436</b>
<b>Total</b>		<b>3,454</b>		<b>5,502</b>
<b>b) Other non current investments</b>				
<b>Investments in Unquoted equity Shares</b>				
Equity share of ₹ 10/- each fully paid up in National Warehousing Corporation Pvt. Ltd	98,900	-	98,900	-
<b>Total</b>		-		-
		<b>3,454</b>		<b>5,502</b>
Aggregate amount of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate amount of unquoted investments		3,454		5,502

#### 4(a) Investment held for sale in associate

(₹ in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Quantity	Amount	Quantity	Amount
<b>Investments Held for Sale</b>				
Equity Shares of ₹10/- each fully paid up in Power Exchange India Limited *	-	-	4,724,263	472
Add/(less): Cumulative Share of Profit		-		270
		-		<b>742</b>
<b>Total</b>		-		<b>742</b>

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

During the year ended March 31 2023, the Board had accorded its in-principle approval for sale of investment in associate namely PXIL, to the extent of 9.21% (53,84,391 equity shares) to comply with regulatory requirement and the same was classified as 'Asset held for sale'. During the year ended March 31, 2024, the Exchange had sold 1.13% (6,60,128 equity shares) of its stake in PXIL (associate company) to a buyer for a consideration of ₹ 700 lakh. The profit of ₹ 579 lakh (net of expenses ₹ 16 lakh), for the year ended March 31, 2024 on the said stake sale of ₹ 700 lakh, had been credited to the statement of profit and loss and shown as an exceptional income. As at March 31, 2024, the management continued to classify the balance 8.08% (47,24,263 equity shares) stake held in PXIL as 'Asset held for sale', being the excess holding over regulatory requirement.

During the year ended March 31, 2025, the Exchange has sold 16.01% (93,63,287 equity shares) of its stake in PXIL for a consideration of ₹ 15,656 lakh. The net profit of ₹ 13,937 lakh (net of expenses of ₹ 20 lakh) earned during the year ended March 31, 2025 on the said stake sale of ₹ 15,656 lakh, has been credited to the statement of profit and loss and shown as an exceptional income.

### 5 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2025		As at March 31, 2024	
	Quantity	Amount	Quantity	Amount
<b>Investment in unlisted equity shares (At FVTOCI)</b>				
Power Exchange India Limited (PXIL) (Face value of ₹10 per share)	9,976,585	23,888	-	-
<b>Total</b>		<b>23,888</b>		<b>-</b>

Particulars	Non Current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>(a) Non-current bank balances</b>				
Deposits with bank - original maturity more than 12 months *	6,124	1,553	-	-
Earmarked Deposits with bank - original maturity more than 12 months #	526	526	-	-
<b>Total (a)</b>	<b>6,650</b>	<b>2,079</b>	<b>-</b>	<b>-</b>
<b>(b) Others</b>				
<b>Secured, Considered Good</b>				
Recoverable from subsidiaries / Joint ventures	-	-	0.3	-
Interest accrued on fixed deposits **	49	22	1,087	1,107
Interest accrued on earmarked fixed deposits	81	47	-	-
Security Deposits	60	242	308	104
Unbilled revenue	-	-	1,315	723
Receivable against sale of Mutual Funds	-	-	-	300
Trade Money receivable from members	-	-	10	32
Trade Financing	-	-	1,117	100
Earnest Money deposit	-	-	36	34
Other assets	-	-	2	2
Others receivables considered good	-	-	-	11
<b>Receivables - Unsecured</b>				
Others receivables - credit impaired	32	32	1,696	1,696
Less: Allowance for bad and doubtful receivables (Refer note 32 )***	(32)	(32)	(1,696)	(260)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,436</b>
<b>Total (b)</b>	<b>190</b>	<b>311</b>	<b>3,876</b>	<b>3,848</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

\* Fixed Deposit for Core Settlement Guarantee Fund (Core SGF) ₹ 3188 lakh (March 31, 2024 : ₹ 340 lakh).

\*\* Includes interest on Core SGF - Non Current ₹ 21 lakh (March 31, 2024 : ₹ 1 lakh) and Current ₹ 575 lakh (March 31, 2024 : ₹ 776 lakh)

# Earmarked deposits are restricted. Deposits of ₹ 511 Lakh are earmarked against performance guarantee of ₹ 500 Lakh given to WDRA as per their guidelines and deposits ₹ 15 Lakh are earmarked for Corporate Credit Card limit of ₹ 9 Lakhs issued by ICICI Bank Limited.

\*\*\* Provision of ₹ 260 lakh as at March 31, 2024 regrouped to 'Current financial assets from 'Current provisions'.

### 6 INCOME TAX ASSETS (NET)

(₹ in lakh)

Particulars	Non Current	Non Current	Current	Current
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Advance income tax paid including tax deducted at source receivable (net of provision) *	1,449	1,784	154	630
<b>Total</b>	<b>1,449</b>	<b>1,784</b>	<b>154</b>	<b>630</b>

\* Includes TDS on Core SGF ₹ 35 lakh (March 31, 2024 : ₹ 76 lakh)

### 7 OTHER ASSETS

(₹ in lakh)

Particulars	Non Current	Non Current	Current	Current
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Capital Advances	8	8	-	-
Prepaid Expenses	49	25	562	524
Deferred Rent	-	3	3	3
Balances with government authorities *	-	-	1,394	892
Other receivables	-	-	27	15
Advance to employee	-	-	13	0.8
<b>Total</b>	<b>57</b>	<b>36</b>	<b>1,999</b>	<b>1,434</b>

\* Includes ₹ 171 lakh (PY ₹ 171 lakh) paid under protest towards service tax demand

### 8 CURRENT INVESTMENTS

(₹ in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Units	Amount	Units	Amount
<b>A) Investment in bonds</b>				
<b>Bond (Quoted)</b>				
7.35% NHAI Tax-free bonds 2015 Maturity dated January 11, 2031 \$	57,140	615	57,140	638
7.35% NABARD Tax-free bonds Maturity dated March 23 2031 \$	67,475	745	67,475	760
8.48% NTPC Tax-free bonds Maturity dated December 16, 2028 \$	44,799	538	44,799	538
9.64% Power Grid Corporation of India Ltd 2024 \$ \$	-	-	14	177
9.25%Power Finance Corporation Ltd 2024 \$ \$	-	-	6	62
<b>Total Bonds (a)</b>		<b>1,898</b>		<b>2,175</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

(₹ in lakh)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Units	Amount	Units	Amount
<b>B) Investment in mutual funds - (at FVTPL)</b>				
<b>Mutual Funds (Unquoted)</b>				
Aditya Birla Sunlife Cash Plus - Direct Plan - Growth option *	6,931	29	8,359	33
ABSL Liquid Fund -Direct Plan-Growth option	29,938	125	77,109	300
Axis Liquid Fund - Direct Plan - Growth option	25,562	737	11,197	300
Axis Liquid Fund Direct Plan - Growth option **	3,959	114	2,602	70
HDFC- Overnight Fund -Direct Plan -Growth option	7,137	270	-	-
HDFC- Liquid Fund -Direct Plan -Growth option	10,152	517	3,799	180
HDFC- Liquid Fund -Direct Plan -Growth option *	49	3	213	10
HSBC Liquid Fund-Direct Plan-Growth option	12,211	316	20,861	502
DSP Liquid Fund -Direct Plan-Growth option	8,374	311	-	-
ICICI Prudential Overnight Fund - Direct Plan - Growth option	-	-	17,838	230
ICICI Prudential Liquid Plan - Direct Plan - Growth option	130,567	501	-	-
Kotak Overnight Fund - Direct Plan - Growth option ***	-	-	1,818	23
Kotak Liquid Scheme- Direct Plan-Growth option ***	1,003	53	616	30
Kotak Liquid Fund -Direct Plan-Growth option	2,874	151	-	-
Nippon India Liquid Fund - Direct Plan - Growth option	3,156	200	10,204	603
SBI Saving Fund - Direct Plan - Growth option	-	-	7,961	301
SBI Liquid Fund - Direct Plan - Growth option	3,336	135	7,951	300
Tata Liquid Fund-Direct Plan-Growth option #	2,857	117	18,223	694
<b>Total - Current Investments (b)</b>		<b>3,579</b>		<b>3,576</b>
<b>Aggregate amount of investments (a+b)</b>		<b>5,477</b>		<b>5,751</b>
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				
\$ Valued at fair value through FVTOCI				
\$ \$ Held to maturity and valued at amortised cost				
# Includes mutual fund earmarked for Core Settlement Guarantee Fund ₹ 2 lakh (March 31, 2024 : ₹ 326 lakh).				
<b>Note 1</b>				
Aggregate amount of quoted investments		1,898		2,175
Aggregate market value of quoted investments		1,898		2,175
Aggregate amount of unquoted investments		3,579		3,576

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**9 TRADE RECEIVABLES**

(₹ in lakh)

Particulars	Current	
	As at March 31, 2025	As at March 31, 2024
a) Trade receivables considered good - Secured *	402	399
b) Trade receivables considered good - Unsecured	2,462	2,507
Unsecured, considered doubtful		
c) Trade Receivables which have significant increase in Credit Risk **	577	577
d) Trade Receivables - credit impaired	836	852
	<b>4,278</b>	<b>4,335</b>
Less : Insurance claim received # (Refer Note 38)	(1,191)	(1,191)
Less : Expected credit loss allowance	(836)	(852)
<b>Total</b>	<b>2,251</b>	<b>2,292</b>

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

\*\*no provision is made since there is corresponding liability as "Payable to Core SGF" as referred in Note-18

# represents amount received pending settlement of recovery from defaulting members

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Trade Receivables Ageing as at March 31, 2025

(₹ in lakh)

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	1,478	65	40	33	56	1,672
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	0.05	1	1
Disputed Trade Receivables – considered good	-	-	-	-	1,191	1,191
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	577	577
Disputed Trade Receivables –credit impaired	-	-	-	-	838	838
<b>Sub Total</b>	<b>1,478</b>	<b>65</b>	<b>40</b>	<b>33</b>	<b>2,662</b>	<b>4,278</b>
Less : Expected credit loss allowance	(1)	(0.3)	(0.1)	(0.4)	(834)	(836)
Less : Insurance claim received # (Refer Note 38 )	-	-	-	-	(1,191)	(1,191)
<b>Total</b>	<b>1,477</b>	<b>64</b>	<b>40</b>	<b>33</b>	<b>638</b>	<b>2,251</b>

### Trade Receivables Ageing as at March 31, 2024

(₹ in lakh)

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	1,254	347	54	7	53	1,715
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	0	-	0.8	0.8	2
Disputed Trade Receivables – considered good	-	-	-	-	1,191	1,191
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	577	577
Disputed Trade Receivables –credit impaired	17	-	-	41	792	850
<b>Sub Total</b>	<b>1,271</b>	<b>347</b>	<b>54</b>	<b>49</b>	<b>2,613</b>	<b>4,335</b>
Less : Expected credit loss allowance	(17)	-	-	(41)	(793)	(852)
Less: Insurance claim received # (Refer Note 38 )	-	-	-	-	(1,191)	(1,191)
<b>Total</b>	<b>1,254</b>	<b>347</b>	<b>54</b>	<b>8</b>	<b>629</b>	<b>2,292</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**10 CASH AND CASH EQUIVALENTS**

(₹ in lakh)

Particulars	Current			
	No of Units	As at March 31, 2025	No of Units	As at March 31, 2024
<b>Cash in hand</b>				
Cash in hand		0.1		0.2
<b>Balances with bank</b>				
On current accounts		4,721		1,485
Deposits with original maturity of three months or less		4,744		6,133
<b>Others</b>				
<b>Investments in mutual funds (Highly Liquid Funds)</b>				
ABSL Money Market Fund - Direct Plan - Growth Option	249,639	918	-	-
ICICI Prudential Money Market Fund-Direct Plan-Growth Option	159,740	602	12,053	43
ICICI Prudential Overnight Fund - Direct Plan- Growth Option	-	-	1,473	19
ICICI Prudential Liquid Plan - Direct Plan - Growth Option	24,481	94	56,184	201
Kotak Money Markets Fund - Direct Plan Growth Option	13,775	612	-	-
Nippon Liquid Fund - Direct Growth Plan - Option	-	-	3,399	201
Aditya Birla Liquid Fund - Direct Plan - Growth Option	-	-	133,974	522
Tata Money Market Fund - Direct Plan - Growth Option	43,178	2,036	-	-
Axis Liquid Fund - Direct Plan - Growth Option	-	-	11,711	314
Axis Money Market Fund - Direct Plan - Growth Option	99,209	1,405	-	-
HDFC Money Market Fund-Direct Plan-Growth Option	19,295	1,103	22,658	863
<b>Total</b>		<b>16,235</b>		<b>9,781</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in lakh)

Particulars	Current	
	As at March 31, 2025	As at March 31, 2024
Unpaid Dividends #	-	101
Earmarked Flexi deposit balances*	60	72
Earmarked bank balances **	3	16
Earmarked fixed deposits	13	13
Deposits with original maturity for more than 3 months but less than 12 months ***	14,988	5,358
Deposits with original maturity of less than 12 months at the balance sheet date	17,327	14,113
<b>Fixed Deposits - Core Settlement Guarantee Fund</b>		
Deposits with original maturity for more than 3 months but less than 12 months	5,150	301
Deposits with original maturity of less than 12 months at the balance sheet date	11,817	18,175
<b>Total</b>	<b>49,358</b>	<b>38,150</b>

\* Earmarked Flexi deposit balances

- Includes ₹ 0.04 lakh (March 31, 2024 ₹ 19 lakh) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ 59 lakh (March 31, 2024 ₹ 53 lakh) represents earmarked for Base Minimum Capital.

\*\* Earmarked bank balances

- Includes ₹ 0.81 lakh (March 31, 2024 : ₹ 0.70 lakh) for Investor Service Fund.
- Includes ₹ 2.07 lakh (March 31, 2024 ₹ 4.99 lakh) for Base Minimum Capital.
- Includes ₹ 0.01 lakh (March 31, 2024 ₹ 0.72 lakh) for SEBI Regulatory fees
- Includes ₹ NIL (March 31, 2024 ₹ 0.22 lakh) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ 0.3 lakh (March 31, 2024 ₹ 5.19 lakh) for Core Settlement Guarantee Fund
- Includes ₹ NIL (March 31, 2024 ₹ 1 lakh) represents funds collected on behalf of defaulter member as per SEBI directions
- Includes ₹ NIL ( March 31, 2024 ₹ 3 lakh) represents earmarked for Base Minimum Capital.

\*\*\* Includes Fixed Deposits of ₹ 1302 lakh (March 31, 2024 : ₹ 905 lakh) lien marked for Overdraft facility and includes margin money for bank gurantee of ₹ NIL (March 31, 2024 : ₹ 404 lakh)

# paid pursuant to SEBI directives

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 12 EQUITY SHARE CAPITAL

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Authorised</b>		
70,000,000 Equity shares of ₹ 10/- each (Previous Years : 70,000,000 Equity shares of ₹ 10/- each)	7,000	7,000
<b>Issued, subscribed and fully paid up shares</b>		
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
<b>Total</b>	<b>5,068</b>	<b>5,068</b>

**a. Reconciliation of the authorised equity shares outstanding at the beginning and at the end of the reporting year.**

	March 31, 2025		March 31, 2024	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh
<b>Equity Shares of ₹ 10 each fully paid</b>				
At the beginning of the year	70,000,000	7,000	70,000,000	7,000
Conversion of Preference share into equity share capital	-	-	-	-
Outstanding at the end of the year	70,000,000	7,000	70,000,000	7,000

**b. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year.**

	March 31, 2025		March 31, 2024	
	No. of Shares	₹ in lakh	No. of Shares	₹ in lakh
<b>Equity Shares of ₹ 10 each fully paid</b>				
At the beginning of the year	50,676,000	5,068	50,676,000	5,068
Addition during the period/year	-	-	-	-
Outstanding at the end of the year	50,676,000	5,068	50,676,000	5,068

**c. Terms/Rights attached to equity share**

The Exchange has only one class of equity share having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Exchange declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Exchange, the holder of the equity shares will be entitled to receive remaining assets of the Exchange, after distribution of all the preferential amounts. The distribution will be in the proportion to the number of equity shares held by the shareholder.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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

	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	% holding	No. of Shares	% holding
<b>Equity Shares of ₹ 10 each fully paid</b>				
National Stock Exchange of India Limited	7,601,377	15.00%	7,601,377	15.00%
Life Insurance Corporation of India	5,625,000	11.10%	5,625,000	11.10%
National Bank for Agriculture and Rural Development	5,625,000	11.10%	5,625,000	11.10%
Indian Farmers Fertiliser Cooperative Limited (IFFCO) *	-	-	5,068,000	10.00%
Oman India Joint Investment Fund (OIJIF) *	-	-	5,067,600	10.00%
Punjab National Bank	3,694,446	7.29%	3,694,446	7.29%
Build India Capital Advisors LLP	2,233,799	4.41%	2,533,799	5.00%
Canara Bank	3,055,519	6.03%	3,055,519	6.03%
Investcorp Private Equity Fund - I (previously known as IDFC Private Equity Fund III)	-	-	1,646,970	3.25%
Shree Renuka Sugars Limited	2,533,700	5.00%	2,533,700	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.

### e. Shares reserved for issue under options

For details of shares issued under the employee stock option (ESOP) plan of the Company, please refer note 42

### f. The company has not issued any shares by way of bonus or for consideration other than cash and has not bought back any shares during the period of five years immediately preceeding the reporting date

### g. Shareholding of promoter

Shares held by promoters at March 31, 2025

	No. of Shares	% of total shares	% change during the year
<b>Promoter</b>		NIL	
<b>Promoter Group</b>		NIL	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

12 OTHER EQUITY

Particulars	Reserves and Surplus										Items of Other Comprehensive Income	Grand Total		
	Securities Premium Reserve	Share Application Money	Share option Reserve	Management Reserve	Risk Management Fund	General reserve	Core Settlement Guarantee Fund	Special Guarantee Fund	Retained Earnings	FVTOCI Debt Instrument		Attributable to owners of the Parent Company	Attributable to Non-controlling interest	Total
<b>Balance at the April 1, 2023</b>	14,016	-	19	20	1,110	23,855	1	3,351	41	42,412	1,824	44,237		
Addition in current year	-	-	2	-	-	322	-	(2,606)	-	(2,283)	(164)	(2,446)		
Add : Replenishment of SGF	-	-	-	-	-	1,201	-	-	-	1,201	-	1,201		
Add : Interest on above replenished amount	-	-	-	-	-	326	-	-	-	326	-	326		
Add : Interest on income tax refund (net)	-	-	-	-	-	6	-	-	-	6	-	6		
Add : Income on investment of SGF	-	-	-	-	-	1,381	-	-	-	1,381	-	1,381		
Less : Contribution returned to contributing stakeholders	-	-	-	-	-	(5,046)	-	5,046	-	-	-	-		
<b>Less : Income tax expense</b>	-	-	-	-	-	(2,044)	-	-	-	(2,044)	-	(2,044)		
Less : Provision for Tax	-	-	-	-	-	(59)	-	-	-	(59)	-	(59)		
Utilised / Converted during the year	-	-	(21)	-	-	-	-	19	-	(2)	-	(2)		
Items of Other Comprehensive Income for the year, net of tax	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Remeasurement benefit of defined benefit plans</b>	-	-	-	-	-	-	-	(45)	-	(45)	(3)	(48)		
Net fair value gain on investment in equity instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-		
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	(22)	-	(22)		
<b>Balance as at March 31, 2024</b>	14,016	-	0.1	20	1,110	19,941	1	5,766	19	40,871	1,658	42,530		
Add : Addition in Current year	-	-	-	-	-	194	-	23,749	-	23,943	(140)	23,803		
Add : Replenishment of SGF	-	-	-	-	-	-	-	-	-	-	-	-		
Add : Interest on above replenished amount	-	-	-	-	-	1	-	-	-	1	-	1		
Add : Interest on income tax refund (net)	-	-	-	-	-	6	-	-	-	6	-	6		
Add : Income on investment of SGF	-	-	-	-	-	1,474	-	-	-	1,474	-	1,474		
Add: Gain on sale of interest in subsidiary	-	-	-	-	-	-	-	1,998	-	1,998	-	1,998		
Less: Tax on gain on sale of interest in subsidiary	-	-	-	-	-	-	-	(206)	-	(206)	-	(206)		
Add: Changes in proportion held by NCI	-	-	-	-	-	-	-	-	-	-	759	759		
Less : Contribution returned to contributing stakeholders	-	-	-	-	-	(595)	-	595	-	-	-	-		
Less : Income tax expense	-	-	-	-	-	(157)	-	-	-	(157)	-	(157)		
Less : Provision for Tax	-	-	-	-	-	(75)	-	-	-	(75)	-	(75)		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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	Special Guarantee Fund		Retained Earnings	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	-	-	-	-	-	-	-	(100)	-	(100)	(6)	(106)
Net fair value gain on investment in equity instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-
Net fair value gain on investment in debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	(34)	(34)	-	(34)
Balance as at March 31, 2025	14,016	-	0.1	20	1,110	20,788	1	31,802	(15)	67,721	2,271	69,992

- Dividend on equity shares: The company has neither declared nor paid dividend for the year ended March 31, 2025 and March 31, 2024.
- The above Core SGF amounting to ₹ 20,788 lakh (March 31, 2024 ₹ 19,941 lakh) has been considered by the management as a part of equity and is included under "Other Equity".
- NCCL, vide its letter dated September 5, 2018, had given an undertaking to SEBI for increasing the Core Settlement Guarantee Fund (Core SGF) to ₹ 250 crore by way of equitable additions every 6 months over the period of 3 years i.e. by September 30, 2021. Accordingly, the NCCL was required to have the Core SGF of ₹ 250 crore as on September 30, 2021. NCCL, has been making applications to SEBI for extension of timelines. The last extension was granted till June 30, 2023 by SEBI vide its letter dated December 15, 2022.  
Subsequently, as per SEBI circular SEBI/HO/MRD/MRD-POD-1/P/CIR /2023/78 dated May 23, 2023 relating to revision in computation of Core Settlement Guarantee Fund in Commodity Derivatives Segment, Clearing Corporations in Commodity Derivatives Segment may align their core SGF in terms of SEBI circulars dated August 27, 2014 as well as July 11, 2018 and excess contribution, if any, may be returned to the contributing stakeholders on a pro-rata basis, after taking due approval from SEBI. Accordingly, NCCL has received approval from SEBI vide letter dated SEBI/HO/MRD/RAC-1/P/OW/2023/28875/1 dated July 18, 2023 for withdrawal of excess contribution of ₹ 6,185 lakhs and ₹ 842 lakhs by the NCCL and National Commodity & Derivatives Exchange Limited (NCDEX) respectively from Core SGF. Based on this approval, the NCCL has withdrawn ₹ 4,442 lakhs (net of tax of ₹ 1,734 lakhs) up to March 31, 2024 from the own contribution made by NCCL. Further, NCCL has returned to the Exchange ₹ 605 lakh (net of tax of ₹ 236 lakh) up to March 31, 2024 from the contribution made by NCDEX to Core SGF. The above withdrawals by the Exchange and NCCL (net of tax) has been credited to Retained Earnings. Further, NCCL has received approval from SEBI vide letter dated SEBI/HO/MRD/RAC-1/P/OW/2024/0025143/1 dated August 6, 2024 for withdrawal of excess contribution of ₹ 640 lakh and ₹ 188 lakh by NCCL and NCDEX respectively from Core SGF. Based on this approval, the Company has withdrawn ₹ 460 lakh (net of tax of ₹ 176 lakh) up to March 31, 2025 from the own contribution made by NCCL and credited the same to Retained Earnings. Further, NCCL has returned to NCDEX ₹ 135 lakh (net of tax of ₹ 52 lakh) up to March 31, 2025 from the contribution made by NCDEX to Core SGF. The above withdrawals by the company and NCCL (net of income tax) has been credited to the Retained Earnings.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

Description of nature and purpose of reserve	
<b>1 Securities Premium Reserve</b>	Securities premium is used to record the premium on issue of shares i.e. the amount received in excess of the par value of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
<b>2 General Reserve</b>	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.
<b>3 Settlement Guarantee Fund</b>	Settlement Guarantee Fund (SGF) - SGF was constituted by the Company as per the regulatory requirement. The amount was earmarked for completion of the settlement, in case of a default by a member.
<b>4 Retained Earnings</b>	The amount that can be distributed by the Exchange as dividends to its equity shareholders is determined based on the standalone 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.
<b>5 Reserve for debt instruments through other comprehensive income</b>	This reserve represents the cumulative gains and losses arising on the revaluation of debt instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or impairment losses on such instruments.
<b>6 Employees Stock Option Outstanding Account (Refer Note 42)</b>	
<b>7 Risk Management Fund</b>	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. Company has not utilised any amount in FY 2023-2024 and in previous year from the fund. As considered by the Management of the Company the Contribution made is appropriate and sufficient to cover member defaults, if any.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**13 NON-CURRENT DEPOSITS AND OTHER FINANCIAL LIABILITIES**

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Non-current deposits</b>		
Base Minimum Capital *	869	894
	<b>869</b>	<b>894</b>
<b>Lease Liabilities</b>	367	966
<b>Total</b>	<b>1,236</b>	<b>1,860</b>

\* Non current portion of Base minimum capital of ₹ 869 lakh (PY ₹ 894 lakh) is carried at undiscounted value as the date of refund cannot be estimated

**14 PROVISIONS**

(₹ in lakh)

Particulars	Non-Current		Current	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>i) Employee benefits obligation</b>				
a) Provision for gratuity	465	379	312	258
b) Provision for leave encashment	224	250	90	90
c) Provision for Performance based incentives	354	319	864	813
<b>ii) Other Provisions (Refer note 32) **</b>	-	-	-	-
	1,043	948	1,266	1,161
<b>iii) Current Tax liabilities *</b>	-	-	575	393
<b>Total</b>	<b>1,043</b>	<b>948</b>	<b>1,841</b>	<b>1,553</b>

\*Includes Core Settlement Guarantee Fund income tax liability of ₹ NIL lakhs (March 31, 2024 : ₹ 59 lakh)

\*\* Provision of ₹ 260 lakh as at March 31, 2024 regrouped from 'Current provisions' to 'Current financial assets'

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**15 DEFERRED TAX ASSETS (NET)**

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Deferred tax assets components</b>		
Employee benefits	298	264
Provision For Expected Credit Loss	637	213
Unabsorbed losses / depreciation	4,310	5,186
Deferred tax assets on ISF liabilities and SEBI Regulatory Fees	46	39
Cumulative catch-up lease accounting Ind AS 116	0.2	-
Ind AS 116- ROU and Lease Liability	11	15
Depreciation and amortisation	110	-
<b>Gross deferred tax asset</b>	<b>5,413</b>	<b>5,717</b>
<b>Deferred tax liabilities components</b>		
Depreciation and amortisation	-	45
Financial Assets at Fair Value through P&L	7	6
Financial Assets at Fair Value through OCI	-	2
Ind AS 116- ROU and Lease Liability	18	23
Share of undistributed profits of Associate	-	278
Core SGF contribution	722	-
<b>Gross deferred tax liabilities</b>	<b>747</b>	<b>354</b>
<b>Net deferred tax asset / (liability)</b>	<b>4,666</b>	<b>5,363</b>
<b>Deferred tax assets</b>	<b>5,413</b>	<b>5,717</b>
<b>Deferred tax liabilities</b>	<b>747</b>	<b>354</b>

- (a) During the previous year ended March 31, 2024, the Exchange had derecognized MAT credit of ₹ 206 lakh.
- (b) As at March 31, 2025, the group continues to recognize and carries deferred tax assets of ₹ 4,310 lakh on account of business losses and unabsorbed depreciation on a reasonable certainty based on future taxable profits. Management expects that business losses and unabsorbed depreciation will be adjusted against the future taxable profits based on the approved business plan and projections by the group.

**Deferred tax liabilities (Net)**

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Deferred tax liabilities components</b>		
Fair Valuation of Equity Instrument	3,132	-
<b>Deferred tax assets components</b>		
Financial assets at fair value through OCI	3	-
<b>Total *</b>	<b>3,129</b>	<b>-</b>

\* brought forward business losses is not legally offsetable against the tax liability on unrealised capital gain.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 16 DEPOSITS

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Base Minimum Capital	902	689
	<b>902</b>	<b>689</b>
Deposit from members	7,012	7,426
Deposit from applicants	-	10
Deposits from clearing banks	5,100	4,700
Deposits from repository participants	816	860
Deposits from warehouse service providers	399	374
<b>Total</b>	<b>14,230</b>	<b>14,059</b>

### 17 TRADE PAYABLES

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Total outstanding due of Micro and Small Enterprises	154	83
b) Total outstanding dues of creditors other than Micro and Small Enterprises	893	848
<b>Total</b>	<b>1,047</b>	<b>931</b>

#### Trade Payable Ageing as at March 31, 2025

(₹ in lakh)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	154	-	-	-	<b>154</b>
Others	860	1	0.02	32	<b>893</b>
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
<b>Total</b>	<b>1,014</b>	<b>1</b>	<b>0.02</b>	<b>32</b>	<b>1,047</b>

#### Trade Payable Ageing as at March 31, 2024

(₹ in lakh)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	83	-	-	-	<b>83</b>
Others	823	0	-	25	<b>848</b>
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
<b>Total</b>	<b>906</b>	<b>0</b>	<b>-</b>	<b>25</b>	<b>931</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 18 OTHER FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Creditors for Capital Expenditure	130	133
b) Creditors for Capital Expenditure Micro and Small Enterprises	17	22
c) Interest Payable MSME	0.6	0.2
d) Dues to members	374	444
e) Payable - Members/Customers	281	369
f) Payable to Core SGF	577	577
g) Other payable	113	68
h) FPO grant assistance	19	-
i) Margin money from members	23,580	12,412
	<b>25,091</b>	<b>14,026</b>
Lease Liabilities	599	547
<b>Total</b>	<b>25,690</b>	<b>14,573</b>

### 19 OTHER CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Revenue received in advance	353	322
b) Investor protection fund *	86	33
c) Investor Service fund	29	40
d) Unpaid dividend **	-	101
e) SEBI turnover and regulatory fees	155	116
f) Statutory dues payable	640	1,650
g) Others	52	43
<b>Total</b>	<b>1,315</b>	<b>2,305</b>

\* Includes ₹ 19 lakh ( March 31, 2024 : ₹ 19 lakh) payable to Investor Protection Fund Trust, in view of the freeze order on the security deposit of the member Bhavishya Advisory and Comtrade (India) Pvt. Ltd. However, Forward Market Commission(FMC) has directed that NCDEX shall get the freeze order lifted by the police authorities and reimburse the amount to the Trust towards settlement of award and arbitration cost which the Trust has paid.

\*\* paid pursuant to SEBI directives

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**20 REVENUE FROM OPERATIONS**

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Sale of services</b>		
Transaction charges	5,457	5,347
Annual subscription fees	224	227
Admission fees	59	78
Risk management fees	361	450
Delivery charges	333	466
E-Repository services	930	823
Exchange charges	168	67
Warehouse charges	95	102
Data, Analytics and Technology Sales	501	581
<b>Other Operating Revenues</b>		
Software Services	411	1,303
Computer to computer link charges	32	40
Port charges	71	54
Others	177	102
<b>Total</b>	<b>8,819</b>	<b>9,640</b>

**Revenue Recognised**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Point in time	7,217	7,179
Over the period of time	1,602	2,461
<b>Total</b>	<b>8,819</b>	<b>9,640</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 21 OTHER INCOME

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on Bank deposits	2,346	2,089
Interest on Bonds	135	152
Interest income on trade financing	56	260
Profit on sale / Fair Value of MF Units	422	446
Net gain/(loss) on financial assets measured at Fair Value through Profit or Loss	27	30
Provision no longer required	0.3	-
Lease Line charges	271	261
Interest on Income Tax Refund	17	249
Reversal of Lease Liability(net)	-	26
Recovery of charges	10	-
Profit on sale/scrap of fixed assets (net)	5	47
Dividend Income	-	353
Sundry balances written back	54	-
Others *	44	52
<b>Total</b>	<b>3,387</b>	<b>3,966</b>

\* recovery of expense of ₹ 5 lakh for the year ended March 31, 2024 regrouped to 'other income' from 'other expense'

### 22 EMPLOYEE BENEFITS EXPENSES

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, bonus and allowances	8,434	7,993
Contribution to Provident and other funds	626	586
Staff welfare expenses	533	521
<b>Total</b>	<b>9,593</b>	<b>9,100</b>

### 23 FINANCE COSTS

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on lease liability	99	136
Other Interest	0.2	0.4
Interest on MSME	0.6	-
<b>Total</b>	<b>100</b>	<b>136</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 24 DEPRECIATION & AMORTIZATION

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation	225	383
Amortization	1,769	1,534
Amortization of right to use assets	515	545
<b>Total</b>	<b>2,509</b>	<b>2,462</b>

### 25 (a) Technology Expenses

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Repairs & Maintenance - Hardware and Software	2,567	2,684
Annual Maintenance charges	896	745
Networking Expenses	273	240
Data Centre Expenses	269	231
Other Technology Expenses	457	480
<b>Total</b>	<b>4,462</b>	<b>4,380</b>

### 25 (b) Other expenses

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Legal and Professional Charges	848	677
Polling Expenses	21	20
Rent	75	93
Electricity Charges	177	161
Travelling and Conveyance Expenses	297	280
Repairs and Maintenance	119	108
Directors Sitting Fees #	166	183
Committee Member Sitting Fees	20	20
Board and Committee Meeting Expenses	10	15
LES Incentive	348	151
Security Charges	89	88
Insurance Expenses	70	70
Regulatory Fees **	12	12
Contribution towards SEBI Regulatory Fees	57	55
Advertisement and Publicity	39	60
Communication Expenses	63	74
Contribution to Investor Service Fund	18	27
Contribution to Investor Protection Fund	16	24
Auditors' Remuneration		
Payment to Auditors		
- For audit (including limited review) *	46	44

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 25 (b) Other expenses

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
- For tax audit	9	9
- For other services	2	2
- For reimbursement of expenses	2	1
License Fees	55	56
Printing and Stationery	24	22
Books Periodicals & Subscription	26	29
Recruitment Expenses	65	35
Rates and Taxes	10	8
Research Expenses	12	7
Loss on Sale/Scrap of Fixed Assets (net)	-	2
Conferences & Seminar Expenses	42	-
Sundry balances w/off	-	2
Provision for Doubtful Debts	(15)	18
Bad debts	7	4
Other Expenses \$	307	288
<b>Total</b>	<b>3,037</b>	<b>2,643</b>

\* Includes ₹ 18 lakh (March 31, 2024 : ₹ 17 lakh) for Limited review fees.

\*\* Regulatory Fees includes ₹ 10 lakh ( March 31, 2024 ₹ 10 lakh) paid to WDRA

# Including fees paid by the subsidiary companies

\$ recovery of expense of ₹ 5 lakh for the year ended March 31, 2024 regrouped from 'other expenses' to 'other income'

### 26 EXCEPTIONAL INCOME/ (EXPENSE)

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit on stake sale in associate (net) (Refer Note 4(a))	13,937	579
Interest on Insurance claim received (net) (Refer Note 38)	-	365
Recovery of pre-incorporation expense of JV (Refer Note 51)	-	44
Difference between fair valuation of retained interest and carrying amount on cessation of the associate (Refer note 54)	21,899	-
Provision for doubtful receivables (Refer note 32)	(1,436)	-
<b>Total</b>	<b>34,400</b>	<b>989</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 27 CURRENT AND DEFERRED TAX

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax	401	133
Reversal of MAT Credit Entitlement (Refer Note 15(a))	-	206
Income Tax / (refund) for earlier years	6	9
Deferred Tax	3,866	(898)
<b>Total</b>	<b>4,273</b>	<b>(550)</b>

### 28 EARNINGS PER SHARE (EPS)

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net Profit / (Loss) after tax as per Statement of Profit and Loss <b>(A)</b>	23,749	(2,606)
Weighted average no. of equity shares for calculating EPS <b>(B)</b>	50,676,000	50,676,000
Basic earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) <b>(A) / (B)</b>	46.86	(5.14)
Diluted earnings per equity share(in Rupees) (Face value of ₹ 10/- per share) <b>(A) / (B)</b>	46.86	(5.14)

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Weighted average number of equity shares for calculating EPS	50,676,000	50,676,000
Weighted average number of equity shares in calculation diluted EPS	50,676,000	50,676,000

29 During the year, Group has recognised the following amounts in the financial statements as per Ind AS 19 "Employees Benefits" :

#### a) Defined Contribution Plan

##### Contribution to Provident Fund, Superannuation Fund, and Employee State Insurance Scheme

Contribution to Defined Contribution Plan, recognised are charged off for the period as under :

The Group makes contribution, determined as percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Group has no obligation other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's Contribution to Provident Fund	432	413

#### b) Defined Benefit Plan

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more and less than or equal to nine years of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. Every employee who has completed more than ten years of service gets a gratuity on departure at 26 days salary (last drawn salary) for each completed year of service.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

Actuarial assumptions	Gratuity (funded)	
	As at March 31, 2025	As at March 31, 2024
Expected Rate of Return on plan assets	6.54% to 6.59%	7.16% to 7.18%
Discount rate (per annum)	6.54% to 6.59%	7.16% to 7.18%
Rate of increase in Compensation levels	6% to 8% for the first 2 years 5% to 7% for next 5 years starting from the 3 <sup>rd</sup> year 5% p.a. thereafter, starting from the 8 <sup>th</sup> year (8% in case of NeML)	8% to 10% for the first 1 year 6% to 7% for the next 5 years starting from the 3 <sup>rd</sup> year 5% p.a. thereafter, starting from the 8 <sup>th</sup> year (8% in case of NeML)
Rate of Employee turnover	15% to 25%	15% to 25%
Mortality Rate during Employment	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured lives mortality (2012-14) ultimate
Mortality Rate after Employment	N.A.	N.A.

### Table showing changes in present value of obligations :

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of obligation as at the beginning of the year	1,290	1,157
Liability Transferred In / Acquisitions	-	-
(Liability Transferred Out / Divestments)	(1)	(23)
Interest Cost	92	84
Past service cost (Vested Benefit)	-	-
Current Service Cost	150	143
Benefits paid	(227)	(137)
Actuarial (gain) / loss on obligations	88	67
Actuarial (gain) / loss on obligations due to experience	46	-
<b>Present value of obligation as at the end of the year</b>	<b>1,438</b>	<b>1,290</b>

### Table showing changes in the fair value of plan assets :

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets at beginning of the year	675	606
Assets Transferred In / Acquisitions	-	-
(Assets Transferred Out / Divestments)	-	-
Interest Income	48	42
Expected return of plan assets	(2)	9
Employer contribution	190	155
Benefits paid	(227)	(137)
Actuarial gain / (loss) on plan assets	-	-
<b>Fair value of plan assets at year end</b>	<b>684</b>	<b>675</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### The amounts to be recognized in Balance Sheet :

Particulars	(₹ in lakh)	
	As at March 31, 2025	As at March 31, 2024
Present value of obligation as at the end of the period	(1,438)	(1,290)
Fair value of plan assets as at the end of the period	684	675
<b>Funded Status (Surplus / (Deficit) )</b>	<b>(754)</b>	<b>(615)</b>
Unrecognised actuarial (gains) / losses	-	-
Liability transferred out	(24)	(22)
<b>Net asset / (liability) recognised in Balance Sheet</b>	<b>(778)</b>	<b>(637)</b>

### Expenses recognised in Statement of Profit and Loss :

Particulars	(₹ in lakh)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Current service cost	150	143
Past service cost (Vested Benefit)	-	-
Interest Cost	44	40
Expected return on plan assets	-	-
<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>193</b>	<b>183</b>

### Expenses recognised in Other Comprehensive Income :

Particulars	(₹ in lakh)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Actuarial (Gains) / Losses on Obligation For the Period	134	67
Return on Plan Assets, Excluding Interest Income	4	(9)
Change in Asset Ceiling	-	-
<b>Net (Income) / Expense For the Period Recognized in OCI</b>	<b>138</b>	<b>58</b>

### Maturity profile of defined benefit obligation :

Particulars	(₹ in lakh)	
	As at March 31, 2025	As at March 31, 2024
<b>Projected benefits payable in future years from the date of reporting</b>		
1 <sup>st</sup> Following year	308	265
2 <sup>nd</sup> Following year	234	226
3 <sup>rd</sup> Following year	218	199
4 <sup>th</sup> Following year	182	172
5 <sup>th</sup> Following year	175	141
Sum of Years 6 to 10	493	455
Sum of Years 11 & above	286	298

### Investment Details :

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

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Investments with insurance fund	100%	100%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Sensitivity :

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

(₹ in lakh)

Gratuity	Year ended March 31, 2025			Year ended March 31, 2024	
	Change in Assumption	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability	Increase / (decrease) in liability
Discount rate	+1%/-1%	(47)	52	(43)	47
Salary Escalation Rate	+1%/-1%	52	(48)	47	(43)
Employee Turnover	+1%/-1%	(5)	5	(4)	4

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Note-1: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

Note-2: The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

### 30 Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows :

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
a. Principal amount remaining unpaid to any supplier as at the year end	171	105
Interest due thereon :		
b. Amount of interest paid during the year	-	-
c. Amount of payments made to the supplier beyond the appointed day during the accounting year.	-	-
d. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro Small and Medium Enterprises Development Act, 2006.	-	0.2
e. Amount of interest accrued and remaining unpaid at the end of the accounting year.	0.6	0.2
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.	-	-

**Note:** The above information and that given in Note 17 and 18 regarding Micro and Small 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, 2025 (Contd.)

**31 COMMITMENTS AND CONTINGENCIES**

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

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) On account of Income taxes (Refer Note - 1 below) (Exchange)	1,726	1,574
(ii) On account of Legal claim (Refer Note - 2 below) (Exchange)	185	185
(iii) On account of payment of Bonus for the F.Y. 2014-15 (Refer Note - 3 below) (Exchange)	11	11
(iv) On account of Service tax (Refer Note 4 below) (Exchange)	2,278	2,278
(v) On account of GST (Refer Note 5 below) (Exchange)	7	-
(vi) National E-Repository Limited (NERL) - On account of Bank Guarantee and Corporate Credit card (Refer Note - 6 below)	509	509
(vii) NCDEX Institute of Commodity Markets & Research - On account of Income taxes (Refer Note - 7 below)	0.08	0.08
(viii) NCDEX e Markets Ltd (NeML) - On account of Service tax (Refer Note - 8 below)	1,332	390
(ix) NCDEX e Markets Ltd (NeML) - On account of TCS on GST* (Refer Note - 9 below)	41,300	41,300
(x) Power Exchange India Ltd (PXIL) - On account of Income Tax and Service Tax (Refer Note-10 below)	-	17

\* Plus applicable interest

**Note 1**

(₹ in lakh)

Particulars	Assessment Year	As at March 31, 2025	As at March 31, 2024	Forum before which case is pending
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 07-08	-	171	High Court
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 08-09	-	113	High Court
Short TDS credit granted by AO	AY 09-10	11	11	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 11-12	123	123	High Court
Short TDS credit granted by AO	AY 11-12	13	13	CIT
Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income	AY 12-13	456	456	CIT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 13-14	-	0.5	ITAT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 14-15	-	5	ITAT

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Note 1

(₹ in lakh)

Particulars	Assessment Year	As at March 31, 2025	As at March 31, 2024	Forum before which case is pending
Disallowance u/s 14A, Other disallowances and Penalty collected & transferred to Investor Protection Fund Trust (IPFT) added in Income including interest thereon	AY 16-17	580	580	CIT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 17-18	-	15	ITAT
Disallowance for TDS credit on Penalty amount transferred to IPFT	AY 18-19	-	69	ITAT
Interest on Income Tax Refund	AY 18-19	-	-	AO
Addition u/s 41	AY-21-22	17	17	CIT
Disallowance u/s 14A, addition u/s 269T and short grant of TDS	AY 22-23	525	-	CIT
<b>Total</b>		<b>1,726</b>	<b>1,574</b>	

### Note 2

A legal suit was filed jointly against the Exchange and National Collateral Management Services Limited by a party claiming a sum of ₹ 185 lakh 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 retrospective 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 its 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 had received an adverse order on the issue of non-payment of service tax on liquidated damages amounting to ₹ 814 lakh along with interest u/s 75 & Penalty u/s 78, as per Finance Act, 1994. The Exchange had filed an appeal with CESTAT against the same. The Exchange had also pre deposited 7.5% of the tax amount i.e. ₹ 61 lakh at the time of filing appeal with CESTAT. Outcome of the appeal is pending.

The Exchange had received an adverse order on the issue of Inadmissible Cenvat credit as per rule 6(3)(i) of the Cenvat Credit Rule, 2004 amounting to ₹ 1,464 lakh along with interest u/s 75 & Penalty u/s 78, as per Finance Act, 1994. In FY 2022-23, the Exchange had filed an appeal with CESTAT against the same and the Exchange had pre deposited 7.5% of the tax amount i.e. ₹ 110 lakh at the time of filing appeal with CESTAT. Outcome of the appeal is pending.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Note 5

(₹ in lakh)

Particulars	Financial Year	As at March 31, 2025	As at March 31, 2024	Forum before which case is pending
Disallowance of eligible GST credit	2018-19	2	-	Commissioner appeal
Disallowance of eligible GST credit	2019-20	5	-	Commissioner appeal
<b>Total</b>		<b>7</b>	<b>-</b>	

### Note 6

In case of subsidiary National E-Repository Limited (NERL), NERL had given bank guarantee to the Warehousing Development and Regulatory Authority (WDRA) for ₹ 500 lakh (March 31, 2024 ₹ 500 lakh) and deposits are earmarked towards Corporate Credit Card limit of ₹ 9 Lakhs (March 31, 2024 ₹ 9 lakh) issued by ICICI Bank Limited.

### Note 7

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 ₹ 0.08 lakh (March 31, 2024 ₹ 0.08 lakh). 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 8 (a)

As at March 31, 2025 claims against the Jointly Controlled company not acknowledged as debts in respect of Service Tax Matters amounted to ₹ 780 lakh (As at March 31, 2024 ₹ 780 lakh). These matters were pending before the appellate authorities. On conclusion of the personal hearing, the Adjudicating authority revised the demand amount from ₹ 1,314 lakh to ₹ 780 lakh. The department has contested the revision of the demand before the Appellate Tribunal. On receipt of the orders of the Adjudicating authority, the Jointly Controlled Company filed an appeal before the Customs Excise and Service Tax Appellate Tribunal (CESTAT) against the Orders, by depositing a sum of ₹ 59 lakh being 7.5% of the tax demanded. The Management of the entity expects that ultimate resolution on appeal will be in favour of the entity and will not have a material adverse effect on the Group's financial position and results of operations. NeML share will be 50% in case liability is crystallised.

### Note 8 (b)

The Commissioner of Central Tax issued a Show Cause Notice on 04.08.2024 to the Company demanding GST of ₹ 1,884 Lakh for the period from 2017-18 to 2022-23. The GST is calculated by the Department on Gross Turnover which is inclusive of GST component at 18%. The tax on the basis of net revenue works out to ₹ 1,597 Lakh. The Jointly Controlled Company has contested the demand in the Honourable High Court of Karnataka praying for quashing the Show Cause Notice. The Honourable High Court has issued an order staying the operation of the Show Cause Notice. The matter is pending before the Honourable High Court for disposal. NeML share will be 50% in case liability is crystallised.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Note 9

NeML, subsidiary company had received the Final Adjudication Order dated April 30, 2024 from Director General of GST Investigation (DGGSTI) CGST Delhi North in respect of the SCN issued for the non-collection of TCS on GST liability which was alleged to ought have been collected by NeML as an e-commerce operator on taxable and exempt agricultural commodities thereby confirming the demand of ₹ 37,633 Lakhs plus penalty @ 10% i.e. approximately 3,700 Lakhs aggregating to a total demand of ₹ 41,333 lakhs and interest under section 50 read with section 52 of the CGST Act, is also payable on ₹37,633 Lakhs for the period October 2018 to March 2022 under the above order. In response to the same, NeML has filed a Writ Petition with Bombay High court against the said Final Order on June 12, 2024, passed by the Adjudicating Authority. Without prejudice, NeML, based on legal assessment, is of the view that all the above notice and the tax demand are arbitrary in nature and contrary to the provisions of law. NeML has preferred an interim application in the said Writ Petition against the final order, praying for the stay on the implementation and operation of the said final order. The Hon'ble Bombay High Court vide order dated March 07, 2025 has granted the prayer thereby staying the operation and implementation of the impugned order, till the final disposal of the writ petition. NeML's management is confident of a favourable outcome in the aforesaid matter.

### Note 10

In case of Associate, Power Exchange India Limited (PXIL), as at March 31, 2024, there was a disputed demand of income tax amounting to ₹ 36 lakh and disputed service tax demand of ₹16 lakh for the period 1<sup>st</sup> October 2016 till 30<sup>th</sup> June 2017. As at March 31, 2024, the Group's share was 33.08% i.e. ₹ 17 lakh in case of liability is crystallised.

### (b) Capital Commitments

Particulars	(₹ in lakh)	
	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	29	61

### (c) Other Commitments

- (i) SEBI vide its circular dated April 10, 2019, has prescribed Risk based method to determine the net worth required for Clearing Corporation. In this regard, 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.
- (ii) In case of subsidiary NeML, Other Commitments of ₹ 350 Lakh based on shareholder agreement entered for investment in Joint Venture Meta Materials Circular Markets Private (MMCMPL) Limited. (As at March 31, 2024 ₹ 500 Lakh).
- (iii) In case of subsidiary NCCL, other commitments of ₹ NIL (Previous year : ₹ 25 lakh)
- (iv) In case of NICR, the profit for the year ended March 31, 2025 is ₹ (10) lakh (year ended March 31, 2024 ₹ (6) lakh) and accumulated losses as on March 31, 2025 is ₹ 183 lakh (₹ 174 lakh as on March 31, 2024). In view of the continued support from the NCDEX the Holding company, NICR would be able to continue and expand its operations and hence the financial statements of NICR have been prepared on the assumption of going concern.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

- 32** Based on complaints of presence of "Mineral Oil" in some of the stocks, warehouses having pepper stock of approximately 6853 MT were sealed by Food Safety and Standard Authority of India, Kerala (FSSAI) and deliveries were stopped from the warehouses, till further notice. In the meantime, the Commissioner of Food Safety, Kerala passed Orders for release of pepper stocks free of mineral oil of approximately 463 MT. The presence of mineral oil was not a part of the National Commodity & Derivatives Exchange Limited ("Exchange") specifications and therefore any liability arising on account of the same cannot be under the settlement process of the Exchange. However, in order to retain market integrity, the Exchange had offered to facilitate improvement of pepper stock, subject to recovering the costs of improvement and accordingly prayed before the Hon'ble High Court of Kerala to allow the same. Based on this, the Hon'ble High Court of Kerala vide its order dated August 28, 2014, allowed the Exchange to clean the pepper stock lying in the warehouse with a right to recover the costs associated with the same. Subsequently, some of the holders of the stocks had requested Food Safety Authorities, Kerala to permit the reference of a second sample to the referral laboratory viz. The Central Food Laboratory, Kolkata. Further, Hon'ble High Court of Kerala, vide its order dated May 12, 2015 had directed the release of such quantity of pepper which is found free from impurities and contamination. Based on this, approximately 4,376 MT of pepper stock which was found free of mineral oil on testing by Central Food Laboratory, Kolkata, has been released to the holders & approximately 1,015 MT was further released after cleaning. In the earlier years, the Exchange had paid the total amount including taxes towards cleaning and other related costs of ₹ 1,696 lakhs (net of recovery of ₹ 9 lakhs till March 31, 2025). As on March 31, 2025, the balance stock of Pepper under the custody of Food Safety Authority, Kerala and pending release is approximately 998 MT. Further, the Hon'ble High Court of Kerala, in a Writ Petition filed by the holders, passed an interim order dated 13<sup>th</sup> April, 2018, restricting the Exchange from taking any coercive actions against the holders and the said order is currently in force. The Exchange's management is of the view that it has a fair chance of recovery of the costs incurred by it, since the same is backed by orders of the Hon'ble Court, which provide a constructive lien on the goods stored at the Exchange approved warehouses and pending release. However, as a matter of prudence, during the year ended March 31, 2025, the Exchange has made further provision of ₹ 1,436 lakh (as at March 31, 2024 ₹ 260 lakh) towards the same which has been charged to the statement of profit and loss account and shown as an exceptional expense. The Exchange retains the legal right to recover the said amount in view of the Hon'ble High Court of Kerala vide its order dated August 28, 2014 and will reverse the said provision on recovery of the said cost.
- 33** Subsidiary company NeML, is required to maintain an amount of ₹ 1 lakh in Settlement Guarantee Fund (SGF) as the NeML holds registration under State Agricultural Produce Market Committee (APMC) Regulations to mitigate market risks. Under the Regulatory framework (APMC regulations) NeML is required to maintain Settlement Guarantee Fund (SGF) to mitigate the risks attached with defaults in a trade. As on March 31, 2025 NeML holds APMC registrations in the states of Karnataka, Maharashtra, and Himachal Pradesh. The APMC license for the state of Andhra Pradesh, Telangana and Odisha are currently under renewal.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**34 AS REQUIRED BY IND AS - 24 "RELATED PARTY DISCLOSURES"**

**(i) Name and description of related parties**

<b>Relationship</b>	<b>Name of related party</b>
<b>(a) Associates</b>	Power Exchange India Limited (PXIL) (Upto March 23, 2025)
<b>(b) Joint venture</b>	Rashtriya e Market Services Private Limited (ReMS) Meta Materials Circular Markets Private Limited (MMCMPL) (Joint venture with subsidiary NeML)
<b>(c) List of Key Management Personnel</b>	Mr. Arun Raste (Managing Director and Chief Executive Officer) Mr. Ashish Bahuguna (Chairman and Public Interest Director) (w.e.f. June 15, 2023) Dr. Purvi Mehta (Public Interest Director) (upto January 11, 2024) Mr. Bhaskaran Nayar Venugopal (Shareholder Director) (upto January 11, 2024) Mr. Rakesh Kapur (Non-Independent Director) (upto Feb 20, 2025) Mr. Soma Sankara Prasad (Public Interest Director) (w.e.f. July 2, 2024) Mr. Manikumar S. (Non-Independent Director upto September 26, 2023) Mr. Prem Kumar Malhotra (Public Interest Director) (Upto Aug 8, 2024) Mr. Venkat Nageswar Chalasani (Public Interest Director) (upto November 14, 2023) Mr. Vijay Kumar V. (Managing Director & Chief Executive Officer) (upto April 18, 2021) Mr. Hemant Adarkar (Public Interest Director) Mr. R. Amalorpavanathan (Public Interest Director) Mr. R. Doraiswamy (Non-Independent Director) (w.e.f. March 21, 2024) Mr. Sanjeev Rohilla (Non-Independent Director) (w.e.f. January 4, 2024) Dr. Mukulita Vijayawargiya (Public Interest Director w.e.f. February 9, 2024)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

(ii) Nature of transactions - The transactions entered into with the related parties during the period along with related balances as at March 31, 2025 are as under:

Particulars	(₹ in lakh)									
	Associate		Joint venture				Key Management Personnel			
	PXIL	ReMS	MMCPL	Mr. Arun Raste	Mr. Arun Raste	Mr. Arun Raste	Mr. Arun Raste	Mr. Arun Raste	Mr. Arun Raste	Mr. Arun Raste
	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24
Remuneration*	-	-	-	-	-	-	16	14	212	200
UMP Software Maintenance charges	-	-	85	85	-	-	-	-	-	-
Dividend Received	212	353	-	-	-	-	-	-	-	-
Sitting Fees Paid to Directors*	-	-	-	-	-	-	-	-	-	77
Sale of PPE/Intangible Asset	-	-	-	-	-	-	-	-	-	-
Re-imbursement of Expense	-	-	-	-	13	44	-	-	-	-
Services Rendered	-	-	-	-	33	53	-	-	-	-
Capital infusion in Joint venture	-	-	-	-	150	-	-	-	-	-

### Note

As the liabilities for defined benefit plan viz. gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial persons are not included.

\* Fees paid to the holding company directors

	(₹ in lakh)									
	Associates		Joint venture				Key Management Personnel			
	PXIL*	ReMS	MMCPL	Mr. Arun Raste	Mr. Arun Raste	Mr. Arun Raste	Mr. Arun Raste	Mr. Arun Raste	Mr. Arun Raste	Mr. Arun Raste
	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24	Mar-25	Mar-24
Balance outstanding at the year end	-	-	-	-	-	-	-	-	-	-
Investments in Joint Venture	-	-	500	500	650	500	-	-	-	-
Investments in Associate ( Equity shares)	-	1,934	-	-	-	-	-	-	-	-
Trade Receivables	-	-	-	-	19	26	-	-	-	-
Trade Payables / Other Payable	-	-	-	-	-	-	16	118	94	-

\* During the year ended March 31, 2025, the Exchange has sold 16.01% (93,63,287 equity shares) of its stake in PXIL to a buyer for a consideration of ₹15,656 lakh, resulting in reduction of its stake to 17.06%, which has lead to discontinuation of its classification as an investment in associate.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

- 35** 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 year ended March 31, 2025 is given as follows:

(₹ in lakh)

Particulars	Year ended							
	March 31, 2025				March 31, 2024			
	Total Income	Inter-segment Income	External Income	Segment Result	Total Income	Inter-segment Income	External Income	Segment Result
Commodity Exchange Services	4,475	(973)	3,502	(6,992)	5,282	(753)	4,529	(5,498)
Commodity Clearing Services	2,118	-	2,118	(427)	2,547	-	2,547	330
Repository Services	1,201	(35)	1,166	(294)	1,085	(35)	1,050	(240)
Research and Education Services	120	(57)	64	2	85	(62)	23	7
E-Market Service	4,313	(5)	4,308	850	3,303	(12)	3,291	(31)
Software Service	471	-	471	(628)	1,373	-	1,373	317
Corporate Buying/Trade Finance	56	-	56	20	260	-	260	130
Unallocable	521	-	521	-	527	-	527	-
<b>Total</b>	<b>13,275</b>	<b>(1,070)</b>	<b>12,205</b>	<b>(7,468)</b>	<b>14,462</b>	<b>(862)</b>	<b>13,600</b>	<b>(4,984)</b>
Unallocable (net off expenses)				73				5
Less: Finance Charge				100				136
Add / (Less): Share of profit (net) of associate(s)				977				807
<b>Profit before exceptional items</b>				<b>(6,518)</b>				<b>(4,309)</b>
Less: Exceptional income / (expense)				34,400				989
<b>Profit before tax</b>				<b>27,882</b>				<b>(3,320)</b>
Tax Expenses								
Add / (Less): Provision for current tax				401				133
Add / (Less): Current tax for earlier years				6				9
Add / (Less): Provision for Deferred tax				3,866				(692)
<b>Profit after tax and before non-controlling interest and share of profit of associate</b>				<b>23,609</b>				<b>(2,770)</b>
Add / (Less): Non-controlling interests				(140)				(164)
<b>Profit after tax (owners')</b>				<b>23,749</b>				<b>(2,606)</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

(₹ in lakh)

Particulars	Year ended			
	March 31, 2025		March 31, 2024	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
Commodity Exchange Services	52,234	11,491	22,608	8,407
Commodity Clearing Services	41,801	17,875	39,299	16,198
Repository Services	4,908	1,177	5,123	1,153
Research and Education Services	57	11	40	8
e-Market Platform Services	9,468	17,770	4,173	8,065
Software Service	456	1	1,328	10
Corporate Buying/Trade Finance	1,117	-	104	-
Unallocable	14,550	1,207	11,153	2,391
<b>Total</b>	<b>124,591</b>	<b>49,531</b>	<b>83,828</b>	<b>36,230</b>

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

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 36 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 ₹ NIL ( March 31, 2024 ₹ NIL lakh) and actual spend during the year ended March 31, 2025 is NIL lakh ( March 31, 2024 ₹ NIL lakh) .

Details of amount spent during the year are as follows:

( ₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Amount required to be spent by the company during the year	-	-
Amount of expenditure incurred	-	-
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Name of the Fund	-	-
Nature of CSR activities	-	-
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	-	-

### 37 CORE SETTLEMENT GUARANTEE FUND

Securities and Exchange Board of India (SEBI) vide letter no. SEBI/HO/CDMRD/DEA/OW/P/2018/025765/1 dated September 12, 2018 granted recognition to the Subsidiary Company NCCL as a 'Clearing Corporation' under Regulation 4 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 for one year. Subsequently, NCCL has made application for grant of renewal of recognition as a clearing corporation and SEBI vide letter no. SEBI/HO/CDMRD/DRMP/OW/P/2019/22794/1 dated September 05, 2019 granted renewal of recognition to the NCCL as a "Clearing Corporation" for a period of three years commencing from September 10, 2019. Further, NCCL has made an application for grant of renewal of recognition as a clearing corporation and SEBI vide letter no. SEBI/HO/CDMRD/RAC-1/P/OW/2022/47300/1 dated September 09, 2022 granted renewal of recognition to NCCL as a "Clearing Corporation" for a period of three years commencing from September 10, 2022.

In case of subsidiary NCCL, SEBI, vide circular CIR/MRD/DRMNP/25/2014 dated August 27, 2014, inter alia, has issued norms related to the computation and Minimum Required Contribution (MRC) to the Core Settlement Guarantee Fund by the Clearing Corporation (minimum 50%) from its own fund, Stock Exchange (minimum 25%) and members (maximum 25%). Based on this the NCCL has created the Core Settlement Guarantee Fund.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

The details of Core Settlement Guarantee Fund as on March 31, 2025 is as given below:

(₹ in lakh)

Particulars	Settlement Penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
<b>Balance as at April 01, 2023</b>	<b>4,605</b>	<b>15,342</b>	<b>3,908</b>	<b>-</b>	<b>23,855</b>
<b>Contribution to Core Settlement Guarantee Fund</b>					
Initial contribution to Core SGF	-	-	-	-	-
Add : Additional Contribution*	322	-	-	-	322
Add : Replenishment of SGF (Refer Note No 38)	1,201	-	-	-	1,201
Add : Interest on above replenished amount	326	-	-	-	326
Add : Interest on income tax refund	1	4	1	-	6
Add : Income on investment of SGF	352	800	229	-	1,381
Less : Contribution returned to contributing stakeholders	-	(4,442)	(605)	-	(5,046)
Less : Income tax provision/paid**	(131)	(1,735)	(237)	-	(2,103)
<b>Balance as at March 31, 2024</b>	<b>6,675</b>	<b>9,968</b>	<b>3,297</b>	<b>-</b>	<b>19,941</b>
<b>Balance as at April 01, 2024</b>	<b>6,675</b>	<b>9,968</b>	<b>3,297</b>	<b>-</b>	<b>19,941</b>
Add : Additional Contribution	194	-	-	-	194
Add : Interest on above replenished amount	1	-	-	-	1
Add : Interest on income tax refund	1	4	1	-	6
Add : Income on investment of SGF	515	724	236	-	1,474
Less : Contribution returned to contributing stakeholders	-	(460)	(135)	-	(595)
Less : Income tax provision/paid**	(2)	(178)	(52)	-	(232)
<b>Balance as at March 31, 2025</b>	<b>7,384</b>	<b>10,058</b>	<b>3,347</b>	<b>-</b>	<b>20,788</b>

\* Includes penalties amounting to ₹ 0.15 lakh collected but yet to transferred to Core SGF as on 31<sup>st</sup> March, 2024.

The above Core SGF amounting to ₹ 20,788 lakh (March 31, 2024 : ₹ 19,941 lakhs) has been considered by the management as a part of equity and is included under "Other Equity".

Subsequently, as per SEBI circular SEBI/HO/MRD/MRD-POD-1/P/CIR /2023/78 dated May 23, 2023 relating to revision in computation of Core Settlement Guarantee Fund in Commodity Derivatives Segment, Clearing Corporations in Commodity Derivatives Segment may align their core SGF in terms of SEBI circulars dated August 27, 2014 as well as July 11, 2018 and excess contribution, if any, may be returned to the contributing stakeholders on a pro-rata basis, after taking due approval from SEBI. Accordingly, NCCL has received approval from SEBI vide letter dated SEBI/HO/MRD/RAC-1/P/OW/2023/28875/1 dated July 18, 2023 for withdrawal of excess contribution of ₹ 6,185 lakhs and ₹ 842 lakhs by the NCCL and National Commodity & Derivatives Exchange Limited (NCDEX) respectively from Core SGF. Based on this approval, the NCCL has withdrawn ₹ 4,442 lakhs (net of tax of ₹ 1,734 lakhs) up to March 31, 2024 from the own contribution made by NCCL. Further, NCCL has returned to the Exchange ₹ 605 lakh (net of tax of ₹ 236 lakh) up to March 31, 2024 from

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

the contribution made by NCDEX to Core SGF. The above withdrawals by the Exchange and NCCL (net of tax) has been credited to Retained Earnings. Further, NCCL has received approval from SEBI vide letter dated SEBI/HO/MRD/RAC-1/P/OW/2024/0025143/1 dated August 6, 2024 for withdrawal of excess contribution of ₹ 640 lakh and ₹ 188 lakh by NCCL and NCDEX respectively from Core SGF. Based on this approval, the Company has withdrawn ₹ 460 lakh (net of tax of ₹ 176 lakh) up to March 31, 2025 from the own contribution made by NCCL and credited the same to Retained Earnings. Further, NCCL has returned to NCDEX ₹ 135 lakh (net of tax of ₹ 52 lakh) up to March 31, 2025 from the contribution made by NCDEX to Core SGF.

**Details of earmarking of funds towards Core SGF as on March 31, 2025 are as under:**

(₹ in lakh)

Particulars	Settlement Penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
Fixed deposits included under 'Cash and cash equivalent'	-	-	-	-	-
Fixed deposits included under 'Bank balances other than cash and cash equivalents'	5,654	9,165	2,149	-	16,967
Fixed deposits included under 'Non-current bank balances'	1,525	511	1,152	-	3,188
Accrued Interest on Fixed Deposits	178	376	43	-	596
Mutual Fund included under current investments	-	2	-	-	2
TDS on Interest/Income	28	60	22	-	110
Balance with Bank	-	0.3	0.02	-	0.3
<b>Sub-total</b>	<b>7,384</b>	<b>10,114</b>	<b>3,365</b>	<b>-</b>	<b>20,864</b>
Less : Provision for Tax	(1)	(56)	(18)	-	(75)
<b>Total</b>	<b>7,384</b>	<b>10,058</b>	<b>3,347</b>	<b>-</b>	<b>20,788</b>

**Details of earmarking of funds towards Core SGF as on March 31, 2024 are as under:**

(₹ in lakh)

Particulars	Settlement Penalties	NCCL Contribution	NCDEX Contribution	Member Contribution	Total
Fixed deposits included under 'Cash and cash equivalent'	-	-	-	-	-
Fixed deposits included under 'Bank balances other than cash and cash equivalents'	6,129	9,222	3,126	-	18,477
Fixed deposits included under 'Non-current bank balances'	88	196	56	-	340
TDS on Interest/Income	14	45	17	-	76
Balance with Bank	5	-	-	-	5
Earmarked against Mutual Fund **	326	-	-	-	326
<b>Sub-total</b>	<b>6,781</b>	<b>9,937</b>	<b>3,281</b>	<b>-</b>	<b>20,000</b>
Less : Provision for Tax	(106)	31	16	-	(59)
<b>Total</b>	<b>6,675</b>	<b>9,968</b>	<b>3,297</b>	<b>-</b>	<b>19,941</b>

\*\* Subsequently received from NCCL on April 10, 2024

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

NCCL's own contribution to Core SGF for the year ended March 31, 2025 and March 31, 2024 is ₹ NIL and ₹ NIL respectively.

- 38** In case of subsidiary NCCL, the amounts recoverable from members as on March 31, 2025 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 after adjustment of their collaterals and margin money is ₹ 2,504 lakh (Previous Year ₹ 2,504 lakh) (including ₹ 681 lakh towards penalties and GST thereon). As the penalties will be transferred to Core SGF only on collection from members, NCCL has funded an amount of ₹ 1,823 lakh for pay-out to counter parties, as follows.

(₹ in lakh)

Particulars	March 31, 2025	March 31, 2024	Remarks
Clearing Corporation's own resources	622	622	5% of MRC of SGF ₹ 12,437 lakh (maximum as per SEBI provisions)
Core SGF	1,201	1,201	Net amount funded from Core SGF
<b>Total</b>	<b>1,823</b>	<b>1,823</b>	

During FY 2019-20, a provision had been made for ₹ 622 lakh for amount funded from NCCL's own resources as per conservative accounting principle and a provision of ₹ 8 lakh was made towards Clearing Corporation dues from these members. In addition to the above, during the FY 2020-21 a provision of ₹ 104 lakh was made with respect to GST on penalties recoverable from two defaulting members.

In the financial year 2019-20, NCCL had filed summary suits against the defaulting members for recovery of dues. NCCL had also filed an insurance claim for the loss on account of non-recovery of these dues. During the year, NCCL has received insurance claim proceeds of ₹ 1,889 lakh (including interest of ₹ 698 lakh) in settlement of the claim filed. Out of the insurance proceeds received, NCCL has replenished ₹ 1,201 lakh (includes ₹ 10 lakh replenished from the aforesaid interest) for the amount earlier funded to Core Settlement Guarantee Fund (Core SGF). Out of the balance insurance proceeds, NCCL has transferred ₹ 322 lakh to Core SGF and has retained the net balance of ₹ 365 lakh based on SEBI letter SEBI/HO/MRD/RAC-1/P/OW/2024/13296/1 dated April 04, 2024, and the same had been treated as Exceptional income in the financials. During the year FY 2024-25, the summary suits filed by the company have been disposed off by the Hon. High Court, Bombay with a decree in favour of NCCL.

- 39** In case of subsidiary NCDEX e Markets Ltd (NeML), Risk Management Fund (RMF) as constituted by the NeML is the amount earmarked for completion of the settlement, in case of a default by a member. NeML has not utilised any amount in FY 2024-2025 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.

### **40 (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) and Meta Materials Circular Markets Private Limited (MMCMPL) the joint ventures. ReMS is 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. Meta Materials Circular Markets Private Limited ("the Company") is incorporated to carry out the business of creating, providing, and operating online marketplaces, tech-enabled solutions & services for the sale, purchase, trade or otherwise disposal of used, end-of-life and new automobiles & auto components, e-waste, any valuable & recyclable waste, sustainable, environment friendly and circular economy (CE) products and other allied products including creation & dissemination of digital assets such as ELV-certificate of deposits (COD), EPR (Extended Producers Responsibility) certificates, various waste collection, carbon, environment, and recycling credits. The Group's interest in ReMS and MMCMPL are 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

below:

### i A. Rashtriya e Market Services Private Limited (ReMS)

#### Summarised Balance Sheet as at March 31, 2025

(₹ in lakh)		
Particulars	As at March 31, 2025	As at March 31, 2024
Current Assets	4,450	5,756
Non-current Assets	1,914	115
Current Liabilities	(251)	(320)
Non-current liabilities	(16)	(16)
<b>Equity</b>	<b>6,097</b>	<b>5,536</b>
Proportion of groups ownership	50%	50%
<b>Carrying Amount of investment</b>	<b>3,049</b>	<b>2,768</b>

#### Summarised Statement of profit and loss for the year ended March 31, 2025

(₹ in lakh)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Operations	711	294
Other Income	442	334
Employee benefit expenses	(121)	(123)
Operating Expenses	(100)	(100)
Administration & general expenses	(86)	(72)
Depreciation and amortization expenses	(12)	(9)
Other Expenses	(42)	(42)
<b>Profit Before Tax</b>	<b>792</b>	<b>282</b>
Tax Expense	211	72
<b>Profit for the year</b>	<b>581</b>	<b>210</b>
Other Comprehensive Income	(1)	-
Dividend Distribution Tax	-	-
<b>Total comprehensive income for the year</b>	<b>580</b>	<b>210</b>
<b>Groups Share of profit for the year</b>	<b>290</b>	<b>105</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### ii Meta Materials Circular Markets Private Limited (MMCMPL)

#### Summarised Balance Sheet as at March 31, 2025

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Assets	488	619
Non-current Assets	537	370
Current Liabilities	(186)	(20)
Non-current liabilities	(30)	(97)
<b>Equity</b>	<b>809</b>	<b>872</b>
Proportion of groups ownership	50%	50%
<b>Carrying Amount of investment</b>	<b>405</b>	<b>436</b>

#### Summarised Statement of profit and loss for the year ended March 31, 2025

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Operations	196	19
Other Income	16	29
Employee benefit expenses	(338)	(75)
Operating Expenses	(14)	-
Administration & general expenses	-	-
Depreciation and amortization expenses	(87)	(20)
Other Expenses	(186)	(124)
<b>Profit / (Loss) Before Tax</b>	<b>(413)</b>	<b>(171)</b>
Tax Expense	(54)	(43)
<b>Profit for the period</b>	<b>(359)</b>	<b>(128)</b>
Other Comprehensive Income	(3)	-
Dividend Distribution Tax	-	-
<b>Total comprehensive income / (Loss) for the period</b>	<b>(362)</b>	<b>(128)</b>
<b>Groups Share of profit for the year</b>	<b>(181)</b>	<b>(64)</b>

#### (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. PXIL has ceased to be an associate w.e.f March 24, 2025. Summarised financial information from April 1, 2025 to March 23, 2025 of the joint venture are set out below :

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### Summarised Balance Sheet as at :

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Assets	-	31,093
Non-current Assets	-	4,243
Current Liabilities	-	(25,705)
Non-current liabilities	-	(441)
<b>Equity</b>	<b>-</b>	<b>9,189</b>
Proportion of groups ownership		33.08%
<b>Carrying Amount of investment before intercompany elimination</b>		<b>3,040</b>
Intercompany elimination	-	0.06
<b>Carrying Amount of investment</b>	<b>-</b>	<b>3,040</b>

### Summarised Statement of profit and loss

(₹ in lakh)

Particulars	For the period April 1, 2024 to March 23, 2025	For the year ended March 31, 2024
Revenue from Operations	7,510	5,422
Other Income	1,529	900
Employee benefit expenses	(1,452)	(1,093)
Finance Cost	(71)	(48)
Depreciation and amortization expenses	(275)	(338)
Other Expenses	(2,749)	(1,886)
<b>Profit Before Tax</b>	<b>4,492</b>	<b>2,958</b>
Tax Expense	(1,140)	(748)
<b>Profit for the year</b>	<b>3,351</b>	<b>2,210</b>
Other Comprehensive Income	(5)	(12)
<b>Total comprehensive income for the period</b>	<b>3,346</b>	<b>2,198</b>
<b>Groups Share of profit for the period before intercompany elimination</b>	<b>859</b>	<b>756</b>
Intercompany elimination	-	10
<b>Groups Share of profit for the period</b>	<b>859</b>	<b>766</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 41 INTERESTS IN JOINT VENTURES AND ASSOCIATE

(₹ in lakh)

Name of the Entity	Place of business / country of incorporation	Relationship	Proportion of Interest (%)		Accounting Method	Carrying Value		Share of Profit / (Losses)	
			March 31st 2025	March 31st 2024		March 31st 2025	March 31st 2024	March 31st 2025	March 31st 2024
Rashtriya e Market Services Private Limited	Bangalore	Joint Venture	50%	50%	Equity	3,049	2,768	280	105
Meta Materials Circular Markets Private Limited	Mumbai	Joint Venture	50%	50%	Equity	405	436	(245)	(64)
Power Exchange India Ltd.	Mumbai	Associate	Ceases to be an associate w.e.f March 24, 2025	33.08%	Equity	-	3,040	859	766

### 42 EMPLOYEE STOCK OPTION PLAN / EMPLOYEE STOCK OPTION SCHEME OF SUBSIDIARY NCDEX E MARKETS LIMITED

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

There is no ESOP granted, vested or exercised in FY 2024-2025

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

Particulars	As at 31st March 2025	As at 31st March 2024
No of ESOPs outstanding at the beginning of the year	-	93,913
Vested during the year	-	-
Lapsed during the year	-	93,913
Exercised during the year	-	-
Outstanding at the end of the year	Nil	Nil
Exercisable at the end of the year	Nil	Nil

- 43 The Exchange was permitted to hold up to 74% of the paid up share capital of NERL and to reduce it to 51% or below by December 21, 2018 as per letter 16/5-15/A&F-1959 dated December 8, 2016 and letter of intent dated December 23, 2016 of Warehousing Development and Regulatory Authority (WDRA). Since the shareholding of the Exchange (67.22%) was not in line with the above guidelines, the Exchange had sought and received permission from WDRA, from time to time, to continue to hold 67.22% in NERL till September 30, 2025. During the quarter and year ended March 31, 2025, the management has sold the said excess holding of 16.22% of its stake in NERL for a consideration of ₹ 2,757 lakh (net of expenses of ₹ 2 lakh). The difference of ₹ 1,998 lakh, between the fair value of the consideration received of ₹ 2,757 lakh and the amount of ₹ 759 lakh by which the proportion of equity held by non-controlling interest, is recognised directly in "Other Equity" as gain on sale of 16.22% interest in subsidiary. Further, income tax expense of ₹ 206 lakh on the said sale is also debited directly to the "Other Equity".

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**44** Regulation 14 of Securities Contracts (Regulation) (Stock Exchanges And Clearing Corporations) Regulations, prescribes the net worth requirements for Stock Exchanges. In terms of this regulation, the Exchanges shall have a minimum networth rupees one hundred crore at all times. The Exchange is in compliance with said SEBI directives.

In subsidiary company NERL, in terms of clause 12 (1) of the Guidelines on Repositories and Creation and Management of Electronic Negotiable Warehouse Receipts dated October 20, 2016 issued by Warehousing Development and Regulatory Authority, the Company is required to maintain a net worth of not less than Rupees twenty five crore, at all times. At present the Company complies with this guidelines.

In subsidiary company 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, the Company 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. The Company is in compliance with said SEBI directives.

### **45 LEGAL MATTERS**

In case of holding company, a legal suit was filed against the Exchange and two Warehouse Service Providers (WSP) jointly by three parties claiming liquidated damages, penalties, interest cost, re-processing and re-testing charges and other incidental costs etc. As per the legal opinion received, the management believes that possibility of any outflow is remote and the outcome of the said pending litigation will not have a material adverse effect on the Exchange's financials position and the results of operations.

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. The arguments in the matter are concluded and the orders were pronounced on January 29, 2024. The suit has been disposed off with decree in favour of NCCL. Accordingly the court has directed Kunjal Trade Commodities and Dita Comtrade Limited to pay ₹ 1,552 lakh and ₹ 981 lakh respectively, to NCCL being the outstanding liability, along with interest at the rate of 18% p.a. from November 30, 2019 till the date of payment / realization thereof and refund of court fees as per rules. Further, writ petitions by two members have been filed against the Exchange and the subsidiary company NCCL in High Courts, the outcome of which are pending.

The Group's pending litigations comprise claims against the Group and proceedings pending with Tax / Statutory/ Government Authorities and 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. 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. (Refer Note 31 and 32)

### **46 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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

other operational requirements, is retained as cash and cash equivalents (to the extent required), highly marketable debt investments, and interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

(₹ in lakh)

Particulars	Note Nos.	Carrying amount	Less than 12 months	Payable on demand	More than 12 months	Total
<b>As at March 31, 2025</b>						
Deposits	13 & 16	15,099	11,520	2,710	869	15,099
Trade payables	17	1,047	1,047	-	-	1,047
Lease Liabilities	14 & 18	966	651	-	590	1,241
Other financial liabilities	18	25,091	25,091	-	-	25,091
<b>As at March 31, 2024</b>						
Deposits	13 & 16	14,953	8,640	5,419	894	14,953
Trade payables	17	931	931	-	-	931
Lease Liabilities	14 & 18	1,513	622	-	1,233	1,855
Other financial liabilities	18	14,026	14,026	-	-	14,026

### 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 consolidated receivables and revenue for the year ended March 31, 2025 ( March 31, 2024 : ₹ 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

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, its ability to realise gains from the sale of investments.

### Foreign currency risk

The Group periodically transacts internationally and few of the transactions are conducted in different currencies. As the volume of the transactions are few, the Group has not entered in foreign exchange forward exchange contracts.

### Clearing and Settlement Risk

Parties to a settlement may default on their obligations for reason beyond the control of the Group. The clearing and settlement operations are conducted through a wholly owned subsidiary National Commodity Clearing Limited (NCCL). NCCL guarantees the settlement of trade executed on Group's platform and maintains a core settlement guarantee fund to support its guarantee obligations."

### Regulatory Risk

The Group requires a number of regulatory approvals, licenses, registrations and permissions to operate our business. For example, the group have licenses from SEBI in relation to, among others, introducing contracts on various commodities. The group operations are subject to continued review and the governing derivatives regulations changes. The group regulatory team constantly monitors the compliance with these rules and regulations. There have been several changes to the form and manner in which deemed recognised stock exchanges must make contributions to a Core Settlement Guarantee Fund. 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 47 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 lakh)

Particulars	Levels	As at March 31, 2025	As at March 31, 2024
<b>1) Financial Assets</b>			
<b>Financial assets measured at fair value through profit &amp; loss</b>			
A) Investment in Mutual Funds	Level 1	10,349	5,740
B) Investments in Unquoted equity Shares **	Level 3	-	-
<b>Financial assets measured at fair value through other comprehensive income</b>			
A) Investment in Bonds	Level 1	1,898	2,175
B) Investments in Unquoted equity Shares	Level 2	23,888	-
<b>Financial assets measured at Amortized Cost</b>			
A) Bank deposits		56,008	40,229
B) Trade receivables		2,251	2,292
C) Cash and Cash equivalents		9,465	7,617
D) Investment in Bonds		-	-
E) Other Financial Asset		4,067	4,158
<b>Financial assets measured as per equity method</b>			
A) Investment in associates / joint ventures accounted for using the equity method		3,454	6,244
<b>Total financial assets</b>		<b>111,378</b>	<b>68,456</b>
<b>2) Financial liabilities</b>			
<b>Financial liabilities measured at Amortized Cost</b>			
A) Deposits		15,099	14,953
B) Trade payables		1,047	931
C) Lease Liabilities		966	1,513
D) Other Financial liabilities		25,091	14,026
<b>Total Financial liabilities</b>		<b>42,203</b>	<b>31,423</b>

\*\* Fair value of these instruments is determined using market approaches

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 48 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 lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before income taxes	27,882	(3,320)
Enacted tax rates in India	25.17%	26%
Computed expected tax expense	7,249	(863)
Effect of reduced tax rate applied for DTL on revaluation of financial assets	(2,488)	-
Adjustments in respect of current income tax of previous years	6	9
Tax impact due to Non-deductible expenses for tax purposes	(14)	49
Tax impact on Exempt Income	(29)	(36)
Long term capital gain taxed at different rate	(580)	(22)
Tax impact on INDAS adjustments	(2)	2
MAT reversal (Refer note 15(a) & 27)	2	206
MAT expenses	-	21
Share of undistributed profits of Associate	-	(23)
Tax impact on share of profit of Joint Venture / Associate	(246)	-
Changes in Tax rates	8	188
Tax impact of DTA on provision for doubtful debt	(65)	-
Tax on Elimination of depreciation/ unrealised profit	(46)	(76)
De-recognition of deferred tax assets on business losses	486	-
Others	(7)	(6)
<b>Income tax expense</b>	<b>4,273</b>	<b>(550)</b>

- b. The following table provides the details of income tax assets and income tax liabilities as of March 31, 2025

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Income tax assets	1,603	2,414
Income tax liabilities	575	393
<b>Net Non current income tax assets/ (liability) at the end of financial year</b>	<b>1,028</b>	<b>2,021</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

c. The gross movement in the current income tax asset/ (liability) for the period ended March 31 2025

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Net current income tax asset / (liability) at the beginning	2,021	2,500
Add : Income tax paid	55	2,490
Add: Provision for tax of earlier years	(6)	9
Less: Refund Received	(711)	(723)
Less : Provision for income tax	(331)	(2,256)
<b>Net current income tax asset/ (liability) at the end of the year</b>	<b>1,028</b>	<b>2,021</b>

d. Deferred tax assets

(₹ in Lakh)

Particulars	As at March 31, 2025	Charged / (credited) FY 2024-25	As at March 31, 2024	Charged / (credited) FY 2023-24	As at March 31, 2023
<b>Deferred tax assets components</b>					
Employee benefits	298	(34)	264	(4)	260
Provision For Expected Credit Loss	637	(425)	213	14	227
Unabsorbed losses / depreciation	4,310	876	5,186	(938)	4,249
MAT Credit Entitlement	-	-	-	206	206
Deferred tax assets on ISF liabilities and SEBI Regulatory Fees	46	(7)	39	(8)	31
Cumulative catch-up lease accounting Ind AS 116	0.2	(0.2)	-	-	-
Ind AS 116- ROU and Lease Liability	11	4	15	5	20
Depreciation and amortisation	110	(110)	-	-	-
Financial Assets at Fair Value through OCI	3	(3)	-	-	-
Other items	-	-	-	5	5
<b>Gross deferred tax asset</b>	<b>5,415</b>	<b>302</b>	<b>5,717</b>	<b>(720)</b>	<b>4,997</b>
<b>Deferred tax liabilities components</b>					
Depreciation and amortisation	-	45	45	172	217
Financial Assets at Fair Value through P&L	7	(1)	6	(4)	2
Financial Assets at Fair Value through OCI	-	2	2	3	5
Ind AS 116- ROU and Lease Liability	18	5	23	(5)	18
Share of undistributed profits of Associate	-	278	278	(176)	102
Fair Valuation of Equity Instrument	3,132	(3,132)	-	-	-
Core SGF contribution	722	(722)	-	-	-
<b>Gross deferred tax liability</b>	<b>3,879</b>	<b>(3,525)</b>	<b>354</b>	<b>(10)</b>	<b>344</b>
<b>Total</b>	<b>1,537</b>	<b>3,827</b>	<b>5,363</b>	<b>(710)</b>	<b>4,654</b>

In case of subsidiary NCCL, it recognizes MAT credit available as an asset only to the extent there is reasonable certainty that the company will pay normal income tax during the specified period. Accordingly, MAT credit entitlement not recognized

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

in books of accounts till March 31, 2025 is ₹ 388 lakh (March 31, 2024 : ₹ 386 lakh), which will be carried forward. Further, as and when the MAT credit will be recognised the same will be directly credited to retained earnings and not the statement to profit & loss account as the same is arising out of contribution to Core SGF, forming part of other equity. Deferred tax asset on loss on account of contribution to Core SGF till March 31, 2025 amounting to ₹ 1,769 lakh (March 31, 2024 : ₹ 1,885 lakh) will be recognized and credited directly to retained earnings when there is reasonable certainty.

The Group has not recognised deferred tax liability associated with respect to undistributed earnings of its subsidiaries as it can control the timing of the reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future.

### 49 Lease

- 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 "Finance costs" and "Depreciation and Amortisation Expense" respectively under Note 23 and 24
- The weighted average incremental borrowing rate applied to lease liabilities is 8.38%.
- Following are the changes in the carrying value of right of use assets for the year ended March 31, 2025.

(₹ in lakh)

Particulars	Category of ROU	Total
	Office Space	
<b>Balance as of April 1, 2023</b>	<b>1,544</b>	<b>1,544</b>
Reclassified on account of adoption of Ind AS 116	-	-
Additions	494	494
Depreciation	545	545
Deletions	123	123
<b>Balance as of March 31, 2024</b>	<b>1,371</b>	<b>1,371</b>
Balance as of April 1, 2024	1,371	1,371
Additions	-	-
Depreciation	515	515
Deletions	-	-
<b>Balance as of March 31, 2025</b>	<b>856</b>	<b>856</b>

- The following is the break-up of current and non-current lease liabilities as of March 31, 2025

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Lease liabilities	599	547
Non-current lease liabilities	367	966
<b>Total</b>	<b>966</b>	<b>1,513</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

e The following is the movement in lease liabilities during the year ended March 31, 2025

(₹ in lakh)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at beginning	1,513	1,675
Additions	-	479
Additions through business combinations	-	-
Deletions	-	(133)
Finance cost accrued during the year	99	136
Payment of lease liabilities	(647)	(628)
Re-measurement of lease liability	-	(16)
<b>Balance as of Closing</b>	<b>966</b>	<b>1,513</b>

f The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2025 on an undiscounted basis:

(₹ in lakh)

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	651	647
One to five years	590	1,241
More than 5 years	-	-
<b>Total</b>	<b>1,241</b>	<b>1,888</b>

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.

h Rental expense recorded for short-term leases is ₹ 75 lakh ( March 31 2024 ₹ 93 lakh ) .

### 50 ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III

(₹ in lakh)

Particulars	Nature of Relationship	As % of Total net assets	As at March 31, 2025	As % of Total net assets	As at March 31, 2024
<b>Net assets (total assets minus total liabilities)</b>					
National Commodity & Derivatives Exchange Ltd (NCDEX)	Parent Company	54%	40,744	23%	11,160
NCDEX e Markets Ltd. (NeML)	Subsidiary	9%	6,612	13%	6,293
National E-Repository Limited (NERL)	Subsidiary	5%	3,732	8%	3,970
National Commodity Clearing Limited (NCCL)	Subsidiary	32%	23,926	49%	23,101
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	46	0%	32
Power Exchange India Limited	Associates	0%	-	6%	3,040
<b>Total</b>		<b>100%</b>	<b>75,060</b>	<b>100%</b>	<b>47,597</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

(₹ in lakh)

Particulars	Nature of Relationship	As % of Total Profit or loss	For the year ended March 31, 2025	As % of Total Profit or loss	For the year ended March 31, 2024
<b>Share in profit or (loss)</b>					
National Commodity & Derivatives Exchange Ltd (NCDEX)	Parent Company	103%	24,424	114%	(3,145)
NCDEX e Markets Ltd. (NeML)	Subsidiary	1%	332	-9%	249
National E-Repository Limited (NERL)	Subsidiary	-2%	(398)	18%	(501)
National Commodity Clearing Limited (NCCL)	Subsidiary	-3%	(739)	-2%	44
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	(10)	0%	(6)
Power Exchange India Limited	Associates	0%	-	-21%	590
<b>Total</b>		<b>100%</b>	<b>23,609</b>	<b>100%</b>	<b>(2,770)</b>

(₹ in lakh)

Particulars	Nature of Relationship	As % of Total OCI	For the year ended March 31, 2025	As % of Total OCI	For the year ended March 31, 2024
<b>Share in other comprehensive income</b>					
National Commodity & Derivatives Exchange Ltd (NCDEX)	Parent Company	87%	(122)	41%	(28)
NCDEX e Markets Ltd. (NeML)	Subsidiary	14%	(20)	23%	(16)
National E-Repository Limited (NERL)	Subsidiary	12%	(16)	14%	(9)
National Commodity Clearing Limited (NCCL)	Subsidiary	-13%	18	16%	(11)
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	-	0%	-
Power Exchange India Limited	Associates	0%	-	6%	(4)
<b>Total</b>		<b>100%</b>	<b>(140)</b>	<b>100%</b>	<b>(69)</b>

(₹ in lakh)

Particulars	Nature of Relationship	As % of Total comprehensive income	For the year ended March 31, 2025	As % of consolidated net assets	For the year ended March 31, 2024
<b>Share in total comprehensive income</b>					
National Commodity & Derivatives Exchange Ltd (NCDEX)	Parent Company	104%	24,302	112%	(3,174)
NCDEX e Markets Ltd. (NeML)	Subsidiary	1%	313	-8%	233
National E-Repository Limited (NERL)	Subsidiary	-2%	(415)	18%	(511)
National Commodity Clearing Limited (NCCL)	Subsidiary	-3%	(721)	-1%	33
NCDEX Institute of Commodity Markets and Research (NICR)	Subsidiary	0%	(10)	0%	(6)
Power Exchange India Limited	Associates	0%	-	-21%	586
<b>Total</b>		<b>100%</b>	<b>23,469</b>	<b>100%</b>	<b>(2,839)</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

**51** In case of subsidiary NCDEX e Markets Ltd (NeML), NeML and another Joint Venturer outside the group (parent, subsidiary and associate of NCDEX) have incorporated a Joint Venture Company Meta Materials Circular Markets Private Limited (MMCMPL) during FY 2022-2023 and both Joint Venturers have 50% share. The total expenses incurred for the JV Company by NeML of ₹ 46 Lakhs has been shown as an exceptional expense for FY 2022-23. NeML has a right to reimbursement from the JV Company as and when relevant approvals are received. The approval from regulatory authorities for Joint venture is received on July 20, 2023. The capital infusion has been made in the JV Company by JV partners on 27 July 2023. ₹ 44 lakh Exceptional Income is on account of income booked for recovery of Preincorporation and other expenses incurred on behalf of MMCMPL prior to receipt of approval from Regulatory authorities.

**52** The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on 28<sup>th</sup> September 2020 and the said Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**53** As per SEBI directives, the Exchange has issued circulars informing the market participants that no fresh positions and launch of new contracts are allowed in Chana and Rapeseed-Mustard with effect from August 17, 2021 and October 8, 2021 respectively. In addition to this, the Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-124/2021 dated December 20, 2021 wherein no fresh positions and launch of new contracts are allowed for a period of one year in respect of certain commodities prescribed in the said circular including major commodities like Soyabean and Refined Soy Oil as well as earlier suspended commodities viz. Chana and Rapeseed-Mustard. The suspension of these commodities was extended for a period of one year i.e. till December 20, 2023. Subsequently the extension was further extended for a period of one more year i.e. till December 20, 2024. The suspension is further extended till March 31, 2025. Subsequently, the suspension is further extended till March 31, 2026. The Exchange has issued a circular: NCDEX/SURVEILLANCE & INVESTIGATION-011/2025 dated March 25, 2025 to that effect. Accordingly, the revenue of the Exchange from transaction charges of these commodities has been impacted. The management, based on its assessment, is of the view that there is no impact on the carrying value of its assets. Therefore, no adjustments are made in these financial statements for the year ended March 31, 2025.

Despite the suspension of commodities, resultant losses and negative operating cash flows of the Company, the net worth of the Exchange has been maintained as per the regulatory guidelines and the Exchange is capable of meeting its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date. The Exchange is putting efforts to grow its business in the existing commodities and diversify its business by exploring new products. Further, the Exchange has diluted its excess holdings of 16.22% (as per regulatory requirements) for a consideration of ₹ 2,757 lakh in NERL (subsidiary company) (refer note 43), divested 16.01% stake in PXIL (associate company) for a consideration of ₹ 15,656 lakh (refer note 4(a)) and obtained board approval for the launch of Equity and Equity Derivatives segment in the Exchange based on a feasibility study and business plan. In view of the above and the business plan of the Exchange, the management is of the view that no material uncertainty exists and the financial statements have been prepared based on the going concern assumption.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

- 54** During the year ended March 31, 2025, Exchange has sold part of its stake in PXIL which has resulted in reduction of its stake in PXIL below 20% i.e. 17.06% and the management is of the view that the Exchange does not have significant influence over PXIL and accordingly PXIL ceases to be an associate on March 24, 2025. The sale price of equity share of PXIL of ₹ 239.44 per share is considered by the management as fair value of the share on date of cessation as an associate. Accordingly, the difference of ₹ 21,899 lakh between the fair value of the retained interest of ₹ 23,888 lakh and the carrying amount of the said investment of ₹ 1,989 lakh is credited to the statement of profit and loss. The same has been shown as an Exceptional Income. For the purpose of subsequent measurement, the management has elected an option of Fair Value through Other Comprehensive Income (FVOCI) for the said investment. The management is of the view that there are no significant changes in business operations and profitability of PXIL after the date of cessation till March 31, 2025 and accordingly it has considered the aforesaid fair value of ₹ 239.44 per share as fair value as on March 31, 2025. Accordingly the investment in PXIL as at March 31, 2025 is valued at ₹ 23,888 lakh which has been classified as Financial Assets-non-current Investments at FVOCI.
- 55** During the year March 31, 2025, the Exchange has sold 8,48,736, 43,38,141, 12,58,755 and 29,17,655 number of equity shares of PXIL, associate company on April 18, 2024, June 05, 2024, February 22, 2025 and March 24, 2025 respectively (transaction dates). The Group share of profit (including OCI) includes ₹ 859 lakh which is proportionately calculated at respective date of stake sale in PXIL based on unaudited financial results upto December 31, 2024 and for the last quarter of FY 2024-25 calculated as the difference between audited figures in respect of full financial year and year to date figures upto the third quarter. The financial impact between this approach and if the financial statements of PXIL had been audited for each of the transaction dates cannot be ascertained accurately, however the management is of the view that the impact on account of difference would not be material on the statement of profit and loss.
- 56** In case of subsidiary NeML, the Company has been sanctioned working capital limits from banks on the basis of security of Fixed Deposits with banks. No quarterly returns or statements are required to be filed by the Company with such banks.
- 57** Other Income includes Interest of ₹ 17 lakh (previous year ₹ 249 lakh) on Income Tax refund for the year ended March 31, 2025.
- 58** Other Income includes ₹ 353 lakh received from Power Exchange India Limited (PXIL) for the year ended March 31, 2024 as dividend for the Financial Year 2012-13 to FY 2019-20 on erstwhile 10% Optionally Convertible Cumulative Preference shares (later converted to Equity shares in FY 2019-20).
- 59** In case of subsidiary NEML, Members holding membership (Trading & Clearing Membership) for more than three years can terminate their membership and withdraw deposit. These deposits are payable on demand therefore membership deposit of such members is classified as current liability.
- 60** In accordance with the relevant provisions of the Companies Act, 2013, the Group and its associate does not have long term contracts as of March 31, 2025 and March 31, 2024 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at March 31, 2025 and March 31, 2024.
- 61** For the year ended March 31, 2025 and March 31, 2024, the Group and its associate is not required to transfer any amount into the Investor Education & Protection Fund as required under section 125 of the Companies Act, 2013.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

### 62 ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

- i Details of benami property held  
No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- ii Wilful defaulter  
The group 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 group 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 group has complied with the number of layers prescribed under the Companies Act, 2013.
- v Compliance with approved scheme(s) of arrangements  
The group 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 group 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 group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- ix Utilisation 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 group 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 group 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.
- x Registration of charges or satisfaction with Registrar of Companies  
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period of the group.
- xi Core Investment Company (CIC)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025 (Contd.)

There is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

xii Loans or advances to specified persons

The Group has not granted any loans or advances to promoters, directors, KMPs and related parties either severally or jointly with any other person, that are:

- (a) repayable on demand or
- (b) without specifying any terms or period for repayment

**63** Previous year figures have been regrouped / reclassified wherever necessary to correspond to current year presentation.

**For Khandelwal Jain & Co.**

Chartered Accountants

ICAI Firm Registration No : 105049W

**NARENDRA JAIN**

Partner

Membership No. 048725

Place : Mumbai

Date : May 23, 2025

**For and on behalf of the Board of Directors**

**National Commodity & Derivatives Exchange Limited**

**Arun Raste**

Managing Director & Chief Executive Officer

DIN - 08561128

**Kishore P. Shah**

Company Secretary

Membership No. - A20792

**Ashish Bahuguna**

Chairman

DIN - 02224776

**Atul Roongta**

Chief Financial Officer

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