



# Annual Report 2018-2019

**Board of Directors (as on August 9, 2019):**

- |                          |                                      |
|--------------------------|--------------------------------------|
| 1. Dr. H. K. Pradhan     | - Chairman, Public Interest Director |
| 2. Mr. Ajit Kumar Mittal | - Shareholder Director               |
| 3. Mrs. D. Vijayalakshmi | - Public Interest Director           |
| 4. Mr. J. J. Bhatt       | - Public Interest Director           |
| 5. Mr. Lav Chaturvedi    | - Shareholder Director               |
| 6. Mr. Sanjit Prasad     | - Managing Director & CEO            |

- |                                |                                |
|--------------------------------|--------------------------------|
| <b>Chief Financial Officer</b> | - Mr. Ghanashyam Rao           |
| <b>Company Secretary</b>       | - Ms. Shweta Gujar             |
| <b>Statutory Auditors</b>      | - M/s. Chaturvedi and Shah LLP |
| <b>Internal Auditors</b>       | - M/s. M. M. Nissim & Co.      |

**Bankers (including active clearing banks):**

HDFC Bank Limited  
Yes Bank Limited

**Registered office:**

Office No.109, 1st Floor,  
Nodh No. 1158 to 63/65/9, Hat Faliyu,  
Mahidharpura, Surat- 395003, Gujarat.  
Email: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)  
Website: [www.icexindia.com](http://www.icexindia.com)  
Phone: 0261 - 2609960  
CIN: U67120GJ2008PLC099142

**Corporate Office:**

Reliable Tech Park, 403-A, B-Wing,  
4th Floor, Thane – Belapur Road,  
Airoli, Navi Mumbai – 400708.  
Email: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)  
Website: [www.icexindia.com](http://www.icexindia.com)  
Phone: 022 - 40381500/1300  
Fax: 022 - 40381511

**Registrar and Share Transfer Agent:**

Karvy Fintech Private Limited  
Corporate Registry  
Karvy Selenium, Tower- B,  
Plot No. 31 & 32, Financial District,  
Nanakramguda, Serilingampally Mandal,  
Hyderabad-500032, India  
Tel: +91 40 3321 1500  
Fax: +91 40 2300 1153  
Toll Free No.: 1800 345 4001  
Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

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**INDIAN COMMODITY EXCHANGE LIMITED****CIN: U67120GJ2008PLC099142**

Registered Office: - 1st Floor, Office - 109, Nodh No.-1158 to 63/65/9, Hat Faliyu, Mahidharpura,  
Surat- 395003, Gujarat. Email: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)  
Website: [www.icexindia.com](http://www.icexindia.com) Telephone No. 0261-2609960

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that Eleventh Annual General Meeting of the Members of the Indian Commodity Exchange Limited will be held on Saturday, September 28, 2019 at 11:30 a.m. at the Registered office at Office No. 109, 1<sup>st</sup> Floor, Nodh No. 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat-395003, Gujarat to transact the following business:

**ORDINARY BUSINESS:**

- (1) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditor's thereon.
- (2) To appoint a Director in place of Mr. Ajit Kumar Mittal (DIN: 02698115), who retires by rotation and being eligible, offers himself for re-appointment subject to the approval of SEBI.

**SPECIAL BUSINESS:**

- (3) **Re-appointment of Mrs. D. Vijayalakshmi, as a Public Interest Director (Independent Director) of the Company for another term of three years:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

**“RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (‘Act’) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and Regulation 24 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereinafter referred as ‘SECC Regulations’) read with Schedule II of SECC Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) SEBI circulars issued from time to time and Articles of Association of Company, Mrs. D. Vijayalakshmi (DIN:00467785) who was nominated by Securities and Exchange Board of India (‘SEBI’), be and is hereby re-appointed as a Public Interest Director (Independent Director) of the Company for a another term of 3 (three) years with effect from June 13, 2019 to June 12, 2022 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

- (4) **Increase in Authorised Share Capital and consequent alteration to the Capital Clause of the Memorandum of Association:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the provisions of Articles of Association of the Company, approval of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from existing Rs. 268,00,00,000/- (Rupees Two Hundred and Sixty Eight Crore only) divided into 53,60,00,000 (Fifty Three Crore and Sixty Lakh) Equity shares of Rs. 5/- (Rupees Five only) each to Rs. 368,00,00,000 (Rupees Three Hundred and Sixty Eight Crore only) divided into 73,60,00,000 (Seventy Three Crore and Sixty Lakh) Equity shares of Rs. 5/- (Rupees Five only) each by creation of additional 20,00,00,000 (Twenty Crore) Equity shares of Rs. 5/- (Rupees Five only) each;

**RESOLVED FURTHER THAT** subsequent to the increase of Authorised Share Capital of the Company and pursuant to section 13 and other provisions, if any, of the Companies Act, 2013 the existing clause V of the Memorandum of Association be altered and substituted by the following clause:

“V. The Authorised Share Capital of the Company is Rs. 368,00,00,000 (Rupees Three Hundred and Sixty Eight crore only) divided into 73,60,00,000 (Seventy Three Crore and Sixty Lakh) Equity shares of Rs. 5/- (Rupees Five only) each.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

**By Order of the Board of Directors  
For Indian Commodity Exchange Limited**

**Shweta Gujar  
Company Secretary**

**Place: Navi Mumbai**

**Date: September 4, 2019**

**Registered office:**

1st Floor, Office - 109,  
Nodh No.-1158 to 63/65/9,  
Hat Faliyu, Mahidharpura,  
Surat GJ 395003 IN.  
Email: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)  
Website: [www.icexindia.com](http://www.icexindia.com)  
Phone: 0261-2609960  
CIN: U67120GJ2008PLC099142

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- 2. THE DULY COMPLETED AND SIGNED INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

During the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than 3 (three) days of advance notice in writing is given to the Company.

- Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding 50 (Fifty) in number and holding in aggregate not more than 10 (Ten) per cent of the total share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (Ten) per cent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however shall not act as proxy for any other person or shareholder. A proxy shall not vote except on a poll. A proxy form for the Annual General Meeting (AGM) is enclosed herewith.
- As per the provisions of Section 113 of the Companies Act, 2013, a Corporate Members intending to send their Authorised Representatives to attend and vote at the AGM are requested to ensure that the Authorised Representative carries a duly certified true copy of the Board/ Management Committee resolution, authorizing him/her to attend and vote at the AGM and any one of the photo identity proofs (viz. Aadhaar Card, Driving License, PAN Card, Election Card, Passport or any other valid proof).The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business of the accompanying notice is annexed hereto.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business of the accompanying notice is annexed hereto.
- A statement giving disclosure relating to a Director retiring by rotation/ re-appointment pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings is annexed hereto.
- The Register of Director's and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and Register of contracts or arrangements in which the Directors are interested maintained under Section 189 the Companies Act, 2013 will be available for inspection by the members at the Meeting.
- The documents required to be kept for inspection under Section 102 of the Companies Act, 2013, are available for inspection at the Registered Office of the Company and copies thereof are available at the Corporate Office of the Company, during business hours on working days except on Saturdays, Sundays and Public holidays, upto the date of the AGM.
- Members/Proxy Holders/Authorised Representatives are requested to bring their attendance slip duly signed in accordance with the specimen signature(s) registered with the Company and copy of the Annual Report to attend the meeting.
- The Notice of the AGM along with the Annual Report 2018-19 is being sent to all shareholders whose names appear in the register of members as on August 30, 2019 by electronic mode whose e-mail addresses are registered with the Company / Depositories and for other shareholders through Courier/ Speed Post/ Registered Post or any other permitted mode. The notice is also available on the website of the Company i.e. <https://www.icexindia.com/about-us/disclosures> under the Announcements Tab.
- To support the 'Green initiative', the Members who have not registered /updated their e-mail addresses so far, are requested to register /update the same with the Company's RTA of their DPs to enable the Company to send communications electronically.
- Route map and Landmark showing directions to the venue of meeting forms part of this Notice.

**EXPLANATORY STATEMENT**  
**(PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)**

**Item No. 3**

The members of the Company at the 8<sup>th</sup> Annual General Meeting, on nomination by SEBI had appointed Mrs. D. Vijayalakshmi as Public Interest Director (Independent Director) of the Exchange for a period of three (3) years commencing from June 13, 2016. Her tenure (i.e 1st Term) was due for expiry on June 12, 2019.

As per Section 149(10) of the Companies Act, 2013 an Independent Director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years.

However, pursuant to Regulation 24(3) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations') Public Interest Director shall be nominated for a term of three years, extendable by another term of three years, subject to performance review. As per the provisions of SECC Regulations and SEBI circular dated February 5, 2019 performance review of Mrs. D. Vijayalakshmi was carried out.

Based on the performance evaluation carried out as per the provisions of the Companies Act, 2013 and SECC Regulations, 2018 and on recommendation of Nomination and Remuneration Committee, the Board of the Exchange as per the provisions of SECC Regulations had considered that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. D. Vijayalakshmi as a Public Interest Director (Independent Director) and recommended the name of Mrs. D. Vijayalakshmi to SEBI for nomination as Public Interest Director (Independent Director) of the Exchange for another term of three years. The performance evaluation of Independent Director were based on various criteria, inter-alia, including attendance at Board and Committee Meetings, consistent and active participation, knowledge and competency, fulfillment of functions, commitment, contribution, independence and integrity etc.

SEBI vide its letter dated May 07, 2019 nominated Mrs. D. Vijayalakshmi as Public Interest Director (Independent Director) on the Board of the Exchange for another term of three years.

On receipt of approval of SEBI, the Board of the Exchange appointed Mrs. D. Vijayalakshmi as a Public Interest Director (Independent Director) for a further period of 3 years from June 13, 2019, subject to approval of shareholders.

The Company has received a declaration from Mrs. D. Vijayalakshmi, confirming that she meets the criteria of Independence as prescribed under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mrs. D. Vijayalakshmi fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her reappointment as a Public Interest Director (Independent Director) of the Company and is independent of the management.

Mrs. D. Vijayalakshmi is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Public Interest Director of the Company.

The Company has received notice in writing from a member under section 160 of the Act, proposing the candidature of Mrs. D. Vijayalakshmi for the office of Director of the Company.

Accordingly, the Board recommends the Special Resolution at Item No. 3 of the accompanying Notice for re-appointment of Mrs. D. Vijayalakshmi as Public Interest Director (Independent Director) for another term of three years with effect from June 13, 2019 to June 12, 22 for approval of shareholders of the Company. None of the Directors or Key Managerial Personnel and their relatives, except Mrs. D. Vijayalakshmi and her relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

**Item No. 4**

The present Authorised Share Capital of the Exchange is Rs. 268,00,00,000/- (Rupees Two Hundred and Sixty Eight Crore only) divided into 53,60,00,000/- (Fifty Three Crore and Sixty Lakh) Equity shares of Rs. 5/- (Rupees Five only) each.

Issued, subscribed and paid-up Share Capital of the Exchange is Rs. 266,75,37,380/- (Rupees Two Hundred Sixty Six Crore Seventy Five Lakh Thirty Seven Thousand and Three Hundred Eighty Only) divided into 53,35,07,476 (Fifty Three Crore Thirty Five Lakh Seven Thousand Four Hundred and Seventy Six) Equity shares of Rs. 5/- (Rupees Five only) each fully paid up.

The Company proposes to increase the Authorised Share Capital of the Exchange, in order to facilitate fund raising in future via Rights issue/ Preferential allotment/ Private Placement etc or for further requirements, if any. It is proposed to increase the Authorised Share Capital of the Company, subject to the approval of shareholders, from existing Rs. 268,00,00,000/- (Rupees Two Hundred and Sixty Eight Crore only) to Rs. 368,00,00,000/(Rupees Three Hundred and Sixty Eight Crore only) - by creation of additional 20,00,00,000 (Twenty Crore) Equity shares of Rs. 5/- (Rupees Five only) each.

The proposed increase in Authorised Share Capital of the Company will also require consequential alteration in the Clause V of the Memorandum of Association of the Company.

Accordingly, the Board recommends the Ordinary Resolution at Item No. 4 of the accompanying Notice for Increase in Authorised Share Capital and consequent alteration to the Capital Clause of the Memorandum of Association for approval of shareholders of the Company. None of the Directors or Key Managerial Personnel and their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

**By Order of the Board of Directors  
For Indian Commodity Exchange Limited**

**Place: Navi Mumbai  
Date: September 4, 2019**

**Shweta Gujar  
Company Secretary**

**Registered office:**

1st Floor, Office - 109,  
Nodh No.-1158 to 63/65/9,  
Hat Faliyu, Mahidharpura,  
Surat GJ 395003 IN.  
Email: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)  
Website: [www.icexindia.com](http://www.icexindia.com)  
Phone: 0261-2609960  
CIN: U67120GJ2008PLC099142

**Details of Directors seeking re-appointment at the Annual General Meeting pursuant to the Regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings:**

Name of Director	<b>Mr. Ajit Kumar Mittal</b>
Director Identification Number	02698115
Item No.	2
Date of Birth / Age	17/07/1959, 60 years.
Date of First Appointment	January 01, 2010
Brief Resume	<p>Mr. Ajit Kumar Mittal is an Executive Director of Indiabulls Housing Finance Limited (IHFL)</p> <p>He has varied experience by virtue of his close involvement with the growth and evolution of India's financial sector. Mr. Mittal worked for more than twenty years at the Reserve Bank of India (RBI) in middle and senior management positions and has been at the forefront of macroeconomic and financial sector issues. As General Manager of the Banking Supervision in RBI, he was responsible for monitoring and surveillance of country's banking system for five years. Mr. Mittal was closely involved in coordination with various financial markets, e.g. debt, money, forex and capital market. Mr. Mittal also worked as Financial Sector Advisor to Qatar Central Bank during the 2006-07.</p> <p>Mr. Mittal is a Masters of Arts in Economics from Kurukshetra University and a Master of Science in Business Administration with Academic Excellence from University of Illinois, U.S.A.</p> <p>Mr. Mittal is responsible for Risk Management, Corporate governance and Operations and Process Optimization besides being involved in the overall business strategy.</p>
Expertise in specific functional area	Risk Management, Corporate Governance and Operations and Process Optimization besides being involved in the overall business strategy.
Number of Board meetings attended during the Financial Year 2018-19	2 (Two)
Other Directorship (excludes Private/ Foreign companies / Section 8 Companies)	<ol style="list-style-type: none"> <li>1. Indiabulls Housing Finance Limited;</li> <li>2. Indiabulls Trustee Company Limited;</li> <li>3. Indiabulls Commercial Credit Limited;</li> <li>4. Indiabulls Asset Reconstruction Company Limited;</li> <li>5. Indiabulls Integrated services Limited (formerly SORIL Holdings and Ventures Limited)</li> <li>6. Indiabulls Life insurance Company Limited;</li> <li>7. Indiabulls Consumer Finance Limited (formerly IVL Finance Limited)</li> </ol>

<p>Chairman/Member of the Committees of the Board of Directors of other Public Limited companies in which he is a Director.</p>	<ol style="list-style-type: none"> <li><b>1. Indiabulls Housing Finance Limited</b> Member            Audit Committee.</li> <li><b>2. Indiabulls Integrated Services Limited</b> <i>(formerly SORIL Holdings and Ventures Limited)</i> Chairman           Stakeholder Relationship Committee; Member            Nomination &amp; Remuneration Committee; Member            CSR Committee.</li> <li><b>3. Indiabulls Asset Reconstruction Company Limited</b> Chairman           Audit Committee; Chairman           Nomination &amp; Remuneration Committee; Chairman           CSR Committee.</li> <li><b>4. Indiabulls Consumer Finance Limited</b> <i>(formerly IVL Finance Limited)</i> Member            Audit Committee; Member            CSR Committee.</li> </ol>
<p>No. of Equity shares held in the Company</p>	<p>Nil</p>
<p>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</p>	<p>He is not related with any Director and Key Managerial Personnel of the Company.</p>
<p>Remuneration drawn, if any</p>	<p>Nil</p>
<p>Terms and Conditions of appointment / re-appointment.</p>	<p>Appointed as Non-Executive Director (Shareholder Director) liable to retire by rotation.</p>

Name of Director	<b>Mrs. D. Vijayalakshmi</b>
Director Identification Number	00467785
Item No.	3
Date of Birth/ Age	01/06/1953, 66 years
Date of First Appointment	13/06/2016
Brief Resume	<p>Mrs. D. Vijayalakshmi, holds a degree in M.A. Economics from University of Madras.</p> <p>She is a Practicing Academician and currently working as Chair Professor (Life) at National Insurance Academy, Pune, a premier institute promoted by Ministry of Finance and Public Sector Insurance Companies dedicated to Training, Research and Consultancy in Insurance, Pension and Allied areas.</p> <p>She is invited as a Guest Faculty to SAARC Regions for training and as speaker in Seminars.</p> <p>She has conducted seminars at NIA on Regulatory changes, impact of IT on Life Insurance Industry, Risk Management and had also designed few programmes for Senior Government Officials.</p> <p>Mrs.D. Vijayalakshmi has total work experience of 40 Years.</p> <p>Mrs. Vijayalakshmi was on the Board of High Energy Batteries for two terms and on the Board of Mahindra and Mahindra for a brief period in the capacity of Nominee Director of LIC.</p>
Expertise in specific functional area	Life Insurance, Risk Management, General Management and Behavioral Science.
Number of Board meetings attended during the Financial Year 2018-19	5 (Five)
Other Directorships (excludes Private / Foreign companies / Section 8 Companies)	Nil
Chairman/Member of the Committees of the Board of Directors of other Public Limited companies in which she is a Director.	Nil
No. of Equity shares held in he Company.	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	She is not related with any Director and Key Managerial Personnel of the Company.
Remuneration drawn, if any	Sitting fees. As permitted under the Companies Act, 2013.
Terms and Conditions of appointment / re-appointment.	Appointed as Non-Executive Independent Director (Public Interest Director) not liable to retire by rotation.

**Indian Commodity Exchange Limited****CIN: U67120GJ2008PLC099142****Registered office:** 1st Floor, Office - 109, Nodh No.-1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat- 395003, Gujarat.Email: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)Website: [www.icexindia.com](http://www.icexindia.com) Telephone No: 0261-2609960**PROXY FORM****Form No. MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**ANNUAL GENERAL MEETING 2018-19**

Name of the Member (s) :

Registered Address :

E-mail Id :

Folio No. / Client ID No./ DP Id No. :

I/We, being the member (s) holding ..... shares of the above named company, hereby appoint

1. Name :

Address :

E-mail Id :

Signature : ..... or failing him/ her;

2. Name :

Address :

E-mail Id :

Signature : ..... or failing him /her;

3. Name :

Address :

E-mail Id :

Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Eleventh Annual General Meeting of the company, scheduled to be held on Saturday, September 28, 2019 at 11:30 a.m. at Office No. 109, 1<sup>st</sup> Floor, Nodh No. 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat- 395003, Gujarat and at any adjournment thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

Resolution No:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Ajit Kumar Mittal (DIN: 02698115), who retires by rotation and being eligible, offers himself for re-appointment subject to the approval of SEBI.

**Special Business:**

3. Re-appointment of Mrs. D. Vijayalakshmi, as a Public Interest Director (Independent Director) of the Company for another term of three years.
4. Increase in Authorised Share Capital and consequent alteration to the Capital Clause of the Memorandum of Association.

Signed this.....day of ....., 2019

Signature of shareholder

Affix  
Revenue  
Stamp of  
appropriate  
Value

Signature of Proxy holder(s)

**NOTE:**

1. **This form of proxy in order to be effective should be duly completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.**
2. **Pursuant to clause 6.4.1 of the Secretarial Standards on General Meetings ('SS-2') proxy holder is required to prove his/her identity at the time of attending meeting. Therefore, proxy holders are required to carry valid ID proofs.**

**Indian Commodity Exchange Limited**  
**CIN: U67120GJ2008PLC099142**

**Registered office:** 1st Floor, Office - 109, Nodh No.-1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat- 395003, Gujarat.  
Email: [icexsecretarial@icexindia.com](mailto:icexsecretarial@icexindia.com)  
Website: [www.icexindia.com](http://www.icexindia.com) Telephone No: 0261-2609960

**ATTENDANCE SLIP**

Name & Registered Address of First Shareholder :

Name(s) of Joint Member(s), if any :

Reg Folio No./ DP Id No./Client Id No. :

No. of Shares held :

Name & Address of Proxy holder/Representative :

I/we certify that I/we am/are registered shareholder(s)/proxy for the registered shareholder(s) of the Company.

I/We hereby record my/our presence at the **Eleventh** Annual General Meeting of the Company on Saturday, September 28, 2019 at 11:30 a.m. at Office No. 109, 1<sup>st</sup> Floor, Nodh No. 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat- 395003, Gujarat.

\_\_\_\_\_  
Signature of First holder/Proxy/Authorised Representative

\_\_\_\_\_  
Signature of Joint holder(s)

Place:

Date:

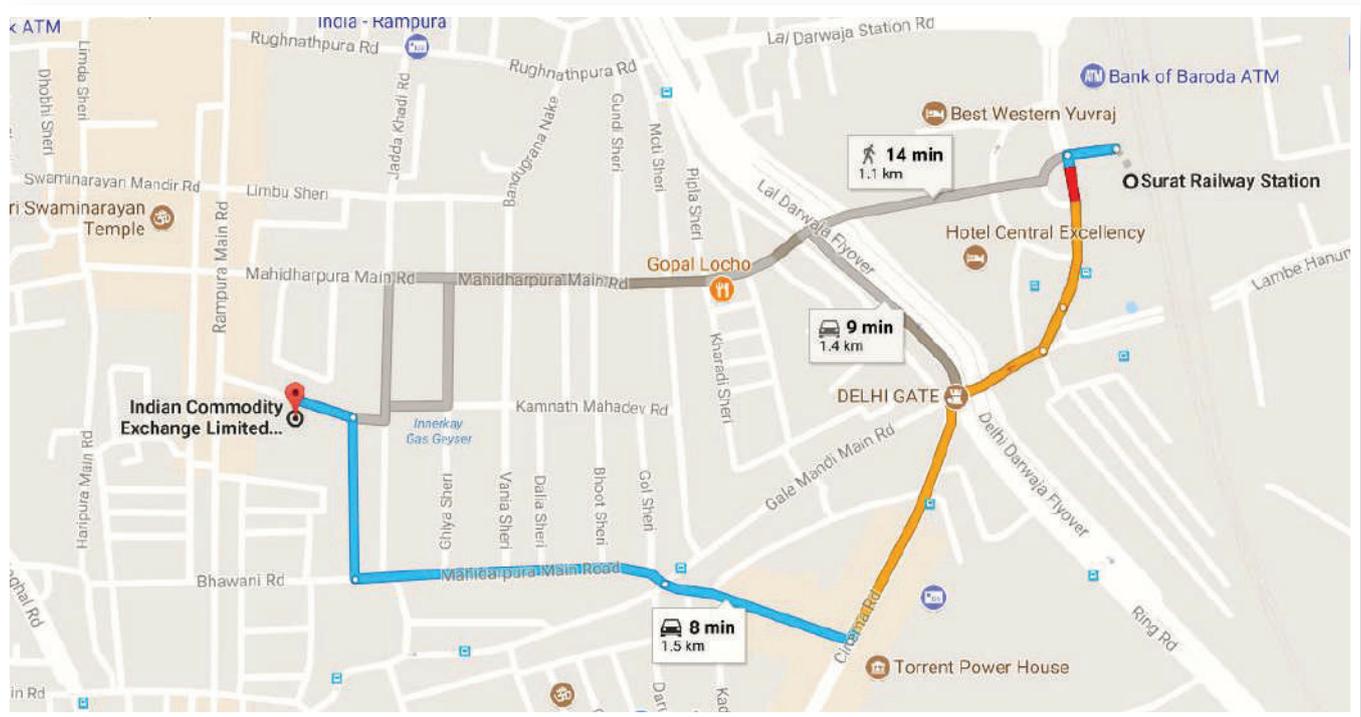
**Notes:**

1. Please sign this attendance slip and hand it over at the meeting venue.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.

**ROUTE MAP TO THE VENUE OF THE ELEVENTH ANNUAL GENERAL MEETING:  
 INDIAN COMMODITY EXCHANGE LIMITED  
 CIN: U67120GJ2008PLC099142**

**Venue:** Office No. 109, 1<sup>st</sup> Floor,  
 Nodh No. 1158 to 63/65/9,  
 Hat Faliyu, Mahidharpura,  
 Surat- 395003, Gujarat.

**Land Mark:** Blue Diamond Complex.



**Instructions:**

1. Proxy form shall be deposited with the Company either in person or through post not later than forty-eight hours before the commencement of the Meeting in relation to which they are deposited.
2. A Proxy form which does not state the name of the Proxy shall not be considered valid.
3. Undated Proxy shall not be considered valid.
4. An instrument of Proxy is valid only if it is properly stamped as per the applicable law.
5. Proxy form should be signed by the Shareholders and Proxy Holder. Attendance Slip should be signed by members/proxy holder along with name in block letters.
6. The Proxy-holder shall prove his identity at the time of attending the Meeting.
7. If multiple proxies received for the same Member, the Proxy which is dated last shall be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple Proxies shall be treated as invalid.

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## DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 11<sup>th</sup> Annual Report on the operations of your Company along with the Audited Financial Statement and the Auditors' Report for the financial year ended March 31, 2019.

### FINANCIAL SUMMARY AND HIGHLIGHTS:

The financial results for the year ended March 31, 2019 and the corresponding figures for the last year are as under:-

Particulars	(Amt. in Crores)	
	2018-19	2017-18
Profit/(Loss) Before Depreciation & Tax	(24.61)	(9.98)
Less: Depreciation / Amortization	3.96	2.92
Profit/(Loss) After Depreciation & Before Tax	(28.57)	(12.90)
Less: Provision for Deferred Tax (Exp.) / Credit	-	0.53
Profit / (Loss) after Tax (A)	(28.57)	(13.43)
Balance of Loss brought forward (B)	(134.00)	(120.57)
Balance of Loss Carried Forward to Balance Sheet (A+B)	(162.57)	(134.00)

The operating income for F.Y 2018-19 was ₹ 1.90 crore as against ₹ 3.46 crore in F.Y 2017-18. Other income during F.Y 2018-19 was ₹ 10.47 crore as against ₹ 12.86 crore in the F.Y 2017-18. The net loss after tax for the year ended March 31, 2019 stood at ₹ 28.57 crore as against ₹ 13.43 crore for the year ended March 31, 2018. The net worth as at March 31, 2019 stood at ₹ 171.82 crore.

### DIVIDEND AND RESERVES:

In the absence of profits, the Directors do not recommend any dividend on the equity shares of the Company and no amounts are available for carrying to General Reserve.

### AMALGAMATION AND MERGER:

The Board at its meeting held on June 30, 2017 had approved the Scheme of Amalgamation of National Multi-Commodity Exchange of India Limited ("NMCE" or "the Transferor Company") with Indian Commodity Exchange Limited ("ICEX" or "the Transferee Company") and their respective shareholders, subject to approval of shareholders, creditors, SEBI and sanction of the Hon'ble National Company Law Tribunal ("NCLT").

During the year under review, the Hon'ble NCLT granted its sanction to the scheme of amalgamation vide its common order dated August 27, 2018 and August 31, 2018. The said scheme became effective from September 7, 2018 upon filing certified copies of the order of NCLT with Registrar of Companies, Ahmedabad.

### REVIEW OF EXCHANGE PERFORMANCE, OPERATIONS AND OVERVIEW:

SEBI vide its letter dated July 7, 2017 had granted approval to Exchange for re-commencement of trading operations. The Exchange after successfully complying with all SEBI mandated norms—prescribed for the commodity exchanges, and implementing world-class technology and risk management systems, recommenced its trading operations w.e.f. August 28, 2017 in Diamond Futures Contracts. Your company has created world's first organized, transparent and regulated derivatives market for diamond.

Your Company has also launched Steel Long Futures contract on August 28, 2018. Further, subsequent to amalgamation of NMCE with ICEX, all the futures contracts traded at erstwhile NMCE were made available for trading at ICEX platform w.e.f. September 24, 2018 (date of system integration).

During the period under review, your Company has launched Paddy Basmati Futures Contract on July 11, 2019 thereby marking another milestone. As on the date of the report, there are 16 (sixteen) commodities traded on your company's platform.

Your Company is continuously working with an objective of launching innovative contracts which would serve economic benefit to the underlying commodity users. Few such innovative contracts shall be launched during the current financial year subject to the approval of SEBI. Your Company is committed to explore and exploit all opportunities for unlocking the full potential of the Indian commodity derivatives market.

Your Company had envisioned starting a new segment in Mutual Fund Distribution and its related activities during the financial year 2018-19. Board of Directors are pleased to inform that, your Company has obtained approval from SEBI to facilitate transactions in Mutual Fund Scheme on its platform.

The average daily turnover during F.Y 18-19 was ₹ 93.62 crore as compared to ₹ 14.29 crore in F.Y 2017-18 (single side). The total turnover of commodity futures traded on your Exchange for F.Y. 18-19 stood at ₹ 24060.95 crore as against ₹ 2158.48 crore in F.Y 2017-18. The total volume during F.Y 18-19 was 5,55,00,358 lots as compared to 73,62,673 lots in F.Y 17-18. Your Company has national reach with 139 SEBI registered members, having 867 Authorised Persons, operating through 2427 terminals including Computer to Computer Link (CTCL) across 302 cities / towns across India as at March 31, 2019.

For F.Y 2018-19, your Company's total loss stood at ₹ 28.57 crore as compared to ₹ 13.43 crore for F.Y 2017-18. As the company adopted IND AS accounting from April 01, 2018, the accounts for F.Y 17-18 was restated since the Goodwill is tested for its impairment under IND AS. Accordingly, the 1/5th Goodwill written off in F.Y 17-18 amounting to ₹ 8.61 crore was restated in the books and thereby reducing the losses for F.Y 17-18.

The Exchange has successfully merged NMCE with ICEX and has relaunched some of its flagship contracts like Rubber and Pepper. ICEX also launched Steel contract in F.Y 2018-19. All these have resulted in increase in marketing and business development cost. With volume increasing in the subsequent period shall help in improving the revenue since ICEX has started levying transaction fees on these contracts.

#### **REGULATORY UPDATES:**

During the year under review, SEBI has brought several reforms strengthening the operational framework and risk management in commodity exchanges, making the commodities market better in terms of integrity, reliability and aid it going forward. The presence of SEBI as the market regulator is expected to help further increase the confidence in the market and trust amongst all the financial and commodity markets ecosystem, stakeholders and make the commodity markets more vibrant and build a level-playing field across both the commodities and securities markets.

In order to develop the commodity derivatives market and Mutual Funds, applicable to your Exchange, SEBI has brought the following reforms among others as under:-

- Participation of Eligible Foreign Entities (EFEs) in the commodity derivatives market;
- Participation of Foreign Portfolio Investors (FPIs) in Commodity Derivatives
- Uniformity in the procedure for obtaining samples of goods at the Exchange accredited warehouse;
- Total Expenses Ratio (TER) and performance Disclosure for Mutual Funds;
- Instant Access Facility (IAF) in Mutual Funds;
- Use of e-wallet for investment in Mutual Funds;
- Risk management norms for commodity derivatives;
- Strengthening of Cyber Security;
- Framework for position limits;
- Guidelines for liquidity Enhancement Schemes (LES) in Commodity Derivatives contracts.

Further, SEBI vide its notification dated October 3, 2018 notified Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 ('SECC Regulations, 2018'), thereby rescinding SECC Regulations, 2012. Few of the major changes brought in by the provisions of SECC Regulations, 2018 were as follows;

- The minimum net-worth to be maintained by clearing corporation at all times was reduced from 300 crores to 100 crores;
- Criteria for 'Fit and Proper' is enlarged by including will defaulter and initiations of recovery proceedings under the SEBI Act, 1992;
- Managing Director is categorized as Shareholder Director;
- The number of public interest directors (PID's) shall not be less than the number of shareholder directors to constitute the quorum for the meeting of the governing board;
- The voting on a resolution in the meeting of the governing board shall be valid only when the number of public interest directors that have cast their vote on such resolution is equal to more than the number of shareholder directors who have cast their vote on such resolution;
- The number of Statutory Committees to be constituted under these regulations has been reduced from 16 to 7 committees;

## **SHARE CAPITAL:**

### **Authorised Share capital**

By virtue of the Scheme of Amalgamation sanctioned by the Honb'le National Company Law Tribunal, Ahmedabad Bench ("NCLT"), the Authorised share capital of the Company increased from ₹ 175,00,00,000/- (Rupees One Hundred Seventy Five Crore only) divided into 35,00,00,000 (Thirty Five Crore) Equity shares of ₹ 5/- (Rupee Five only) each to ₹ 268,00,00,000/- (Rupees Two Hundred and Sixty Eight Crore only) divided into 53,60,00,000 (Fifty Three Crore Sixty Lakh) Equity shares of ₹ 5/- (Rupee Five only) each.

The Authorised Share Capital of the Exchange as on March 31, 2019 was ₹ 268,00,00,000/- (Rupees Two Hundred and Sixty Eight Crore only) divided in to 53,60,00,000 (Fifty Three Crore Sixty Lakh) Equity shares of ₹ 5/- (Rupee Five only) each.

### **Issued, subscribed and paid-up capital**

During the period, the Exchange on September 25, 2018 allotted 19,85,07,476 (Nineteen Crore Eighty Five Lakh Seven Thousand Four Hundred and Seventy Six) Equity shares of ₹ 5/- (Rupee Five only) each to the shareholders of National Multi-Commodity Exchange of India Limited (NMCE) i.e. in the swap ratio of 10,384 Equity share of ₹ 5/- (Rupee Five only) each of the Company for every 1000 Equity shares of ₹ 10/- (Rupee Ten only) each held in NMCE.

As on March 31, 2019, the issued, subscribed and paid-up Share Capital of the Exchange was ₹ 266,75,37,380/- (Rupees Two Hundred Sixty Six Crore Seventy Five Lakh Thirty Seven Thousand Three Hundred Eighty) divided into 53,35,07,476 (Fifty Three Crore Thirty Five Lakh Seven Thousand Four Hundred and Seventy Six) Equity shares of ₹ 5/- (Rupee five only) each fully paid up.

### **INVESTOR PROTECTION FUND (IPF)**

Your Company has established ICEX- Investor Protection Fund Trust (ICEX - IPF), to protect and safeguard the interests of investors (clients) by meeting their eligible / legitimate claims on account of default by any trading and clearing member of the Exchange. The Trust plans to use the interest income earned on the investment of funds for imparting knowledge, education, conducting awareness programs, undertaking research or such other programs as may be specified by SEBI. The ICEX Trust Fund as on March 31, 2019 stood at ₹ 124,152,314/-.

### **INVESTOR SERVICE FUND (ISF)**

Pursuant to SEBI directives, your Company has set up an Investor Service Fund (ISF), for providing basic minimum facilities at various Investor Service Centres, as mentioned in the SEBI circular. In accordance to the circular, at an initial stage, your Company had contributed ₹ 10 lakh towards setting up the ISF. As on March 31, 2019 the balance in the account is ₹ 8,59,308/-.

SEBI has permitted utilization of the corpus of ISF for conducting various investor education and awareness programs, capacity building programs and maintenance of all price ticker boards installed by the respective exchanges, cost of training of arbitrators etc. In addition, the corpus may be utilized in other manner as prescribed/permitted by SEBI in the interest of investors from time to time.

Since ISF is of recent origin, its corpus may be inadequate. SEBI has therefore permitted utilization of interest on IPF for activities of ISF for a period of 3 years starting from April 01, 2018.

#### **SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:**

The Company does not have Subsidiary/ Joint Venture/ Associate Companies. Therefore, details of the same are not furnished.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the year under review, your Company has not entered into any Related Party Transactions under section 188 (1) of the Companies Act, 2013 and the same is reported in form AOC -2 annexed as Annexure I.

#### **INTERNAL FINANCIAL CONTROLS:**

The Company has sound internal financial controls commensurate to the size and nature of its business. The internal financial controls are adequate and operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, the safe guarding of assets, the prevention & detection of frauds & errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

#### **PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:**

During the year under review, your Company has not given any loan or guarantees as per section 186 of the Companies Act, 2013. Further your Company has not made any Investments as per section 186 of the Companies Act, 2013.

#### **DEPOSITS:**

The Company does not have deposits as contemplated under chapter V of the Companies Act, 2013. Further, the Company has not invited or accepted any deposits during the year ended March 31, 2019.

#### **DIRECTORS:**

Your Board currently comprises of 6 (six) Directors which includes 3 (three) Public Interest Directors and 3 (three) Shareholder Directors including Managing Director & CEO. As per SECC Regulations, 2018, Managing Director shall be included in the category of shareholder director.

Mr. Ashok Sinha, Chairman and Public Interest Director, Mr. V.K. Sharma, Public Interest Director and Mr. R.K. Nair, Public Interest Director ceased to be Directors of the Company w.e.f. May 26, 2018 after successful completion of their tenure as Public Interest Director. Further, Mr. P.S. Gahlaut, Shareholder Director owing to his other pre-occupation, resigned from the Board of the Exchange w.e.f. July 25, 2018. The Company places on record its appreciation towards valuable contributions made by them during their tenure as Directors of the Company.

SEBI has nominated Dr. H. K. Pradhan and Mr. J. J. Bhatt as Public Interest Director of the Company for a period of three years w.e.f. May 26, 2018, based on the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company. Dr. H.K. Pradhan is nominated as Chairman of the Exchange post approval of SEBI.

Further, during the period under review, SEBI approved appointment of Mrs. D. Vijayalakshmi, Public Interest Director for another term of three years w.e.f. June 13, 2019, based on recommendation of Nomination and Remuneration Committee and Board of Directors of the Company.

"Public Interest Director" under the SECC Regulations, 2018 means an independent director, representing the interests of investors in securities market and who is not having any association, directly or indirectly, which in the opinion of the SEBI, is in conflict with his role and accordingly, such directors are considered as Independent Directors for adhering compliance with the provisions under the SEBI Listing Regulations, 2015 and Companies Act, 2013.

Mr. Ajit Mittal, Shareholder Director retires by rotation and being eligible, offers himself for re-appointment at the 11<sup>th</sup> Annual General Meeting of the Exchange scheduled to be held on September 28, 2019. His brief profile is given in the Exhibit to the Notice of the ensuing Annual General Meeting of the Company.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164(2) of the Companies Act, 2013. The Company has received declarations from all Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013. Further, all Directors have confirmed that they are 'Fit and Proper' persons in terms of the SECC Regulations.

Details of Board Committees along with their terms of reference, composition and meetings held during the year, are provided in Corporate Governance Report which forms part of the Annual Report.

#### **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:**

The Board met 6 (six) times during the financial year i.e. on April 25, 2018, July 25, 2018, September 4, 2018, September 25, 2018, November 1, 2018 and February 2, 2019.

#### **SECRETARIAL STANDARDS:**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India.

#### **KEY MANAGERIAL PERSONNEL (KMP):**

The following are designated as the Whole-time Key Managerial Personnel of the Exchange pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on March 31, 2019:

- (a) Mr. Sanjit Prasad – Managing Director and Chief Executive Officer
- (b) Mr. Ghanashyam V. Rao - Chief Financial Officer
- (c) Ms. Shweta Gujar – Company Secretary

During the year under review, the Board on recommendation of Nomination and Remuneration Committee appointed Ms. Shweta Gujar, as Company Secretary and designated Whole-time Key Managerial Person of the Company with effect from April 20, 2018.

The Company does not have any Employees' Stock Option Scheme.

#### **AUDIT COMMITTEE:**

The Audit Committee comprised of 4 (four) Directors as on March 31, 2019 i.e Dr. H.K Pradhan (Chairman of the Committee), Mr. J.J. Bhatt, Public Interest Director, Mrs. D. Vijayalakshmi, Public Interest Director, and Mr. Lav Chaturvedi, Shareholder Director.

All the recommendations of the Audit Committee were accepted by the Board of Directors of the Company.

#### **FAMILIRISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The independent directors are familiarised with the Company, through various programmes. These include orientation programme upon induction of new directors, strategic presentations made to the Board where directors get an opportunity to interact with the senior management and also other initiatives to update directors on continuing basis. Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities. The format of the letter of appointment is available on our website at <https://www.icexindia.com/about-us/disclosures>.

The Familiarisation programme for Independent Directors is disclosed on the Company's website at the following web link: <https://www.icexindia.com/about-us/disclosures>.

#### **PARTICULARS OF EMPLOYEES:**

The Company had no employees during the year covered under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However compensation given to key management personnel is disclosed in Annexure II in accordance with Regulation 27(5) of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

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

The Company has in place a 'Sexual Harassment of Employees' Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013. During the year under review no complaints of sexual harassment were received by the Company.

## **POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:**

The Company has in place the policy on appointment and remuneration for Directors including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration for Key Managerial Personnel and senior management employees pursuant to the provisions of the Companies Act and Regulation 19 of SEBI Listing Regulations, and the same is annexed as Annexure III.

## **CORPORATE SOCIAL RESPONSIBILITY:**

Since the net-worth of the Exchange is not ₹ 500 crores or more or turnover is not ₹ 1000 crores or more or net profit is not ₹ 5 crores or more during the immediate preceding financial year, provisions of section 135 of the Companies Act, 2013 with respect to constitution of Corporate Social Responsibility Committee are not applicable to the Exchange.

## **BOARD EVALUATION:**

In view of the provisions of the Companies Act and Listing Regulations, the Board has carried out the annual evaluation of the performance of the Public Interest Directors, Committees of Board. The Nomination and Remuneration Committee reviewed the performance of Individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors.

The performance evaluation reports of respective committees and the Board members were reviewed by the Chairman of the Board. Based on these reports, the Board was apprised on the outcome of performance evaluation exercise.

The Directors expressed their satisfaction with the evaluation process.

## **RISK MANAGEMENT:**

The Company has a well-defined risk management framework in place. Your Company has constituted a Risk Management Committee which is authorised to monitor and review risk management plan and risk certificate. The Committee is also empowered, inter alia, to review and recommend to the Board the modifications to the Risk Management Policy.

## **VIGIL MECHANISM:**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

Whistle Blower Policy of your Company is available on the Company's website and can be accessed at the Web-link: <https://www.icexindia.com/about-us/disclosures>.

Further details are available in the Report on Corporate Governance that forms part of this Annual Report.

## **CLEARING AND SETTLEMENT FUNCTIONS:**

Pursuant to regulation 36 of erstwhile SECC Regulations, 2012 and clause 5 of SEBI circular ref no. CIR/CDMRD/DEA/03/2015 dated November 26, 2015, "Commodity derivatives exchanges shall transfer the functions of clearing and settlement of trade to a separate clearing corporation within three years" i.e. by September, 2018. The Board of Directors of the Exchange at its meeting held on April 25, 2018 approved the proposal to transfer the functions of clearing and settlement of trade to Metropolitan Clearing Corporation of India Ltd (MCCIL), a third party Clearing Corporation, subject to approval of SEBI. SEBI granted approval on September 27, 2018.

Accordingly, the clearing house functions & duties of ICEX were transferred to MCCIL with effect from October 1, 2018.

## **CORPORATE GOVERNANCE:**

Pursuant to the Securities Contracts (Regulation) (Stock Exchanges & Clearing Corporations) Regulations, 2018 (“SECC Regulations”), corporate governance norms as specified for listed companies mutatis mutandis applies to a recognized Stock Exchange. In accordance with good corporate governance practices and in order to comply with the SECC Regulations, a report on Corporate Governance covering amongst others, composition, details of meetings of the Board and Committees as at March 31, 2019 forms part of the Annual Report. A Certificate from a Practising Company Secretary, Mumbai confirming status of compliances of the conditions of Corporate Governance forms part of this Annual Report.

## **AUDITORS:**

### **STATUTORY AUDITOR’S:**

M/s. Chaturvedi and Shah LLP, Chartered Accountants (Firm Registration No. 101720W), were appointed as Statutory Auditors of your Company at the Annual General Meeting held on December 22, 2018 for a term of five years i.e. for F.Y. 2018-19 and F.Y. 2022- 23.

The Company has received a certificate from M/s. Chaturvedi and Shah LLP, Chartered Accountants, confirming that they are not disqualified from continuing as Statutory Auditors of the Company.

M/s. Chaturvedi and Shah LLP, Chartered Accountants have submitted Auditors Report on the accounts of the Company for the accounting year ended March 31, 2019. The Notes to the Accounts referred to in the Auditors Report are self-explanatory. The Auditors Report does not contain any qualification, reservation or adverse remark.

### **SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. AVS & Associates, Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2019. The Secretarial Audit Report is annexed as Annexure IV to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **REPORTING OF FRAUDS BY AUDITORS:**

During the year under review, the Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

### **EXTRACT OF THE ANNUAL RETURN:**

An extract of Annual Return pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) Rules, 2014 in Form MGT-9 is attached as Annexure V to this Report.

### **MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE EXCHANGE:**

There have been no material changes and commitments affecting the financial position of the Exchange which have occurred between the end of the financial year to which the financial statements relate and to the date of the report.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company’s operations in future.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

#### **A. Conservation of Energy**

The Company continuously strives to optimize its energy usage and efficiency. Following are some of the initiatives taken by the Exchange:

1. Using LED lights in place of CFL (compact fluorescent lamp) & Pear lights.
2. Installation of HVAC (Air conditioning) Central Controller system for scheduling the use of Air Conditioners and Capacitor Banks in electrical panel which effect in reduction of consumption of energy.
3. Using only required lights and switching off electrical devices like lights, computer monitors etc. when not in use.

## **B. Technology absorption, Adaptation and Innovation**

The trading technology of the Exchange has been provided by Millennium Information Technology which is part of London Stock Exchange. Few of the features of the trading technology used by the Exchange are as follows;

### **1. High Availability and Fault tolerance.**

ICEX trading platform is designed for High Availability. Since trading is a time critical business, it is vital that in the event of a failure the system can adapt in such a way as not to hinder trading. ICEX provides uninterrupted service despite process, machine, network or database failures.

The trading software provides high level of fault tolerance. All the processes in the Exchange have at least 2 instances running at any given time, a primary instance and a replica/ mirror/secondary instance. These multiple instances provide the Exchange the ability to failover and achieve high availability. If any of the processes fails then the secondary or mirror process takes over seamlessly and there is no impact. The primary and mirror processes are configured on separate servers to provide a complete fault tolerant solution.

### **2. HOT-HOT Primary and DR sites.**

Your Exchange has implemented Primary and DR sites in HOT-HOT (Active – Active) mode. This mode ensures all orders, quotes, trades and all other state is replicated to the backup site synchronously. In case of a primary site disaster the system can failover to the backup site with minimum time. The advantage of this scheme is that the full recoverability of all state and the transparency to the end users. This also ensures Zero data loss and data integrity at both the sites in event of any disaster.

ICEX is the only Exchange in India which has this unique feature.

### **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year under review, the Exchange has no foreign exchange earnings. There has been foreign exchange out go of ₹ 3,39,68,561/-.

### **CHANGE IN THE NATURE OF BUSINESS:**

There was no change in the nature of the business of the Company done during the year.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

As required under in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:-

1. In the preparation of the annual accounts for the Financial Year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Exchange at the end of the financial year March 31, 2019 and of the profit of the Exchange for that period;
3. 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;
4. The Directors have prepared the annual accounts on a going concern basis; and
5. The Directors have laid down internal financial controls to be followed by the Exchange and that such internal financial controls are adequate and are operating effectively.
6. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **ACKNOWLEDGEMENT:**

The Directors would like to place on record their gratitude for the valuable guidance and support received from the Government of India, particularly Ministry of Finance, Ministry of Corporate Affairs, Ministry of Petroleum & Natural Gas, Securities and Exchange Board of India, Reserve Bank of India, NSDL, CCRL, technology partners and all other business associates of the Company. The Directors also wish to convey their appreciation to the Company's employees for their enormous efforts.

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

**J. J. Bhatt**  
Director  
DIN: 08132347

**Sanjit Prasad**  
Managing Director & CEO  
DIN: 03304097

**Date : August 9, 2019**  
**Place: Mumbai**

## ANNEXURE I

FORM NO. AOC-2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014.)**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

### 1. Details of contracts or arrangements or transactions not at Arm's length basis:

Sr. no.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Not Applicable</b>
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board.	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

### 2. Details of contracts or arrangements or transactions not at Arm's length basis:

Sr. no.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Not Applicable</b>
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts/ arrangements/ transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date of approval by the Board.	
f)	Amount paid as advances, if any	

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

**J. J. Bhatt**  
 Director  
 DIN: 08132347

**Sanjit Prasad**  
 Managing Director & CEO  
 DIN: 03304097

**Date : August 9, 2019**

**Place: Mumbai**

## ANNEXURE II

### Statement pursuant to regulation 27(5) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.

Sr. No	Name & Qualification	Age (Yrs.)	Designation/ Nature of Duties	Total Remuneration (₹)	Experience in years	Date of Joining	Previous Employment
1	Mr. Sanjit Prasad B.A Economics (Hons), PGDRM	48	Managing Director & CEO	1,00,00,000	23	01.09.2016	Metropolitan Stock Exchange of India Limited
2	Mr. Ranjit Samantaray * B.Com (Hons), LLB, ACS & CFC (Canada)	55	Chief Regulatory Officer	53,73,147	28	16.10. 2015	Universal Commodity Exchange Limited
3	Mr. Ghanashyam V. Rao* B.Com, DMS, MBA (Finance)	51	Chief Financial Officer	55,11,442	31	03.11.2015	Metropolitan Stock Exchange of India Limited
4	Mr. Sushil Limbulkar * BE , MBA	46	Chief Technology Officer	48,74,407	24	04.12.2015	Metropolitan Stock Exchange of India Limited
5	Mr. Pradeep Mishra * M.Sc. (Ag. Eco) & PGPABM	44	Deputy Vice President-Investors Protection, Grievance, Services and Arbitration	24,70,322	17	18.02.2016	Price Waterhouse Cooper Pvt. Ltd.
6	Mr. Sushil Mishra * B.Sc, MMS (Finance), PG Diploma in Treasury & Forex Mgmt.	39	Asst. Vice President Surveillance	24,00,032	17	27.04.2015	Universal Commodity Exchange Limited
7	Mr. Saroj Nanda * BA Economics (Hons), MBA.	38	Chief Manager Clearing & Settlement	18,38,314	15	27.04.2015	Universal Commodity Exchange Limited
8	Mr. Praveen Acharya * B.Com & CFA (ICFAI)	41	Senior Manager Membership	15,00,513	21	01.02.2016	Metropolitan Stock Exchange of India Limited
9	Mr. Narayanaswamy Iyer * M.Com, CA	42	Deputy Vice President Enforcement	33,21,922	17	09.11.2015	Reliance Asset Reconstruction Co. Ltd
10	Mrs. Anshu Bharti * B.Sc, MBA (AGRI BUSINESS)	39	Senior Manager Risk Management	13,42,694	14	09.02.2016	Forward Market Commission
11	Ms. Shweta Gujar * # B.Com; ACS	30	Manager Company Secretary	7,66,657	5	01.04.2017	SKIL Group

\*Total remuneration stated above is excluding unpaid 50% of total Performance Link Bonus (PLB) as per SECC Regulation, 2018 of SEBI.

# Ms. Shweta Gujar was appointed as KMP w.e.f April 20, 2018. The remuneration amount includes ₹ 43,958/- pertaining to non-KMP period but paid during the KPM tenure.

#### Notes:

1. Remuneration as shown above includes Salary and other benefits, other Allowances, Contribution to Provident Fund, taxable value of perquisites, Gratuity etc.
2. None of the employees named above is relative of any Director of the Company.
3. None of the employees named above hold any equity shares in the Company.

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

**J. J. Bhatt**  
 Director  
 DIN: 08132347

**Sanjit Prasad**  
 Managing Director & CEO  
 DIN: 03304097

Place: Mumbai  
 Date : August 9, 2019

## ANNEXURE III

### **Policy on appointment and remuneration for Directors, Key Managerial Personnel and Senior Management employees.**

#### **1. Introduction**

- 1.1 Indian Commodity Exchange Limited (ICEX) considers human resources as its invaluable assets. This policy aims to harmonise the aspirations of the directors/ employees with the goals of the Company.
- 1.2 Human capital is a strategic source of value creation. As part of our progressive HR philosophy, it is necessary to have in place a comprehensive Compensation Policy, which is in line with the industry trend and is employee friendly.

#### **2. Objectives**

- 2.1 Ensuring that the quantum and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees to run the Company successfully.
- 2.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 2.3 Ensure that annual compensation review considers industry/ business outlook and strategies adopted by industry peers, differentiates employees based on their performance/skill sets and also protects employees, particularly those in junior cadre, against inflationary pressures;
- 2.4 Retention of high performers at all levels and those playing critical roles.
- 2.5 To formulate and specify criteria/manner for evaluation of performance of Board, its committee and individual Directors.

#### **3. Scope**

The Board has constituted the “Nomination and Remuneration Committee” in line with the requirements under the provisions of the Companies Act, 2013 and SECC Regulations, 2018. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel (KMP) and senior managerial personnel of the Company.

#### **4. Definitions**

- 4.1 “Director” means a director appointed to the Board of the Company.
- 4.2 “Key Managerial Personnel” (KMP) under Companies Act, 2013 means
  - (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-time Director;
  - (iv) the Chief Financial Officer;
  - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;
  - (vi) such other officer as may be prescribed under the Companies Act, 2013;
  - (vii) KMP as per SECC Regulations, 2018.
- 4.3 “Senior Management” means personnel of the company who are members of its core management team excluding Board of Directors comprising of all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

## 5. Policy

### 5.1 Appointment of Directors/ Key Managerial Personnel/ Senior Management personnel

The Nomination and Remuneration Committee, inter alia, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for selection. The Board considers the recommendation of the Committee and takes appropriate decisions. The Company also considers the requirement of skills and effectiveness of persons contributing to the Company's business and policy decisions.

### 5.2 Remuneration to Directors/ Key Managerial Personnel

5.2.1 The remuneration of the Directors/ Managing Director/ Whole time Directors and Managers etc. will be governed as per provisions contained in the Companies Act, 2013 and rules made therein from time to time. The requirements prescribed by SEBI from time to time in this regard shall also be followed while determining the remuneration.

5.2.2 Non-Executive Directors shall be entitled to sitting fees and travel arrangements for attending the meetings of the Board and the Committees thereof as approved by the Board of Directors from time to time.

5.2.3 The Non-Executive Directors shall also be entitled to profit related Commission, if approved by the Board, in addition to the sitting fees.

5.2.4 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors / Key Managerial Personnel / Senior Management Personnel of the Company within the overall limits, if any, approved by the shareholders.

5.2.5 The remuneration structure shall include the following components:

- (i) Basic Pay;
- (ii) Perquisites and Allowances;
- (iii) Stock Options, if any;
- (iv) Commission; (Applicable in case of Executive Directors/ Directors)
- (v) Retiral Benefits;
- (vi) Performance Linked Bonus;
- (vii) Additional benefits such as Term Insurance, Personal Accidental and Mediclaim covers.

5.2.6 The Annual financial results of the Company shall be reviewed by the Nomination and Remuneration Committee and any additional incentives will be proposed based on the achievements.

### 5.3 Performance Evaluation Process

- Performance evaluation of entire board shall be done by the Public interest Directors in their meeting.
- Performance evaluation of Committees shall be done by the Board of Directors (Excluding the committee members being evaluated).
- Performance evaluation of Individual Director shall be done by the Board of Directors.
- Performance evaluation of Chairperson, Managing Director, Non -Executive Director and Executive Director shall be done by Public Interest Directors in their meeting.

The policy for performance evaluation of Public Interest Directors also be followed as may be approved by the Board.

### 5.4 Remuneration to other employees

Employees shall be assigned grades/bands according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined based on various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs within the industry.

## 6. Retention Features as part of Compensation Package

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses (RBs), Long-term Incentives (LTIs), Employee Stock Options etc.

## 7. Modification and Amendment

- i. The NRC may review the Policy as and when it deems necessary.
- ii. In case of any subsequent changes in the provisions of the Companies Act, 2013, SECC Regulations or any other Act, Rules, Regulations thereunder time being in force which makes any of the provisions in the policy inconsistent with the Act, Rules or Regulations then the provisions of the Act, Rules or Regulations would prevail over the policy and the policy would be modified in due course to make it convenient with law.

The Policy has to be read along with the Compensation Policy for KMP approved by the Board at its meeting held on 23<sup>rd</sup> December 2015.

## Compensation Policy for KMPs

### **1. Objective:**

The objective of the compensation policy of Indian Commodity Exchange Limited (herein after referred to as “Exchange”) is to:

- Support performance that is based on merit, and differentiate and reward excellent performance, both in the short and long term, and to recognise the values of the Exchange:
- Attract and retain KMP, and motivate them to achieve organizational goals with integrity fairness and ethical behavior.
- Balance the mix of fixed compensation and Variable Compensation to appropriately reflect the value and responsibility of the role performed day to day by KMP, and to influence appropriate behaviors and actions.
- Promote effective risk management practice and compliance.
- Foster teamwork and collaboration.
- Take into account the long-term performance of the Exchange, in order to create sustainable value for the shareholders and

In determining the Compensation policy, the Compensation Committee and the Board shall ensure that a competitive Compensation policy for the Key Management Personnel of the Company is being followed and which is in compliance with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulation, 2012 (hereinafter referred to as “SECC Regulations”) and all other relevant acts, regulations, notifications, circulars and guidelines which are and may be issued by SEBI or any other relevant authorities from time to time.

### **2. Applicability**

This Policy is applicable to all the key Management Personnel. As per under the SECC Regulations “Key Management Personnel” (hereinafter KMP) means a person serving as head of any department or in such senior executive position that stands higher in hierarchy to the head(s) of department(s) in the recognized stock exchange or the recognized clearing corporation or in any other position as declared so by such stock exchange or clearing corporation. The KMPs shall be such as are identified by the Compensation Committee or in case of changes between meetings of the Committee, by the MD in the interim.

### **3. Compensation Governance**

The compensation governance practices, which are set out in the Policy, are part of the overall corporate governance structure. They should be read in conjunction with the other policies and guidelines of Exchange. The Compensation Policy adheres to the compensation principles stipulated by Securities and Exchange Board of India (SEBI) and other applicable laws.

#### 3.1 Compensation Committee and/or Nomination and Remuneration Committee

The Exchange has constituted a Compensation Committee/ Nomination and Remuneration Committee, which comprises of majority of the Public Interest Directors and is chaired by a Public Interest Director. The role of the committee is to create, recommend, review and approve compensation plans for KMP of the Exchange. Further, the Committee shall also fix the tenure of the KMP in the regulatory department. The Compensation Policy shall be in accordance with the norms specified by SEBI. The Compensation Committee may also procure external legal advice or advice from independent external advisors, as and when required. The Compensation Committee shall ensure that the Compensation Policy is accessible to all the KMPs. The Committee will annually review/ asses implementation of the compensation policy. The Committee shall review the compensation of KMPs every financial year or earlier as the maybe required.

#### 3.2 Compensation of Managing Director to be approved by the Board

The compensation and the terms and conditions of the Managing Director shall be approved by the Remuneration Committee/Compensation Committee/ Board and placed before SEBI for approval. The Terms and conditions of the compensation of the Managing Director shall not be changed without prior approval of the Remuneration Committee/ Compensation Committee/Board and SEBI.

#### 4. Factors determining Compensation

The Compensation Committee shall consider the following conditions, while deciding the compensation payable to the KMP:

- Financial condition/ health of the Exchange including revenues, net profits and other relevant financial parameters, if any.
- Average levels of compensation payable to KMP in similar ranks in the industry and industry standards.
- Absence of provisions tending to incentivize taking excessive risks over the short run.
- Role and responsibilities of the Key Management Personnel.
- Performance of the KMP.
- Necessity to differentiate and reward excellent performance, both in the short and long term.
- Attract and retain KMP, and motivate them to achieve results with integrity and fairness.
- Encourage teamwork and collaboration across the KMP.
- Foster growth for the KMP within the Exchange.
- Curb excessive risk taking and short term profit oriented behavior through Malus and Clawbacks clauses.
- Provides equal opportunity to all the KMPs.
- Adherence to the norms stipulated by SEBI and other regulators.

#### 5. Compensation Structure

Compensation Structure is a mix of fixed compensation on the one hand and short and long-term deferred variable compensation on the other. It is designed to ensure adequate consideration of risk in compensation decisions; Every KMP would have to enter into an agreement with the Exchange to ensure a long term mutually beneficial relationship and regulatory compliance. The total compensation structure would be in the following manner.

##### 5.1 Fixed/Basic Compensation:

Fixed compensation, which is most commonly paid in the form of base salary, is based on the role and experience of the individual, his or her individual sustained long-term performance, and market positioning. Base salary is set at levels designed to retain Key management Personnel throughout business cycles.

##### 5.2 Variable Compensation

The level of variable compensation granted, referred to as a discretionary variable incentive which is factored in the Compensation of the KMP, is entirely at the discretion of the compensation Committee/Board, and may be zero in cases as deemed fit by the Compensation Committee/Board. The compensation Committee/Board makes decisions on variable compensation based on absolute and relative performance of the Exchange and its Divisions, as well as pre-agreed individual performance objectives of KMP's, market positioning, and a variety of other factors. The variable pay shall not exceed one-third of total pay.

##### 5.3 Deferred Compensation:

50% of variable compensation is deferred to reflect the nature of the Exchanges business, its risk profile, and the desire to have compensation plans that are based on sustainable performance criteria, which are enlisted in the KMP's KPC (Key Performance Criteria)/KRA (Key Result Area). Deferred compensation are subject to vesting period of three years.

##### 5.4 Prohibition on ESOPs and Equity Linked Instruments

ESOPs and Equity Linked Instruments shall not be issued as part of compensation of KMPs from the effective date of this policy. The ESOPs that have already been granted to KMPs before coming into effect of the SEBI Circular CIR/MRD/DSA/33/2012 dated December 13, 2012 shall not be exercised by the respective KMPs in contravention of the regulations/guidelines issued by SEBI from time to time.

#### 6. Malus and Clawback Arrangement

The compensation arrangement shall contain a general provision of Malus and Clawback that enables the Exchange to cancel outstanding Deferred compensation or a part of the Total Compensation if the employees engages in activities that results in, or have the potential to result in, or have the potential to result in, material harm financial, reputational, or any other cause which may be detrimental to the interests to the Exchange.

Malus and Clawback are defined in SEBI circular CIR/MRD/DSA/33/2012 dated December 13, 2012, as follows:

- 1) A Malus arrangement permits the Exchange to prevent vesting of all or part of the amount of a deferred remuneration.
- 2) A Clawback is a contractual agreement between the employee and the Exchange in which the employee agrees to return previously paid or vested remuneration to the Exchange under certain circumstances.

As defined above, Malus shall be only applicable to all or part of the deferred and as yet unvested Compensation if any and Clawback shall be applicable to the previously paid or vested compensation. The compensation Committee or the Board shall on occurrence of the following events attributable directly or indirectly to the particular KMP, either singly or jointly with other persons, initiate action/recoveries/prevent vesting under the Malus and Clawback clauses:

- a) Fraud;
- b) Gross negligence which has caused or may cause significant financial losses or reputational harm to the Exchange;
- c) Misfeasance and nonfeasance which has caused or may cause significant financial losses or reputational harm to the Exchange;
- d) Any act amounting to Criminal Breach of Trust;
- e) Conviction for an offence involving moral turpitude;
- f) Fraudulent Financial reporting;
- g) Ethical Misconduct;
- h) Overstating/misstating financial indicators or other performance criteria either at the company level or individual level with a view to get an increased variable pay;
- i) Breach of confidentiality or trade secrets.

Clawback shall be applicable to the complete variable compensation which is vested in the previous year and in case there is no variable component in the compensation of particular KMP, it would be applicable upto 10% of the fixed compensation drawn in the previous year. All recoveries or compensation returned by the KMPs under Clawback, would be net- off of taxes and levies in that respective year(s).

In case of separation or resignation to termination of the service of the employee for any reason other than misconduct, the deferred variable component shall remain with the Exchange for period the remaining period and shall be paid after the completion of vesting period as specified in the Compensation Policy.

In case of death of the Employee, the deferred compensation shall be payable to legal heirs or successors of the Employee after the completion of the vesting period, subject to the legal heirs or successors of the Employee producing all such document as may be required by the Exchange to prove the succession to the assets of the deceased employee.

In case of the retirement or termination of service of the employee due to early retirement pursuant to scheme of voluntary retirement as formulated by the Exchange, if any. The deferred compensation shall be payable after completion of the vesting period as specified in the Compensation Policy.

## **7. Total Compensation**

The Total Compensation decision reflects the impact of the function, and its value within the organization. Total Compensation is influenced by the market value for a particular role, relative to predetermined business results and individual performance goals. The KMP's ability to demonstrate skills, capabilities, criticality and experience in addition to behaviours demonstrating the vision, mission and principles of the Exchange are contributing factors in determining their total compensation.

Additionally, specific roles and/or levels are considered in part with a view towards determining the potential of an individual (or group of individuals) to expose the Exchange to inappropriate risk. Both financial risks such as credit, market, and liquidity risk and non- financial risks such as compliance, legal, operational and reputation risks are considered.

## **8. Equal Compensation Opportunity**

The Exchange does not tolerate any form of discrimination, in particular discrimination based on ethnicity, nationality, gender, identity, religion, age marital or family status, Pregnancy, disability or any other status that is protected by law of the country and the Constitution of India. The Exchange encourages a safe and healthy work environment, free from discrimination, harassment and retaliation. All employment-related decisions, including decisions on compensation, are based on an individual's qualification, performance and behaviour, or other legitimate business considerations. Legitimate business considerations may include (though need not be restricted to) the profitability of the Exchange, the Division and department of the individual, industry practice, the strategic needs of the Exchange as well as any other considerations that the Exchange deems legitimate to its business interests.

## ANNEXURE IV

FORM NO. MR.3

### SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2019

[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  
**Indian Commodity Exchange Limited**  
1st Floor, Office - 109, Nodh No.-1158 to 63/65/9,  
Hat Faliyu, Mahidharpura,  
Surat -395003,Gujarat, India

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 (‘**Audit Period**’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (‘**the Act**’) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘**SCRA**’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (**Overseas Direct Investment and External Commercial Borrowings 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) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company during the audit period**);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (**Not applicable to the Company during the audit period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**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, 2009; (**Not applicable to the Company during the audit period**) and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period)**
- (i) 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 the following law applicable specifically to the Company:
- Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 till October 2, 2018 and Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 with effect from October 3, 2018.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent as referred in regulation 35 of Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations 2012 till October 2, 2018 and regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 with effect from October 3, 2018.

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

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

**We further report that** the Company has taken approval of its Shareholders in duly conveyed meeting by Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") on Friday, April 6, 2018 for Amalgamation of National Multi – Commodity Exchange of India Limited with the Company and their respective creditors and shareholders. The same has been approved by NCLT passing order dated August 27, 2018.

**For AVS & Associates  
Company Secretaries**

**Anand Mukherjee  
Partner  
Mem. No: A40485  
C.P. No: 16883**

**Place: Navi Mumbai**

**Date: August 1, 2019**

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

**‘Annexure – A’**

To,  
The Members  
**Indian Commodity Exchange Limited**  
1st Floor, Office - 109, Nodh No.-1158 to 63/65/9,  
Hat Faliyu, Mahidharpura,  
Surat -395003,Gujarat, India

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

1. Maintenance of secretarial and other records under applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
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 check 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 major events during the audit period.
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 check basis for the purpose of issue of the Secretarial Audit Report.
6. The Secretarial Audit report 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 AVS & Associates  
Company Secretaries**

**Anand Mukherjee  
Partner  
Mem. No: A40485  
C.P. No: 16883**

**Place: Navi Mumbai  
Date: August 1, 2019**

## ANNEXURE V

FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2019

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

#### I. REGISTRATION & OTHER DETAILS:

1.	CIN	U67120GJ2008PLC99142
2.	Registration Date	18/08/2008
3.	Name of the Company	<b>INDIAN COMMODITY EXCHANGE LIMITED</b>
4.	Category/Sub-category of the Company	Company Limited by Shares Indian Non-Government Company.
5.	Address of the Registered Office & Contact Details	1 <sup>st</sup> Floor, Office - 109, Nodh No.-1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat- 395003, Gujarat. Tel. No : +91- 261-2609960/3009960
6.	Address of the Corporate Office & Contact Details	Reliable Tech Park, 403-A, B-Wing, 4 <sup>th</sup> Floor, Thane -Belapur Road, Airoli, Navi Mumbai – 400708. Tel. No.: +91-22-40381500, Fax No. : +91-22-40381511
7.	Whether listed company	Unlisted
8.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Private Limited Corporate Registry, Karvy Selenium, Tower -B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad- 500 032, India. Tel: +91 40 3321 1500 Fax: +91 40 2300 1153 Toll Free No.: 1800 345 4001 Email: einward.ris@karvy.com

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product /service	% to total turnover of the company
1.	Exchange Operation.	66110	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1.	NA	NA	NA	NA	NA

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

##### A) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2018]				No. of Shares held at the end of the year [As on March 31, 2019]				% Change the during year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	--	--	--	--	--	--	--	--	--
b) Central Govt.	3,20,00,000	--	3,20,00,000	9.55%	3,20,00,000	--	3,20,00,000	6.00%	(3.55%)
c) State Govt.(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	12,21,00,000	--	12,21,00,000	36.45%	13,44,06,671	--	13,44,06,671	25.19%	(11.26%)
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
<b>Sub-total of (A)(1)</b>	<b>15,41,00,000</b>	<b>--</b>	<b>15,41,00,000</b>	<b>46.00%</b>	<b>16,64,06,671</b>	<b>--</b>	<b>16,64,06,671</b>	<b>31.19%</b>	<b>(14.81%)</b>
(2) Foreign									
<b>Foreign</b>	--	--	--	--	--	--	--	--	--
<b>Sub-Total of (A) (2)</b>	--	--	--	--	--	--	--	--	--
<b>Total Promoter Shareholding</b>	<b>15,41,00,000</b>	<b>--</b>	<b>15,41,00,000</b>	<b>46.00%</b>	<b>16,64,06,671</b>	<b>--</b>	<b>16,64,06,671</b>	<b>31.19%</b>	<b>(14.81%)</b>
<b>(A)=(A)(1)+ (A)(2)</b>									

<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	2,50,00,000	--	2,50,00,000	7.46%	4,11,18,720	--	4,11,18,720	7.71%	0.25%
c) Central Govt.	--	--	--	--	5,89,63,956	--	5,89,63,956	11.05%	11.05%
d) State Govt.	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others:									
<b>1. Co-operative Society</b>	<b>1,34,00,000</b>	<b>-</b>	<b>1,34,00,000</b>	<b>4.00%</b>	<b>2,11,90,078</b>	<b>-</b>	<b>2,11,90,078</b>	<b>3.97%</b>	<b>(0.03%)</b>
<b>2. Deputy Director (PMLA), Directorate of Enforcement Ahmedabad*</b>	<b>--</b>	<b>-</b>	<b>--</b>	<b>-</b>	<b>4,82,09,060</b>	<b>-</b>	<b>4,82,09,060</b>	<b>9.04%</b>	<b>9.04%</b>
<b>Sub-total (B)(1):-</b>	<b>3,84,00,000</b>	<b>--</b>	<b>3,84,00,000</b>	<b>11.46%</b>	<b>16,94,81,814</b>	<b>-</b>	<b>16,94,81,814</b>	<b>31.77%</b>	<b>20.31%</b>
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	9,55,75,000	--	9,55,75,000	28.53%	14,00,84,340		14,00,84,340	26.26%	(2.27%)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	--	--	--	--	3,16,064	--	3,16,064	0.05%	0.05%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4,44,25,000	--	4,44,25,000	13.26%	5,43,87,987	--	5,43,87,987	10.19%	(3.07%)

c) Others (specify)	--	--	--	--	--	--	--	--	--
Non Resident Indians	25,00,000	--	25,00,000	0.75%	26,25,000	--	26,25,000	0.49%	(0.26%)
HUF	--	--	--	--	2,04,500	--	2,04,500	0.04%	0.04%
LLP	--	--	--	--	1,100	--	1,100	0.00%	0.00%
Foreign Nationals	--	--	--	--	--	--	--	--	--
Clearing Members	--	--	--	--	--	--	--	--	--
Trusts	--	--	--	--	--	--	--	--	--
Foreign Bodies - D R	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(2):-</b>	<b>14,25,00,000</b>	--	<b>14,25,00,000</b>	<b>42.54%</b>	<b>19,76,18,991</b>	--	<b>19,76,18,991</b>	<b>37.04%</b>	<b>(5.51%)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>18,09,00,000</b>	--	<b>18,09,00,000</b>	<b>54.00%</b>	<b>36,71,00,805</b>	--	<b>36,71,00,805</b>	<b>68.81%</b>	<b>14.81%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>33,50,00,000</b>	--	<b>33,50,00,000</b>	<b>100.00%</b>	<b>53,35,07,476</b>	--	<b>53,35,07,476</b>	<b>100.00%</b>	--

\*4,82,09,060 (pre-merger 46,42,629 shares of NMCE) equity shares held by Neptune Overseas Limited had been attached by Enforcement Directorate, which have been taken possession by Deputy Director, PMLA, Directorate of Enforcement, Ahmedabad by way of transfer of said shares in its favor vide order ref: ECIR/02/AZO/2013/462 and ECIR/02/AZO/2013/466 dated July 3, 2017 addressed to MCS Share Transfer Agent Limited (Share Transfer Agent of erstwhile NMCE).

**B) Shareholding of Promoter:**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Indiabulls Housing Finance Limited	3,50,00,000	10.45%	---	3,00,00,000	5.62%	---	(4.83%)
2.	MMTC Limited	3,20,00,000	9.55%	---	3,20,00,000	6.00%	---	(3.55%)
3.	Reliance Exchangenext Limited	8,71,00,000	26%	---	8,71,00,000	16.33%	---	(9.67%)
4.	Reliance Corporate Advisory Services Limited*	---	---	---	1,73,06,671	3.24%	---	(3.24%)

\*Person acting in concert (PAC) with Reliance Exchangenext Limited

**C) Change in Promoters' Shareholding:**

Sr. No.	Shareholder's Name	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Indiabulls Housing Finance Limited</b>				
	At the beginning of the year#	3,50,00,000	10.45%	3,50,00,000	10.45%
	Sale of shares on March 15, 2019	50,00,000	0.94%	3,00,00,000	5.62%
	<b>At the end of the year^</b>	<b>3,00,00,000</b>	<b>5.62%</b>	<b>3,00,00,000</b>	<b>5.62%</b>
2.	<b>Reliance Corporate Advisory Services Limited</b>				
	At the beginning of the year	-	-	-	-
	Shares allotted on September 25, 2018 by virtue of scheme of amalgamation of NMCE with ICEX.^	1,73,06,671	3.24%	1,73,06,671	3.24%
	<b>At the end of the year</b>	<b>1,73,06,671</b>	<b>3.24%</b>	<b>1,73,06,671</b>	<b>3.24%</b>

#Percentage calculated on the paid up share capital (33,50,00,000 shares) as at the beginning of the year.

^Percentage calculated on the paid up share capital (53,35,07,476 shares) as at the end of the year.

**D) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

1. Central Warehousing Corporation				
Particulars	Shareholding		Cumulative Shareholding during the Year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Shares allotted on September 25, 2018 by virtue of scheme of amalgamation of NMCE with ICEX.	5,89,63,956	11.05%	5,89,63,956	11.05%
At the end of the year^	<b>5,89,63,956</b>	<b>11.05%</b>	<b>5,89,63,956</b>	<b>11.05%</b>

2. Deputy Director (PMLA) Directorate Of Enforcement, Ahmedabad				
Particulars	Shareholding		Cumulative Shareholding during the Year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Shares allotted on September 25, 2018 by virtue of scheme of amalgamation of NMCE with ICEX.	4,82,09,060	9.04%	4,82,09,060	9.04%
At the end of the year^	<b>4,82,09,060</b>	<b>9.04%</b>	<b>4,82,09,060</b>	<b>9.04%</b>

3. Indian Potash Limited				
Particulars	Shareholding		Cumulative Shareholding during the Year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year#	2,68,00,000	8.00%	2,68,00,000	8.00%
No Change	-	-	2,68,00,000	5.02%
At the end of the year^	<b>2,68,00,000</b>	<b>5.02%</b>	<b>2,68,00,000</b>	<b>*5.02%</b>

4. Bajaj Holding and Investment Limited				
Particulars	Shareholding		Cumulative Shareholding during the Year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	-	-	-	-
Shares allotted on September 25, 2018 by virtue of scheme of amalgamation of NMCE with ICEX.	2,54,40,800	4.77%	2,54,40,800	4.77%
At the end of the year^	<b>2,54,40,800</b>	<b>4.77%</b>	<b>2,54,40,800</b>	<b>4.77%</b>

5. Asian Star Company Limited				
Particulars	Shareholding		Cumulative Shareholding during the Year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year#	1,67,50,000	5.00%	1,67,50,000	5.00%
No Change	-	-	1,67,50,000	3.14%
At the end of the year^	<b>1,67,50,000</b>	<b>3.14%</b>	<b>1,67,50,000</b>	<b>*3.14%</b>

6. Akhil Kumar Gupta				
Particulars	Shareholding		Cumulative Shareholding during the Year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year#	1,67,50,000	5.00%	1,67,50,000	5.00%
No Change	-	-	1,67,50,000	3.14%
At the end of the year^	<b>1,67,50,000</b>	<b>3.14%</b>	<b>1,67,50,000</b>	<b>*3.14%</b>

7. Vijay Sharma				
Particulars	Shareholding		Cumulative Shareholding during the Year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	1,67,50,000	5.00%	1,67,50,000	5.00%
No Change	-	-	1,67,50,000	3.14
At the end of the year^	<b>1,67,50,000</b>	<b>3.14%</b>	<b>1,67,50,000</b>	<b>*3.14%</b>

8. Punjab National Bank				
Particulars	Shareholding		Cumulative Shareholding during the Year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year#	-	-	-	-
Shares allotted on September 25, 2018 by virtue of scheme of amalgamation of NMCE with ICEX.	1,61,18,720	3.02%	1,61,18,720	3.02%
At the end of the year^	<b>1,61,18,720</b>	<b>3.02%</b>	<b>1,61,18,720</b>	<b>3.02%</b>

9. Abhinay Trading Private Limited				
Particulars	Shareholding		Cumulative Shareholding during the Year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year#	<b>2,80,00,000</b>	<b>8.36%</b>	<b>2,80,00,000</b>	<b>8.36%</b>
Sale of shares on August 24, 2018	20,00,000	0.37%	2,60,00,000	4.87%
Sale of shares on September 21, 2018	20,00,000	0.37%	2,40,00,000	4.50%
Sale of shares on September 28, 2018	20,00,000	0.37%	2,20,00,000	4.12%
Sale of shares on October 26, 2018	15,00,000	0.28%	2,05,00,000	3.84%
Sale of shares on November 30, 2018	15,00,000	0.28%	1,90,00,000	3.56%
Sale of shares on February 22, 2019	20,00,000	0.37%	1,70,00,000	3.19%
Sale of shares on March 8, 2019	10,00,000	0.19%	1,60,00,000	3.00%
At the end of the year^	<b>1,60,00,000</b>	<b>3.00%</b>	<b>1,60,00,000</b>	<b>3.00%</b>

10. Adventz Finance Private Limited				
Particulars	Shareholding		Cumulative Shareholding during the Year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year#	1,50,00,000	4.48%	1,50,00,000	4.48%
No Change	-	-	1,50,00,000	2.81%
At the end of the year^	<b>1,50,00,000</b>	<b>2.81%</b>	<b>1,50,00,000</b>	<b>*2.81%</b>

\*Decrease in shareholding percentage is due to increase in Authorized and Paid up share capital during the year.

#Percentage calculated on the paid up share capital (33,50,00,000 shares) as at the beginning of the year.

^Percentage calculated on the paid up share capital (53,35,07,476 shares) as at the end of the year.

#### E) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	--	--	--	--
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	--	--	--	--
At the end of the year	--	--	--	--

**V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment:**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	--	--	--
<b>Change in Indebtedness during the financial year</b>				
Addition	--	--	--	--
Reduction	--	--	--	--
Net Change	--	--	--	--
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	--	--	--	--

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole time Directors and/or Manager:**

Sr. No	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		(MD & CEO) Mr. Sanjit Prasad	--	--	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	100,00,000/-	--	--	100,00,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission – - as % of profit - others, specify...	--	--	--	--
5	Others, please specify	--	--	--	--
	<b>Total (A)</b>	<b>100,00,000/-</b>	--	--	<b>100,00,000/-</b>
	<b>Ceiling as per the Act</b>	As per The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.			

**B. Remuneration to other Directors:**

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Ashok Sinha	Mr. R. K. Nair	Mr. V. K. Sharma	Mrs. D Vijayalakshmi	Dr. H. K. Pradhan	Mr. J. J. Bhatt	
								--
1	<b>Independent Directors</b>	--	--	--	--	--	--	--
	<b>Fee for attending Board &amp; Committee Meetings</b>	--	50,000/-	--	1,70,000/-	1,70,000/-	1,90,000/-	5,80,000/-
	<b>Commission</b>	--	--	--	--	--	--	--
	<b>Others, please specify</b>	--	--	--	--	--	--	--
	<b>Total (1)</b>	--	50,000/-	--	1,70,000/-	1,70,000/-	1,90,000/-	5,80,000/-
2	<b>Other Non-Executive Directors</b>	--	--	--	--	--	--	--
	<b>Fee for attending Board &amp; Committee Meetings</b>	--	--	--	--	--	--	--
	<b>Commission</b>	--	--	--	--	--	--	--
	<b>Others, please specify</b>	--	--	--	--	--	--	--
	<b>Total (2)</b>	--	--	--	--	--	--	--
	<b>Total (B)=(1+2)</b>	--	50,000/-	--	1,70,000/-	1,70,000/-	1,90,000/-	5,80,000/-
	<b>Total Managerial Remuneration</b>	--	50,000/-	--	1,70,000/-	1,70,000/-	1,90,000/-	5,80,000/-
	<b>Overall Ceiling as per the Act</b>	₹ 1,00,000/ per director per meeting.						

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	*CS (Shweta Gujar)	CFO (Ghanashyam V. Rao)	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	7,66,657/-	55,11,442/-	62,78,099/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	--	--	--	--
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	Others, specify...	--	--	--	--
5.	Separation Benefits	--	--	--	--
	<b>Total</b>	--	7,66,657/-	55,11,442/-	62,78,099/-

**CEO:** Chief Executive Officer    **CS:** Company Secretary    **CFO:** Chief Financial Officer

\* Ms. Shweta Gujar, CS appointed w.e.f. April 20, 2018. The remuneration amount includes ₹ 43,958/- pertaining to non - KMP period but paid during the KPM tenure.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>B. DIRECTORS</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

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

**J. J. Bhatt**  
 Director  
 DIN: 08132347

**Sanjit Prasad**  
 Managing Director & CEO  
 DIN: 03304097

Place: Mumbai  
 Date : August 9, 2019

## ANNEXURE VI

**Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (appointment and remuneration of managerial personnel) Rules, 2014.**

- I. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2018-19, and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 are as under:

Sr. No.	Name of Director/KMP and Designation.	% increase (decrease) in Remuneration / Sitting Fees in the Financial Year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1.	Dr. H. K. Pradhan Public Interest Director (w.e.f May 26, 2018)	Not applicable	Not applicable
2.	Mr. Ajit Mittal Shareholder Director	Not applicable	Not applicable
3.	Mr. Ashok Sinha Public Interest Director (up to May 26, 2018)	Not applicable	Not applicable
4.	Mr. J. J. Bhatt Public Interest Director (w.e.f May 26, 2018)	Not applicable	Not applicable
5.	Mr. Lav Chaturvedi Shareholder Director	Not applicable	Not applicable
6.	Mr. P. S. Gahlaut Shareholder Director (up to July 25, 2018)	Not applicable	Not applicable
7.	Mrs. D. Vijayalakshmi Public Interest Director	Not applicable	Not applicable
8.	Mr. R. K. Nair Public Interest Director (up to May 26, 2018)	Not applicable	Not applicable
9.	Mr. V. K. Sharma Public Interest Director (up to May 26, 2018)	Not applicable	Not applicable
10.	Mr. Sanjit Prasad Managing Director and Chief Executive officer	0.00%	15.87
11.	Mr. Ghanashyam V. Rao Chief Financial Officer	10.00%	Not applicable
12.	Ms. Shweta Gujar Company Secretary (w.e.f April 20, 2018)	36.00%	Not applicable

- II. The percentage decrease in the median remuneration of employees in financial year 2018-19 as compared to previous year 2017-18 is 11.38%
- III. There were 108 permanent employees on the rolls of Company as on March 31, 2019;
- IV. There was an increase of 21.71% in the employee cost.
- V. The total remuneration of Key Managerial Personnel increased by 1.04% from Rs.1.61 crore in 2017-18 to Rs. 1.63 crore in 2018-19. The Net Loss for the financial year 2018-19 was Rs. 28.57 crore.
- VI. The net worth of the Company (including Exchange initial SGF contribution) as at March 31, 2019 was Rs. 191.82 crore and as at March 31, 2018 was Rs. 220.39 crore.
- VII. The Exchange has increased its staff strength gradually from 71 as on March 31, 2018 to 108 as on March 31, 2019. There was a total increase of 49.72% in the salaries of employees other than the Key Managerial personnel in the last financial year as compared to a 1.04% increase in the Key Managerial remuneration.
- VIII. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year. - NIL and
- IX. It is hereby affirmed that the remuneration paid is as per the Compensation Policy for Directors and Key Managerial Personnel.

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

**J. J. Bhatt**  
Director  
DIN: 08132347

**Sanjit Prasad**  
Managing Director & CEO  
DIN: 03304097

**Place: Mumbai**  
**Date: August 9, 2019**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **BUSINESS OVERVIEW:**

Indian Commodity Exchange Ltd (“ICEX”) is a recognised Commodity Exchange regulated by Securities and Exchange Board of India (“SEBI”), having demutualised corporate structure, online trading, clearing and settlement with best practices. It aims to fulfill the objectives of the National Agricultural Policy Statement declared by the Government of India in the year 2000 that the price discovery and risk management benefits of the commodity derivatives market should reach to the producers.

The Exchange after obtaining the approval to re-commence its trading operation from SEBI, started the trading operation from August 28, 2017 by launching the Diamond Derivative contract of 1 carat. ICEX is the first Exchange worldwide to launch the Diamond Derivative contract. The Exchange launched Steel Long contract on August 28, 2018 exactly after completion of one year of re-commencement of trading operation. During the FY 2018-19, the Hon’ble National Company Law Tribunal (“NCLT”) sanctioned the amalgamation of National Multi-Commodity Exchange of India Limited (“NMCE”) with ICEX vide its vide its common order dated August 27, 2018 and August 31, 2018 and the said merger was effective from September 7, 2018. The appointed date as per the scheme was April 01, 2017. Accordingly, NMCE amalgamated with ICEX during the year. The commodities traded on erstwhile NMCE were automatically traded on ICEX platform by operation of law. The Exchange has now 16 different commodity derivatives contracts available for trading on its platform. On July 11, 2019 Paddy Basmati derivative contract was also launched. The Exchange has plans to introduce innovative contracts from time to time and keep its position as an innovative Exchange.

As per SEBI requirement and in compliance with the erstwhile SECC Regulations, 2012, the Exchange has outsourced its services with respect to clearing, settlement, deliveries, risk management services and any other applicable post trade services to the extent and in manner prescribed and required under the SECC Regulations to Metropolitan Clearing Corporation of India Limited (“MCCIL”) with effect from October 1, 2018 by signing the Clearing and Settlement agreement with MCCIL.

The Exchange with the support of its well experienced management team has successfully setup its infrastructure and technology. Technology plays the key role in Exchange business. ICEX has tied up with leading technology provider Millennium IT, subsidiary of London Stock Exchange Group whose systems are used by exchange businesses around the world. The upgraded technology platform has advanced surveillance and risk management features at par with global best practices.

The Exchange is ideally positioned to leverage the huge potential of the commodities market and encourage participation of farmers, traders and actual users to benefit from price discovery, risk management and supply chain management in the commodity markets.

### **INDUSTRY STRUCTURE, OPPORTUNITIES, CONCERNS AND OUTLOOK:**

The global economy sustained to grow during the F.Y. 2018-19, notwithstanding at a subdued speed as mirrored in the Purchasing Managers Index (PMI) data. All the major manufactured backed economy of the world has vibrant commodity derivative market in their country around the commodity of their interest. Viz. ( in USA - CME & ICE, in UK - LME & LBMA, in China - SFEX, in Japan - TOCOM etc. to name few.) The average GDP growth for India was at 7.5 per cent for the last five years. To achieve a \$5 trillion economy, India needs to grow at 8 per cent per annum. Indian commodity derivative market has witnessed growth and development only in last two decades. During the year under review, the linkages between commodity markets, economic growth and development are both strong and complex. Developed futures contract of any commodity brings price transparency. There is a fundamental change in the ecosystem with widespread circulation of market price and fundamentals on daily basis. A large number of people track the price and bring about facts and figures about the industry which otherwise is limited and available with only few.

Such development helps in shaping the Industry as a whole and good for the economy. Since commodity futures market is accessible to all, it brings participation from physical and financial market bringing efficiency into the trade. All the financial institutions, banks, traders get access to the information on real time basis and use the futures price for analysis and decision making.

Until 2015, commodity futures market was regulated by Forward Market Commission (FMC). In 2015, after the merger of FMC with Securities and Exchange Board of India (SEBI), SEBI became the regulator of commodity future market. Commodity Exchanges play a vital role in promoting growth, transparency and efficiency of the commodity futures markets. This role is defined by their functions, infrastructure capabilities, trading procedures, settlement and risk management practices.

Commodity is now recognised as an asset class and commodity futures provides the window to the market participants for this new asset class other than equity, bond and physical real estate market. It provides an opportunity to hedging and also diversifies investor's portfolio.

Our vision is in alignment with that of government in terms of Make in India brand. India is well positioned in commodity trade to provide global benchmark reference price in multiple commodities. In most of the globally traded commodities, India is among the top five either in production or consumption or import and export.

ICEX since its inception has put focus on launching commodity futures contract which are providing risk management solution to the Industry with an objective to become price setter for global benchmark reference. We started with Diamond followed by Steel, Rubber and now in Basmati Paddy futures contract

We are committed to launch futures contract in all such commodities which are relevant for the economy and useful to the stakeholders. Under path breaking policy reform of the Government of India, economy is witnessing a rapid transformation in all sectors on the way of becoming global economic super power.

Recently, SEBI has taken various steps to boost commodity derivative market. In a major decision to strengthen commodity market, SEBI permitted mutual funds to participate in commodity futures along with PMS. It enabled mutual funds and portfolio managers to participate in the agri and non-agri commodity derivatives segments (CDS). Earlier, Alternative Investment Funds (AIFs) were allowed to trade in commodities futures. Notable policies initiatives have been allowing commodity options, allowing foreign entities to hedge their exposure on commodity in Indian commodity exchanges and allowing introduction of commodity indices trade.

In India, market regulator, SEBI (Securities and Exchange Board of India) has taken several developmental policy initiatives to give fillip to the commodity derivative market. In the financial year 2018-19, the SEBI permitted two more exchanges to operate commodity derivative market. With this there are currently five SEBI recognized electronic multi-commodity national exchanges including ICEX.

Notable policies initiatives have been allowing commodity options, permitting mutual funds to participate in the commodity derivative markets, allowing foreign entities to hedge their exposure on commodity in Indian commodity exchanges and allowing introduction of commodity indices trade.

SEBI has permitted ICEX to launch Mutual Fund distribution, using the Exchange infrastructure and the Exchange will start this segment during the current financial year.

## **Outlook**

The outlook for the Indian economy is positive especially with the milieu of political stability, strong fundamentals. With strong economic fundamentals, India continues to be an attractive destination for investments. The outlook for the Indian economy, looks promising with strong macroeconomic fundamentals and political stability are expected to bolster the investment climate, with a significantly positive impact on the commodity markets. It is also predictable that there would be interest in new asset classes as well as new products and services.

Technological innovations, robust risk management systems and a strong regulatory framework would continue to be the key drivers for the commodities market.

With endurance policy reforms, enlightening domestic growth, and a reversal in the global economy, the risks would be mostly eased.

## **FINANCIAL PERFORMANCE:**

F.Y. 2018-19 is the first year of full operation, post its re-launch. For the development of the market, transaction fee was not levied on the major commodities. It earned a total income of ₹ 12.37 crore and incurred net loss of ₹ 28.57 crore in FY 2018-19.

The net-worth of the Exchange as on March 31, 2019 was ₹ 191.82 crores (inclusive of Exchange initial contribution towards SFG).

## **IND AS implementation:**

The Company has adopted Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules thereunder, effective April 1, 2018 (transition date being April 1, 2017).

## **Segment-wise performance:**

The Company operates in one reportable business segment namely "Commodity Exchange" and one reportable geographical segment, i.e., within India and accordingly "business of facilitating trading in commodities and incidental activities thereto" is considered as the only Primary Reportable business segment.

**EMPLOYEES - OUR ASSETS:**

The Exchange has successfully built the core team and also been able to attract human resource with deep domain knowledge and experience in Exchange industry to further strengthen the departments. The team has grown from 71 employees as on March 31, 2018 to 108 employees as on March 31, 2019.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company currently has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of internal audit function, the Company undertakes corrective action in their respective areas and thereby further strengthens the controls.

**CAUTIONARY STATEMENT:**

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments within the country and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis, of any subsequent developments, events or information.

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

**J. J. Bhatt**  
**Director**  
**DIN: 08132347**

**Sanjit Prasad**  
**Managing Director & CEO**  
**DIN: 03304097**

**Place: Mumbai**

**Date : August 9, 2019**

## CORPORATE GOVERNANCE REPORT

Indian Commodity Exchange Limited (“ICEX”) (“the Exchange”) is a Public Limited Company, securities of which are not listed on any stock exchange. However, pursuant to Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (“SECC Regulations, 2018”), Corporate Governance norms as specified for listed companies shall mutatis mutandis apply to a recognised stock exchange.

### 1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company’s philosophy on Corporate Governance is to follow fair, ethical and transparent governance practices so as to achieve greater efficiency and effectiveness throughout the organization.

Your Company believes that Corporate Governance is a set of guidelines to help fulfill its responsibilities to all its stakeholders. It is a reflection of the Company’s culture, policies, relationship with stakeholders, commitment to values and ethical business conduct.

### 2. BOARD OF DIRECTORS:

#### A. Composition:

The composition of the Board is governed by applicable laws, rules, regulations, circulars and guidelines issued by SEBI from time to time. Appointments of all the Directors are approved by SEBI.

The Board as on March 31, 2019 comprised of 6 (six) directors, of which 3 (three) were Shareholder Directors including Managing Director & CEO and 3 (three) were Public Interest Directors. As per SECC Regulations, 2018 Managing Director and CEO shall be included in the category of Shareholder Director. The composition of the Board of Directors was as under:

Dr. H. K. Pradhan	Chairman, Public Interest Director (PID)
Mr. Ajit Kumar Mittal	Shareholder Director (SHD)
Mrs. D. Vijayalakshmi*	Public Interest Director (PID)
Mr. Lav Chaturvedi	Shareholder Director (SHD)
Mr. J. J. Bhatt	Public Interest Director (PID)
Mr. Sanjit Prasad	Managing Director and Chief Executive Officer (MD & CEO)

\*Mrs. D. Vijayalakshmi, Public Interest Director, after completion of her first term is re-appointed for another term of three years w.e.f June 13, 2019, duly approved by SEBI.

## B. Attendance of Directors and Number of Directorships and Committee positions held:

During the financial year ended March 31, 2019, 6 (six) meetings of Board of Directors were held. The dates of the Board meetings were as under:

April 25, 2018, July 25, 2018, September 4, 2018, September 25, 2018, November 1, 2018 and February 2, 2019.

The attendance details and number of Directorships and committee positions held by the Directors as on March 31, 2019 are given below:

Sr. No.	Name of the Directors	Category	Attendance at Board Meetings during FY 2018 - 19		Whether attended last AGM held on 22.12.2018	No. of other Directorships(s)	Number of Committee positions held in other public companies	
			#Held	Attended			Chairman	Member
1.	Dr. H. K. Pradhan* (DIN: 02607244)	Chairman PID	5	4	No	2	Nil	Nil
2.	Mr. Ajit Mittal (DIN: 02698115)	Shareholder Director	6	2	No	7	2	2
3.	Mrs. D. Vijayalakshmi (DIN : 00467785)	Public Interest Director	6	5	No	Nil	Nil	Nil
4.	Mr. Lav Chaturvedi (DIN: 02859336)	Shareholder Director	6	5	No	3	Nil	2
5.	Mr. J. J. Bhatt* (DIN: 08132347)	Public Interest Director	5	5	Yes	Nil	Nil	Nil
6.	Mr. Sanjit Prasad (DIN : 03304097)	Managing Director & Chief Executive Officer	6	6	No	Nil	Nil	Nil
7.	Mr. Ashok Sinha** (DIN- 00299600)	Public Interest Director	1	-	NA	NA	NA	NA
8.	Mr. P. S. Gahlaut*** (DIN-00049401)	Shareholder Director	1	-	NA	NA	NA	NA
9.	Mr. R. K. Nair** (DIN 07225354)	Public Interest Director	1	1	NA	NA	NA	NA
10.	Mr. V. K. Sharma** (DIN 02051084)	Public Interest Director	1	-	NA	NA	NA	NA

\*Appointed as Public Interest Director w.e.f. May 26, 2018.

\*\*Ceased to be Public Interest Director w.e.f. May 26, 2018.

\*\*\*Ceased to be Shareholder Director w.e.f. July 25, 2018.

# Number of meetings held during the tenure of the Director.

Notes:

- All Directors except Mr. Sanjit Prasad, Managing Director and Chief Executive officer are non-executive Directors;
- All Public Interest Directors are Independent Directors;
- Other Directorship excludes Private Companies, Section 8 Companies and Companies Incorporated outside India;
- Memberships/ Chairmanships of only the Audit Committee and Stakeholders' Relationship Committee of all Public Companies have been considered above;
- None of the Directors are related to each other;
- None of the Director hold any shares in the Company;

Sr. No.	Name of Director	Directorship in listed company other than this company	Category of Directorship held in listed entities other than this Company
1.	Dr. H. K. Pradhan	Nil	N.A
2.	Mr. Ajit Kumar Mittal	1. Indiabulls Housing Finance Limited	Executive Director
		2. Indiabulls Integrated Services Limited	Non- Executive Director
3.	Mrs. D. Vijayalakshmi	Nil	N.A
4.	Mr. Lav Chaturvedi	Nil	N.A
5.	Mr. J. J. Bhatt	Nil	N.A
6.	Mr. Sanjit Prasad	Nil	N.A

**C. CODE OF CONDUCT AND CODE OF ETHICS:**

The Exchange has a well-defined Code of Conduct for its Board of Directors and a Code of Ethics for its Board of Directors and Key Management Personnel, as stipulated by SEBI in SECC Regulations, 2018.

**D. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Independent Directors are familiarised with the Company, through various programmes. These include orientation programme upon induction of new directors, strategic presentations made to the Board where directors get an opportunity to interact with the senior management and also other initiatives to update directors on continuing basis. Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities.

The format of the letter of appointment is available on our website at <https://www.icexindia.com/about-us/disclosures>.

The Familiarisation programme for Independent Directors is disclosed on the Company's website at the following web link: <https://www.icexindia.com/about-us/disclosures>.

**E. LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD:**

The ICEX Board comprises of qualified members chosen from among eminent persons and leaders from their respective fields. The core skills/expertise/competencies identified by the Board of Directors as required in the context of business and sector to function effectively and available with Board:

1. Capital Market knowledge and understanding,
2. Law & Legal Expertise;
3. Finance;
4. Corporate Governance;
5. Business Management;
6. Risk Management;
7. Business and Strategy development.

## F. CONFIRMATION OF INDEPENDENCE OF PUBLIC INTEREST DIRECTORS:

The Board of the Company confirms that, the Public Interest Directors fulfill the conditions specified in the Listing Regulations and are independent of the Management.

## 3. COMMITTEES OF THE BOARD:

### 3.1. AUDIT COMMITTEE:

#### A. Composition, Meetings and Attendance:

This Committee has been constituted in line with the provisions of section 177 of the Companies Act, 2013, Regulation 33 of SECC Regulations, 2018 and Corporate Governance Norms (Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Committee met 5 (five) times during the year. The meetings were held on April 25, 2018, July 25, 2018, September 25, 2018, November 1, 2018 and February 2, 2019. The Chief Financial Officer and representatives of the Statutory Auditors are permanent invitees to the Audit Committee meetings. The Internal Auditors are also invited on case to case basis. Company Secretary of the company acts as the secretary to the Committee.

The previous Annual General Meeting of the Company was held on December 22, 2018 and was attended by Mr. J. J. Bhatt, Member of the Audit committee who was duly authorized by the Chairman of the Audit Committee.

During the F.Y 2018-19, Dr. H.K. Pradhan, Mrs. D. Vijayalakshmi and Mr. J.J. Bhatt were appointed as members of the Committee w.e.f May 26, 2018. Further, Mr. Ashok Sinha, Mr. R. K. Nair and Mr. V. K. Sharma ceased to be members of the Audit Committee w.e.f. May 26, 2018.

The composition of the committee as on March 31, 2019 was as follows;

- Dr. H. K. Pradhan -Chairman, PID
- Mrs. D. Vijayalakshmi -PID
- Mr. J. J Bhatt -PID
- Mr. Lav Chaturvedi -Shareholder Director

The attendance details of the Audit committee meetings for F.Y 2018-19:

Members	Category	Number of Meetings during financial year 2018-19	
		Held*	Attended
Dr. H. K. Pradhan	Chairman, Public Interest Director	4	4
Mrs. D. Vijayalakshmi	Public Interest Director	4	3
Mr. J. J. Bhatt	Public Interest Director	4	4
Mr. Lav Chaturvedi	Shareholder Director	5	4
Mr. V. K. Sharma	Public Interest Director	1	0
Mr. Ashok Sinha	Public Interest Director	1	0
Mr. R. K. Nair	Public Interest Director	1	1

\*Number of meetings held during the tenure.

#### B. Terms of Reference (TOR):

The terms of reference of the Audit Committee pursuant to Section 177 (4) of the Companies Act, 2013 read with Regulation 18 of Listing Regulations, 2015 inter-alia includes:

- To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- To review and monitor the auditors independence and performance and effectiveness of audit process;
- To examine financial statement and the auditor's report thereon;
- To approve or make any subsequent modification of transactions of the company with related parties;
- To scrutinize inter corporate loans and investments;

- To undertake valuation of undertakings or assets of the Company, wherever it is necessary;
- To evaluate internal financial control and risk management systems;
- To monitor the end use of funds raised through public offers and related matters;
- To oversee the Company's financial reporting process and the disclosure of its financial statements to ensure that the financial statement is correct, sufficient and credible;
- To approve the payment to statutory auditors for any other services rendered by the statutory auditors;
- To review, 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 Section 134(3) (c) of the Companies Act, 2013;
  - b) Any changes in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by the management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with any legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Modified opinion(s) in the draft audit report;
- To review with the management, the quarterly financial statements before submissions to the Board;
- To review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- To review with the management, performance of statutory and internal auditors, adequacy of the internal systems;
- To review the adequacy of internal audit function, 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;
- To discuss with internal auditors any significant findings and follow up thereon;
- To review 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;
- To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- To approve the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

The audit committee shall mandatorily review the following information:

- Management discussion and analysis of financial conditions and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
- Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

### 3.2 NOMINATION AND REMUNERATION COMMITTEE:

#### A. Composition, meetings and attendance:

This committee has been constituted in line with the provisions of the section 178 of the Companies Act, 2013, Regulation 29 of SECC Regulations, 2018, and Corporate Governance Norms (Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015).

During the F.Y 2018-19, Mr. Ashok Sinha, Mr. R. K. Nair and Mr. V. K. Sharma ceased to be members of the Nomination and Remuneration Committee w.e.f. May 26, 2018. Dr. H. K. Pradhan, Mrs. D. Vijayalakshmi and Mr. J.J. Bhatt were appointed as members of the Committee w.e.f. July 25, 2018. Further, Mr. Lav Chaturvedi ceased to be the member of the committee w.e.f. February 2, 2019.

The composition of the committee as on March 31, 2019 was as follows;

- Mr. J. J Bhatt - Chairman, PID
- Mrs. D. Vijayalakshmi - PID
- Dr. H K Pradhan - PID

The Nomination and Remuneration Committee has been vested with the authority to, inter alia, recommend nominations for Board Membership, develop and recommend policies with respect to composition of the Board, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record, integrity, and determine overall compensation policies of the Company.

The Committee met twice during the year. The meetings were held on April 25, 2018 and February 2, 2019.

The attendance details of the Nomination and Remuneration committee meetings for F.Y 2018-19:

Members	Category	Number of Meetings during financial year 2018-19	
		Held*	Attended
Mr. J. J Bhatt	Chairman, Public Interest Director	1	1
Mrs. D. Vijayalakshmi	Public Interest Director	1	1
Dr. H. K. Pradhan	Public Interest Director	1	1
Mr. Ashok Sinha	Public Interest Director	1	0
Mr. Lav Chaturvedi	Shareholder Director	2	2
Mr. V. K. Sharma	Public Interest Director	1	0
Mr. R. K. Nair	Public Interest Director	1	1

\*Number of meetings held during the tenure.

#### B. Terms of Reference (TOR):

The terms of reference of the Nomination and Remuneration pursuant to Section 178 of the Companies Act, 2013 read with Regulation 29 of SECC Regulations, 2018 and Regulation 19 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and inter-alia includes:

- To identify persons who are qualified to be become Directors, Key Managerial Personnel and who may be appointed in senior management in accordance with criteria laid down recommend to the Board their appointment, removal;
- To determine the tenure of the KMP's to be posted to a regulatory department prescribed by SEBI;
- To lay down the policy for compensation of Key Management Personnel (KMP) and to determine the compensation of KMP's in terms of the compensation norms prescribed by SEBI;
- To recommend to the Board policy relating to remuneration for Directors, KMPs , senior management and other employees;

- To decide and recommend to the board the remuneration to be paid to any member or prospective member of the Senior Management, as may be referred to it by the governing Board, in mutual consultation with such member or prospective member and in an objective manner, having regard to the interests of the Company and of its shareholders;
- To formulate criteria for determining qualifications, positive attributes and independence of Director;
- To formulate criteria for evaluation of performance of Independent Director and Board of Directors;
- To evaluate every Directors performance;
- To recommend to the board whether to extend the term of appointment of the PID on the basis of the report of performance evaluation of PID (Independent Director);
- To select the Managing Director;
- To perform any other function as may be delegated by the Board;

#### C. Nomination and Remuneration Policy:

The Company has formulated the nomination and remuneration policy as per SECC Regulations, 2018 and the Companies Act, 2013 for remunerating the Executive Directors, Non -Executive Directors, Senior Management Personnel, Key Managerial Personnel and the Employees. The policy is annexed to the Directors' report. The said Policy is directed towards rewarding performance, based on periodic review of achievements.

#### D. Performance Evaluation Criteria for Independent Directors (PID's):

Pursuant to SECC Regulations, 2018 and SEBI circular dated February 5, 2019 the Public Interest Director's term can be extended by another term of three years, subject to performance review. Public Interest Director shall be subject to internal evaluation annually as well as external evaluation during their last year of the term. The criteria for performance evaluation of Public Interest Director is disclosed on the Company's website at the following web link <https://www.icexindia.com/about-us/disclosures>.

#### 4. REMUNERATION OF DIRECTORS:

##### Non-Executive Independent Directors:

During the year, there were no pecuniary relationships or transactions between the Company and any of its Non-Executive Directors apart from sitting fees. The Company has not granted any stock options to any of its Non-Executive Directors and none of the Directors hold any shares in the Company. The Company pays sitting fees to its Non-Executive Independent Directors for attending Board Meeting and Committee Meetings. The sitting fees being paid is within the limit prescribed under the Companies Act, 2013.

The details of remuneration paid to the Non-Executive Independent Directors during the Financial Year 2018-2019 is as follows:

Name of the Director	Sitting Fee (₹)
Mr. Ashok Sinha	Nil
Mr. R. K. Nair	50,000
Mr. V. K. Sharma	Nil
Mrs. D. Vijayalakshmi	1,70,000
Mr. J. J. Bhatt	1,90,000
Dr. H. K. Pradhan	1,70,000

##### Executive Directors:

The details of remuneration paid to Managing Director & Chief Executive Officer during the Financial Year 2018-19 is as follows:

Name	Salary and Allowances*	Bonus	Perquisites	Total
Mr. Sanjit Prasad	1,00,00,000	Nil	Nil	1,00,00,000

\* Includes Fixed Component: ₹ 1,00,00,000 & Performance Linked Incentives : Nil

Appointment of MD & CEO is governed by a service contract for a period of 3 (three) years and a notice period of 90 days. Pursuant to SECC Regulation, Managing Director & CEO being a Key Managerial Personnel is not entitled to any stock options.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

As per Section 178 (5) of the Companies Act, 2013, the Board of Directors of the Company which consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during the financial year shall constitute a Stakeholders Relationship Committee. Since the Company does not have more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders, the Company has not constituted the Stakeholders relationship Committee.

### A. Name and Designation of Compliance Officer:

Mr. Ranjit Kumar Samantaray – Compliance Officer/Chief Regulatory Officer

### B. Details of Shareholders complaints received and redressed during the year:

The Exchange had not received any complaints from its shareholders nor were there any unresolved complaints during the year.

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Since the net-worth of the Exchange is not ₹500 crores or more or turnover is not ₹1000 crores or more or net profit is not ₹5 crores or more during the immediately preceding financial year, provisions of section 135 of the Companies Act, 2013 with respect to constitution of Corporate Social Responsibility Committee are not applicable to the Exchange.

**In addition to the above, the Company also has various other statutory Committees as on March 31, 2019, viz.:**

1. Member Selection Committee;
2. Investor Grievance Redressal Committee;
3. Standing Committee on Technology;
4. Advisory Committee;
5. Risk Management Committee; and
6. Regulatory Oversight Committee.

## 7. GENERAL BODY MEETINGS:

**A. Details of Annual General Meetings held in last three years are as under:**

Date & Time	Venue of the meeting	Special resolution(s) passed for
22.12.2018 11:30 A.M For FY 2017-18	Indian Commodity Exchange Limited 1st Floor, Office-109, Nodh No.- 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat-395003.	No Special Resolutions were passed.
28.09.2017 11.30 A.M For FY 2016-17	Indian Commodity Exchange Limited 1st Floor, Office-109, Nodh No.- 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat-395003.	No Special Resolutions were passed.
26.09.2016 11.30 A.M For FY 2015-16	Conference Room, Indian Potash Limited, Postah Bhawan, 10B , Pusa Road, Rajendra Park, Rajinder Nagar, New Delhi – 110060	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Sanjit Prasad as Managing Director and Chief Executive Officer (“MD &amp; CEO”) of the Company.</li> <li>2. Increase in the Authorized Share Capital of the Company and consequent amendment to Clause V. of Memorandum of Association (“MOA”) of the Company.</li> <li>3. Adoption of new set of Articles of Association of the Company</li> </ol>

**B. Details of Extra-Ordinary General Meetings held in last three years are as under:**

<b>Date &amp; Time</b>	<b>Venue of the meeting</b>	<b>Special resolution(s) passed for</b>
06.04.2018 11.30 A. M for FY 2018-19 (NCLT convened meeting of the Equity Shareholders)	Indian Commodity Exchange Limited 1st Floor, Office-109, Nodh No.- 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat-395003.	Approval of Scheme of Amalgamation of National Multi-Commodity Exchange of India Limited (“the Amalgamating Company” or “the Transferor Company” or “NMCE”) with Indian Commodity Exchange Limited
23.06.2017 11:00 A.M for FY 2017-18	Indian Commodity Exchange Limited, Reliable Tech Park, 403-A, B-Wing, 4th Floor, Thane - Belapur Road, Airoli (E), Navi Mumbai – 400708.	Shifting of Registered Office of the Company from National Capital Territory (NCT) of Delhi to the State of Gujarat.

**C. Postal Ballot:**

During the year, no matters were transacted through postal ballot. No Resolution requiring Postal Ballot is being proposed on or before the ensuing AGM of the Exchange.

**8. MEANS OF COMMUNICATION:**

The Exchange disseminates all material information to its shareholders through its website [www.icexindia.com](http://www.icexindia.com). The Exchange’s website: [www.icexindia.com](http://www.icexindia.com) contains links to all important events and material information of the Exchange. The financials results, shareholding pattern, press releases, annual reports etc. appear on the Company’s website.

**GENERAL SHAREHOLDER INFORMATION:**

<b>Day, Date, Time and Venue of Annual General Meeting (2018-2019)</b>	11 <sup>th</sup> Annual General Meeting. Saturday, September 28, 2019 at 11:30 A.M. Indian Commodity Exchange Limited Office No. 109, 1 <sup>st</sup> Floor, Nodh No. 1158 to 63/65/9, Hat Faliyu, Mahidharpura, Surat, Gujarat – 395003.
<b>Financial year</b>	April 1, 2018 to March 31, 2019.
<b>Dividend payment date</b>	Not Applicable
<b>Listing on Stock Exchanges</b>	The securities of the Company are not listed on any Stock Exchanges.
<b>Stock Market Code, Market Price Data and share price performance to broad based indices</b>	Not Applicable as the securities of the Company are not listed on any stock exchanges.
<b>Registrars &amp; Share Transfer Agents</b>	Karvy Fintech Private Limited Corporate Registry, Karvy Selenium, Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032 India Tel: +91 40 3321 1500 Fax: +91 40 2300 1153 Toll Free No.: 1800 345 4001 Email: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>
<b>Share transfer System</b>	100% of equity shares of the Company are in demat mode. Transfer of these shares is done through depositories with no involvement of the Company.
<b>Dematerialization of Shares and liquidity</b>	As per regulation 46 of the SECC Regulations, 2018, the securities of a recognised stock exchange shall be in dematerialised form only. All the equity shares of the Company as on March 31, 2019 are in dematerialized (electronic) form.  ISIN of the equity shares of the Company is <b>INE678L01012</b> .
<b>Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity.</b>	Not applicable as the Exchange has not issued any GDRs/ADRs/Warrants or any Convertible instruments.
<b>Commodity price risk or foreign exchange risk and hedging activities.</b>	Not applicable.
<b>Exchange operations are located at</b>	Reliable Tech Park, 403-A, B-Wing, 4th Floor, Thane - Belapur Road, Airoli, Navi Mumbai 400708.
<b>Address for Correspondence</b>	Reliable Tech Park, 403-A, B-Wing, 4th Floor, Thane - Belapur Road, Airoli, Navi Mumbai 400708. Tel. No : +91-22-40381500 Fax No. : +91-22-40381511
<b>List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments or any fixed deposit programme or any scheme or proposal of the listing entity involving mobilization of funds, whether in India or abroad.</b>	Not applicable.

## 9. Distribution of Shareholding as on March 31, 2019:

Sr.no.	Category	Shareholders		Shares held	
		No. of holders	% of Total	No. of shares	% of Total
1	Up to 1- 5000	85	31.60	1,43,242	0.03
2	5001-10000	13	4.83	1,17,500	0.02
3	10001 -20000	5	1.86	68,000	0.01
4	20001- 30000	59	21.93	14,81,166	0.28
5	30001- 40000	1	0.37	37,500	0.00
6	40001- 50000	31	11.52	15,45,000	0.29
7	50001- 100000	32	11.90	31,37,650	0.59
8	100001 & Above	43	15.99	52,69,77,418	98.78
	<b>Total</b>	<b>269</b>	<b>100</b>	<b>53,35,07,476</b>	<b>100</b>

## Shareholding Pattern as on March 31, 2019:

Sr.No.	Category	No. of Shareholders	No. of Shares held	% of shareholding
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>	4	16,64,06,671	31.19
	<b>Total A</b>	<b>4</b>	<b>16,64,06,671</b>	<b>31.19</b>
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>	-	-	-
(a)	Financial Institutions /Banks	3	4,11,18,720	7.71
(b)	Bodies Corporate	18	14,00,85,440	26.26
(c)	Individuals	228	5,47,04,051	10.25
(d)	HUF	6	2,04,500	0.04
(e)	Trusts	-	-	-
(f)	Non-Resident Indian	4	26,25,000	0.49
(g)	Others	6	12,83,63,094	24.06
	<b>Total B</b>	<b>265</b>	<b>36,71,00,805</b>	<b>68.81</b>
	<b>Total (A+B)</b>	<b>269</b>	<b>53,35,07,476</b>	<b>100.00</b>

## 10. Other Disclosures:

### A. Disclosures on materially significant related party transactions:

The Company has not entered into any materially significant related party transactions that may have potential conflict with the interests of the Company at large. The Related Party Transactions Policy is hosted on the website of the Company and can be accessed at <https://www.icexindia.com/about-us/disclosures>. Further the Company does not have any subsidiary Company and hence policy on determining material subsidiaries is not adopted.

### B. Penalties or strictures imposed on the Company by SEBI or any statutory authority, on any matter related to the capital markets during the last three years:

#### F.Y 2017-18

Pursuant to SEBI circular Ref. No. CIR/CDMRD/DEA/03/2015 dated November 26, 2015, the Exchange had to transfer its Clearing and Settlement (C&S) functions to a separate Clearing Corporation by September 27, 2018.

SEBI vide its letter dated December 26, 2017 had advised the Exchange that, if the aforesaid provision of SEBI circular was not complied within the prescribed time, then the Exchange shall not launch any contract expiring beyond September 28, 2018.

However, on compliance of the said provision, the restriction of not to launch any contract expiring beyond September 28, 2018 was withdrawn by SEBI vide its letter dated July 3, 2018.

#### F.Y 2018-19

Nil

**C. Disclosure relating to Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee:**

As required under Regulation 22 of the Listing Regulations & Section 177(10) of the Act, the Company has formulated a vigil mechanism for Directors and employees to report their genuine concerns. The Company has a Whistle Blower Policy to deal with instances involving malpractices, violation of law of the land, abuse of power, financial irregularities, etc., if any. The policy is hosted on the website of the Company and can be accessed at <https://www.icexindia.com/about-us/disclosures> under the other disclosures tab. Further, the Company confirms that no personnel have been denied access to the Audit Committee.

**D. Recommendations of Committees of the Board:**

There were no instances during the financial year 2018-19 wherein the Board had not accepted recommendations made by any committee of the Board.

**E. Details of total fees paid to statutory auditors:**

The details of total fees for all the services paid by the company to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is part, are as follows:

Type of services	F.Y 2018-19
Statutory Audit	5,75,000
Certifications	50,000
<b>Total</b>	<b>6,25,000</b>

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

Particulars	Numbers
Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on the end of the financial year	Nil

**11. Management Discussion and Analysis Report:**

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of Directors Report.

**12. CEO Certification:**

The Certificate from CEO as required under Part D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 containing declaration as to affirming compliance with the Code of Conduct, under SECC Regulations, 2018 for the financial year 2018-19 is attached at the end of this report.

**13. Practicing Company Secretary's certificate:**

The Practicing Company Secretaries certificate regarding the compliance of conditions of Corporate Governance is attached at the end of this report.

A certificate from the Practicing Company Secretaries as required under Part C of Schedule V of Listing Regulations, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority is attached at the end of this report.

**14. Compliance with conditions of corporate governance:**

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, to the extent as applicable.

**15. Disclosure with respect to demat suspense account/unclaimed suspense account:** Not Applicable.

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

**17. Disclosure of commodity price risks and commodity hedging activities:** Nil

**18. Details of Compliance with mandatory and discretionary requirement:**

As per regulation 33 of SECC Regulations, 2018, the disclosure requirements and corporate governance norms as applicable to a listed entity are mutatis mutandis applicable to a recognized stock exchange. The Company has complied with the applicable mandatory requirements of Listing Regulations to the extent applicable.

The Company has complied with the following discretionary requirements:

- a) The Internal Auditor of the Company reports directly to the Audit Committee. Internal Auditor participates in the meetings of the Audit Committee and makes presentation on their quarterly report to the committee.
- b) Separate posts of Chairman and CEO: The Company has separate posts of the Chairman and MD & CEO.
- c) During the year under review, there is no audit qualification on the Company's financial statements.
- d) The Non-Executive Chairman of the Company has been provided a Chairman's Office at the Corporate Office of the Company.

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

**J. J. Bhatt**  
Director  
DIN: 08132347

**Sanjit Prasad**  
Managing Director & CEO  
DIN: 03304097

**Place: Mumbai**

**Date : August 9, 2019**

**DECLARATION REGARDING COMPLIANCE BY THE BOARD MEMBERS WITH THE CODE OF CONDUCT:**

I hereby confirm that the Company has obtained from all the members of the Board affirmation that they have complied with the Code of Conduct for the financial year 2018-19.

**Sanjit Prasad**  
**Managing Director & CEO**  
**DIN : 03304097**

**Place: Mumbai**  
**Date : August 9, 2019**

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION:**

The Board of Directors,  
Indian Commodity Exchange Limited.

Dear Members of the Board,

We, Mr. Sanjit Prasad, Managing Director and Chief Executive Officer and Mr. Ghanashyam V Rao, Chief Financial Officer of Indian Commodity Exchange Limited, to the best of our knowledge and belief, certify that:

**A.** We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

**B.** There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

**C.** We accept the responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company, pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have taken or propose to take to rectify these deficiencies.

**D.** We have indicated to the auditors and the Audit committee

- (1) Significant changes in internal control over financial reporting during the period;
- (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Mr. Ghanashyam V Rao**  
Chief Financial Officer

**Mr. Sanjit Prasad**  
Managing Director & CEO.

**Place: Navi Mumbai**

**Date: April 25, 2019**

**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Members  
**Indian Commodity Exchange Limited,**  
1st Floor, Office - 109, Nodh No.-1158 to 63/65/9,  
HatFaliyu, Mahidharpura,  
Surat -395003, Gujarat, India.

We have examined all relevant records of **Indian Commodity 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 31<sup>st</sup> March 2019. In terms of regulation 35 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 till October 2, 2018 and regulation 33 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 with effect from October 3, 2018, the disclosure requirements and corporate governance norms as specified for listed companies have become *mutatis mutandis* applicable to a recognized stock exchange. We have obtained all the information and explanations to the best of our knowledge and belief, which were necessary for the purpose of this certification.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the management, we certify that the Company has complied with the applicable disclosure requirements and corporate governance norms as specified for Listed Companies.

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

**For AVS & Associates**  
**Company Secretaries**

**Anand Mukherjee**  
**Partner**  
**Mem. No: A40485**  
**C.P. No: 16883**

**Place: Navi Mumbai**  
**Date: August 1, 2019**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
 The Members  
**Indian Commodity Exchange Limited,**  
 1st Floor, Office - 109, Nodh No.-1158 to 63/65/9,  
 HatFaliyu, Mahidharpura,  
 Surat -395003, Gujarat, India.

Based on our verification of the declarations provided to **Indian Commodity Exchange Limited** ('the Company') by its Directors and the documents, information, Forms and Returns available on the website of the Ministry of Corporate Affairs, BSE Limited and National Stock Exchange India Limited ('NSE') and in the public domain as on the date of issue of this certificate, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year as on March 31, 2019 have been debarred or disqualified for being appointed or continuing as a director of a Company, by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority.

<b>Sr. No.</b>	<b>Name of the Directors</b>	<b>DIN</b>
1.	Mr. Ajit Kumar Mittal	02698115
2.	Dr. Hemanta Kumar Pradhan	02607244
3.	Mr. Jagdish Jayshankar Bhatt	08132347
4.	Mr. Lav Chaturvedi Ramji	02859336
5.	Mr. Sanjit Prasad	03304097
6.	Mrs. Damodaran Vijayalakshmi	00467785

We further hereby inform that, ensuring the eligibility for the appointment/continuity of Director on the Board is the responsibility of the Company. Our responsibility is to issue this certificate based on verification of documents and information available in the public domain.

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 AVS & Associates**  
**Company Secretaries**

**Anand Mukherjee**  
**Partner**  
**Mem. No: A40485**  
**C.P. No: 16883**

**Place: Navi Mumbai**  
**Date : August 1, 2019**

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF INDIAN COMMODITY EXCHANGE LIMITED

#### Report on the Ind AS Financial Statements

##### Opinion

We have audited the accompanying financial statements of Indian Commodity Exchange Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as Ind AS financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2019, and its loss (financial performance), total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

##### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report.

We are independent in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Other Matters

The Comparative financial information for the year ended 31st March, 2018 has been audited by predecessor auditor.

Our opinion is not modified in respect of above matter.

##### Information Other than the Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Ind AS financial statements and our auditors' report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

##### Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit on the Ind AS financial statements, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules 2015 as amended.
  - e) On the basis of the written representations received from the directors as on 31st March, 2019, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2019 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 A".
  - g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, , in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 & 32 to the Ind AS financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Chaturvedi & Shah LLP**

Chartered Accountants

Registration No.(101720W / W100355)

Sandesh Ladha

Partner

Membership No. 047841

Date: 25th April, 2019

Place: Mumbai

## **ANNEXURE “A”**

### **TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INDIAN COMMODITY EXCHANGE LIMITED**

#### **Report on the Internal Financial Controls under Clause (f) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Indian Commodity Exchange Limited (“the Company”) as of March 31, 2019 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**

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

#### **Auditors’ Responsibility**

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 specified 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 Institute of Chartered Accountant of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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. Further,

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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 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 authorisation 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 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

In our opinion, subject to a few areas in which improvement, as discussed and agreed with the management, is required, 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, 2019, 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 **Chaturvedi & Shah LLP**

Chartered Accountants

Registration No.(101720W / W100355)

Sandesh Ladha

Partner

Membership No. 047841

Date: 25th April, 2019

Place: Mumbai

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

- i. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the relevant documents produce before us, we report that, the Company is in the process of recovering title deeds of immovable properties acquired on amalgamation and are still in the name of acquire.
- ii. The Company does not any inventory. Accordingly, the provisions of clause 3 (ii) of the Order are not applicable to the Company.
- iii. According to the information and explanation given to us, the Company has not granted loans, secured or unsecured, to parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments guarantees granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- v. The Company has not accepted any deposit from public and accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act is respect of the Business Activities carried out by the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues applicable to it.
  - (b) No undisputed amounts payable in respect of aforesaid statutory dues were outstanding at year end for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income Tax, Goods and Service Tax, Customs Duty, and cess as on 31st March, 2019 which have not been deposited on account of disputes. except as disclosed below.

(Amount in ₹ thousand)

Name of the statute	Nature of dues	Amount as per the order	Amount paid	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax & Interest thereon in the matter in appeal for the A.Y. 2011-12	2,77,299.18	Nil	Commissioner of Income Tax (Appeals) (CIT)
	Income Tax & Interest thereon in the matter in appeal for the A.Y. 2012-13	34,877.11	Nil	Income Tax Appellate Tribunal (ITAT)
	Income Tax & Interest thereon in the matter in appeal for the A.Y. 2013-14	37,404.74	Nil	Commissioner of Income Tax (Appeals) (CIT)

viii. In our opinion and according to the information and explanations given to us, the Company has no dues payable to financial institutions, banks and Government and debenture holders, therefore the question of default does not arise.

ix. In our opinion and according to the information and explanations given to us, no monies raised by way of initial public offer or further public offer (including debt instruments) and term loans during the year by the Company.

- x. According to the information and explanations given by management we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 to the Act.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore the provision of clause 3(xii) of the Order not applicable to the Company and hence not commented upon.
- xiii. In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Act, where applicable, and details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us and on an overall examination of the Balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act.
- xvi. According to information and explanations given to us the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **Chaturvedi & Shah LLP**  
Chartered Accountants  
Registration No.(101720W / W100355)

Sandesh Ladha  
Partner  
Membership No. 047841

Date: 25th April, 2019  
Place: Mumbai

**Indian Commodity Exchange Limited**  
**Balance Sheet as at March 31, 2019**

(Amount in ₹ thousand)

Note	As at March 31, 2019 Amount	As at March 31, 2018 Amount	As at April 01, 2017 Amount	
<b>Assets</b>				
<b>(1) Non- current assets</b>				
(a) Property, plant and equipment	6	98,377.73	118,407.30	17,070.93
(b) Intangible assets	6	5,30,902.77	5,35,169.86	10,401.95
(c) Other non-current assets	7	4,21,463.42	120,596.00	53,350.18
<b>Total Non- current assets</b>		<b>10,50,743.92</b>	<b>7,74,173.16</b>	<b>80,823.06</b>
<b>(2) Current assets</b>				
<b>(a) Financial assets</b>				
(i) Investments	8	6,44,058.10	12,11,023.41	8,23,023.17
(ii) Trade receivables	9	15,885.88	5,758.22	-
(iii) Cash and cash equivalents	10	3,730.29	3,75,192.09	1,02,913.45
(iv) Bank balance other than (iii) above	11	2,61,029.50	1,03,264.09	2,55,000.00
(v) Other financial assets	12	12,545.56	19,093.83	9,557.32
<b>(b) Other current assets</b>	13	<b>165,692.60</b>	<b>1,48,380.32</b>	<b>1,21,145.27</b>
<b>Total Current assets</b>		<b>11,02,941.93</b>	<b>18,62,711.96</b>	<b>13,11,639.21</b>
<b>Total Assets</b>		<b>21,53,685.85</b>	<b>26,36,885.12</b>	<b>13,92,462.27</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
(a) Equity share capital	14	26,67,537.38	16,75,000.00	16,75,000.00
(b) Other Equity	15	(9,49,298.11)	(6,64,101.40)	(5,30,683.06)
(c) Share capital suspense	15.1	-	9,92,537.38	-
<b>Total Equity</b>		<b>17,18,239.27</b>	<b>20,03,435.98</b>	<b>11,44,316.94</b>
<b>Settlement guarantee fund</b>	16	<b>2,91,044.77</b>	<b>2,68,815.33</b>	<b>1,03,495.81</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Other financial liabilities	17	39,775.00	52,525.00	-
(b) Provisions	18	5,625.18	2,948.52	2,908.06
<b>Total Non current liabilities</b>		<b>45,400.18</b>	<b>55,473.52</b>	<b>2,908.06</b>
<b>(2) Current liabilities</b>				
<b>(a) Financial liabilities</b>				
<b>(i) Trade payables</b>				
a) Micro, small and medium enterprises	19	-	-	-
b) Other than (a) above	19	2,049.02	2,490.21	5,195.37
<b>(ii) Other financial liabilities</b>	20	<b>30,976.33</b>	<b>118,683.52</b>	<b>7,848.90</b>
<b>(b) Other current liabilities</b>	21	<b>33,486.11</b>	<b>147,454.69</b>	<b>58,211.13</b>
<b>(c) Provisions</b>	22	<b>32,490.17</b>	<b>40,531.87</b>	<b>70,486.06</b>
<b>Total current liabilities</b>		<b>99,001.63</b>	<b>3,09,160.29</b>	<b>1,41,741.46</b>
<b>Total liabilities</b>		<b>1,44,401.81</b>	<b>3,64,633.81</b>	<b>1,44,649.52</b>
<b>Total Equity and Liabilities</b>		<b>21,53,685.85</b>	<b>26,36,885.12</b>	<b>13,92,462.27</b>

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

As per our attached report of even date

**For Chaturvedi & Shah LLP**

Chartered Accountants

Firm Registration No. 101720W / W100355

1 to 47

**For and on behalf of the Board of Directors  
of Indian Commodity Exchange Limited**
**Sandesh Ladha**

Partner

Membership No. 047841

Navi Mumbai, April 25, 2019

**Hemanta K. Pradhan**

Chairman

DIN:02607244

**Ghanashyam V. Rao**

Chief Financial Officer

**Sanjit Prasad**

Managing Director &amp; CEO

DIN: 03304097

**Shweta Gujar**

Company Secretary

**Indian Commodity Exchange Limited**  
**Statement of profit and loss for the year ended March 31, 2019**

(Amount in ₹ thousand)

Particulars	Note	For the Year ended	For the Year ended
		March 31, 2019	March 31, 2018
		Amount	Amount
<b>Revenue</b>			
Revenue from operations	23 & 33	18,987.13	34,635.64
Other income	24	1,04,668.06	1,28,605.54
<b>Total income</b>		<b>1,23,655.19</b>	<b>1,63,241.18</b>
<b>Expenses</b>			
Employee benefits expense	25	1,52,537.26	1,25,327.07
Operating cost	26	83,054.09	48,378.01
Depreciation and amortisation expense	6	39,536.67	29,271.07
Other expenses	27	1,34,194.26	89,313.83
<b>Total expenses</b>		<b>4,09,322.28</b>	<b>2,92,289.98</b>
<b>Profit/(loss) before tax</b>		<b>(2,85,667.09)</b>	<b>(1,29,048.80)</b>
Income tax expense			
- Deferred tax		-	5,253.13
<b>Profit/(loss) for the year</b>		<b>(2,85,667.09)</b>	<b>(1,34,301.93)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss (net of tax)		-	-
Remeasurement of Employee benefits obligations		470.38	883.59
<b>Total comprehensive income for the year</b>		<b>(2,85,196.71)</b>	<b>(1,33,418.34)</b>

**Earnings per equity share**

	36		
(Face Value of ₹ 5 each fully paid up)			
Basic		(0.54)	(0.25)
Diluted		(0.54)	(0.25)

The accompanying notes are an integral part of the financial statements. 1 to 47

As per our attached report of even date

**For Chaturvedi & Shah LLP**

 Chartered Accountants  
 Firm Registration No. 101720W / W100355

**For and on behalf of the Board of Directors  
 of Indian Commodity Exchange Limited**
**Sandesh Ladha**

 Partner  
 Membership No. 047841

**Hemanta K. Pradhan**

 Chairman  
 DIN:02607244

**Sanjit Prasad**

 Managing Director & CEO  
 DIN: 03304097

Navi Mumbai, April 25, 2019

**Ghanashyam V. Rao**  
 Chief Financial Officer

**Shweta Gujar**  
 Company Secretary

**Indian Commodity Exchange Limited**
**Cash Flow Statement for the year ended March 31, 2019**

(Amount in ₹ thousand)

	For the year ended March 31, 2019 Amount	For the year ended March 31, 2018 Amount
<b>A Cash flows from operating activities :</b>		
Profit / (loss) before tax	(2,85,667.09)	(1,29,048.80)
Adjustments for:		
Depreciation and amortisation expenses	39,536.67	29,271.07
Acquisition of property, plant and equipment due to amalgamation	-	(4,51,947.48)
Provision of employee retirement benefits	3,108.49	12,397.39
Interest income on fixed deposits	(16,688.56)	(15,914.10)
Profit on disposal of property, plant and equipment (including assets written off)	(25.82)	(315.57)
Excess provisions written back	14,462.70	15,514.08
Profit on redemption of units of mutual funds	(72,939.62)	(78,915.45)
<b>Operating Profit / (loss) before working capital changes</b>	<b>(3,18,213.23)</b>	<b>(6,18,958.86)</b>
Adjustments for:		
Other non-current assets	(3,00,867.42)	(67,245.82)
Trade receivables and other current assets	(34,275.12)	(53,926.07)
Other non-current liabilities	(10,073.34)	52,565.46
Trade payable and other current liabilities	(2,27,259.47)	1,40,390.95
Adjustment for increase in Settlement Guarantee Fund	22,229.44	165,319.52
<b>Cash generated from / (used in) operations</b>	<b>(8,68,459.14)</b>	<b>(3,81,854.82)</b>
Taxes paid	6,835.18	15,679.67
<b>Net cash generated from / (used in) operating activities</b>	<b>(8,61,623.96)</b>	<b>(3,66,175.15)</b>
<b>B Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(15,241.48)	(2,03,447.13)
Sale of property, plant and equipment	27.29	334.83
Interest received on fixed deposits	23,236.83	6,377.59
Proceeds from redemption of units of mutual funds (net)	6,39,904.93	(3,09,084.79)
<b>Net cash generated from / (used in) investing activities</b>	<b>6,47,927.57</b>	<b>(5,05,819.50)</b>
<b>C Cash flows from financing activities</b>		
Equity share suspense	-	9,92,537.38
Equity share capital and premium on equity share	-	-
<b>Net cash generated from / (used in) financing activities</b>	<b>-</b>	<b>9,92,537.38</b>
<b>D Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,13,696.39)</b>	<b>1,20,542.73</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>4,78,456.18</b>	<b>3,57,913.45</b>
<b>F Cash and cash equivalents at the close of the year (D + E)</b>	<b>2,64,759.79</b>	<b>4,78,456.18</b>

**Note :**

1 Cash and cash equivalents as at the close of the year comprise:

Cash and Bank Balances (Refer note 10)

Cash on Hand	19.00	26.33
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Balances with scheduled banks

In Current Accounts	3,711.29	7,012.56
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In Fixed Deposit Accounts	-	3,68,153.20
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with original maturity of more than three

months (Refer note 11)	2,61,029.50	1,03,264.09
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<b>Cash and cash equivalents</b>	<b>2,64,759.79</b>	<b>4,78,456.18</b>
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**Note :**

2 The cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows"

As per our attached report of even date

**For Chaturvedi & Shah LLP**  
 Chartered Accountants  
 Firm Registration No. 101720W / W100355

**Sandesh Ladha**  
 Partner  
 Membership No. 047841

Navi Mumbai, April 25, 2019

**For and on behalf of the Board of Directors of  
 Indian Commodity Exchange Limited**

**Hemanta K. Pradhan**  
 Chairman

DIN:02607244

**Ghanashyam V. Rao**  
 Chief Financial Officer

**Sanjit Prasad**  
 Managing Director & CEO

DIN: 03304097

**Shweta Gujar**  
 Company Secretary

## Indian Commodity Exchange Limited

Notes forming part of financial statements as at March 31, 2019

### 1. Corporate Information

Indian Commodity Exchange Limited ("ICEX" or "The Company" or "The Exchange") regulated by Securities and Exchange Board of India ("SEBI") is a deemed recognised Stock Exchange under the SCRA, 1956 in terms of Section 131[B] of Finance Act, 2015 pursuant to the Central Government notification dated August 28, 2015 providing a nation-wide on-line trading platform in commodity derivatives. The Exchange re-commenced its trading operation on August 28, 2017. ICEX currently offers trading in commodity segment only.

The Hon'ble National Company Law Tribunal ("NCLT") has sanctioned the amalgamation of National Multi-Commodity Exchange of India Limited ("NMCE") with ICEX vide its Order dated August 27, 2018. Both the Exchanges have filed certified copy of the order of NCLT in e-form INC-28 with ROC on September 7, 2018. The appointed date as per the scheme is April 01, 2017.

### 2. Summary of Significant Accounting Policies:

#### a) Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2018, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2014. These are the Company's first Indian Accounting Standard (Ind AS) financial statements. The date of transition to Ind AS is April 1, 2017

#### b) Basis of accounting and preparation of financial statements:

These financial statements have been prepared to comply with the Indian Accounting Standards ('Ind AS') including the rules notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention except certain financial instruments which have been measured at fair value at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

#### c) Use of Estimates:

The preparation of financial statements in conformity with Ind AS requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialised.

#### d) Property, plant and equipment:

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

**Indian Commodity Exchange Limited**
**Notes forming part of financial statements as at March 31, 2019**

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

Asset Class	Useful Life
Furniture and fixtures	10 years
Leasehold improvements	3-5 years
Computers	3-6 years
Equipments	2-10 years
Office buildings	60 years
Vehicles	8-10 years

**e) Intangible assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Goodwill on amalgamation is subject to impairment testing in accordance with Ind AS 103, read with Ind AS 36.

A summary of amortisation policies applied to the Company's intangible assets to the extent of depreciable amount is, as follows:

Asset Class	Useful Life
Trading Software	Over a period of 10 years
Other Softwares	Over a period of 4 years

**f) Impairment of non-financial assets - property, plant and equipment and intangible assets:**

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a favourable change in the estimate of recoverable amount

**g) Financial instruments:**
**i) Financial Assets**
**A. Initial recognition and measurement**

All financial assets are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

**Indian Commodity Exchange Limited**

Notes forming part of financial statements as at March 31, 2019

**B. Subsequent measurement**

**a) Financial assets carried at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c) Financial assets at fair value through profit or loss (FVTPL)**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**C. Other Equity Investments**

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

**D. Impairment of financial assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);

or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**ii) Financial liabilities**

**A. Initial recognition and measurement**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

**B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**iii) Derecognition of financial instruments**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

**Indian Commodity Exchange Limited**

**Notes forming part of financial statements as at March 31, 2019**

**h) Revenue Recognition:**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- (i) Admission Fees collected from new members for joining the Exchange are recognised once the membership is approved by membership committee. Processing and other fees collected from members are recognised on receipt basis.
- (ii) Revenue from Transaction fees is determined based on underlying trades and are accrued on the trade date of the underlying transactions.
- (iii) Operating income from Annual Subscription Fee, other membership charges, connectivity charges, VSAT charges etc are recognised on accrual basis.
- (iv) Interest income is recognised on accrual basis.
- (v) Dividend income on units of Mutual Funds is recognised when the right to receive dividend is unconditionally established by the reporting date.
- (vi) Profit / loss on sale of investments are recognised as the difference between the sale proceeds and the carrying amount of investments.
- (vii) Others - all other revenue is recognised in the period in which the service is provided.

**i) Foreign currency transactions and translation:**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency. Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

**j) Taxation :**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax, is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax:**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**k) Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are considered as part of the cost of such assets (net of income on temporary investment out of such borrowings). A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**Indian Commodity Exchange Limited**

**Notes forming part of financial statements as at March 31, 2019**

**l) Provisions, contingent liabilities and contingent assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to financial statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

**m) Earnings per share**

Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

**n) Employee Benefits:**

The Company's contribution to Provident Fund is charged to the Statement of profit and loss for the year when the contributions are due. The Company has unfunded defined benefit plans namely, Compensated Absences and Gratuity for all the employees, the liability for which is determined on the basis of actuarial valuation on yearly basis using Projected Unit Credit Method. Actuarial gains and losses are recognised immediately in Statement of Profit and Loss.

Actuarial gains and losses for both defined benefit plans are recognised in full in the period in which they occur in the Statement of Profit and Loss

**o) Leases:**

Assets given / taken on lease in which a significant portion of the risks and rewards of ownership are not transferred to the lessee are classified as operating leases. Lease payment / Income made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the Payments / Receipts are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

**3. Critical accounting, judgments and key sources of estimation certainty:**

The preparation of the Company's financial statements requires management to make judgment, estimate and assumption that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

**a) Depreciation/amortisation and useful lives of property plant and equipment and intangible assets:**

Property, plant and equipment/intangible assets are depreciated/amortised over their estimated useful lives, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/amortization for future periods is adjusted if there are significant changes from previous estimates.

**Indian Commodity Exchange Limited**

**Notes forming part of financial statements as at March 31, 2019**

**b) Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**c) Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cashes Generating Unit's (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an assets 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 pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**d) Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**4. First-time adoption of Ind AS:**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2017 by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities.

**5. Standards issued but not effective**

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 – Leases and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2019.

**A) Issue of Ind AS 116 - Leases**

Ind AS 116 will supersede the current standard on leases i.e. Ind AS 17- Leases. As per Ind AS 116, the lessor will have to bring to books all the non-cancellable portion of leasing arrangement.

**Indian Commodity Exchange Limited****Notes forming part of financial statements as at March 31, 2019****B) Amendment to existing standard**

The MCA has also carried out amendments of the following accounting standards

1. Ind AS 101 - First time adoption of Indian Accounting Standards
2. Ind AS 103 - Business Combinations
3. Ind AS 104 - Insurance Contract
4. Ind AS 107- Financial Instruments: Disclosures
5. Ind AS 109 - Financial Instruments
6. Ind AS 111 – Joint Arrangements
7. Ind AS 113 - Fair Value Measurement
8. Ind AS 115 - Revenue from Contracts with Customers
9. Ind AS 1 - Presentation of Financial Statements
10. Ind AS 2 - Inventories Accounting
11. Ind AS 7 - Statement of Cash Flows
12. Ind AS 12 - Income Taxes
13. Ind AS 16 - Property, Plant and Equipments
14. Ind AS 19 – Employee Benefits
15. Ind AS 21 - The Effect of Changes in Foreign Exchange Rates
16. Ind AS 23 - Borrowing Costs
17. Ind AS 28 - Investment in Associates and Joint Ventures
18. Ind AS 32 - Financial Instrument : Presentation
19. Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets
20. Ind AS 38 - Intangible Assets
21. Ind AS 40 - Investment Property
22. Ind AS 41 - Agriculture

Application of above standards are not expected to have any significant impact on the Company's financial statements.

**Indian Commodity Exchange Limited**  
**Notes forming part of financial statement as at March 31, 2019**  
**6. Property, Plant and Equipment**

(Amount in ₹ thousand)

Description	Gross Block				Depreciation				Net Block		
	As at		2018-19		Upto		2018-19		As at		As at
	1st April, 2017	1st April, 2018	Additions	Deductions / Adjustments	31st March, 2018	For the Year	31st March, 2019	Deductions / Adjustments	31st March, 2019	31st March, 2018	1st April, 2017
<b>Tangible Assets (Owned)</b>											
Office Building	-	14,919.77	-	-	271.20	271.20	-	542.40	14,377.37	14,648.57	-
Leasehold Improvements	10,144.33	880.24	-	-	4,333.92	2,194.04	-	6,607.91	4,416.66	6,690.65	8,004.45
Computers	66,699.14	102,964.68	3,438.00	45.99	29,531.27	17,333.67	-	48,475.94	73,028.43	88,581.09	2,950.08
Equipments	6,251.65	3,482.28	459.29	-	2,740.54	1,626.90	1,685.02	4,452.93	4,056.01	5,289.11	3,452.99
Furniture & Fixture	3,095.76	1,387.42	-	-	4,483.18	862.82	-	1,963.93	2,519.25	3,188.01	2,663.41
Vehicles	-	209.89	-	-	200.02	200.02	-	209.88	0.01	9.87	-
<b>Total (A)</b>	86,190.88	123,844.28	3,897.29	45.99	38,372.12	22,488.65	53,236.48	62,252.99	98,377.73	118,407.30	17,070.93
<b>Intangible Assets</b>											
Computer Software	70,732.86	101,151.25	11,344.19	-	67,082.16	6,782.42	31.17	82,693.44	100,503.69	104,770.78	10,401.95
Goodwill	-	430,399.08	-	-	67,082.16	6,782.42	-	82,693.44	430,399.08	430,399.08	-
<b>Total (B)</b>	70,732.86	531,550.33	11,344.19	-	134,164.32	13,564.84	-	165,386.88	530,902.77	535,169.86	10,401.95
<b>Total</b>	156,923.74	655,394.61	15,241.48	45.99	272,536.44	36,053.49	53,267.65	177,639.87	629,280.50	653,577.16	27,472.88

The Amalgamation has been accounted as prescribed by the Ind AS 103. Accordingly, the assets and liabilities of the erstwhile NMCE as at April 1, 2017 have been taken at their book values as specified in the clause no. 2.3 of the Scheme of Amalgamation. Accordingly, ₹ 4,30,399.08 thousand has been debited to Goodwill during the previous year 2017-18 being the difference between the net assets received less consideration paid.

\* includes property, plant & equipment and intangible assets of erstwhile NMCE amalgamated with the company.

**Indian Commodity Exchange Limited**
**Notes forming part of financial statements as at March 31, 2019**

	(Amount in ₹ thousand)		
	As At March 31, 2019 Amount	As At March 31, 2018 Amount	As At April 01, 2017 Amount
<b>7 Other non-current assets</b>			
Amounts deposited and kept in designated bank account , Mutual Fund & Fixed Deposit towards Investor Protection Fund Deposit with Metropolitan Clearing Corporation of India Limited	-	1,18,108.46	50,731.98
Amount Receivable from Metropolitan Clearing Corporation of India Limited towards Settlement Guarantee Fund (SGF)	50,000.00	-	-
- Exchange contribution during the year	77,175.00	-	-
- towards SGF	2,76,201.67	-	-
- Income on SGF	14,843.10	-	-
Security Deposit	3,243.65	2,487.54	2,618.20
<b>Total</b>	<b>4,21,463.42</b>	<b>1,20,596.00</b>	<b>53,350.18</b>
<b>8 Investments</b> (Measured at fair value through Profit and Loss)			
Mutual fund - Quoted *	6,44,058.10	12,11,023.41	8,23,023.17
<b>Total</b>	<b>6,44,058.10</b>	<b>12,11,023.41</b>	<b>8,23,023.17</b>
<b>* Of the aboved investments in Mutual Funds, sum of ₹ 100,018.79 thousand (previous year: Nil) is earmarked for Settlement Guarantee Fund as required by SEBI in their letter dated September 27, 2018</b>			
<b>9 Trade Receivables</b>			
Considered good - Secured	-	1,391.63	-
Considered good - Unsecured	15,885.88	4,366.59	-
Considered doubtful - Unsecured	21,470.56	19,610.56	4,014.83
Less : Provision for for Doubtful Debts	(21,470.56)	(19,610.56)	(4,014.83)
Receivables which have significant increase in credit risk	-	-	-
Receivable - credit impaired	-	-	-
<b>Total</b>	<b>15,885.88</b>	<b>5,758.22</b>	<b>-</b>
<b>10 Cash and cash equivalents</b>			
Cash on hand	19.00	26.33	15.30
Balance with bank			
- In current account *	3,711.29	7,012.56	3,098.15
- In deposits account **	-	3,68,153.20	99,800.00
<b>Total</b>	<b>3,730.29</b>	<b>3,75,192.09</b>	<b>1,02,913.45</b>

\* The amount includes ₹ NIL (Previous year: ₹ 268.51 thousand) and ₹859.31 thousand (Previous year: ₹1000.00 thousand) in current Account created and earmarked for Settlement Guarantee Fund and an Investor Service Fund (ISF) respectively.

\*\* The amount includes ₹ NIL (Previous year: ₹ 2,57,317.29 thousand) as in deposit with banks (Fixed deposits) created and earmarked for Settlement Guarantee Fund.

**Indian Commodity Exchange Limited**
**Notes forming part of financial statements as at March 31, 2019**

	(Amount in ₹ thousand)		
	As At March 31, 2019 Amount	As At March 31, 2018 Amount	As At April 01, 2017 Amount
<b>11 Bank balance other than cash and cash equivalents</b>			
Deposits with maturity more than three months	2,61,029.50	1,03,264.09	2,55,000.00
<b>Total</b>	<b>2,61,029.50</b>	<b>1,03,264.09</b>	<b>2,55,000.00</b>
<b>12 Other financial assets</b>			
Interest accrued on deposits	12,545.56	19,093.83	9,557.32
<b>Total</b>	<b>12,545.56</b>	<b>19,093.83</b>	<b>9,557.32</b>
<b>13 Other current assets</b>			
Prepaid expenses	10,521.20	12,205.09	929.03
Balance with government authorities	1,24,182.16	98,255.22	64,405.82
Income tax recoverable	23,667.84	30,503.02	9,570.22
Diamond on E Unit conversion (Refer note 44)	24,080.67	18,426.42	-
Less: E-units on diamond conversion	(24,080.67)	(18,426.42)	-
Other receivables from members on account of penalty charges levied	1,894.97	641.09	409.98
Employee advance	-	25.00	-
Other advances	4,761.43	2,328.90	19,223.79
Advances (unsecured considered doubtful)	33,405.71	33,405.71	-
Less : Allowance for doubtful debts	(33,405.71)	(33,405.71)	-
Capital advances	665.00	4,422.00	26,606.43
<b>Total</b>	<b>1,65,692.60</b>	<b>1,48,380.32</b>	<b>1,21,145.27</b>

**Indian Commodity Exchange Limited**
**Notes forming part of financial statements as at March 31, 2019**
**14 Equity share capital**
**(Amount in ₹ thousand)**

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b><u>Authorised share capital</u></b>			
53,60,00,000 Equity Shares of ₹ 5/- each *	26,80,000.00	17,50,000.00	1750,000.00
(As on 31st March, 2018: 35,00,00,000 equity shares of ₹ 5/- each) (As on 1st April, 2017: 35,00,00,000 equity shares of ₹ 5/- each)			

\* Authorised share capital has been increased to 53,60,00,000 equity shares upon approval of scheme of amalgamation.

**Issued, subscribed and paid up**

53,35,07,476 Equity Shares of ₹ 5/- each	26,67,537.38	16,75,000.00	16,75,000.00
(As on 31st March, 2018: 33,50,00,000 equity shares of ₹ 5/- each fully paid up)			
(As on 1st April, 2017: 33,50,00,000 equity shares of ₹ 5/- each fully paid up)			

i) 198,507.48 thousand Equity shares of ₹ 5 each was allotted during the year to the shareholders of erstwhile National Multi Commodity Exchange of India Limited in terms of scheme of Amalgamation sanctioned by Hon'ble National Company Law Tribunal("NCLT") vide its order dated August 27, 2018. Both the Exchanges have filed certified copy of the order of NCLT in e-form INC-28 with ROC on September 7, 2018.

ii) Pursuant to the Scheme of Amalgamation of erstwhile National Multi Commodity Exchange of India Limited (NMCE) with the Indian Commodity Exchange Limited (ICEX) as sanctioned by the NCLT, the assets and liabilities of the erstwhile NMCE were transferred to and vested in the company retrospectively from April 1, 2017. As specified in the Scheme of amalgamation clause 2.3 and residual amount transferred to goodwill as per Ind-As 103. The scheme has accordingly been given effect to in these accounts.

**Indian Commodity Exchange Limited**
**Notes forming part of financial statements as at March 31, 2019**
**a. Reconciliation of numbers of Equity shares and amount outstanding**

(Amount in ₹ thousand)

	2018-19		2017-18	
	Numbers	Amount	Numbers	Amount
Equity Shares of ₹ 5 each				
<b>Opening Balance</b>	33,50,00,000	16,75,000.00	33,50,00,000	16,75,000.00
Add: Shares issued on amalgamation during the year	19,85,07,476	9,92,537.38	-	-
<b>Closing Balance</b>	<b>53,35,07,476</b>	<b>26,67,537.38</b>	<b>33,5,000,000</b>	<b>16,75,000.00</b>

**b. Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of Shareholders holding more than 5% Equity shares:**

Name of Shareholders Number of	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Reliance Exchangenext Limited	8,71,00,000	16.33%	8,71,00,000	26.00%	8,71,00,000	26.00%
Central Warehousing Corporation	5,89,63,956	11.05%	-	0.00%	-	0.00%
Deputy Director (PMLA), Directorate of Enforcement, Ahmedabad	4,82,09,060	9.04%	-	0.00%	-	0.00%
MMTC Limited	3,20,00,000	6.00%	3,20,00,000	9.55%	3,20,00,000	9.55%
Indiabulls Housing Finance Limited	3,00,00,000	5.62%	3,50,00,000	10.45%	3,50,00,000	10.45%
Indian Potash Limited	2,68,00,000	5.02%	2,68,00,000	8.00%	2,68,00,000	8.00%
Abhinay Trading Private Limited	1,60,00,000	3.00%	2,80,00,000	8.36%	2,80,00,000	8.36%

d. MMTC by its petition dated October 21, 2011 has filed a case against Indiabulls Financial Services Limited (name changed to Indiabulls Housing Finance Limited), Reliance Exchangenext Limited and Indian Commodity Exchange Limited with Company Law Board (Replaced by National Company Law Tribunal "NCLT" w.e.f June 1, 2016). In the said petition MMTC alleged that the transfer of 26% shareholding to Reliance Exchangenext Limited by India bulls Financial Services Limited was in breach of lock-in requirements under a Shareholders Agreement dated February 12, 2009 between the ICEX, MMTC and India Bulls Financial Services Limited.

The Company responded to the petition, by challenging the maintainability of the petition filed by MMTC Limited before the Hon'ble Company law Board. Subsequently the Company has submitted its response to the aforesaid petition before the Honourable Company Law Board on February 10, 2012 refuting and denying the purported allegations against the Exchange. MMTC on January 19, 2016 sold 10% of its stake in Exchange to outside investors at ₹10 per shares (Including premium of ₹ 5 per share). The matter is listed for hearing before NCLT.

**Indian Commodity Exchange Limited**
**Statement of Changes in Equity for the year ended March 31, 2019**

(Amount in ₹ thousand)

**A. Equity Share Capital**

Balance as at April 01, 2017	Changes in the equity share capital during the year 2017-18	Balance as at March 31, 2018	Changes in the equity share capital during the year 2018-19	Balance as at March 31, 2019
1,675,000.00	-	1,675,000.00	992,537.38	2,667,537.38

**B. Other Equity**

(Amount in ₹ thousand)

	Reserver and Surplus		Other Comprehensive Income	Total
	Securities Premium	Retained Earnings		
Balance as at April 01, 2017	675,000.00	(1,205,683.06)	-	(530,683.06)
Total comprehensive income for the year	-	(134,301.93)	883.59	(133,418.34)
Balance as at March 31, 2018	675,000.00	(1,339,984.99)	883.59	(664,101.40)
Total comprehensive income for the year	-	(285,667.09)	470.38	(285,196.71)
Balance as at March 31, 2019	675,000.00	(1,625,652.08)	1,353.97	(949,298.11)

As per our attached report of even date

**For Chaturvedi & Shah LLP**
**Chartered Accountants**

Firm Registration No. 101720W / W100355

**For and on behalf of the Board of Directors**
**of Indian Commodity Exchange Limited**
**Sandesh Ladha**

Partner

Membership No. 047841

**Hemanta K. Pradhan**

Chairman

DIN:02607244

**Sanjit Prasad**

Managing Director &amp; CEO

DIN: 03304097

Navi Mumbai, April 25, 2019

**Ghanashyam V. Rao**

Chief Financial Officer

**Shweta Gujar**

Company Secretary

**Indian Commodity Exchange Limited**

Notes forming part of financial statements as at March 31, 2019

**15 Other Equity**

(Amount in ₹ thousand)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
<b>Retained Earnings</b>			
As per last Balance Sheet	(13,39,984.99)	(12,05,683.06)	(10,57,098.74)
Less: Loss for the year	(2,85,667.09)	(1,34,301.93)	(1,48,584.32)
	<b>(16,25,652.08)</b>	<b>(13,39,984.99)</b>	<b>(12,05,683.06)</b>
<b>Other Comprehensive Income (OCI)</b>			
As per last Balance Sheet	883.59	-	-
Less : Movement in OCI (Net) during the year	470.38	883.59	-
	<b>1,353.97</b>	<b>883.59</b>	<b>-</b>
<b>Total (A)</b>	<b>(16,24,298.11)</b>	<b>(13,39,101.40)</b>	<b>(12,05,683.06)</b>
<b>Security Premium</b>			
As per last Balance Sheet	6,75,000.00	6,75,000.00	6,75,000.00
Add / Less: During the year	-	-	-
<b>Total (B)</b>	<b>6,75,000.00</b>	<b>6,75,000.00</b>	<b>6,75,000.00</b>
<b>Total Other Equity (A) + (B)</b>	<b>(9,49,298.11)</b>	<b>(6,64,101.40)</b>	<b>(5,30,683.06)</b>
<b>15.1 Share capital suspense</b>			
As per last Balance Sheet	9,92,537.38	-	-
increase / (decrease) during the year	(9,92,537.38)	9,92,537.38	-
<b>Total</b>	<b>-</b>	<b>9,92,537.38</b>	<b>-</b>

**Indian Commodity Exchange Limited**
**Notes forming part of financial statements as at March 31, 2019**

(Amount in ₹ thousand)

	As At March 31, 2019 Amount	As At March 31, 2018 Amount	As At April 01, 2017 Amount
<b>16 Settlement Guarantee Fund</b>			
Opening balance	2,68,815.32	1,03,495.81	-
- Initial Exchange contribution	-	-	1,00,000.00
- Additions on account of amalgamation	-	149,215.81	-
- Income during the year	22,229.45	16,103.71	3,495.81
<b>Total</b>	<b>2,91,044.77</b>	<b>2,68,815.33</b>	<b>1,03,495.81</b>
<p>In terms of clause 3.2 of the Clearing and Settlement Agreement dated July 11, 2018 entered between ICEX &amp; Metropolitan Clearing Corporation of India Limited (MCCIL), ICEX was required to transfer various deposits/funds, including Settlement Guarantee Fund (SGF) to MCCIL. The SGF corpus maintained by MCCIL as on March 31, 2019 is ₹ 4,18,219.77 thousand.</p>			
<b>17 Other non-current financial liabilities</b>			
Trade/Security deposits from			
- Settlement bankers	-	12,500.00	-
- Base minimum capital from members	39,775.00	40,025.00	-
<b>Total</b>	<b>39,775.00</b>	<b>52,525.00</b>	<b>-</b>
<b>18 Non-current provisions</b>			
Provision for gratuity	1,533.85	187.59	1,582.08
Provision for compensated absences	4,091.33	2,760.93	1,325.98
<b>Total</b>	<b>5,625.18</b>	<b>2,948.52</b>	<b>2,908.06</b>
<b>19 Trade Payables</b>			
Micro, small and medium enterprises	-	-	-
Other than Micro, small and medium enterprises	2,049.02	2,490.21	5,195.37
<b>Total</b>	<b>2,049.02</b>	<b>2,490.21</b>	<b>5,195.37</b>
<b>20 Other current financial liabilities</b>			
Received from members and applicants towards			
- Trading margins	3,167.15	87,827.15	-
- Application money - pending admission	4,293.29	3,520.88	6,004.93
- Income received in advance	901.80	-	597.50
- Other Members liabilities	22,614.09	27,335.49	1,246.47
<b>Total</b>	<b>30,976.33</b>	<b>1,18,683.52</b>	<b>7,848.90</b>
<b>21 Other current liabilities</b>			
Amount transferable to Investor Protection Fund Trust	1,208.40	1,18,126.49	50,731.98
Service tax payable	1,211.80	1,211.80	207.67
Tax deducted at source	3,990.76	9,601.70	3,368.14
Commodity Transaction Tax	4,877.37	594.87	-
Professional Tax	23.16	21.30	10.20
Maharashtra Value Added Tax	-	-	8.30
Goods and Service tax	1,586.81	12,030.88	-
Other liabilities	18,692.84	4,044.11	3,474.86
Uncollected penalty from members to be transferred to IPF	1,894.97	1,823.54	409.98
<b>Total</b>	<b>33,486.11</b>	<b>1,47,454.69</b>	<b>58,211.13</b>
<b>22 Current provisions</b>			
Provision towards expenses	32,463.40	35,277.40	54,938.12
Provision on surrender of memberships	-	-	15,514.08
Provision for gratuity	26.77	2,472.81	10.57
Provision for compensated absences	-	2,781.66	23.29
<b>Total</b>	<b>32,490.17</b>	<b>40,531.87</b>	<b>70,486.06</b>

**Indian Commodity Exchange Limited**
**Notes forming part of financial statements for the year ended March 31, 2019**

(Amount in ₹ thousand)

	For the year ended March 31, 2019 Amount	For the year ended March 31, 2018 Amount
<b>23 Revenue From Operations</b>		
<b>Operating revenues</b>		
Membership admission fee	-	8,957.63
Transaction fee	9,077.58	20,448.53
Other membership fee	5,419.58	1,082.25
<b>Total (A)</b>	<b>14,497.16</b>	<b>30,488.41</b>
<b>Other operating revenues</b>		
Connectivity charges	4,299.80	4,001.03
Warehouse income	190.17	146.20
<b>Total (B)</b>	<b>4,489.97</b>	<b>4,147.23</b>
<b>Total (A)+(B)</b>	<b>18,987.13</b>	<b>34,635.64</b>
<b>24 Other Income</b>		
Interest income on bank deposits	16,688.56	15,914.10
Profit on redemption of units of mutual fund	92,329.36	78,915.45
Gain/(loss) on fair valuation of Mutual Funds	(19,389.73)	15,536.84
Provisions no longer required written back	14,462.70	15,514.08
Central Server Site Maintenance Charges	-	400.00
Profit on Sale of Property, Plant & Equipment	25.82	315.57
Income from penalty charges	170.03	404.57
Miscellaneous income	381.32	1604.93
<b>Total</b>	<b>1,04,668.06</b>	<b>128,605.54</b>
<b>25 Employee benefits expense</b>		
Salaries, wages and bonus	1,35,013.89	1,12,569.55
Contribution to provident and other fund	4,970.16	5,624.52
Gratuity and compensated absences expenses	8,454.63	4,996.38
Staff welfare expenses	4,098.58	2,136.62
<b>Total</b>	<b>1,52,537.26</b>	<b>1,25,327.07</b>
<b>26 Operating cost</b>		
Information technology support expenses	53,373.87	38,213.55
Networking / leased line expenses	5,633.65	6,532.63
Subscription charges	1,446.73	373.68
Clearing & Settlement charges	20,525.00	-
Contribution to Investor Protection Fund	2,074.84	3,258.15
<b>Total</b>	<b>83,054.09</b>	<b>48,378.01</b>
<b>27 Other Expenses</b>		
Advertisement and business promotion expenses	35,125.92	21,012.26
Travelling and conveyance expenses	10,116.60	7,021.86
Repairs and Maintenance	4,647.20	9,275.26
Professional charges	49,779.81	27,120.67
Lease rentals	8,643.31	6,315.38
Rates and taxes	11,985.45	2,729.15
Regulatory fee	1,100.00	1,100.00
Printing and stationery	4,796.47	4,979.10
Communication expenses	867.40	1,229.84
Electricity expenses	2,074.22	2,122.35
Director's sitting fees	935.00	2,283.53
Insurance	238.53	760.76
Provision for Doubtful debts	1,860.00	1,944.93
Postage and courier	853.95	309.35
Auditor's Remuneration		
Statutory audit	575.00	855.40
Certifications	50.00	80.00
Miscellaneous	545.40	173.99
<b>Total</b>	<b>1,34,194.26</b>	<b>89,313.83</b>

**Indian Commodity Exchange Limited**
**Notes forming part of financial statements as at and for the year ended March 31, 2019**

28 Disclosures in respect of Ind AS – 24 Related Party are as given below.

**Nature of relationship with Related Parties**
**(I) Related parties pertaining to the Company**
**(a) Related parties exercising significant influence :**

Reliance Exchangenext Limited

**(b) Key Managerial Personnel -**

Mr. Sanjit Prasad - Managing Director and Chief Executive Officer (MD &amp; CEO)

Mr. Ghanashyam Rao - Chief Financial Officer (CFO)

Ms. Shweta Gujar - Company Secretary (CS) (w.e.f April 20, 2018)

**(c) Significant Transactions with Related Parties:**

(Amount in ₹ thousand)

Nature of Transaction	Current Year	Current Year	Previous Year
	Key Managerial Personnel	Related parties exercising control/ significant influence	
Remuneration to Key Managerial Personnel ( Included under the head employee benefits expense. Note - 25 )	16,278.10	-	16,111.03
Balance Outstanding as at Balance Sheet Date	NIL	NIL	NIL

**29 Employee benefit obligations (Gratuity and Compensated Absences ) :**
**(a) Defined Contribution Plans:**

The Company's contribution amounting to ₹ 3,117.55 thousand (Previous year ₹ 3,861.42 thousand ) to defined contribution plan (Provident Fund) and ₹ 22.39 thousand (Previous Year ₹ 42.69 thousand) towards Employee State Insurance are recognized as expenses in the Statement of Profit and Loss for the year ended March 31, 2019.

**(b) Disclosures in respect of Employee Benefits in accordance with Ind AS 19 :**

Provisions for funded gratuity and unfunded compensated absences for all eligible employees are based upon actuarial valuation conducted yearly by an independent actuary. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. Gains and losses on changes in actuarial assumptions during the year ended March 31, 2019, have been accounted for in the Statement of Profit and Loss .

The table below provides disclosures in respect of gratuity in accordance with Ind AS 19: -

**(A) ICEX**

(Amount in ₹ thousand)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2017
	(Funded)	(Funded)	(Unfunded)
Reconciliation of liability recognized in the Balance Sheet			
Present value of commitment (as per actuarial valuation)	4,734.34	2,906.87	1,592.65
Fair value of plans	(3,173.72)	(2,826.93)	-
Net liability in the Balance Sheet (Actual)	1,560.62	79.94	1,592.65
Movement in the net liability recognized in the Balance Sheet			
Net liability as at beginning of year	79.94	1,592.65	414.87
Net expenses recognized in the Statement of Profit and Loss	1,827.46	1,314.23	1,177.77
Contributions during the year	346.79	(2,826.93)	-
Benefits paid	-	-	-
Net liability as at end of the year / year	2,254.20	79.94	1,592.65

**Indian Commodity Exchange Limited**

Notes forming part of financial statements as at and for the year ended March 31, 2019

**29 Employee benefit obligations (Continued)**

(Amount in ₹ thousand)

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
	(Funded)	(Funded)	(Unfunded)
Expenses recognized in the Statement of Profit and Loss			
Current service cost	1,788.84	1,326.25	1,125.89
Interest cost	224.12	120.09	33.19
Expected return on plan assets	-	-	-
Actuarial (gains) / losses	(185.50)	(132.11)	18.70
Expenses charged to the Statement of Profit and Loss	1,827.46	1,314.23	1,177.77
Reconciliation of defined-benefits commitments			
Commitments as at beginning of year	2,906.87	1,592.65	414.87
Current service cost	1,788.84	1,326.25	1,125.89
Interest cost	224.12	120.09	33.19
Paid benefits	-	-	-
Actuarial (gains) / losses	(185.50)	(132.11)	18.70
Commitments as at end of year	4,734.34	2,906.87	1,592.65

The actuarial valuation to determine commitments and expenses in respect of gratuity and compensated absences is based on the following assumptions which if changed, would affect the commitment's size, funding requirement and expenses: -

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended April 01, 2017
Discount rate	7.66%	7.71%	7.54%
Expected return on plan assets	NA	NA	NA
Expected rate of salary increase	6.00%	6.00%	6.00%
Mortality Table	IALM (2006 - 08)	IALM (2006 - 08)	IALM (2006 - 08)

Gratuity (funded)			
Experience adjustment:	2018-19	2017-18	2016-17
On plan liabilities Gain/(Loss)	(27.58)	68.27	72.69
On plan assets Gain/ (Loss)	-	-	-
Present value of benefit obligations	4,734.34	2,906.87	1,592.65
Fair value of plan assets	3,173.72	2,826.93	-
Excess of (obligation over plan assets) / plan assets over obligations	(1,560.62)	(79.94)	(1,592.65)

The table below provides disclosures in respect of gratuity in accordance with Ind AS 19: -

**(B) Erstwhile NMCE**

(Amount in ₹ thousand)

Particulars	Gratuity	
	2017-18	2016-17
Discount Rate Current	7.85%	7.34%
Rate of Increase in Compensation Levels	7.00%	7.00%
Withdrawal Rates	2.00%	2.00%
Rate of Return on Plan Assets	7.85%	7.34%
Retirement age	65 Yrs	65 Yrs

Particulars	Gratuity	
	2017-18	2016-17
<b>Changes in present value of obligation</b>		
Projected Benefit Obligations (PBO) at the beginning of the year	8,297.99	6,671.94
Interest Cost	609.07	538.43
Current Service Cost	764.25	636.27
Past service Cost	155.08	-
Benefits paid	65.42	287.93
Actuarial (gain) / loss on Obligations	(478.29)	739.28
Projected Benefit Obligations at the end of the year	9,282.67	8,297.99

**Indian Commodity Exchange Limited**

Notes forming part of financial statements as at and for the year ended March 31, 2019

**29 Employee benefit obligations (Continued)**

(Amount in ₹ thousand)

Particulars	Gratuity	
	2017-18	2016-17
<b>Changes in fair value of plan assets</b>		
Fair Value of Plan Assets at the beginning of the year	6,303.75	4,980.59
Expected Return on Plan Assets	462.70	401.93
Contributions	39.69	1,231.88
Benefits paid	65.42	287.93
Actuarial Gain / (loss) on Plan Assets	(38.50)	(22.73)
Fair Value of Plan Assets at the end of the year	6,702.22	6,303.75

Particulars	Gratuity	
	2017-18	2016-17
<b>Percentage of each category of plan assets to total fair value of plan assets</b>		
Government of India Securities	0.00%	0.00%
High quality Corporate Bonds	0.00%	0.00%
Equity share of Listed Companies	0.00%	0.00%
Property	0.00%	0.00%
Policy of Insurance	100.00%	100.00%
Bank Balance	0.00%	0.00%

Particulars	Gratuity	
	2017-18	2016-17
<b>Reconciliation of Present Value of Defined Present Obligations and the Fair Value of plan assets</b>		
Present Value of Obligation	9,282.67	8,297.99
Fair Value of Plan Assets	6,702.22	6,303.75
Net (Asset)/ Liability	2,580.45	1,994.24
Less: Contribution Already made to Gratuity Trust	-	12.49
Net (Asset)/ Liability recognized in the Balance Sheet	2,580.45	1,981.75

Particulars	Gratuity	
	2017-18	2016-17
<b>Amounts to be recognized in Balance Sheet</b>		
Present Value of Obligation	9,282.67	8,297.99
Fair Value of Plan Assets	6,702.22	6,303.75
Funded(Asset)/Liability recognised in the Balance Sheet	-	12.49
Unfunded Liability recognised in the Balance Sheet	2,580.45	1,981.75

Particulars	Gratuity	
	2017-18	2016-17
<b>Expenses recognized in the Statement of Profit and Loss</b>		
Current Service Cost	764.25	636.27
Interest Cost	146.38	136.49
Past service Cost	155.08	-
Net Actuarial (gain)/loss recognized in the year	(439.80)	762.01
Amount Directly paid by the Company	-	-
Expenses recognized in the Income Statement	625.91	1,534.77

Particulars	Gratuity	
	2017-18	2016-17
<b>Experience Adjustments</b>		
On Plan Liabilities(Gain) / Loss	(51.14)	143.39
On Plan Assets(Gain) / Loss	(38.50)	(22.73)
Total Experience - Adjustments Actuarial (Gain) / Loss due to change in Assumptions	(89.64)	120.66

Particulars	2017-18	2016-17
	<b>Gratuity</b>	
Define Benefit Obligation	9,282.67	8,297.99
Plan Assets	6,702.22	6,303.75
Surplus/(Deficit)	(2,580.45)	(1,994.24)
Experience Adjustment on plan Liabilities	(89.64)	120.66

**Indian Commodity Exchange Limited**
**Notes forming part of financial statements as at and for the year ended March 31, 2019**
**30 Capital and other commitments:**

(Amount in ₹ thousand)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Estimated amount of Capital Commitments (Net of capital advances)	665.00	4,422.00	32,768.67

**31 Contingent liabilities**

In case of erstwhile NMCE, the case of CMC Ltd, Arbitration Award dated 05.01.2010 of ₹3,285 thousand together with running interest on the principal amount of ₹3,075 thousand at the rate of 12% p.a. till 31.01.2006 was awarded against erstwhile NMCE. The erstwhile NMCE has filed an appeal in the City Civil Court against the said Arbitration Award. In the event of decision against the erstwhile NMCE, the Company will be required to pay ₹3,285 thousand along with interest amount.

**32. (a) FMC in accordance with sub clause (b) of sub-section (2) of Section 8 of the Forward Contracts (Regulation) Act, 1952 and sub-section (4) of Section 8 of the said Act read with Government of India Notification S.O.No. 1162 dated May 4, 1960, had appointed officers of the FMC to conduct an inquiry in relation to affairs of erstwhile NMCE and to carry out the inspection of the books of accounts and records of the erstwhile NMCE.**

Subsequent to the inquiry, the Commission vide Final Order No.FMC/Comp/VI/2010/12/14 dated July 23, 2011 has directed the erstwhile NMCE to take appropriate legal actions against various persons/parties to recover wrongful and unauthorised payments made to them. Such directions are

- (a) To recover wrongful and illegal over payment of ₹ 2,88,000 thousand paid to a company controlled by the then erstwhile NMCE Managing Director and his relatives.
- (b) To recover wrongful and illegal payment of ₹ 24,700 thousand made by erstwhile NMCE to an entity controlled by the relative of the then erstwhile NMCE Managing Director.
- (c) To recover an amount of ₹ 35,300 thousand paid by erstwhile NMCE to 56 consultants without proper authorisation.
- (d) To recover an amount of ₹ 2,093 thousand on account of misappropriation of funds of erstwhile NMCE by the then Managing Director towards purchase of vehicles.
- (e) To recover an unascertained amount of expenditure incurred by erstwhile NMCE and depreciation allowance charged by the Company on vehicles used by the relatives of the then Managing Director.
- (f) To recover an unascertained amount of personal expenses including travelling expenses incurred by erstwhile NMCE for the relatives of the then Managing Director

Accordingly, erstwhile NMCE Company had filed recovery suits.

In addition to the above, the FMC has also directed erstwhile NMCE to refer the matter to the appropriate authorities under the Companies Act, 2013 (erstwhile Companies Act,1956) for cancellation of the irregular allotment of 3,04,52,949 (pre-merger 29,32,280 shares of erstwhile NMCE) shares to Neptune Overseas Limited and any other actions as provided under the Companies Act, 2013 (erstwhile Companies Act,1956). Pending cancellation, the impugned 3,04,52,949 (pre-merger 29,32,280 shares of erstwhile NMCE) equity shares of erstwhile NMCE held by Neptune Overseas Limited will not have any voting rights. Post merger ICEX has also actioned on the same lines.

Necessary application has been filed before Hon'ble Company Law Board, Mumbai, which stands transferred to National Company Law Tribunal, Ahmedabad Bench.

On February 09, 2012, the Hon'ble Gujarat High Court disposed off the appeal filed by Neptune Overseas Limited and quashed the Final Order dated July 23, 2011 issued by FMC on the ground of principle of natural justice.

**Indian Commodity Exchange Limited**
**Notes forming part of financial statements as at and for the year ended March 31, 2019**

FMC had filed a Special Leave Petition before the Hon'ble Supreme Court of India against the order of Hon'ble High Court of Gujarat dated February 9, 2012. The Hon'ble Supreme Court of India on March 22, 2012 granted interim stay on the order of the Hon'ble High Court of Gujarat, but any proceedings, decision or action taken in pursuance of FMC's Order shall abide by the final result of the Special Leave Petitions. The Special Leave Petition was disposed off vide order dated March 7, 2018, whereby order dated February 9, 2012 passed by Hon'ble High Court of Gujarat was set aside and Neptune Overseas Limited was permitted to challenge the FMC's Order dated July 23, 2011 before Securities Appellate Tribunal. Accordingly Neptune Overseas Limited has filed appeal before Securities Appellate Tribunal, which is pending for hearing.

The management is of the view that since matters relating to above irregularities are sub judice, any further adjustments /disclosures to the financial statements, if required, would be made in the financial statements on final outcome of court order.

(b) Further for the tax dues arising from the above, the erstwhile NMCE has preferred petition before the Income tax Settlement Commission (ITSC) offering the amount of deductions claimed and also the loss arising in the hands of erstwhile NMCE on account of fraud. Erstwhile NMCE offered expenses and allowances claimed of ₹ 3,04,715.70 thousand for Assessment Year 2007-08 to 2012-13. Tax dues of ₹ 1,31,429.47 thousand was determined, including interest of ₹ 58,532.46 thousand and tax of ₹ 1,17,597.69 thousand was paid, after adjusting the refund of ₹ 13,831.78 thousand. Erstwhile NMCE also made submission for the deduction of loss arising out of the embezzlement of ₹ 3,25,393.49 thousand. The Hon'ble ITSC has passed an order in favour of erstwhile NMCE allowing the embezzled loss as claimed by erstwhile NMCE on 29.09.2016.

(C) FMC vide its Final Order dated July 23, 2011, amongst others, directed erstwhile NMCE to refer the matter to the appropriate authorities under the Companies Act, 1956 for cancellation of the irregular allotment of 3,04,52,949 (pre-merger 29,32,280 shares of erstwhile NMCE) shares to Neptune Overseas Limited. Accordingly, erstwhile NMCE filed the required petition before Hon'ble CLB, Mumbai bench under Companies Act, 1956 (No1/111 of 2012) on January 5, 2012 for cancellation of the irregular allotment of 3,04,52,949 (pre-merger 29,32,280 shares of erstwhile NMCE) shares to the NOL. Erstwhile NMCE, with due permission of the Hon'ble CLB, Mumbai, withdrew the said petition and simultaneously filed fresh application under Companies Act, 2013, in January, 2014. The case has since been transferred to National Company Law Tribunal, Ahmedabad Bench which is being heard (Appeal No 05 of 2014). Meanwhile, the shares which are subject matter of application for cancellation, are included in 4,82,09,060 (pre-merger 46,42,629 shares of erstwhile NMCE) shares attached by the Enforcement Directorate. Therefore, the said shares, even if cancelled, may not lead to reduction in Net worth.

**33 Revenue recognition**

The Company derives revenues primarily from commodity exchange services comprising of transaction fee, admission fee, annual subscription fee and connectivity charges.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the company expect to receive in exchange for those services.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue from operations for the year ended March 31, 2019 and March 31, 2018 is as follows:

Particulars	(Amount in ₹ thousand)	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Operating revenues</b>		
Revenue from membership admission fee	-	8,957.63
Revenue from transaction fee	9,077.58	20,448.53
Revenue from other membership fee	5,419.58	1,082.25
Total operating revenues	<b>14,497.16</b>	<b>30,488.41</b>
<b>Other operating revenues</b>		
Revenue from connectivity charges	4,299.80	4,001.03
Revenue from warehouse income	190.17	146.20
Total other operating revenues	4,489.97	4,147.23
<b>Total Revenue from operations</b>	<b>18,987.13</b>	<b>34,635.64</b>

## Indian Commodity Exchange Limited

Notes forming part of financial statements as at and for the year ended March 31, 2019

### Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time.

Invoicing in excess of earnings are classified as unearned revenue.

Trade receivable and unbilled revenues are presented net of impairment in the Balance Sheet.

During the year ended March 31, 2019, the company recognized revenue of ₹ 277.12 thousand arising from opening unearned revenue as of April 1, 2018

### 34 Segment Reporting

The Company operates in one reportable business segment namely - "Commodity Exchange" and one reportable geographical segment, i.e., within India and accordingly "business of facilitating trading in commodities and incidental activities thereto" is considered as the only Primary Reportable business segment, as per Ind AS 108, "Operating Segments".

### 35 Leases

The Company has taken office premises on operating lease under lease arrangements. Rent expenses of ₹ 8,643.31 thousand (Previous year: ₹ 6,315.38 thousand) in respect of the same have been charged to the State year ended March 31, 2019. The minimum lease rentals in respect of such leases are as under: -

(Amount in ₹ thousand)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Not later than one year	7,182.08	6,477.59	4,992.03
Later than one year but not later five years	3,655.69	12,285.79	14,286.69
Later than five years	-	-	-

### 36 Earnings per Share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit/(Loss) available for equity shareholders (₹ in thousand)	(2,85,667.09)	(1,34,301.93)
Weighted average number of shares used for computing basic earnings per share	53,35,07,476	53,35,07,476
Face/Nominal value of equity shares - (₹)	5.00	5.00
Basic earnings per share - (₹)	(0.54)	(0.25)
Weighted average number of shares used for computing diluted earnings per share	53,35,07,476	53,35,07,476
Diluted earnings per share - (₹)	(0.54)	(0.25)

37 The Company has not given any loans to or guarantee in respect of loans given to any other bodies corporates. Further, it has invested in mutual funds and fixed deposits and accordingly complied with section 186 (4) of the Companies act, 2013.

**Indian Commodity Exchange Limited**

Notes forming part of financial statements as at and for the year ended March 31, 2019

**38 Taxation**

(Amount in ₹ thousand)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Income tax recognised in the statement of profit and loss</b>		
Current tax	-	-
Excess Income Tax Provision of earlier years	-	-
Deferred tax	-	5,253.13
<b>Total</b>	<b>-</b>	<b>5,253.13</b>
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	(2,85,667.09)	(1,29,048.80)
Applicable tax rate	31.20%	30.90%
Computed tax expense	(89,128.13)	(39,876.08)
<b>Tax effect of :</b>		
Expenses not allowed	42,174.79	1,37,451.75
Excess income tax provision for earlier years	-	-
Income Tax Provision (A)	-	-
Incremental deferred tax (assets) / liability on account of tangible and intangible assets	(34,927)	16,503
Incremental deferred tax (asset)/liability on account of financial assets	34,927	(16,503)
Deferred tax provision (B)	-	-
Tax expenses recognized in Statement of Profit and Loss (A+B)	-	-

(Amount in ₹ thousand)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Advance Income Tax (Net of Provision)			
At start of the year	30,503.02	9,570.22	9,570.22
Charge for the year	-	-	-
(Refund received) / Tax paid during the year	(6,835.18)	20,932.80	-
At the end of the year	<b>23,667.84</b>	<b>30,503.02</b>	<b>9,570.22</b>

**39 Deferred Tax Liabilities (Net)**

(Amount in ₹ thousand)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
At the start of the year	-	-	-
(Credit) / Charge to Statement of Profit and Loss	-	-	-
At the end of the year	-	-	-

Component of Deferred Tax Liabilities :

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Deferred Tax Liabilities in relation to			
Property, plant and equipment	(34,926.83)	16,728.25	(5,966.13)
Provision for employee benefits	823.09	1,307.74	970.83
Provision for doubtful trade receivables & others	580.32	5,368.82	6,444.54
brought forward income tax losses	4,18,958.36	3,32,385.40	2,86,115.50
Financial assets at FVTPL	(6,049.60)	4,800.88	-
<b>Deferred tax assets not recognised</b>	<b>3,79,385.35</b>	<b>3,60,591.10</b>	<b>2,87,564.74</b>

No provision is made for current tax in view of losses incurred by the Company during the year (Previous year: Nil)

The above deferred tax assets have not been recognised due to the reason of virtual certainty considering prudence, during the year ended March 31, 2019, in accordance with the recommendations of Ind AS - 12 Income Taxes (Previous year - Nil).

## Indian Commodity Exchange Limited

### Notes forming part of financial statements as at and for the year ended March 31, 2019

- 40 In terms of the revised guidelines for Investor Protection Fund (“Guidelines”) dated September 26, 2016, vide circular number SEBI/HO/CDMRD/DEICE/CIR/P/2016/94 as issued by SEBI, the Company is required to create an Investor Protection Fund (“IPF”) with the objective of protection of investors’ funds from default risk of any member of the Exchange. The IPF will be administered by way of a Trust constituted for this purpose. Accordingly:

The Exchange received ₹58,242.40 thousand from erstwhile NMCE towards the addition of IPF on account of amalgamation during the previous year.

A Summary of the movement in the IPF designated bank account is provided below:

(Amount in ₹ thousand)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	1,18,108.46	50,731.98
Amount transferred during the year	-	186.49
Addition on account of merger	-	58,242.40
One time Exchange contribution	-	-
Amount of income credited during the year (Net of TDS)	-	8,977.59
Utilization during the year	-	(30.00)
Amount transferred during the year to IPF Trust	(1,18,108.46)	-
Closing balance*	-	1,18,108.46

\* Includes amount held in earmarked fixed deposits and mutual fund - ₹ Nil (Previous year : ₹117,820 thousand)

The funds in the designated bank account and earmarked fixed deposits and mutual funds has been transferred from the books of account of the Company to the Trust account on April 03, 2018.

Post amalgamation, ICEX shall use the NMCE - IPF Trust and accordingly, move all the IPF trust money to the said trust. ICEX has applied for name change of NMCE - IPF trust to ICEX - IPF Trust

- 41 The ICEX Board at its meeting held on June 30, 2017 approved the Scheme of Amalgamation of NMCE with ICEX and their respective shareholders. The Hon’ble National Company Law Tribunal (“NCLT”) convened meeting of Equity shareholders of ICEX on April 6, 2018 at its registered office at Surat, to approve the Scheme of Amalgamation of NMCE with ICEX and their respective shareholders. The shareholders of ICEX have unanimously approved the said Scheme of Amalgamation. The Exchange on April 13, 2018 has filed petition with NCLT praying to sanction the scheme and declare the same binding on both the companies and its shareholders. NCLT has sanctioned the amalgamation of NMCE with ICEX vide its order dated August 27, 2018. Both the Exchanges have filed certified copy of the order of NCLT in e-form INC-28 with ROC on September 7, 2018. The appointed date as per the scheme is April 1, 2017, w.e.f September 7, 2018 NMCE ceases to exist.

The Amalgamation has been accounted as prescribed by the Ind AS- 103. Accordingly, the assets and liabilities of the erstwhile NMCE as at 1st April, 2017 have been taken at their book values as specified in clause 2.3 of the Scheme of Amalgamation duly approved by NCLT.

Other disclosure in accordance with Ind AS 103 is as follows

Name of acquiree	National Multi Commodity Exchange of India Limited
Voting equity interests acquired	100%
How the acquirer obtained control of the acquire	Control is obtained by the virtue of amalgamation
Fair value of the total consideration	₹ 9,92,537.38 thousand (19,85,07,476 equity shares of ₹ 5 each)

**Indian Commodity Exchange Limited**
**Notes forming part of financial statements as at and for the year ended March 31, 2019**

Major class of assets acquired and liabilities assumed as at April 01, 2017

(Amount in ₹ thousand)

<b>Assets</b>	
<b>Non-Current Assets</b>	
Property, Plant and Equipment	21,548.40
Deferred Tax Assets	4,500.95
Long Term Loan and Advances	78,211.92
Other Non-Current Assets	1,46,124.75
<b>Current Assets</b>	
Current investments	3,03,295.71
Trade receivables	3,702.23
Cash and Bank Balance	3,18,246.58
Short Term Loan and Advances	5,167.40
Other Current Assets	3,630.82
<b>Total Assets</b>	<b>8,84,428.77</b>
<b>Liabilities</b>	
<b>Non-Current Liabilities</b>	
Other Long Term Liabilities	22,900.00
<b>Current Liabilities</b>	
Trade Payables	1,903.51
Other Current Liabilities	1,44,233.94
Short Term Provisions	4,037.22
<b>Total Liabilities</b>	<b>1,73,074.66</b>

As per Ind AS 103, Goodwill is subject to impairment and hence the company has reversed the amortisation relating to 2017-18 which was accounted in accordance with Accounting Standard - 14 (AS 14)

**42 Capital Management**

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

- Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk.
- Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

**43 Financial Instruments**

The financial assets are valued at fair value using discounted cash flow analysis.

**(i) Fair value measurement hierarchy**

(Amount in ₹ thousand)

Particulars	As at March 31, 2019		As at March 31, 2018		As at April 01, 2017	
	Carrying amount	Level of inputs used	Carrying amount	Level of inputs used	Carrying amount	
<b>Financial Assets</b>						
<b>At Amortised Cost</b>						
Trade receivables	15,885.88		5,758.22		-	
Cash and cash equivalents	3,730.29		375,192.09		102,913.45	
Bank balance other than cash and cash equivalents	261,029.50		103,264.09		255,000.00	
Others	12,545.56		19,093.83		9,557.32	

**At FVTPL**

Current Investments	644,058.10	Level 1	1,211,023.41	Level 1	823,023.17	Level 1
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**Financial Liabilities**
**At Amortized Cost**

Trade Payables	2,049.02		2,490.21		5,195.37	-
Others	70,751.33	-	171,208.52	-	7,848.90	-

**Indian Commodity Exchange Limited**
**Notes forming part of financial statements as at and for the year ended March 31, 2019**

The financial instruments are categorised into following levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

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

Level 3: Unobservable inputs for the asset or liability.

**(ii) Credit Risk**

Credit risk is the risk that a receivables to a financial instrument fails to pay the amounts due causing financial loss to the company. Credit risk arises from Company's activities in investments and outstanding receivables.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

44 As at the close of the year, the Exchange holds Diamond worth ₹ 24,080.67 thousand (Previous year: ₹ 18,426.42 thousand) on behalf of E-unit holder's who have converted their Diamonds into deliverable E-units as a part of delivery process of Diamond contract.

**45 First Time Ind AS Adoption Reconciliations**

Reconciliation of Profit and Other Equity between Ind AS and Previous GAAP:

(Amount in ₹ thousand)

Reconciliation from Indian GAAP and Ind AS	Net Profit	Other Equity	
	Year ended March 31, 2018	As at March 31, 2018	As at April 01, 2017
<b>Particulars</b>			
Net profit or loss/Other equity as per Indian GAAP	(2,35,013.61)	(7,70,512.88)	(5,35,499.26)
Profit / (Loss) on fair value of Investment	15,536.84	20,463.56	4,926.72
Remeasurement Gain/(Loss) of Employee benefits obligation	883.59	883.59	-
Adjustment on finance income of lease rental deposits	301.36	190.84	(110.52)
Adjustment on lease rental expenses	(322.75)	(322.75)	-
Adjustment due to amalgamation	86,079.82	86,079.82	-
Net profit or loss/Other equity as per Ind AS	(1,34,301.94)	(6,64,985.00)	(5,30,683.06)
Other comprehensive income, net of income tax	883.59	883.59	
Total comprehensive income for the period	(1,33,418.35)	(6,64,101.41)	(5,30,683.06)

**Fair valuation for Financial Assets**

The Company has valued financial assets at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Statement of Profit and Loss or Other Comprehensive Income, as the case may be.

**Remeasurement Cost of Defined Benefit Plan**

In the financial statements prepared under Previous GAAP, remeasurement benefit of defined plans, arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such remeasurement benefits relating to defined benefit plans is recognised in OCI as per the requirements of Ind AS 19- Employee benefits.

**Deferred Tax**

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss for the subsequent periods.

**Indian Commodity Exchange Limited****Notes forming part of financial statements as at and for the year ended March 31, 2019**

**46** In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at March 31, 2019 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the Balance Sheet and no further provision is required to be made against the recoverability of these balances, other than already created in the financial statements

**47** Previous year's figures have been regrouped / reclassified to confirm to the current year's classification.

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

As per our attached report of even date

**For Chaturvedi & Shah LLP**  
Chartered Accountants  
Firm Registration No. 101720W / W100355

**For and on behalf of the Board of Directors  
of Indian Commodity Exchange Limited**

**Sandesh Ladha**  
Partner  
Membership No. 047841

**Hemanta K. Pradhan**  
Chairman  
DIN:02607244

**Sanjit Prasad**  
Managing Director & CEO  
DIN: 03304097

Navi Mumbai, April 25, 2019

**Ghanashyam V. Rao**  
Chief Financial Officer

**Shweta Gujar**  
Company Secretary

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